

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT	)	CASE NO.
FILING OF CITIPOWER, LLC	)	2004-00026

O R D E R

On March 31, 2000, the Commission issued its Order in Case No. 1999-00225 approving certain adjustments to the rates of Citipower, LLC ("Citipower") and providing under certain conditions for the further adjustment of such rates in accordance with the provisions of Citipower's gas cost adjustment ("GCA") clause.

On January 26, 2004, Citipower filed its GCA to be effective March 1, 2004.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Citipower's notice proposes revised rates to pass on its expected change in gas costs to its customers.
2. Citipower's proposed expected gas cost ("EGC") is \$6.9360 per Mcf, an increase of \$1.14 per Mcf from the prior EGC of \$5.7960.
3. Citipower's notice sets out no refund adjustment.
4. Citipower's notice sets out a current quarter actual adjustment ("AA") of (8.33) cents per Mcf. Citipower's notice sets out a total AA of \$3.9740 per Mcf, which is a decrease of 12.63 cents per Mcf from the previous total AA. This total AA includes a previous quarter AA that will remain in effect for 36 months.<sup>1</sup>

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<sup>1</sup> Case No. 2002-00252, Notice of Gas Cost Adjustment Filing of Citipower, LLC, Order dated August 9, 2002.

5. Citipower's notice sets out a balance adjustment ("BA") of (47.41) cents per Mcf, which is a decrease of 47.41 cents per Mcf from the previous BA. Citipower's BA is based on two components. The first component is an AA that expired December 2003, and the second component is based on the expired first year of the AA implemented for 36 months.

6. These combined adjustments produce a GCA of \$10.4359, which is 53.96 cents per Mcf more than the previous rate of \$9.8963.

7. The revised rates in the Appendix to this Order are fair, just and reasonable, and should be approved for billing for service rendered on and after March 1, 2004.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for billing for service rendered on and after March 1, 2004.

2. Within 20 days of the date of this Order, Citipower shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23<sup>rd</sup> day of February, 2004.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00026 DATED February 23, 2004

The following rates and charges are prescribed for the customers 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 and Commercial

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$6.4592	\$10.4359	\$16.8951

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.

#### Industrial and Institutional

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$5.4592	\$10.4359	\$15.8951

The volumetric rate will apply to all Mcfs sold, subject to a minimum bill of \$5.00. In those cases where the usage applied to the volumetric rate results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum.