

May 31, 2019

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MAY 31 2019

PUBLIC SERVICE
COMMISSION

Via Hand Delivery

Gwen R. Pinson, Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

Re: *In the Matter of: The Application of Citipower, LLC for a Rate Adjustment Pursuant to 807 KAR 5:076, Approval for a Certificate of Public Convenience and Necessity to Purchase Pipeline and Approval of Financing – Case No. 2019-00*

Dear Ms. Pinson:

Enclosed please find for filing with the Commission in the above-referenced case an original and ten (10) copies of Citipower LLC's ("Citipower") Response to the Commission's Order dated May 14, 2019, which noted deficiencies in Citipower's filing. The deficiencies that were noted in the May, 14, 2019 Order were as follows: 1) current tariff rates not used in billing analysis; and 2) current tariff rates not used in customer notice. Included in this filing are items to cure the two deficiencies noted in the May 14, 2019 Order, including a revised customer notice that was mailed as a billing insert to all of Citipower's customers on May 29, 2019.

Citipower is also including a revised current and proposed rate form since the volumetric rates were also incorrect on that form.

Thank you for your assistance with this matter, and please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,



L. Allyson Honaker

Enclosures

AMENDED NOTICE OF APPLICATION OF CITIPOWER, LLC TO ADJUST NATURAL GAS RATES BEFORE
THE PUBLIC SERVICE COMMISSION OF KENTUCKY CASE NO. 2019-00109

Pursuant to the Kentucky Public Service Commission's regulation 807 KAR 5:076 and the Commission's May 14, 2019 Order, Citipower, LLC gives amended notice that an application was filed on March 29, 2019, with the Kentucky Public Service Commission seeking approval to adjust its rates for natural gas service for the purpose of acquiring a certain natural gas pipeline, ensuring Citipower, LLC will have access to a reliable, long-term gas supply. This amended notice and other necessary amended documents will be filed with the Commission on or before May 31, 2019. This rate adjustment will apply to all Citipower, LLC's customers. The increase is to be effective November 30, 2019, or sooner, if approved by the Kentucky Public Service Commission. If Citipower, LLC's application is approved, monthly natural gas bills from Citipower, LLC will increase as follows:

Customer Class	Existing Base Rate (customer charge)	Proposed Base Rates (customer charge)	Proposed Increase Amount	% of Proposed Increase
Commercial	\$15.00	\$20.00	\$5.00	33.33%
Industrial	\$15.00	\$20.00	\$5.00	33.33%
Institutional	\$20.00	\$25.00	\$5.00	25.00%
Residential	\$8.00	\$8.00	\$0.00	0.00%

Customer Class	Existing Gas Cost Rates	Proposed Gas Cost Rates	Proposed Increase Amount	% of Proposed Increase
Commercial	\$7.90/mcf	\$11.50/mcf	\$3.60/mcf	45.57%
Industrial	\$7.90/mcf	\$11.50/mcf	\$3.60/mcf	45.57%
Institutional	\$8.42/mcf	\$14.00/mcf	\$5.58/mcf	66.27%
Residential	\$7.85/mcf	\$10.00/mcf	\$2.15/mcf	27.39%

Customer Class	2018 average usage per customer	Average monthly customer usage	Average monthly cost per customer	Cost increase based on average usage
Commercial	144.50	12.04	\$182.33	\$48.35
Industrial	717.13	59.76	\$845.41	\$220.14
Institutional	1,441.76	120.15	\$1,751.98	\$675.42
Residential	35.62	2.97	\$49.10	\$6.38

The cost increase is the amount of increase that will occur if the proposed rates are approved by the Kentucky Public Service Commission. The rates contained in this notice are the rates proposed by Citipower, LLC however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request to intervene to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party. If the Kentucky Public Service Commission does not receive a request to intervene within thirty (30) days of the initial publication or mailing of this notice, the Kentucky Public Service Commission may take final action on the application. Any comments regarding this application may be submitted through the Commission's Web site at <http://psc.ky.gov/> or by mail to P.O. Box 615, Frankfort, Kentucky 40602.

Copies of Citipower, LLC's application may be obtained or viewed from Citipower, LLC at 37 Court Street, Whitley City, Kentucky 42653 Monday through Friday from 8:30 a.m. to 4:30 p.m. The application and all documents filed with the Kentucky Public Service Commission may be viewed and downloaded at the Kentucky Public Service Commission's Web site at <http://psc.ky.gov/> or a copy can be obtained from the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602 between the hours of 8:00 a.m. to 4:30 p.m.

Revenue from Present Proposed Rates
 Test Period from 01-01-18 to 12-31-18

USAGE TABLE
Usage by Rate Increment

Class: Commercial

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	605	0						0
All Mcf	0	7,285.40						7,285.40
Totals	605	7,285.40						7,285.40

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	605	0	\$15.00 per bill	\$9,075.00
All Mcf	0	7,285.40	\$7.90 per mcfg	\$57,554.66
Totals	605	7,285.40		\$66,629.66

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates
 Test Period from 01-01-18 to 12-31-18

USAGE TABLE
Usage by Rate Increment

Class: Industrial

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	87	0						0
All Mcf	0	5,199.20						5,199.20
Totals	87	5,199.20						5,199.20

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	87	0	\$15.00 per bill	\$1,305.00
All Mcf	0	5,199.20	\$7.90 per mcfg	\$41,073.68
Totals	87	5,199.20		\$42,378.68

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates
 Test Period from 01-01-18 to 12-31-18

USAGE TABLE
Usage by Rate Increment

Class: Institutional

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	402	0						0
All Mcf	0	48,299.10						48,299.10
Totals	402	48,299.10						48,299.10

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	402	0	\$20.00 per bill	\$8,040.00
All Mcf	0	48,299.10	\$8.42 per mcfg	\$406,678.42
Totals	402	48,299.10		\$414,718.42

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates
 Test Period from 01-01-18 to 12-31-18

USAGE TABLE
Usage by Rate Increment

Class: Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	4,235	0						0
All Mcf	0	12,570.00						12,570.00
Totals	4,235	12,570.00						12,570.00

REVENUE TABLE
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	4,235	0	\$8.00 per bill	\$33,880.00
All Mcf	0	12,570.00	\$7.85 per mcfg	\$98,674.50
Totals	4,235	12,570.00		\$132,554.50

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

Customer Class	Existing Base Rates	Proposed Base Rates
Commerical	\$15.00	\$20.00
Industrial	\$15.00	\$20.00
Institutional	\$20.00	\$25.00
Residential	\$8.00	\$8.00

Customer Class	Existing Gas Cost Rates	Proposed Gas Cost Rates
Commerical	\$7.90/mcf	\$11.50/mcf
Industrial	\$7.90/mcf	\$11.50/mcf
Institutional	\$8.42/mcf	\$14.00/mcf
Residential	\$7.85/mcf	\$10.00/mcf