

4. Citipower's notice sets out a current quarter actual adjustment ("AA") of (32.20) cents per Mcf. Citipower's total AA is (\$2.4368) per Mcf, which is a decrease of \$1.20 per Mcf from the previous total AA.

5. Citipower's notice sets out a current quarter balance adjustment ("BA") of (.57) cent per Mcf. Citipower based its calculation on a prior current quarter AA that was never implemented. Reviewing Citipower's prior filings shows that the next AA that expired and should be incorporated into the BA is from Case No. 2006-00044,¹ which was effective March 1, 2006. Since the AA has not been in effect for 12 months, the proposed current quarter BA will be removed from this GCA and included in Citipower's next filing. Citipower also did not correctly carry forward its previous quarter AAs, reporting them as positive rather than negative amounts. Correcting for this and removing the current quarter AA results in a total BA of 1.79 cents per Mcf, which is an increase of 1.11 cents per Mcf from the previous total BA.

6. These combined adjustments produce a GCA of \$6.7511, which is \$2.0589 per Mcf less than the previous rate of \$8.81.

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 March 1, 2007.

IT IS THEREFORE ORDERED that:

1. Citipower's proposed rates are denied.

¹ Case No. 2006-00044, Notice of Gas Cost Adjustment Filing of Citipower, LLC, Order dated February 17, 2006.

2. The rates in the Appendix to this Order are fair, just, and reasonable, and are approved for billing for service rendered on and after March 1, 2007.

3. 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 27th day of February, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00053 DATED February 27, 2007.

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 | \$6.7511 | \$13.2103 |

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 | \$6.7511 | \$12.2103 |

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.