

**Goss  
Samford**

ATTORNEYS AT LAW | PLLC

**L. Allyson Honaker**  
allyson@gosssamfordlaw.com  
(859) 368-7740

RECEIVED

MAR 31 2017

PUBLIC SERVICE  
COMMISSION

March 31, 2017

***Via Hand-Delivery***

Ms. Talina Mathews, Ph.D.  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

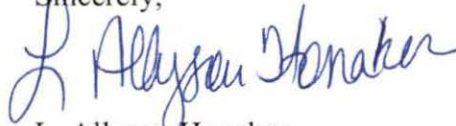
Re: In the Matter of: *The Application of Citipower, LLC for a Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076* - Case No. 2017-00160

Dear Ms. Matthews:

Enclosed please find for filing with the Commission in the above-referenced case an original and five (5) copies of Citipower LLC's Application for a Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076. Please return a file-stamped copy to me.

Please do not hesitate to contact me if you have any questions.

Sincerely,



L. Allyson Honaker

Enclosures

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

RECEIVED

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

MAR 31 2017

For Small Utilities Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

PUBLIC SERVICE  
COMMISSION

Citipower, LLC

*(Name of Utility)*

37 Court Street

*(Business Mailing Address - Number and Street, or P.O. Box)*

Whitley City, Kentucky 42653

*(Business Mailing Address - City, State, and Zip)*

606-376-8373

*(Telephone Number)*

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

L. Allyson Honaker

*(Name)*

2365 Harrodsburg Road Suite B-325

*(Address - Number and Street or P.O. Box)*

Lexington, KY 40504

*(Address - City, State, Zip)*

859-368-7740

*(Telephone Number)*

allyson@gossamfordlaw.com

*(Email Address)*

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

- |   | YES                                 | NO                                  | N/A |
|---|-------------------------------------|-------------------------------------|-----|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |     |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |     |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |     |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |     |
| 3. Applicant's records are kept separate from other commonly-owned enterprises.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |     |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of \_\_\_\_\_, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of Deleware, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of \_\_\_\_\_, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 700 Capitol Avenue, Suite 118, Frankfort, Kentucky 40601-3449.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2015.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 244,586.55 and total revenues from service rates of \$ 1,136,905.00. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 447 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.



- |  | YES                                 | NO                                  | N/A                                 |
|--|-------------------------------------|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |                                     |
| b. Applicant is required to file state and federal tax returns.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |                                     |
| c. Applicant's most recent state and federal tax returns are attached to this Application. <b>(Attach a copy of returns.)</b>  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 17. Approximately <u>0%</u> <b>(Insert dollar amount or percentage of total utility plant)</b> of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |                                     |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |                                     |

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed *L. Allyson Honaker*  
Officer of the Company/Authorized Representative

Title *Attorney*

Date *3-30-17*

COMMONWEALTH OF KENTUCKY  
 COUNTY OF *FAYETTE*

Before me appeared *L. Allyson Honaker*, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

*Candra A. Cannon*  
 Notary Public *#561233*  
 My commission expires: *07-20-2020*

LIST OF ATTACHMENTS  
(Indicate all documents submitted by checking box)

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment"
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.) (Citipower does not have any outstanding debt instruments)
- State Tax Return (Citipower does not file state tax returns)
- Federal Tax Return (Citipower does not file federal tax returns)
- Statement of Disclosure of Related Party Transactions - ARF Form 3

## CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing has been served, by delivering same to the custody and care of the U.S. Postal Service, postage pre-paid, this 31<sup>st</sup> day of March, 2017, addressed to the following:

Office of Rate Intervention  
Office of Attorney General  
700 Capitol Avenue  
Suite 118  
Frankfort, KY 40601-3449

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Counsel for Citipower LLC

NOTICE OF APPLICATION OF CITIPOWER, LLC TO ADJUST RATES FOR NATURAL GAS SERVICE BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY March 31, 2017

Pursuant to the Kentucky Public Service Commission's regulation 807 KAR 5:076, Citipower, LLC gives notice that an application has been filed on March 31, 2017, with the Kentucky Public Service Commission seeking approval to adjust its rates for natural gas service. This rate adjustment will apply to all of Citipower LLC's customers. The increase is to be effective October 1, 2017, or sooner, if approved by the Kentucky Public Service Commission. If Citipower, LLC's application is approved, monthly natural gas bills from Citipower, LLC will increase as follows:

