



Ernie Fletcher
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Mark David Goss
Chairman

Teresa J. Hill
Vice Chairman

Gregory Coker
Commissioner

August 18, 2005

RE: Case No. 2005-00319

We enclose one attested copy of the Commission's Order in the above case.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell
Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT) CASE NO.
FILING OF CITIPOWER, LLC) 2005-00319

O R D E R

On August 1, 2005, Citipower, LLC ("Citipower") filed an application to increase its gas cost adjustment ("GCA") rate to customers. In its application, Citipower indicated an effective date of September 1, 2005 for the proposed rates. Citipower also proposed a new fee of three dollars per Mcf, charged by its affiliate supplier for transportation and to guarantee supply. Under KRS 278.274, the Commission may review the utility's natural gas purchasing practices in order to determine the reasonableness of the transactions. Since the supplier is both an affiliate and the new charge is substantial, the Commission finds, pursuant to KRS 278.190, further proceedings are necessary in order to determine the reasonableness of the proposed rates and that such proceedings cannot be completed prior to the proposed effective date.

The Commission further finds that a procedural schedule for this matter should be established to allow all parties to participate in the proceeding, and the Commission expects that all parties will file all necessary documents timely as required by the procedural schedule.

The Commission being otherwise sufficiently advised, IT IS HEREBY ORDERED that:

1. The proposed rates are hereby suspended for 5 months from September 1, 2005 up to and including January 31, 2006. Nothing shall prevent the Commission from issuing an Order prior to the end of the suspension period.

2. The procedural schedule set forth in Appendix A to this Order shall be followed in this proceeding.

3. All interrogatories and requests for production of documents shall be appropriately indexed. Responses shall include the names of the individuals responsible for responding to the questions related to the information provided.

4. Service of any document or pleading shall be made in accordance with Administrative Regulation 807 KAR 5:001, Section 3(7), and Kentucky Civil Rule 5.02.


5. All documents that the Commission requires any party to file with the Commission shall also be served upon all parties of record at or before the time of filing.

6. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

Done at Frankfort, Kentucky, this 18th day of August, 2005.

By the Commission

ATTEST:



Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2005-00319 DATED August 18, 2005.

The parties may serve interrogatories and requests for
production of documents upon Citipower no later than09/01/2005

Citipower shall file with the Commission and serve
upon all parties of record responses to interrogatories
and requests for production of documents no later than09/15/2005

The Intervenors and Commission Staff may serve
supplemental interrogatories and requests for production
of documents upon Citipower no later than.....09/29/2005

Citipower shall file with the Commission and serve
upon all parties of record responses to supplemental
interrogatories and requests for production of
documents no later than 10/14/2005