

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST)
ADJUSTMENT FILING OF) CASE NO. 2008-00358
CITIPOWER, LLC)

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 August 29, 2008, Citipower filed its GCA to be effective October 1, 2008.

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 \$13.7075 per Mcf, which is an increase of \$.0475 per Mcf from the prior approved EGC of \$13.66.
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.

4. Citipower's notice sets out a current quarter Actual Adjustment ("AA") of \$.1679 per Mcf. Citipower's total AA is \$1.4598 per Mcf, which is an increase of \$.3403 per Mcf from the previous total AA.

5. Citipower's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0358) per Mcf. Citipower's total BA is \$.0913 per Mcf, which is a decrease of \$.0707 per Mcf from its prior total BA.

6. These combined adjustments produce a GCA of \$15.2586, which is \$.3171 per Mcf more than the previous rate of \$14.9415.

7. The revised rates in Appendix A to this Order are fair, just and reasonable, and should be approved for billing for service rendered on and after October 1, 2008.

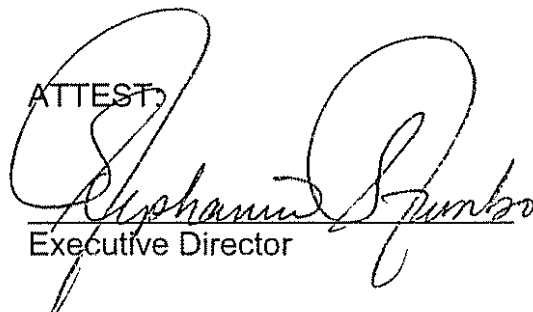
IT IS THEREFORE ORDERED that:

1. The rates in Appendix A to this Order are fair, just, and reasonable, and are approved for billing for service rendered on and after October 1, 2008.

2. 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 22nd day of September, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00358 DATED SEPTEMBER 22, 2008

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	\$15.2586	\$21.7178

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	\$15.2586	\$20.7178

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.