Customer Class	Existing Base Rate (customer charge)	Proposed Base Rates (customer charge)	Proposed Increase Amount	% of Proposed Increase
Commercial	\$5.00	\$20.00	\$15.00	300%
Industrial	\$5.00	\$20.00	\$15.00	300%
Institutional	\$5.00	\$30.00	\$25.00	500%
Residential	\$5.00	\$10.00	\$5.00	100%

Customer Class	Existing Gas Cost Rates	Proposed Gas Cost Rates	Proposed Increase Amount	% of Proposed Increase
Commercial	\$7.6492/mcf	\$ 9.2500/mcf	\$1.6008/mcf	20.93%
Industrial	\$6.6492/mcf	\$9.0000/mcf	\$2.3508/mcf	35.35%
Institutional	\$6.6492/mcf	\$10.7500/mcf	\$4.1068/mcf	61.76%
Residential	\$7.6492/mcf	\$8.7500/mcf	\$1.1008/mcf	14.39%

Customer Class	2015 average usage per customer	Average monthly customer usage	Average monthly cost per customer	Cost increase based on average usage
Commercial	113	9.4	\$131.08	\$15.08
Industrial	942	78.5	\$1,006.75	\$184.54
Institutional	1,498	124.9	\$1,486.05	\$512.09
Residential	30	2.5	\$37.05	\$2.79

The cost increase is if the proposed rates are approved by the Kentucky Public Service Commission. The rates contained in this notice are the rates proposed by Citipower, LLC however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request to intervene to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party. If the Kentucky Public Service Commission does not receive a request to intervene within thirty (30) days of the initial publication or mailing of this notice, the Kentucky Public Service Commission may take final action on the application. Any comments regarding this application may be submitted through the Commission's Web site at <http://psc.ky.gov/> or by mail to P.O. Box 615, Frankfort, Kentucky 40602.

Copies of Citipower, LLC's application may be obtained or viewed from Citipower, LLC at 37 Court Street, Whitley City, Kentucky 42653 Monday through Friday from 8:30 a.m. to 4:30 p.m. The application and all documents filed with the Kentucky Public Service Commission may be viewed and downloaded at the Kentucky Public Service Commission's Web site at <http://psc.ky.gov/> or a copy can be obtained from the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602 between the hours of 8:00 a.m. to 4:00 p.m.



**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

**The Application of Citipower, LLC for a )**  
**Rate Adjustment for Small Utilities ) Case No. 2017-\_\_\_\_\_**  
**Pursuant to 807 KAR 5:076 )**

**SUPPLEMENTAL INFORMATION**

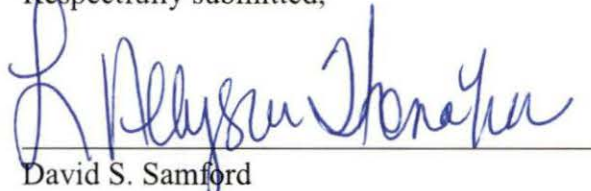
Citipower, LLC (“Citipower”) is a limited liability company which is a wholly owned subsidiary of CitiEnergy, LLC (“CitiEnergy”). Citipower has filed for a rate adjustment for small utilities pursuant to 807 KAR 5:076. A completed ARF Form 1 and all necessary attachments are included with this filing.

Citipower does not file state or federal tax returns. Its parent company, CitiEnergy, files tax returns which include all of CitiEnergy’s subsidiaries’ information as a whole.

Citipower does not have any outstanding debt therefore no copies are attached to this filing. Also, no amortization schedules are attached since there is no outstanding debt.

Citipower’s depreciation schedule for all utility plant in service is attached to this filing on a CD and is in excel format.

