

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT	)	CASE NO.
FILING OF CITIPOWER, LLC	)	2004-00322

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 August 18, 2004, Citipower filed its GCA to be effective September 1, 2004. While Citipower did not provide 30 days notice of its proposed rate change as required by KRS 278.180, its proposed GCA is a decrease from its prior approved rate. KRS 278.180(2) permits the Commission to shorten the required notice period for a reduction in rates. Therefore, the Commission finds that Citipower’s request for a September 1 effective date should be granted.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Citipower’s notice proposes revised rates designed to pass on its expected change in gas costs to its customers.

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<sup>1</sup> 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.

2. Citipower's proposed expected gas cost ("EGC") is \$6.9860 per Mcf, a decrease of 11.44 cents per Mcf from the prior EGC of \$7.1004.

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

4. Citipower's notice sets out a current quarter actual adjustment ("AA") of 13.69 cents per Mcf. Citipower's notice sets out a total AA of \$1.6653 per Mcf, which is a decrease of \$1.2627 per Mcf from the previous total AA. This total AA includes a previous quarter AA that will remain in effect until September 2005.<sup>2</sup>

5. Citipower's notice sets out a current quarter balance adjustment ("BA") of (50.93) cents per Mcf. Citipower's notices sets out a total BA of \$1.0069 per Mcf. Citipower included an incorrect previous quarter AA factor in its total BA.<sup>3</sup> Correcting for this produces a total BA of (\$1.0028) per Mcf, which is a decrease of 50.93 cents per Mcf from the previous total BA.

6. These combined adjustments produce a GCA of \$7.6485, which is \$1.8864 per Mcf less than the previous rate of \$9.5349.

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 September 1, 2004.

IT IS THEREFORE ORDERED that:

1. Citipower's proposed rates are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for billing for service rendered on and after September 1, 2004.

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

<sup>3</sup> Case No. 2004-00151 corrected the quarterly BA from (2.35) cents per Mcf to (1.94) cent per Mcf.

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 30<sup>th</sup> day of August, 2004.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a long horizontal stroke at the end, positioned above a solid horizontal line.

Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00322 DATED August 30, 2004

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	\$7.6485	\$14.1077

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	\$7.6485	\$13.1077

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.