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PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|-------------------------------|---|-----------------------------|
| THE APPLICATION OF CITIPOWER, |) | |
| LLC FOR A RATE ADJUSTMENT FOR |) | |
| SMALL UTILITIES PURSUANT TO |) | Case No. 2019-00 <u>109</u> |
| 807 KAR 5:076, APPROVAL FOR A |) | |
| CERTIFICATE OF PUBLIC |) | |
| CONVENIENCE AND NECESSITY TO |) | |
| PURCHASE PIPELINE AND OTHER |) | |
| RELATED ASSETS AND APPROVAL |) | |
| OF FINANCING |) | |

**CITIPOWER, LLC’S MOTION FOR DEVIATION FROM FILING
REQUIREMENTS**

Comes now Citipower, LLC (“Citipower” or the “Company”), pursuant to 807 KAR 5:076 Section 17, and moves the Commission for a deviation from the requirements of 807 KAR 5:076 Section 4(4) regarding the Alternative Rate Filing (“ARF”) application not requesting relief other than an adjustment of rates. In support of this Motion, Citipower respectfully states as follows:

1. Citipower is filing for a Certificate of Public Convenience and Necessity (“CPCN”) to acquire an existing pipeline and other related assets from Champ Oil, Inc. (“Champ Oil”). The purpose of acquiring the pipeline and other related assets is to connect Citipower’s system to Delta Natural Gas, Inc.’s system. Citipower’s current natural gas supply comes from nearby gas wells owned by Forexco, Inc. The gas wells currently used for natural gas supply to Citipower’s customers have been decreasing in production over the past few years. Citipower determined that a new source of gas supply is needed to continue to provide safe and reliable service to its customers at fair, just and reasonable rates.

2. As a part of the Application, Citipower is also requesting approval of the financing that would be needed to acquire the pipeline and related assets. Because Citipower does not have the cash on hand to purchase the pipeline and related assets, a loan would be required. In order to cover the cost of the financing for the acquisition, Citipower needs to adjust its rates charged to its customers if the CPCN and financing approval is granted by the Commission.

3. The ARF filing is solely for the purpose of adjusting customer rates to allow for the payment of both the debt service for the purchase of the pipeline and other related assets and the ongoing operating costs associated with the acquired assets. Citipower is not requesting a rate increase for any other reason.

4. Citipower requests that the filing be able to proceed as one individual case instead of separating the ARF portion of the Application since the requests are dependent on each other. If the CPCN and financing portions of the Application are not approved the ARF is not needed. However, Citipower does not want to delay the filing of the ARF application until a decision is made on the CPCN and financing since this will delay the recovery of the debt service through rates, thereby putting an unnecessary financial strain on the utility. Separating the cases into two separate dockets will also cause Citipower to incur unnecessary costs in having to respond to discovery, etc., in the ARF proceeding that may in the end not be needed if the other portions of this Application are not approved.

5. Citipower has separated the ARF portion of the filing into Exhibit 1. Exhibit 1 and the Attachments A through I contain all of the required forms and information for the ARF filing.

6. Based upon the foregoing, Citipower hereby respectfully requests permission, pursuant to 807 KAR 5:076, Section 17, to deviate from the requirements of 807 KAR 5:076 Section 4(4) and to be allowed to file the request for approval of a CPCN, approval of financing and ARF Application as one filing.

WHEREFORE, for the reasons set forth herein, Citipower respectfully moves the Commission to grant a deviation and allow Citipower to file one Application.

This 29th day of March, 2019.

Respectfully submitted,



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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 29th day of March, 2019, addressed to the following:

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



Counsel for Citipower LLC