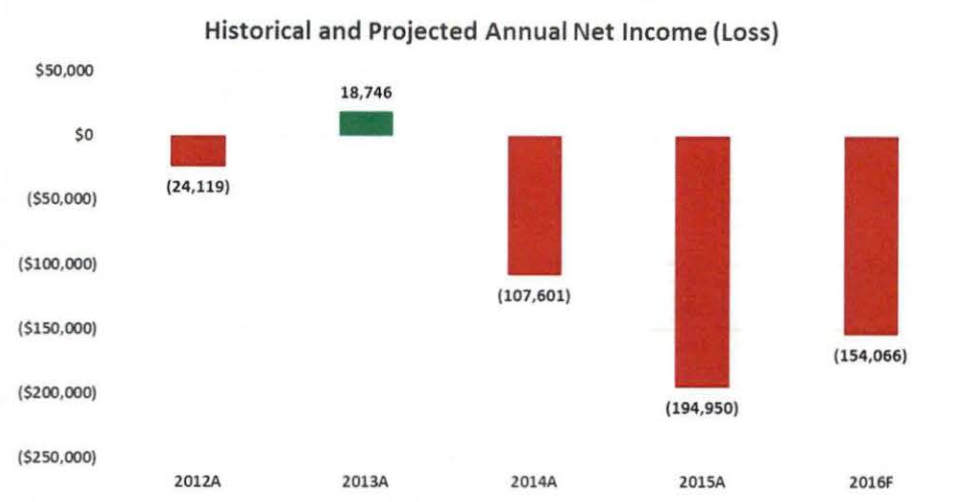
Respectfully submitted,



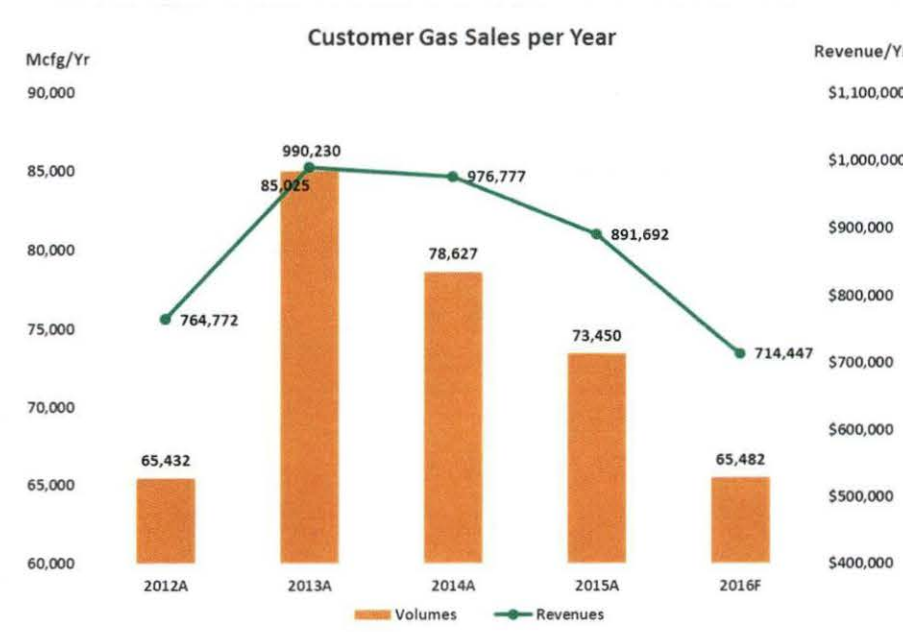
David S. Samford  
L. Allyson Honaker  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B-325  
Lexington, KY 40504  
(859) 368-7740  
david@gosssamfordlaw.com  
allyson@gosssamfordlaw.com  
*Counsel for Citipower, LLC*

## REASONS FOR THE APPLICATION

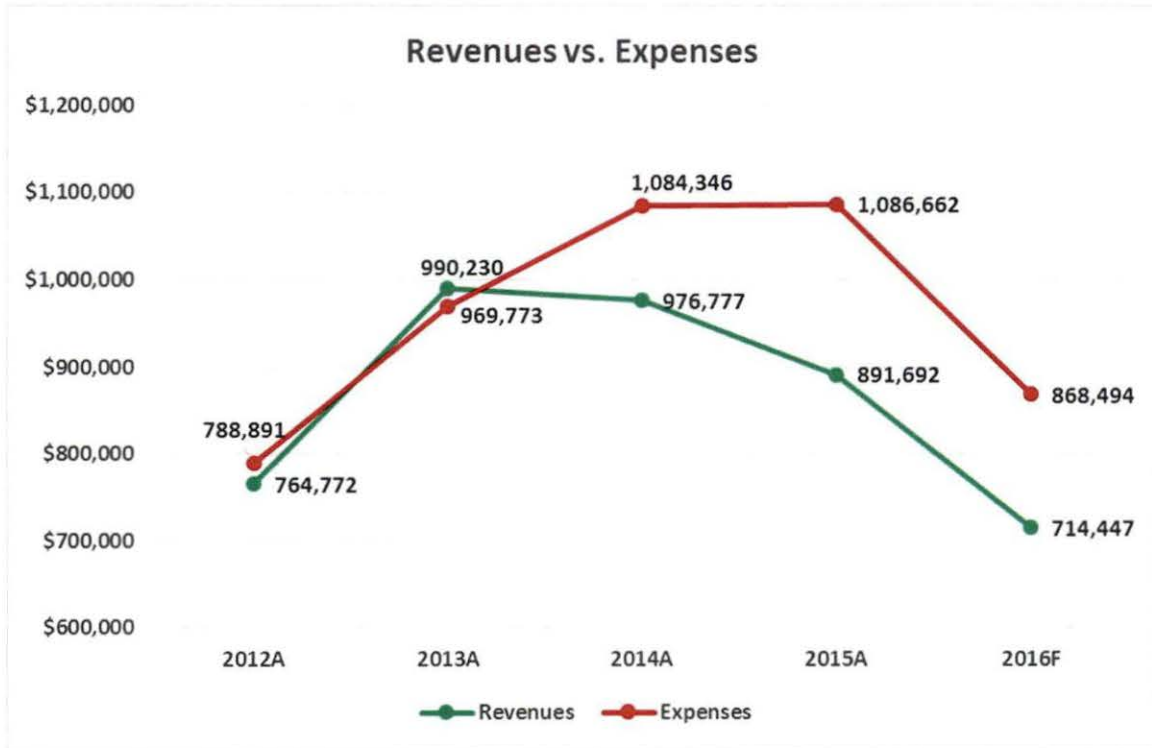
Citipower, LLC has operated at a loss for four out of the last five years. Furthermore, it has sustained substantial losses in the last three years. The graph below shows the operating losses which continued into 2016.



