

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

ELECTRONIC APPLICATION OF CITIPOWER, LLC)	
FOR (1) AN ADJUSTMENT OF RATES PURSUANT TO)	CASE NO.
807 KAR 5:076)	2020-00342

**CITIPOWER, LLC'S RESPONSE TO COMMISSION STAFF'S FIRST REQUEST
FOR INFORMATION ISSUED JANUARY 28, 2021**

Filed: February 11, 2021

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

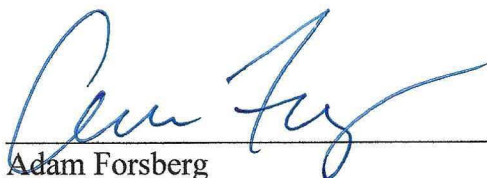
IN THE MATTER OF:

THE APPLICATION OF CITIPOWER, LLC)
FOR A RATE ADJUSTMENT FOR SMALL) CASE NO.
UTILITIES PURSUANT TO 807 KAR 5:076) 2020-00342

VERIFICATION OF ADAM FORSBERG

STATE OF NORTH CAROLINA)
)
COUNTY OF GUILFORD)


Adam Forsberg, Chief Financial Officer for CitiEnergy, LLC, being duly sworn, states that he has prepared certain of the following responses of Citipower, LLC, to the data requests issued by the Commission on January 28, 2021 in the above-referenced case and that the matters and things set forth in his responses are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.



Adam Forsberg

Subscribed and sworn to before me on this 29 day of January, 2021.





NOTARY PUBLIC, Notary # _____
Commission expiration: 12/23/2022

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

THE APPLICATION OF CITIPOWER, LLC)	
FOR A RATE ADJUSTMENT FOR SMALL)	CASE NO.
UTILITIES PURSUANT TO 807 KAR 5:076)	2020-00342

VERIFICATION OF VERNON SMITH

STATE OF KENTUCKY)
)
COUNTY OF JESSAMINE)

Vernon Smith, Operations Manager for Citipower, LLC, being duly sworn, states that he has prepared certain of the following responses of Citipower, LLC, to the data requests issued by the Commission on January 28, 2021 in the above-referenced case and that the matters and things set forth in his responses are true and accurate to the best of his knowledge, information and belief, formed after reasonable inquiry.

Vernon Smith
Vernon Smith

Subscribed and sworn to before me on this 2 day of February, 2021.



Thomas J. White
NOTARY PUBLIC, Notary # 637247
Commission expiration: 12/18/2023

Citipower, LLC
Case No. 2020-00342
Commission Staff's Second Request for Information issued January 28, 2021

1. Refer to Citipower's response to Commission Staff's First Request for Information (Staff's First Request), Item 2(a). Explain if Citipower considered allocating the rate increase differently between the customer charge and usage rate for any rate class.
 - a. If so, provide the considered rates and allocations.
 - b. If not, explain why Citipower did not consider allocating the rate increase differently between the customer charge and usage rate for any of the rate classes.

Response:

Citipower did not consider allocating the percentage increase differently between the customer charge and the usage rate.

- a. Not applicable.
- b. Citipower did not consider this because Citipower believes the current allocations were fairly weighted between the two charges. Increasing the customer charge more than the usage rate would mean that customers' bills would be comparably higher during the warmer months of the year; conversely, increasing the usage rate more than the customer charge would mean that customer bills would be significantly higher during the winter months when the customers consume more gas. By keeping the current ratio, Citipower believes the customer bills are better balanced.

Citipower, LLC
Case No. 2020-00342
Commission Staff's Second Request for Information issued January 28, 2021

2. Refer to Citipower's response to Staff's First Request, Item 4, Excel spreadsheet attachment, 'ComparisonSummary' tab.
 - a. Explain why there are rows of data in the spreadsheet that were hidden and why Citipower chose to hide this information.
 - b. Explain how the hidden data influences the visible data.

