

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT OF CITIPOWER, LLC) CASE NO. 2008-00491

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 December 1, 2008, Citipower filed its GCA to be effective January 1, 2009.

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 \$13.7089 per Mcf, which is an increase of \$.0014 per Mcf from the prior approved EGC of \$13.7075.
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 \$.0001 per Mcf. Citipower's total AA is \$1.3895 per Mcf, which is a decrease of \$.0703 per Mcf from the previous total AA of \$1.4598.

5. Citipower's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0305) per Mcf on Schedule IV, but reported it as \$.1369 per Mcf on Schedule I. The factor calculated on Schedule IV is correct. Correcting for this error on Schedule I, Citipower's total BA is (\$.0709) per Mcf, which is a decrease of \$.1622 per Mcf from its prior total BA of \$.0913.

6. These adjustments produce a GCA of \$15.0275, which is \$.2311 per Mcf less than the previous rate of \$15.2586.

7. The rates in Appendix A to this Order are fair, just and reasonable, and should be approved for billing for service rendered on and after January 1, 2009.

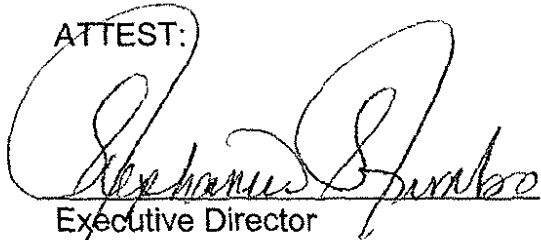
IT IS THEREFORE ORDERED that:

1. Citipower's proposed rates are denied.
2. The rates in Appendix A to this Order are fair, just, and reasonable, and are approved for billing for service rendered on and after January 1, 2009.
3. Within 20 days of the date of this Order, Citipower shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of December, 2008.

By the Commission

ATTEST:



Stephen B. Spivey
Executive Director

APPENDIX A
APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00491 DATED DECEMBER 23, 2008

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 the 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	\$15.0275	\$21.4867

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	\$15.0275	\$20.4867

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.

John Forsberg
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