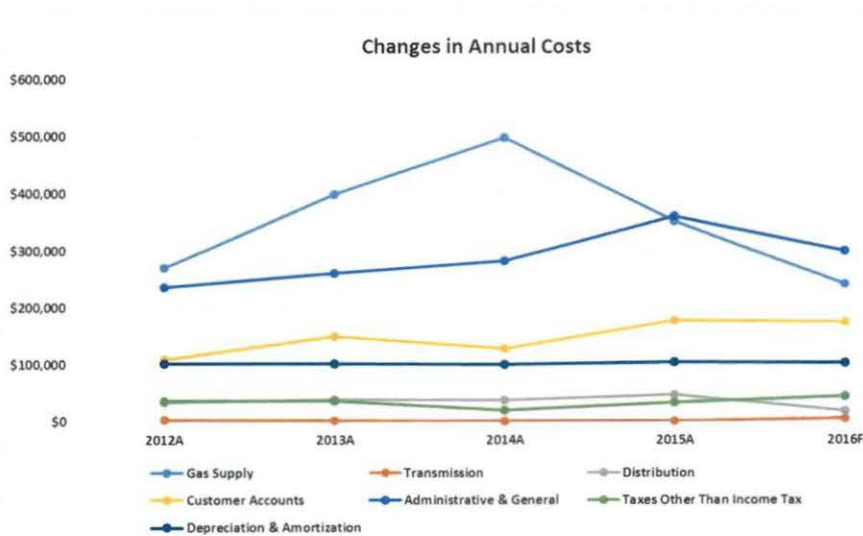
Customer sales, both in volumes sold and in total revenues have been significantly declining. There are two main factors contributing to the decrease in gas sales: lower utility demand and lower commodity prices. Due to the unseasonably warm winters over the past few years, customer demand for natural gas has been impacted significantly (see the orange bars in the graph below). As a result, utility revenues have declined. Gas prices, which are approved quarterly by the Kentucky Public Service Commission, have also been on the decline. The green line below shows total revenues for both utility gas sales and nominal, ancillary services such as customer hook-up fees, late fees, etc.



The sustained low revenue levels has created a sizable gap between revenues and expenses as shown below. The continuing operating losses, if not corrected, will force Citipower to cease operations due to insolvency. We believe it is in the best interest of both Citipower and the communities it serves for the utility to remain open into the future to deliver reliable, clean-burning natural gas to the local area.



Below is a graph showing the annual expenses by cost center. While the cost of gas has significantly declined due to the lower commodity prices of recent years, General & Administrative has increased moderately over time. The increase is primarily a result of third party vendors, such as increased use of a field operations manager, and accounting and legal expenses.



Finally, and most pressing from an on-going concern perspective, is Citipower's waning ability to pay its vendors for past services. The table below shows year end balances for cash, net customer receivables and trade accounts payable. At year-end 2014, Citipower had more cash in its accounts than its trade accounts payable. As of year-end 2016, Citipower only has enough cash to pay 48.5% of its trade payables. Furthermore, even if all net customer accounts receivable are received, Citipower would only have 8% extra after paying its bills.

