

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	CASE NO.
FILING OF CITIPOWER, LLC)	2003-00407

O R D E R

On March 31, 2000, the Commission issued its Order in Case No. 1999-00225 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 October 29, 2003, Citipower filed its GCA to be effective December 1, 2003.

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 \$5.7960 per Mcf, a decrease of 69.72 cents per Mcf from the prior EGC of \$6.4932.
3. Citipower s notice sets out no refund adjustment.
4. Citipower s notice sets out a current quarter actual adjustment (AA) of 10.37 cents per Mcf. Citipower s notice sets out a total AA of \$4.1094 per Mcf. Citipower carried forward an incorrect AA from the prior quarter that will expire March

2004. The correct figure should be 4.3 cents per Mcf, rather than 5.21 cents per Mcf.¹ Correcting for this produces a total AA of \$4.1003, which is an increase of 8.91 cents per Mcf from the previous total AA. This total AA includes a previous quarter AA that will remain in effect for 36 months.²

5. Citipower's notice sets out a balance adjustment (BA) of (45.76) cents per Mcf. The BA was based on a prior quarter AA that was placed into effect for 36 months and is still included in the total AA.³ The first BA should be in Citipower's next GCA filing, which will incorporate the quarterly AA of 1.46 cents per Mcf, approved in Case No. 2002-00390,⁴ that will expire December 1, 2003.

6. These combined adjustments produce a GCA of \$9.8963, which is 60.81 cents per Mcf less than the previous rate of \$10.5044.

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 December 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for billing for service rendered on and after December 1, 2003.

¹ Case No. 2003-00036, Notice of Gas Cost Adjustment Filing of Citipower, LLC, Order dated February 20, 2003.

² Case No. 2002-00252, Notice of Gas Cost Adjustment Filing of Citipower, LLC, Order dated August 9, 2002.

³ Id.

⁴ Case No. 2002-00390, Notice of Gas Cost Adjustment Filing of Citipower, LLC, Order dated November 21, 2002.

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.

Done at Frankfort, Kentucky, this 21st day of November, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00407 DATED November 21, 2003

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>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Volumetric Rate	\$6.4592	\$9.8963	\$16.3555

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	\$9.8963	\$15.3555

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.