

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	CASE NO.
FILING OF CITIPOWER, LLC)	2005-00169

O R D E R

On March 31, 2000, the Commission issued its Order in Case No. 1999-00225¹ 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 April 25, 2005, Citipower filed its GCA to be effective June 1, 2005.

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 \$8.67 per Mcf, an increase of \$1.124 per Mcf from the prior EGC of \$7.546.
3. Citipower’s notice sets out no refund adjustment.
4. Citipower’s notice sets out a current quarter actual adjustment (“AA”) of (42.23) cents per Mcf. Citipower’s notice sets out a total AA of \$1.0903 per Mcf, which

¹ Case No. 1999-00225, The Application of Citipower, LLC, for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities, Order dated March 31, 2000.

is a decrease of 81.67 cents per Mcf from the previous total AA. This total AA includes a previous quarter AA that will remain in effect until September 2005.²

5. Citipower's notice sets out a current quarter balance adjustment ("BA") of (15.74) cents per Mcf. Citipower incorrectly calculated the total balance adjustment amount. The correct calculation produces a current quarter BA of .91 cent. Citipower's total BA is (87.91) cents per Mcf, which is an increase of 49.64 cents per Mcf from the previous total BA.

6. These combined adjustments produce a GCA of \$8.8812, which is 80.37 cents per Mcf more than the previous rate of \$8.0775.

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 June 1, 2005.

IT IS THEREFORE ORDERED that:

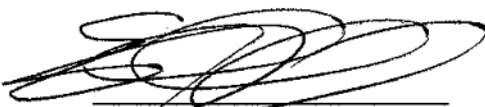
1. Citipower's proposed rates are denied.
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are approved for billing for service rendered on and after June 1, 2005.
3. Within 20 days of the date of this Order, Citipower shall file with this Commission its revised tariffs setting out the rates authorized herein.

² Case No. 2002-00252, Notice of Gas Cost Adjustment Filing of Citipower, LLC, Order dated August 9, 2002.

Done at Frankfort, Kentucky, this 23rd day of May, 2005.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the bottom.

Executive Director

Case No. 2005-00169

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00169 DATED May 23, 2005

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	\$8.8812	\$15.3404

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	\$8.8812	\$14.3404

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.