	<u>Year-end Balances</u>				
	<u>2012A</u>	<u>2013A</u>	<u>2014A</u>	<u>2015A</u>	<u>2016F</u>
Cash	35,117	94,021	88,496	68,951	82,580
Net Customer Accounts Receivable	120,593	161,735	161,971	86,695	101,115
Trade Accounts Payable	96,324	82,443	58,079	78,829	170,209
<b>Current Ratio</b>	<b>1.62</b>	<b>3.10</b>	<b>4.31</b>	<b>1.97</b>	<b>1.08</b>



**CURRENT AND PROPOSED RATES**  
**(List Applicant's Current and Proposed Rates)**

Customer Class	Existing Base Rate	Proposed Base Rates
Commercial	\$5.00	\$20.00
Industrial	\$5.00	\$20.00
Public/Government	\$5.00	\$30.00
Residential	\$5.00	\$10.00
Customer Class	Existing Gas Cost Rates	Proposed Gas Cost Rates
Commercial	\$7.6492/mcf	\$ 9.2500/mcf
Industrial	\$6.6492/mcf	\$9.0000/mcf
Public/Government	\$6.6492/mcf	\$10.7500/mcf
Residential	\$7.6492/mcf	\$8.7500/mcf

**SCHEDULE OF ADJUSTED OPERATIONS - GAS UTILITY**

TYE 12/31/20 15

	Test Year	Adjustment	Ref.	Pro Forma
<b><u>Operating Revenues</u></b>				
Sales of Gas				
Residential	139,798.00	10,831.00	A	150,629.00
Commercial & Industrial	743,364.00	234,382.00	B	977,746.00
Interdepartmental	0.00			0.00
Sales for Resale	0.00			0.00
<b>Total Sales of Gas</b>	<b>883,162.00</b>	<b>245,213.00</b>		<b>1,128,375.00</b>
Other Operating Revenues				
Forfeited Discounts	0.00			0.00
Miscellaneous Service Revenues	8,530.00			8,530.00
Rent from Gas Property	0.00			0.00
Other Gas Revenues	0.00			0.00
<b>Total Operating Revenues</b>	<b>891,692.00</b>	<b>245,213.00</b>		<b>1,136,905.00</b>
<b><u>Operating Expenses</u></b>				
Operation and Maintenance Expenses				
Manufactured Gas Production Expenses	0.00			0.00
Natural Gas Production Expenses	0.00			0.00
Exploration and Development Expenses	0.00			0.00
Storage Expenses	0.00			0.00
Other Gas Supply Expenses	352,299.00			352,299.00
Transmission Expenses	798.00			798.00
Distribution Expenses	47,261.00			47,261.00
Customer Accounts Expenses	176,912.00			176,912.00
Customer Service and Informational Expenses	0.00			0.00
Administrative and General Expenses	361,117.00			361,117.00
<b>Total Operation and Maintenance Expenses</b>	<b>938,387.00</b>	<b>0.00</b>		<b>938,387.00</b>
Depreciation Expense	90,626.00			90,626.00
Amortization Expense	13,188.00			13,188.00
Taxes Other Than Income	44,460.00			44,460.00
Income Tax Expense	0.00			0.00
<b>Total Operating Expenses</b>	<b>1,086,661.00</b>	<b>0.00</b>		<b>1,086,661.00</b>
<b>Utility Operating Income</b>	<b>-194,969.00</b>	<b>245,213.00</b>		<b>50,244.00</b>

References

- A- additional revenues from proposed rates for residential service
- B - additional revenues from proposed rates for commercial and industrial service



**REVENUE REQUIREMENT CALCULATION - OPERATING RATIO METHOD**

(Method commonly used by investor owned utilities and/or non-profit entities that do not have long-term debt outstanding.)

Pro forma Operating Expenses Before Income Taxes	\$689,902.00
Operating Ratio	0.88
Sub-Total	783,979.55
Less: Pro forma Operating Expenses Before Income Taxes	-689,902.00
Net Income Allowable	94,077.55
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	0.00
Interest Expense	0.00
Pro forma Operating Expenses Before Taxes	689,902.00
Cost of Natural Gas (water utilities should leave this blank)	352,299.00
Total Revenue Requirement	1,136,278.55
Less: Other Operating Revenue	8,530.00
Non-operating Revenue	0.00
Interest Income	0.00
Total Revenue Required from Rates for Service	1,127,748.55
Less: Revenue from Sales at Present Rates	883,162.00
Required Revenue Increase	244,586.55

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	27.69%
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**Provision for Income Taxes - Calculation of Tax Gross-Up Factor**

