

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CITIPOWER, LLC FOR (1))	
AN ADJUSTMENT OF RATES PURSUANT TO)	
807 KAR 5:076; (2) APPROVAL FOR A)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE)	2019-00109
AND NECESSITY TO PURCHASE PIPELINE)	
AND OTHER RELATED ASSETS; AND (3))	
APPROVAL OF FINANCING)	

ORDER

On March 29, 2019, Citipower, LLC (Citipower), tendered an application requesting to adjust its rates pursuant to the procedures set forth in 807 KAR 5:076, for a Certificate of Public Convenience and Necessity (CPCN) to acquire an existing pipeline, and for authority to obtain financing to acquire the existing pipeline. Citipower tendered a Motion for Deviation from Filing Requirements with its applications in which it sought relief from the requirements of 807 KAR 5:076, Section 4(4). Having reviewed the record and being otherwise sufficiently advised, the Commission finds that Citipower's motion should be granted for the reasons discussed below.

Administrative regulation number, 807 KAR 5:076, establishes a simplified procedure by which small utilities may apply to the Commission for rate adjustments. Pursuant to 807 KAR 5:076, Section 4(4), utilities are generally prohibited from requesting relief other than an adjustment to rates as part of an application made pursuant to 807

KAR 5:076. However, the Commission may grant deviations from the requirements of 897 KAR 5:076 upon a showing of good cause.¹

Citipower represented that it was only requesting a rate increase herein to cover the debt service and ongoing operating costs associated with the pipeline for which it is requesting a CPCN. Citipower indicated that its requested rate increase would only be necessary to the extent that the Commission grants its request for a CPCN and authorizes its requested financing, and argued that it was therefore logical to address the issues together. Citipower also argued that handling the issues together would streamline the Commission's review and potentially eliminate duplicative costs. Thus, Citipower argued that a deviation from Section 4(4) of the 807 KAR 5:076 is justified.

The Commission finds that there is good cause for granting a deviation from the requirements of 807 KAR 5:076, Section 4(4) in this case. First, as noted by Citipower, the requests it makes in its application are dependent on one another, so it will likely be more efficient for the Commission to address them in a single case. Citipower is also represented by counsel, so it is able to comply with 807 KAR 5:001, Section 4(4) in making its request for a CPCN and for financing approval (whereas unrepresented utilities are prohibited by that regulation from making those requests with an application pursuant to 807 KAR 5:076). Further, although the specific procedural requirements would often make it difficult to address a request for a rate adjustment pursuant to 807 KAR 5:076 with other matters, the narrow basis for Citipower's requested rate increase in this matter and the fact that Citipower recently adjusted its rates make it feasible to combine these

¹ 807 KAR 5:076, Section 17.

matters. Thus, the Commission finds that Citipower's motion for deviation from 807 KAR 5:076, Section 4(4) should be granted.

However, the Commission observes that Citipower failed to comply with certain other filing requirements in 807 KAR 5:076. Specifically, Citipower did not use its current tariffed rate for the current rate in its billing analysis or in its notice to customers. Citipower must provide notice pursuant to 807 KAR 5:076, Section 5 and a billing analysis pursuant to 807 KAR 5:076, Section 4(1)(f) using the correct rates before an application for a rate adjustment can be accepted for filing. Further, since Citipower requests are contingent and were made as part of a single application, Citipower must file a billing analysis with the correct rates and file proof that it has provided notice pursuant to 807 KAR 5:076, Section 5 before the Commission can accept its application for filing in this matter.

IT IS THEREFORE ORDERED that:

1. Citipower's motion for a deviation from 807 KAR 5:076, Section 5, is hereby granted.
2. Citipower's application for an adjustment of rates pursuant to 807 KAR 5:076, approval for a CPCN to purchase a pipeline and other related assets, and approval of financing shall be deemed filed when Citipower corrects the deficiencies identified hereinabove.

By the Commission

ENTERED
MAY 14 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

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