

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	CASE NO.
FILING OF CITIPOWER, LLC)	2005-00443

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 October 31, 2005, Citipower filed its GCA to be effective December 1, 2005. On November 16, 2005, Citipower revised its expected gas cost (“EGC”) to reflect the decrease in wholesale natural gas prices since its original filing.

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

1. Citipower’s notice proposes revised rates designed to pass on its expected change in gas costs to its customers.
2. Citipower’s proposed EGC is \$14.86 per Mcf, an increase of \$6.19 per Mcf from the prior approved EGC of \$8.67.
3. Citipower’s notice sets out no refund adjustment.

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.

4. Citipower's notice sets out a current quarter actual adjustment ("AA") of 2 cents per Mcf. Citipower's notice sets out total AA of (11.25) cents per Mcf. Citipower incorrectly included a proposed AA from its last gas cost recovery ("GCR") case,² which is still in suspension and therefore has not been approved. Correcting for this produces a total AA of (18.97) cents per Mcf, which is a decrease of \$1.28 per Mcf from the previously approved AA.³

5. Citipower's notice sets out a current quarter balance adjustment ("BA") of (5.91) cents per Mcf. Citipower's notice sets out a total BA of (11.67) cents per Mcf. Citipower incorrectly included a proposed BA from its last GCR case, which is still in suspension and therefore has not been approved. Correcting for this produces a total BA of (6.98) cents per Mcf, which is an increase of 80.93 cents per Mcf from the previous total BA.

6. These combined adjustments produce a GCA of \$14.6005, which is \$5.7193 per Mcf more than the previous rate of \$8.8812.

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 December 1, 2005.

IT IS THEREFORE ORDERED that:

1. Citipower's proposed rates are denied.

² Case No. 2005-00319, Notice of Gas Cost Adjustment Filing of Citipower, LLC, filed August 1, 2005.

³ Case No. 2005-00169, Notice of Gas Cost Adjustment Filing of Citipower, LLC, Order dated May 23, 2005.

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 December 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.

Done at Frankfort, Kentucky, this 30th day of November, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00443 DATED November 30, 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	\$14.6005	\$21.0597

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	\$14.6005	\$20.0597

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.