Revenue	1
Less: 5% State Tax	-0.05
Sub-Total	0.95
Less: Federal Tax, 15% of Sub-Total	-0.1425
Percent Change in NOI	0.8075
Factor (Revenue of 1 divided by change in NOI)	1.23839
Times: Allowable Net Income	94,077.55
Net Income Before Taxes	116,504.71
Difference Equals Provision for State and Federal Income Taxes	22,427.16

Notes: (1) Natural gas utilities should deduct their cost of natural gas from pro forma operating expenses before performing the operating ratio calculation. The cost of natural gas should be added back and included in pro forma operating expenses when determining the total revenue requirement. (2) A provision for state and federal income taxes should only be included in the calculation of revenue requirements for utilities that file income tax returns and are liable for the payment of state and federal income taxes. Utilities whose income flows through to its owner's income tax returns for tax purposes should not include a provision for income taxes. (3) The conversion factor above is calculated using the minimum federal tax rate. Adjustment may be warranted where the actual federal tax rate exceeds the minimum federal tax rate.



**BILLING ANALYSIS - FLAT RATES**

## Revenue from Present/Proposed Rates

## RESIDENTIAL

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	324	324
Flat Monthly Rate	\$5.00	\$10.00
Monthly Revenue	\$1,620.00	\$3,240.00
Number of Months	12	12
Annual Revenue	\$19,440.00	\$38,880.00

**BILLING ANALYSIS - FLAT RATES**

Revenue from Present/Proposed Rates

## COMMERCIAL

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	51	51
Flat Monthly Rate	\$5.00	\$20.00
Monthly Revenue	\$255.00	\$1,020.00
Number of Months	12	12
Annual Revenue	\$3,060.00	\$12,240.00

**BILLING ANALYSIS - FLAT RATES**

Revenue from Present/Proposed Rates

## INDUSTRIAL

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	7	7
Flat Monthly Rate	\$5.00	\$20.00
Monthly Revenue	\$35.00	\$140.00
Number of Months	12	12
Annual Revenue	\$420.00	\$1,680.00

**BILLING ANALYSIS - FLAT RATES**

## Revenue from Present/Proposed Rates

## INSTITUTIONAL

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	34	34
Flat Monthly Rate	\$5.00	\$30.00
Monthly Revenue	\$170.00	\$1,020.00
Number of Months	12	12
Annual Revenue	\$2,040.00	\$12,240.00



Revenue from Present Proposed Rates  
 Test Period from 01-01-15 to 12-31-15

**USAGE TABLE**  
 Usage by Rate Increment

Class: Residential + Commercial

(1)	(2) Bills	(3) Gallons (Mcf)	(4) Gas Consumed	(5)	(6)	(7)	(8)	(9) Total
Minimum Bill	1,761	0						
Gas Consumed	2,743	15,593.50	15,593.50					
Totals	4,504	15,593.50	15,593.50					

**REVENUE TABLE**  
 Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons (Mcf)	(4) Rates	(5) Revenue
Minimum Bill	1,761		\$5.00 per bill	\$8,805.00
Gas Consumed	2,743	15,593.50	<del>\$7.00</del> \$7.6492/mcf	\$119,277.80
Totals	4,504	15,593.50		\$128,082.80

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates  
 Test Period from 01-01-15 to 12-31-15

**USAGE TABLE**  
Usage by Rate Increment

Class: Industrial + Institutional

(1)	(2) Bills	(3) Gallons (Mcf)	(4) Gas Consumed	(5)	(6)	(7)	(8)	(9) Total
Minimum Bill	181	0						
Gas Consumed	317	57,856.90	57,856.90					
Totals	498	57,856.90	57,856.90					

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons (Mcf)	(4) Rates	(5) Revenue
Minimum Bill	181	0	\$5.00 per bill	\$905.00
Gas Consumed	317	57,856.90	\$6.6492 per mcf	\$384,702.10
Totals				\$385,607.10

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates  
 Test Period from 01-01-15 to 12-31-15

**USAGE TABLE**  
 Usage by Rate Increment

Class: Residential

(1)	(2) Bills	(3) Gallons <u>Mcf</u>	(4) Gas Consumed	(5)	(6)	(7)	(8)	(9) Total
Minimum Bill	1,537	0						
Gas Consumed	2,354	9,839.30	9,839.30					
Totals	3,891	9,839.30	9,839.30					

**REVENUE TABLE**  
 Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons <u>Mcf</u>	(4) Rates	(5) Revenue
Minimum Bill	1,537	0	\$10.00 per bill	\$15,370.00
Gas Consumed	2,354	9,839.30	\$8.75 per mcfg	\$86,093.88
Totals	3,891	9,839.30		\$101,463.88

