COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF CITIPOWER, LLC FOR A RATE ADJUSTMENT FOR SMALL UTILITIES PURSUANT TO 807 KAR 5:076	)))	CASE NO. 2017-00160

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO CITIPOWER, LLC

Citipower, LLC ("Citipower") pursuant to 807 KAR 5:001, is to file with the Commission the original and ten copies of the following information, with a copy to all parties of record. The information requested herein is due no later than June 13, 2017. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witnesses responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Citipower shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Citipower fails or refuses to furnish all or part of the requested information, it shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Citipower shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, Schedule of Adjusted Operations, Attachment SAO-G, Sheet 1, and to Citipower's current tariff on file with the Commission.

a. Describe the source of the $8,530 Miscellaneous Service Revenues, i.e., whether it is revenue from approved Special Charges or something else.

b. Provide for the 2015 test year the number of incidents of the following activities, and the resulting revenues relating to each of the approved Special Charges from Citipower's tariff:

Turn-on Charge - $25.00
Reconnect Charge - $25.00
Termination or Field Collection Charge - $25.00
Special Meter Reading Charge - $18.00
Meter Resetting Charge - $25.00
Meter Test Charge - $25.00
Returned Check Charge - $18.00
Late Payment Penalty - 10 percent

2. Explain whether Citipower is proposing to continue the use of a minimum bill rate design, as indicated by its calculation of revenues at proposed rates, and if so, state whether it has considered changing to a rate design consisting of a fixed monthly customer charge and a volumetric rate for all usage.

3. If Citipower is proposing to change its rate design to one consisting of a fixed monthly customer charge and a volumetric rate for all usage, provide revised tables showing corrected revenues produced by application of the rates as indicated in its proposed tariff sheets.

4. Explain why Citipower is proposing to change its rate design so that Institutional customers have higher rates than any other class.

5. Describe the 34 Institutional customers and explain their load characteristics.

6. Explain any differences in the cost to serve an Institutional customer compared to an average residential customer, an average commercial customer, and an average industrial customer.

7. Describe the seven Industrial customers and explain their load characteristics.

8. Refer to the Application, Attachment BA-DB, which shows Revenue from Present/Proposed Rates.

a. The information provided in the Present Revenue Tables shows that Residential and Commercial customers produce $128,082.80 in revenues at present rates and that Industrial and Institutional customers produce $385,607.10 in revenues at present rates, with total revenues of $513,689.90. Using the information provided in the Proposed Usage Tables for each of the four individual customer classes, provide a calculation showing revenues at present rates for each class, Residential, Commercial, Industrial, and Institutional, and the percentage of the $513,607.10 total present revenues that is contributed by each of the four classes.

b. The information provided in the Proposed Revenue Tables shows that the four customer classes would produce the following revenues at proposed rates: Residential - $93,470.23; Commercial - $53,709.25; Industrial - $60,955.88; and Institutional - $550,936.60, with total proposed revenues of $758,828.96. Provide a calculation showing the percentage of the $758,828.96 total revenues that is proposed to be contributed by each of the four classes, and explain why the shift in revenue responsibility from present to proposed rates is reasonable for each class.

c. If the response to Item 3 requires a change to the Proposed Revenue Tables, provide the information in b. above using the corrected individual class and total revenues.

9. Provide a copy of CitiEnergy, LLC's ("CitiEnergy") current organizational chart, showing the relationship between Citipower and any affiliated companies. Include the relative positions of all entities and affiliates with which Citipower routinely has business transactions.

10. a. List all joint or shared costs that CitiEnergy incurred during the calendar years 2014, 2015, and 2016 that are allocated to Citipower and the other affiliates. For each allocated cost, list the vendor, the total expense amount, amounts allocated per affiliate, and the basis for the allocation(s).

b. List all joint or shared costs that are incurred by an affiliate of Citipower during the calendar years 2014, 2015, and 2016 that are allocated to Citipower. For each allocated cost, list the vendor, the total expense amount, amounts allocated per affiliate, and the basis for the allocation(s).

11. Describe the procedures CitiEnergy used to allocate joint and shared costs among its affiliates for the calendar years 2014, 2015, and 2016.

12. Provide all internal memorandums, policy statements, correspondence, and documents related to the allocation of joint and shared costs.

13. Provide Citipower's general ledger and trial balance for the calendar years 2015 and 2016 in paper medium and electronic Excel spreadsheet format with all columns and rows unprotected and accessible

14. Provide copies of Citipower's cash receipts and cash disbursement journals for the calendar years 2015 and 2016.

15. Provide Citipower's aged schedule of accounts receivable at December 31, 2014, December 31, 2015, and December 31, 2016.

