

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

This matter arises upon a motion filed by Citipower, LLC (“Citipower”) on November 2, 2017, asking the Commission to reconsider the Order entered on October 27, 2017 (“October 27, 2017 Order”), which approved Citipower’s request for an increase in base rates but did not mention or include rate case expenses. The October 27, 2017 Order granted Citipower an increase in base rates that would produce additional revenues of \$647,741, which is an increase of 26.096 percent, or \$134,051, over normalized revenues from existing base rates of \$513,690. In its motion, Citipower requested that the Commission amend the October 27, 2017 Order to include in Citipower’s revenue requirement the total rate case expense of \$21,545 amortized over a three-year period and to adjust the rates in the Appendix to the October 27, 2017 Order accordingly.

The Commission notes that Citipower did not request recovery of its rate case amortization in its application, but did request recovery in its motion dated July 28, 2017.<sup>1</sup> As a result, the Commission inadvertently excluded rate case amortization expense from the calculation of Citipower’s revenue requirement and rates.

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<sup>1</sup> *Motion to Submit for a Decision on the Existing Record and Updated Rate Case Expenses.*

The Commission finds that the rate case expense incurred by Citipower of \$21,545 is reasonable and that Citipower should be allowed rate recovery of this cost over the requested three-year amortization period. To reflect amortizing the cost of the rate case over three years, the Commission is increasing the revenue requirement found reasonable in the October 27, 2017 Order by \$8,161, as calculated in the table below.

Rate Case Expense	\$ 21,545
Divided by: Amortization Period	<u>3</u>
Annual Rate Case Amortization	7,182
Divide by: Operating Ratio	<u>88%</u>
Revenue Requirement Increase	<u><u>\$ 8,161</u></u>

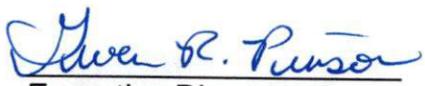
IT IS THEREFORE ORDERED that:

1. All findings and conclusions of the October 27, 2017 Order that are not in conflict with those contained herein are incorporated by reference and are adopted as if fully set forth herein.
2. All findings and conclusions of the October 27, 2017 Order that conflict with those contained herein are hereby vacated and are replaced with those set forth herein.
3. The rates set forth in the Appendix to this Order are approved for service rendered by Citipower on and after the date of this Order.
4. Within 20 days of the date of this Order, Citipower shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED  
NOV 14 2017  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2017-00160

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2017-00160 DATED **NOV 14 2017**

The following rates and charges are prescribed for the customers served by Citipower Corporation. All other rates and charges not specifically mentioned in this Order shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RESIDENTIAL

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate*</u>	<u>Total</u>
Customer Charge	\$8.00		
All Mcf	\$7.8500	\$3.6992	\$11.5492

COMMERCIAL AND INDUSTRIAL

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Customer Charge	\$15.00		
All Mcf	\$7.9000	\$3.6992	\$11.5992

INSTITUTIONAL

	<u>Base Rate</u>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Customer Charge	\$20.00		
All Mcf	\$8.4200	\$3.6992	\$12.1192

\*Gas Cost Recovery Rate approved in Case No. 2017-00362 effective October 1, 2017

\*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