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates  
 Test Period from 01-01-15 to 12-31-15

**USAGE TABLE**  
 Usage by Rate Increment

Class: Commercial

(1)	(2) Bills	(3) Gallons (Mcf)	(4) Gas Consumed	(5)	(6)	(7)	(8)	(9) Total
Minimum Bill	224	0						
Gas Consumed	389	5,754.20	5,754.20					
Totals	613	5,754.20	5,754.20					

**REVENUE TABLE**  
 Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons (Mcf)	(4) Rates	(5) Revenue
Minimum Bill	224	—	\$20.00 per bill	\$4,480.00
Gas Consumed	389	5,754.20	\$9.25 per mcf	\$53,226.35
Totals	613	5,754.20		\$57,706.35

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.



Revenue from Present Proposed Rates  
 Test Period from 01-01-15 to 12-31-15

**USAGE TABLE**  
Usage by Rate Increment

Class: Industrial

(1)	(2) Bills	(3) Gallons/Mcf	(4) Gas Consumed	(5)	(6)	(7)	(8)	(9) Total
Minimum Bill	34	0						
Gas Consumed	56	6,908.10	6,908.10					
Totals	90	6,908.10	6,908.10					

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Minimum Bill	34	0	\$ 20.00 per bill	\$680.00
Gas Consumed	56	6,908.10	\$ 9.00 per mcf	\$621,172.90
Totals	90	6,908.10		\$622,852.90

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates  
 Test Period from 01-01-15 to 12-31-15

**USAGE TABLE**  
Usage by Rate Increment

Class: Institutional

(1)	(2) Bills	(3) Gallons (Mcf)	(4) Gas Consumed	(5)	(6)	(7)	(8)	(9) Total
Minimum Bill	147	0						
Gas Consumed	261	50,948.80	50,948.80					
Totals	408	50,948.80	50,948.80					

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons (Mcf)	(4) Rates	(5) Revenue
Minimum Bill	147	0	\$30.00 per bill	\$4,410.00
Gas Consumed	261	50,948.80	\$10.75 per mcf	\$547,699.60
Totals	408	50,948.80		\$552,109.60

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between \_\_\_\_\_ Citipower, LLC \_\_\_\_\_ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation
Daniel R. Forsberg	President, 10%+ Owner	\$0.00
Citigas, LLC	Natural Gas Supply	\$352,299.33
CitiEnergy, LLC	Administrative Management	\$84,000.00

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

\_\_\_\_\_  
Daniel R. Forsberg  
(Print Name)

\_\_\_\_\_  
*Daniel R. Forsberg*  
(Signed)

\_\_\_\_\_  
President  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY *state of NC*

COUNTY OF *Guilford*

Subscribed and sworn to before me by *Daniel R. Forsberg*  
(Name)

this *23* day of *February*, 20*17*.



*Sally M. Allan*  
NOTARY PUBLIC  
State-at-Large

*Commission Expires 12/23/2017*

**SUPPLEMENTAL SHEET  
STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS**

Name: Daniel R. Forsberg

Position: President

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation
Adam Forsberg (son)	Accounting	\$0



AREA ENTIRE AREA SERVED

PSC KY NO. 1

58<sup>TH</sup> REVISED SHEET NO. 18

CANCELLING PSC KY NO. 1

57<sup>TH</sup> REVISED SHEET NO. 18

CITIPOWER, L.L.C.

(NAME OF UTILITY)

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Classification of Service

---

**RESIDENTIAL**

Availability of Service: Residential Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$10.00		\$10.00
Volumetric Rate	\$8.7500	\$4.3566	\$13.1066

The volumetric rate will apply to all Mcfs sold. The customer charge will be charged each month.

**Budget Plan**

Citipower, L.L.C. offers to all residential customers a yearly budget plan. The plan is based on the volume of gas used at the service point for the year ending June 30<sup>th</sup>. The budget amount will be recalculated once a year after the June service period and revised up or down as necessary. In the case of a consumer moving during the budget year, all gas used to date will become immediately payable or in the case of a credit, a refund check will be issued.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA ENTIRE AREA SERVED

PSC KY NO. 1

58<sup>TH</sup> REVISED SHEET NO. 19

CANCELLING PSC KY NO. 1

57<sup>TH</sup> REVISED SHEET NO. 19

CITIPOWER, L.L.C.

