

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	CASE NO.
FILING OF CITIPOWER, LLC)	2006-00175

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 April 28, 2006, Citipower filed its GCA to be effective June 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 \$9.23 per Mcf, a decrease of \$1.03 per Mcf from the prior approved EGC of \$10.26.
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 (71.24) cents per Mcf. Citipower used the incorrect EGC for its calculation of the cost difference for November 2005. Correcting for this produces a current quarter AA of (40) cents per Mcf. Citipower's total AA is 49.8 cents per Mcf, which is an increase of 2.23 cents per Mcf from the previous total AA.

5. Citipower's notice sets out a current quarter balance adjustment ("BA") of (2.61) cents per Mcf. Citipower used the AA from the wrong case to calculate its current quarter BA.² Correcting for this produces a current quarter BA of (.65) cent per Mcf. Citipower's total BA is (7.67) cents per Mcf, which is a decrease of 1.56 cent per Mcf from the previous total BA.

6. These combined adjustments produce a GCA of \$9.6513, which is \$1.0233 per Mcf less than the previous rate of \$10.6746.

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 June 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 June 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.

² Citipower used the AA from Case No. 2005-00081 rather than from Case No. 2004-00432 to calculate its BA.

Done at Frankfort, Kentucky, this 22nd day of May, 2006.

By the Commission

ATTEST:



Executive Director

APPENDIX
APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00175 DATED May 22, 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

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Volumetric Rate	\$6.4592	\$9.6513	\$16.1105

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>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Volumetric Rate	\$5.4592	\$9.6513	\$15.1105

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.