Response:

- a. These rows should have been deleted as opposed to being hidden. These rows were left over from a previous rate filing when the spreadsheet was reused. These rows had no relevance to the current proceeding.
- b. The hidden data does not influence the visible data. Citipower has uploaded a new Excel spreadsheet with the data from these columns removed.

Citipower, LLC
Case No. 2020-00342
Commission Staff's Second Request for Information issued January 29, 2021

3. Refer to Citipower's response to Staff's First Request, Item 4, Excel spreadsheet attachment, 'RateWorkSheet' tab.
 - a. Explain why there are rows of data in the spreadsheet that were hidden and why Citipower chose to hide this information.
 - b. Explain how the hidden data influences the visible data.

Response:

Please see the response to Item 2 above.

Citipower, LLC
Case No. 2020-00342
Commission Staff's First Request for Information issued December 17, 2020

4. Refer to Citipower's response to Staff's First Request, Item 4, Excel spreadsheet attachment, 'Actual2019Activity' tab.
 - a. Explain why there are rows of data in the spreadsheet that were hidden and why Citipower chose to hide this information.
 - b. Explain how the hidden data influences the visible data.

Response:

Please see the response to Item 2 above.

Citipower, LLC
Case No. 2020-00342
Commission Staff's Second Request for Information issued January 28, 2021

5. Refer to Citipower's response to Staff's First Request, Item 4, Excel spreadsheet attachment, 'Actual2019Activity' tab, Column S, Row 18. This cell contains a formula with a value of 299523. Explain where this value comes from and why this calculation was performed.

Response:

The computation was of no relevance to the current proceeding and should have been deleted. For informational purposes, the \$299,523 was Citipower's gas cost for 2018. The formula was carried over from the last rate request when the spreadsheet was reused. This formula has no bearing on the relevant information to the current request. Citipower is uploading a revised spreadsheet with that formula removed.

Citipower, LLC
Case No. 2020-00342

Commission Staff's Second Request for Information issued January 28, 2021

6. Refer to Citipower's response to Staff's First Request, Item 8, page 2 of 3. Provide the basis for the \$15.00 expense included in the cost justification, for Field Truck included in each nonrecurring charge.

Response:

Anytime Citipower must do a service call for a disconnect, reconnect, etc., a company truck is used by the technician making the trip. Instead of having the field technicians keep up with the mileage for each service call, since they will all vary, Citipower has estimated the total costs for the truck's use to be \$15.00. This would include the fuel, the wear and tear on the vehicle, oil, etc. At this time, based on the amount of each of the non-recurring charges, the field truck expense is not passed on to the customers but was provided to show the actual cost for each service.

Citipower, LLC
Case No. 2020-00342
Commission Staff's Second Request for Information issued January 28, 2021

7. Refer to Citipower's 2019 Annual Report on file with the Commission and the 2019 Trial Balance.
 - a. The Depreciation Expense in the Annual Report is \$85,110.00, while in the Trial Balance Depreciation Expense is \$72,378.00. Reconcile the difference.
 - b. The Amortization Expense in the Annual Report is \$13,188, while in the Trial Balance Amortization Expense is \$0. Reconcile the difference.

Response:

- a. The company books are kept on a tax-basis, which allows for an accelerated depreciation in the beginning years and lessens over time until fully depreciated. The depreciation schedule in the Annual Report, however, uses a straight-line method over the useful lives of the assets. The useful lives of the assets were determined when the assets were either placed into service or acquired.
- b. Because of the different way the company books are kept, items that are categorized as amortizable costs (and subsequently amortization expense) for purposes of the Annual Report are not reflected as amortizable in the company books; rather, those costs are fully expensed in the year incurred.

Citipower, LLC
Case No. 2020-00342
Commission Staff's Second Request for Information issued January 28, 2021

8. Explain if Citipower has completed a Cost of Service Study (COSS). If so, explain why it was not filed and provide the COSS.

Response:

Citipower has not completed a COSS. Citipower is a small utility and would like to keep the costs associated with the request as low as possible and the costs associated with a COSS may outweigh the benefits.