16. Provide Citipower's schedule of accounts payable by vendor at December 31, 2014, December 31, 2015, and December 31, 2016.

17. Provide copies of Citipower's audited financial statements for calendar years 2014, 2015, and 2016. Include a copy of the auditor's work papers and all audit adjustments made to the 2015 financial statements.

18. Provide a schedule listing Citipower's 2014, 2015, and 2016 insurance coverages, including type of coverage (i.e., vehicle insurance, general liability insurance, and workers' compensation), annual premiums, and effective dates. Also include copies of the invoices Citipower received to support the annual premiums for each year.

19. Provide Citipower's payroll and related tax information for the calendar year 2015, and supporting time records.

20. Provide job titles, job descriptions, and pay rates for each employee at December 31 for calendar years 2012 through 2016.

21. a. Using a table format, provide the following actual full-year salary information for each employee, identified by employee number and job title, for the years 2012 through 2016 (in gross dollars — not hourly or monthly rates). The employee salary information for each year shall be provided in a separate table.

(1) Regular salary or pay.

(2) Overtime pay.

(3) Vacation payout.

(4) Standby/Dispatch pay.

(5) Bonus pay.

(6) Other amounts paid and reported on the employees' W-2 (specify).

b. Using a table format, provide the regular hours and overtime hours for each employee identified in Citipower's response to Item 21.a. for the years 2012 through 2016, providing the employee salary information for each year in a separate table.

22. Using a table format, provide the following actual full-year benefit information for each employee, identified by employee number and job title, for the years 2012 through 2016. Provide the employee benefit information for each year in a separate table.

a. Healthcare benefit cost for each employee.

(1) Amount paid by Citipower.

(2) Amount paid by each employee.

b. Dental benefits cost for each employee.

(1) Amount paid by Citipower.

(2) Amount paid by each employee.

c. Vision benefits cost for each employee.

(1) Amount paid by Citipower.

(2) Amount paid by each employee.

d. Life insurance cost for each employee.

(1) Amount paid by Citipower.

(2) Amount paid by each employee.

e. Accidental death and disability benefits for each employee.

(1) Amount paid by Citipower.

(2) Amount paid by each employee.

f. Defined Contribution – 401(k) or similar plan cost for each employee. Provide the amount paid by Citipower.

g. Defined Benefit Retirement cost for each employee.

(1) Amount paid by Citipower.

(2) Amount paid by each employee.

h. Cost of any other benefit available to an employee (specify).

23. Provide a listing of all health care plan categories available to Citipower's employees, i.e., single, married no dependents, single parent with dependents, family, etc. For each employee listed in Citipower's response to Item 22, identify the type of health insurance coverage that they are provided.

24. Provide the minutes from the Board of Director meetings for the calendar years 2014, 2015, and 2016.

25. Refer to the *Annual Report of Citipower, LLC. to the Public Service Commission for the Calendar Year Ended December 31, 2015* ("2015 Annual Report") at 29.

a. In calendar year 2015, Citipower reports meter reading labor of $96,750. Describe the manner in which Citipower performs meter reading, including the number of meter readers and whether they are Citipower employees or outside contractors. If they are Citipower employees, provide their annual and/or hourly compensation rates and identify and describe the job duties they perform other than meter reading.

b. In calendar year 2015, Citipower reports customer records and collection expenses of $44,684. Describe in detail the manner in which Citipower performs the customer billing and collections and how it maintains the customer records. Explain if customer billing and collections is performed by Citipower employees, by outside contractors, or by CitiEnergy employees with the costs allocated to Citipower.

c. In calendar year 2015, Citipower reports administrative and general salaries of $189,051. Provide an itemized schedule listing each item that is recorded in this expense account and for each item listed include a detailed description.

d. In calendar year 2015, Citipower reports outside services employed of $86,025. Provide an itemized schedule listing each item that is recorded in this expense account, and for each item listed include a detailed description.

26. Refer to the *Annual Reports of Citipower, LLC. to the Public Service Commission for the Calendar Years Ended December 31, 2013 through 2016* at 29.

a. Explain in detail why calendar year 2015 is the only year in this four-year period that Citipower recorded an uncollectible expense.

b. Provide the basis and the supporting calculation for the 2015 uncollectible expense of $35,478.

Talina R. Mathews
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED **MAY 3 0 2017**

cc: Parties of Record

*CitiPower, L.L.C.
37 Court Street
P. O. Box 1309
Whitley City, KY 42653

*L Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road, Suite B325
Lexington, KENTUCKY 40504