

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF CITIPOWER,)	
LLC FOR AN ADJUSTMENT OF RATES)	
PURSUANT TO THE ALTERNATIVE)	CASE NO. 99-225
RATE FILING PROCEDURE FOR)	
SMALL UTILITIES)	

O R D E R

On June 3, 1999, Citipower, LLC (“Citipower”) applied for an adjustment of its rates for natural gas distribution services pursuant to 807 KAR 5:076, the Alternative Rate Adjustment Procedure for Small Utilities. Intervention was requested by and granted to the Office of the Attorney General (“AG”).

Citipower’s proposed rates produced additional annual normalized revenue of \$40,466, an increase of 23 percent over Commission Staff’s (“Staff”) normalized test period revenue from natural gas distribution services of \$174,796. Staff conducted a limited review of Citipower’s test period financial records and issued its report on March 17, 2000, which recommended that the Commission grant Citipower an annual revenue requirement from rates of \$215,262, an increase of \$40,466, or 23 percent, based on rates proposed by Citipower in its application.

The Commission’s March 17, 2000 Order requested that all parties submit written comments on the Staff Report within 10 days from the date of the Order. Neither Citipower nor the AG filed a response to the Staff Report recommendations within the

prescribed comment period; therefore, the case has been submitted to the Commission for a decision.

The Commission, after considering the evidence of record and being otherwise sufficiently advised, finds that:

1. The recommendations and findings in the Staff Report are reasonable and should be adopted as the Commission's findings and incorporated by reference as if fully set out herein.

2. The rates in Appendix A will produce gross annual natural gas distribution service revenue of \$215,750, including revenues from late payment fees, and are fair, just and reasonable rates for Citipower.

3. In order to assure that Citipower complies with the various recommendations adopted herein in a timely manner, Citipower should file its plan for compliance with the recommendations contained in the Staff Report within 60 days from the issuance of this Order.

4. Citipower should file quarterly reports 45 days after the end of each calendar quarter beginning with the period ending June 30, 2000, to allow the Commission to monitor its compliance with the requirements of this Order. At a minimum, these reports should include a comparative balance sheet, a detailed income statement, and a statement of cash flows.

IT IS THEREFORE ORDERED that:

1. The rates requested by Citipower and recommended by Staff, contained in Appendix A, are approved for service rendered by Citipower on and after the date of this Order.

2. Citipower shall comply with all instructions set out in Findings 3 and 4 as if they were individually so ordered.

3. Within 30 days of the date of this Order, Citipower shall file with the Commission its revised tariffs setting out the rates approved herein, showing their effective date and that they were issued pursuant to this Order.

Done at Frankfort, Kentucky, this 31st day of March, 2000.

By the Commission

ATTEST:

Deputy Wm H. Bowker
Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-225 DATED MARCH 31, 2000

The following rates and charges are prescribed for the customers in the area served by Citipower, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

Residential

Minimum Bill:	
0 – .7 Mcf	\$5.00
Volumetric Rate	8.50

Commercial

Minimum Bill:	
0 - .7 Mcf	\$5.00
Volumetric Rate	8.50

Institutional

Minimum Bill:	
0 - .8 Mcf	\$5.00
Volumetric Rate	7.50

Industrial

Minimum Bill:	
0 - .8 Mcf	\$5.00
Volumetric Rate	7.50