

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT	)	CASE NO.
FILING OF CITIPOWER, LLC	)	2007-00174

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 May 2, 2007, Citipower filed its GCA to be effective June 1, 2007.

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 \$10.44 per Mcf, which is an increase of \$1.27 per Mcf from the prior approved EGC of \$9.17.
3. Citipower’s notice sets out no refund adjustment.

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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.

4. Citipower's notice sets out a current quarter actual adjustment ("AA") of (34.26) cents per Mcf. Citipower's total AA is (\$2.3794) per Mcf, which is an increase of 5.74 cents per Mcf from the previous total AA.

5. Citipower's notice sets out a current quarter balance adjustment ("BA") of (.13) cent per Mcf. Citipower based its calculation on an incorrect prior current quarter AA. 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,<sup>2</sup> which was effective March 1, 2006. Correcting for this produces a current quarter AA of (4.75) cents per Mcf. Citipower also did not correctly carry forward its previous quarter AA in calculating its total AA. Correcting for this results in a total BA of (2.31) cents per Mcf, which is a decrease of 4.10 cents per Mcf from the previous total BA.

6. These combined adjustments produce a GCA of \$8.0375, which is \$1.2864 per Mcf more than the previous rate of \$6.7511.

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, 2007.

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 approved for billing for service rendered on and after June 1, 2007.

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<sup>2</sup> Case No. 2006-00044, Notice of Gas Cost Adjustment Filing of Citipower, LLC, Order dated February 17, 2006.

3. Within 20 days of the date of this Order, Citipower shall file with the Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 29<sup>th</sup> day of May, 2007.

By the Commission

ATTEST:

A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom.

Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00174 DATED MAY 29, 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 the 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	\$8.0375	\$14.4967

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	\$8.0375	\$13.4967

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.