COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT) CASE NO. FILING OF CITIPOWER, LLC) 2006-00462

<u>ORDER</u>

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 November 1, 2006, Citipower filed its GCA to be effective December 1, 2006.

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 EGC is \$10.04 per Mcf, a decrease of 27 cents per Mcf from the prior approved EGC of \$10.31.
 - 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.

4. Citipower's notice sets out a current quarter actual adjustment ("AA") of

(25.25) cents per Mcf. Citipower's total AA is (\$1.2368) per Mcf, which is a decrease of

27.25 cents per Mcf from the previous total AA.

5. Citipower's notice sets out a current quarter balance adjustment ("BA") of

4.32 cents per Mcf. Citipower's total BA is .68 cent per Mcf, which is an increase of

10.23 cents per Mcf from the previous total BA.

6. These combined adjustments produce a GCA of \$8.81, which is 44.02

cents per Mcf less than the previous rate of \$9.2502.

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, 2006.

IT IS THEREFORE ORDERED that:

1. 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, 2006.

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 28th day of November, 2006.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00462 DATED November 28, 2006.

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

		Gas Cost Recovery	
	Base Rate	Rate	<u>Total</u>
Volumetric Rate	\$6.4592	\$8.81	\$15.2692

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

		Gas Cost Recovery	
	Base Rate	Rate	<u>Total</u>
Volumetric Rate	\$5.4592	\$8.81	\$14.2692

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.