



September 1, 2011

Mr. Jeff DeRouen, Executive Director
Commonwealth of Kentucky
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

SEP - 6 2011

PUBLIC SERVICE
COMMISSION

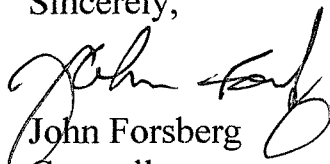
Re: Citipower L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Mr. DeRouen:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective October 1, 2011 based on the reporting period from April 1, 2011 through June 30, 2011. To the best of my knowledge, this filing is complete and accurate, is in accordance with the requirements of the Commonwealth of Kentucky Public Service Commission.

The Public Service Commission may, as it has in the past, correct the Quarterly Report of Gas Cost Recovery Rate Calculation provided by Citipower, and issue its Order based on its corrected Calculation. If the Commission corrects the enclosed Calculation and issues its Order based on the Commission's corrected calculation, please provide me with a legible copy for future reference.

Sincerely,


John Forsberg
Controller

CITIPOWER, LLC

**QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION**

RECEIVED

SEP - 6 2011

PUBLIC SERVICE
COMMISSION

Date Filed:

September 1, 2011

Date Rated to be Effective:

October 1, 2011

Reporting Period is Calendar Quarter Ended:

June 30, 2010

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$5.3549
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.2131)
Balance Adjustment (BA)	\$/Mcf	\$0.0044
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$5.1463

to be effective for service rendered from October 1, 2011 to December 31, 2011.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$398,013
/Sales for the 12 months ended June 30, 2011	\$/Mcf	74,326
Expected Gas Cost	\$/Mcf	\$5.3549
<u>B. REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch III)	\$/Mcf	\$0.0000
+Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	\$0.0000
=Refund Adjustment (RA)	\$ Mcf	\$0.0000
<u>C. ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Sch IV)	\$/Mcf	(\$0.2314)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1675)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.1241
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0617
=Actual Adjustment (AA)	\$ Mcf	(\$0.2131)
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0227
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0384)
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0201
=Balance Adjustment (BA)	\$ Mcf	\$0.0044

CITIPOWER, LLC
SCHEDULE II
EXPECTED GAS COST

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Citigas			71,893	\$5.17	\$371,688
Citizens Gas Utility District			2,433	\$10.82	\$26,325

Totals	74,326	\$398,013
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Line loss for 12 months ended 6/30/2011 is based on purchases of 74,326
and sales of 74,326 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$398,013
/ Mcf Purchases (4)		74,326
= Average Expected Cost Per Mcf Purchased		\$5.3549
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		74,326
= Total Expected Gas Cost (to Schedule IA)		\$398,013

Calculation of Citigas Rate:

Richardson Barr March 1 NYMEX 12 Mo Strip	\$	4.30
Plus 20% BTU Factor	\$	0.87
Total	\$	5.17

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT (6 Months)

Particulars	Unit	Jan '11	Feb '11	March '11	Apr '11	May '11	June '11
Total Supply Volumes Purchased	Mcf	13,897	10,718	8,301	5,237	3,388	2,546
Total Cost of Volumes Purchased	\$	\$92,016	\$59,250	\$44,709	\$27,109	\$17,551	\$13,188
/ Total Sales *	Mcf	13,897	10,718	8,301	5,237	3,388	2,546
= Unit Cost of Gas	\$/Mcf	\$6.6213	\$5.5281	\$5.3859	\$5.1764	\$5.1803	\$5.1800
- EGC in Effect for Month	\$/Mcf	\$6.1474	\$6.1474	\$6.1474	\$6.1474	\$6.1474	\$6.1474
= Difference	\$/Mcf	\$0.4739	(\$0.6193)	(\$0.7615)	(\$0.9710)	(\$0.9671)	(\$0.9674)
x Actual Sales during Month	Mcf	13,897	10,718	8,301	5,237	3,388	2,546
= Monthly Cost Difference	\$	\$6,586	(\$6,638)	(\$6,321)	(\$5,085)	(\$3,277)	(\$2,463)
 Total Cost Difference						\$	(\$17,198)
/ Sales for 12 months ended 6/30/11						Mcf	74,326
= Actual Adjustment for the Reporting Period (to Sch IC)							(\$0.2314)

* May not be less than 95% of supply volume

CITIPOWER, LLC

SCHEDULE V
BALANCE ADJUSTMENT

Case No. 2010-00097

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	72,796	\$0.1039	\$7,564	\$9,411

Under/(Over) Recovery	\$1,847
Mcf Sales for factor	72,796
BA Factor	\$0.0254

Citipower, LLC
Quarterly Report of Gas Cost
Filing Date: 8/31/11
Schedule II - Expected Gas Cost