(NAME OF UTILITY)

---

Classification of Service

---

**COMMERCIAL**

Availability of Service: Commercial Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge			\$20.00
Volumetric Rate	\$9.2500	\$4.3566	\$13.6066

The volumetric rate will apply to all Mcfs sold. The customer charge will be charged each month.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA \_\_\_\_\_ ENTIRE AREA SERVED \_\_\_\_\_

PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

56<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 20 \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

55<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 20 \_\_\_\_\_

CITIPOWER, L.L.C.

\_\_\_\_\_  
(NAME OF UTILITY)

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Classification of Service

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**INDUSTRIAL**

Availability of Service: Industrial Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge			\$20.00
Volumetric Rate	\$9.0000	\$4.3566	\$13.3566

The volumetric rate will apply to all Mcfs sold. The customer charge will be charged each month.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA ENTIRE AREA SERVED

PSC KY NO. 1

55<sup>TH</sup> REVISED SHEET NO. 20.1

CANCELLING PSC KY NO. 1

54<sup>TH</sup> REVISED SHEET NO. 20.1

CITIPOWER, L.L.C.

(NAME OF UTILITY)

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Classification of Service

---

**INSTITUTIONAL**

Availability of Service: Institutional Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge			\$30.00
Volumetric Rate	\$10.7500	\$4.3566	\$15.1066

The volumetric rate will apply to all Mcfs sold. The customer charge will be charged each month.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA \_\_\_\_\_ ENTIRE AREA SERVED \_\_\_\_\_

PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

58<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 18 \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

57<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 18 \_\_\_\_\_

CITIPOWER, L.L.C.

\_\_\_\_\_  
(NAME OF UTILITY)

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Classification of Service

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**RESIDENTIAL**

Availability of Service: Residential Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Minimum Bill			\$5.00
Customer Charge	\$10.00		\$10.00
 Volumetric Rate	<del>\$7.6492</del> \$8.7500	\$4.3566	<del>\$12.0058</del> \$13.1066

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.~~ The customer charge will be charged each month.

**Budget Plan**

Citipower, L.L.C. offers to all residential customers a yearly budget plan. The plan is based on the volume of gas used at the service point for the year ending June 30<sup>th</sup>. The budget amount will be recalculated once a year after the June service period and revised up or down as necessary. In the case of a consumer moving during the budget year, all gas used to date will become immediately payable or in the case of a credit, a refund check will be issued.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA \_\_\_\_\_ ENTIRE AREA SERVED \_\_\_\_\_

PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

58<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 19 \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

57<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 19 \_\_\_\_\_

CITIPOWER, L.L.C.

\_\_\_\_\_  
(NAME OF UTILITY)

Classification of Service

**COMMERCIAL**

Availability of Service: Commercial Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Minimum Bill			\$5.00
Customer Charge			\$20.00
Volumetric Rate	\$7.6492 \$9.2500	\$4.3566	\$ 12.0058 \$13.6066

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 rates results in an amount less than \$5.00, the customer will be charged the \$5.00 minimum. The customer charge will be charged each month.

**Budget Plan**

~~Citipower, L.L.C. offers to all residential customers a yearly budget plan. The plan is based on the volume of gas used at the service point for the year ending June 30<sup>th</sup>. The budget amount will be recalculated once a year after the June service period and revised up or down as necessary. In the case of a customer moving during the budget year, all gas used to date will become immediately payable or in the case of a credit, a refund check will be issued.~~

DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_



AREA \_\_\_\_\_ ENTIRE AREA SERVED \_\_\_\_\_

PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

56<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 20 \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

55<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 20 \_\_\_\_\_

CITIPOWER, L.L.C.

\_\_\_\_\_  
(NAME OF UTILITY)

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Classification of Service

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**INDUSTRIAL**

Availability of Service: Industrial Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Minimum Bill			\$5.00
Customer Charge			\$20.00
Volumetric Rate	\$6.6492 \$9.0000	\$4.3566	\$11.0058 \$13.3566

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.~~ The customer charge will be charged each month.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

AREA \_\_\_\_\_ ENTIRE AREA SERVED \_\_\_\_\_

PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

55<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 20.1 \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_ 1 \_\_\_\_\_

54<sup>TH</sup> REVISED SHEET NO. \_\_\_\_\_ 20.1 \_\_\_\_\_

CITIPOWER, L.L.C.

\_\_\_\_\_  
(NAME OF UTILITY)

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Classification of Service

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**INSTITUTIONAL**

Availability of Service: Institutional Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Minimum Bill			\$5.00
Customer Charge			\$30.00
Volumetric Rate	<del>\$6.6492</del> \$10.7500	\$4.3566	<del>\$11.0058</del> \$15.1066

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.~~ The customer charge will be charged each month.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

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MONTH / DATE / YEAR

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SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

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IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_