

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT ) CASE NO. 2009-00472  
FILING OF CITIPOWER, LLC )

O R D E R

On March 31, 2000, the Commission issued its Order in Case No. 1999-00225<sup>1</sup> 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 2, 2009, Citipower filed its GCA to be effective January 1, 2010. On December 14, 2009, Citipower filed a revision to its GCA. 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 proposed an Expected Gas Cost ("EGC") of \$6.4700 per Mcf, based on the New York Mercantile Exchange ("NYMEX") natural gas 12-month strip rate for July 2009. In previous GCA filings with the Commission, the gas cost proposed by Citipower and approved by the Commission was also based on 12-month NYMEX

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<sup>1</sup> Case No. 1999-00225, Application of Citipower, LLC for an Adjustment of Rates Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC Mar. 31, 2000).

strip rates. In Citipower's most recent GCA cases, the Commission approved rates based on a 12 month NYMEX strip rate. In the current filing, the Commission will approve Citipower's proposed rate as passed along to it from CitiGas because it is consistent with the current 12-month NYMEX strip rate for December 2009. In future filings, Citipower should confirm that its supplier price is based on the 12 month NYMEX strip rate using the most recent data available, as opposed to historic data, or provide the basis for its calculation if some other method was used. Citipower's proposed \$6.4700 per Mcf EGC is an increase of \$.0200 per Mcf from the prior approved EGC of \$6.4500 per Mcf.

3. Citipower's notice sets out no refund adjustment.

4. Citipower's notice sets out a current quarter Actual Adjustment ("AA") of \$.0015 per Mcf based on its statement that its "Unit Cost of Gas" for July, August, and September 2009 was \$6.47 per Mcf. Citipower's total AA is \$.2562 per Mcf, which is an increase of \$.0014 per Mcf from the previous total AA of \$.2548 per Mcf.

5. Citipower's notice sets out a current quarter Balance Adjustment ("BA") of \$.0028 per Mcf. Citipower's total BA is \$.0980 per Mcf, which is an increase of \$.0333 per Mcf from its prior total BA of \$.0647 per Mcf.

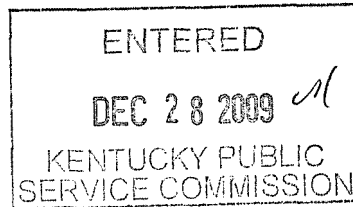
6. These combined adjustments produce a GCA of \$6.8242 per Mcf, which is an increase of \$.0547 per Mcf from the previous rate of \$6.7695 per Mcf.

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 January 1, 2010.

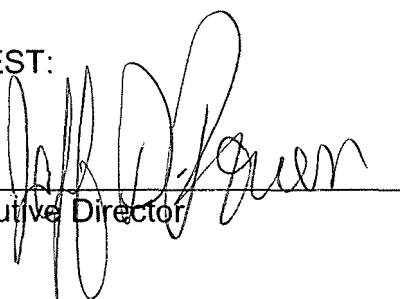
IT IS THEREFORE ORDERED that:

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 January 1, 2010.
2. Within 20 days of the date of this Order, Citipower shall file with the Commission its revised tariffs setting out the rates authorized herein and reflecting that they were authorized by this Order.

By the Commission



ATTEST:

  
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Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00472 DATED **DEC 28 2009**

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	\$ 6.8242	\$13.2834

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	\$ 6.8242	\$12.2834

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.

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