Month	Mcf (Purchased)	Expected					Total Cost
		Citigas		Citizens			
		Cost p/mcf	Total	MCF	Cost p/mcf	Total	
Jul-10	2,083	5.17	10,768				10,768
Aug-10	1,792	5.17	9,266				9,266
Sep-10	2,125	5.17	10,988				10,988
Oct-10	4,234	5.17	21,890				21,890
Nov-10	7,870	5.17	40,688				40,688
Dec-10	12,135	5.17	58,070	903	10.82	9,770	67,840
Jan-11	13,897	5.17	67,466	847	10.82	9,165	76,630
Feb-11	10,718	5.17	53,064	454	10.82	4,912	57,977
Mar-11	8,301	5.17	41,753	225	10.82	2,435	44,188
Apr-11	5,237	5.17	27,057	4	10.82	43	27,100
May-11	3,388	5.17	17,517				17,517
Jun-11	2,546	5.17	13,162				13,162
	<u>74,326</u>		<u>371,688</u>	<u>2,433</u>		<u>26,325</u>	<u>398,013</u>



August 31, 2011

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for October 2011 through December 2011 will be as calculated below:

Purchases From Forexco:	
Richardson Barr Aug 2010 NYMEX 12 Month Strip	\$ 4.30
Plus 20% BTU Factor	<u>\$.87</u>
Total	\$ 5.17

Purchases From Citizens:	
TGP-500L (08/31/11 \$3.86) + \$5.00 + \$1.96 p/mcf	\$10.82

Sincerely,

Daniel R Forsberg
President

2122 Enterprise Rd.
Greensboro, NC 27408
(336) 379-0800
(336) 379-0881 Fax



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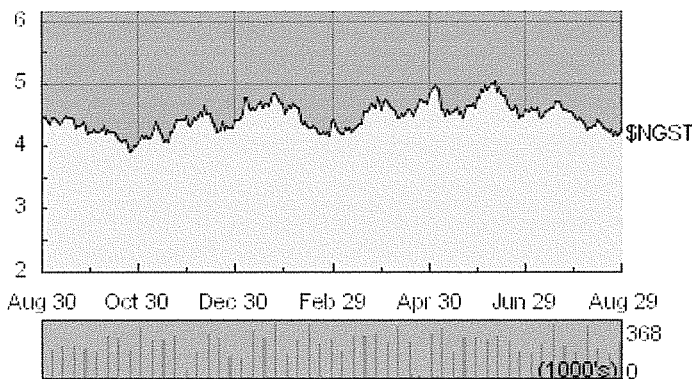
Look under "More Info" for further information. At least 20 min. delay.

NYMEX NATURAL GAS 12-MO STRIP OCTOBER (NYMEX_NT: \$NGST)

More Info: [chart](#) [stock screen](#) [performance screen](#) [news](#)

Last Trade		Change		Trades Today		Day's Volume	
4:18 p.m. -		↑ 0.01 (↑ 0.23%)		39,763		164,161	
4.30							
Beta		Day's Range		Open		52 Wk Range	
NA		4.21 - 4.30		4.28		4.20 - 7.49	
Prev Close		Ex-Div		Yield		Market Cap.	
4.29		NA		NA%		0	
EPS	PE	Div/Shr	Ex-Div	Yield	Shares Out.	Market Cap.	
NA	NA	0.00	NA	NA%	NA	0	

• 1 Year Stock Performance:



TickerTech.com Aug 30, 2011

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Socal-IT Stor	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	4.2400	4.2400	4.2400	.0400	75,000	1	2
Socal-Kramer	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	4.1600	4.1000	4.1192	-.0215	30,000	4	5
Socal-Needles	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	4.1500	4.0800	4.1016	-.0373	184,400	21	12
Sonat-T1	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9400	3.8300	3.8875	-.0007	273,500	49	29
Southern Star	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.8250	3.7150	3.7568	-.0248	35,300	9	7
Stanfield	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.8100	3.7550	3.7824	-.0312	43,400	5	5
TETCO-ELA	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9200	3.8500	3.8941	.0092	176,300	45	24
TETCO-ETX	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9100	3.8000	3.8402	-.0294	25,100	13	13
TETCO-M1 24	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.8000	3.8000	3.8000	-.1151	5,000	2	2
TETCO-M1 30	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9100	3.8000	3.8412	-.0247	343,900	62	34
TETCO-M2	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	4.0650	4.0500	4.0579	-.0021	44,500	8	9
TETCO-M3	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	4.1000	4.0000	4.0474	-.0522	631,600	91	34
TETCO-STX	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.8500	3.8000	3.8366	-.0203	58,600	12	11
TETCO-WLA	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9250	3.8700	3.8953	-.0015	180,800	34	18
TGP-500L	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9175	3.7900	3.8688	-.0185	221,700	55	37
TGP-800L	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9175	3.8000	3.8722	-.0161	214,200	50	31
TGP-20	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.8550	3.7700	3.8281	-.0222	158,500	37	21
TGP-26 300L	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.8000	3.6200	3.7337	-.3139	7,600	5	5
TGP-26 200L	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	4.1300	4.0400	4.0854	-.0272	187,000	36	20
TGT-5L (FT)	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9100	3.7700	3.8593	-.0020	38,800	8	10
TGT-21 (FT)	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.9100	3.7700	3.8494	-.0055	152,900	35	27
TGT-21 (IT)	Aug 30, 2011	Aug 31, 2011	Aug 31, 2011	3.8650	3.8500	3.8605	.0155	30,900	4	4

Internet 85%

Calc of Citizens Price

TGP-500

Citizens Add on

Approved (\$1.96)

* 3.8688

5.06.00

1.9600

10.82