

Citipower

August 29, 2014

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

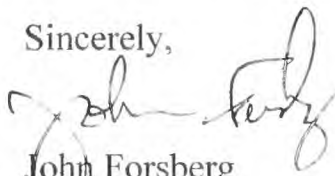
Re: Citipower L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation

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, 2014 based on the reporting period from April 1, 2014 through June 30, 2014. 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**

11/11/14
11/11/14
11/11/14
11/11/14

Date Filed:

Aug 29, 2014

Date Rated to be Effective:

October 1, 2014

Reporting Period is Calendar Quarter Ended:

June 2014

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$5.1412
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$0.3757
Balance Adjustment (BA)	\$/Mcf	\$0.0319
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$5.5488

to be effective for service rendered from October 1, 2014 to December 31, 2014.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$443,813
/Sales for the 12 months ended 12/31/2013	\$/Mcf	86,325
Expected Gas Cost	\$/Mcf	\$5.1412

<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	(\$0.0044)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.4030
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0100)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0129)
=Actual Adjustment (AA)	\$ Mcf	\$0.3757

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0054
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0218
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0007
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0040
=Balance Adjustment (BA)	\$ Mcf	\$0.0319

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			82,020	\$4.84	\$396,975
Citizens Gas Utility District			4,305	\$10.88	\$46,838

Totals			86,325		\$443,813
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Line loss for 12 months ended 6/30/2014 is based on purchases of 86,325
and sales of 86,325 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$443,813
/ Mcf Purchases (4)		86,325
= Average Expected Cost Per Mcf Purchased		\$5.1412
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		86,325
= Total Expected Gas Cost (to Schedule IA)		\$443,813

Calculation of Citigas Rate:

Richardson Barr September 12 NYMEX 12 Mo Strip	\$	4.03
Plus 20% BTU Factor	\$	0.81
Total	\$	4.84
 Citizens		
TGP-500 \$3.92 + \$5.00 + \$1.96)	\$	10.88

CITIPOWER, LLC
SCHEDULE IV
ACTUAL ADJUSTMENT

<u>Particulars</u>	<u>Unit</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>
Total Supply Volumes Purchased	Mcf	4,817	3,245	2,045
Total Cost of Volumes Purchased	\$	\$28,419	\$19,143	\$12,067
/ Total Sales *	Mcf	4,817	3,245	2,045
= Unit Cost of Gas	\$/Mcf	\$5.8997	\$5.8992	\$5.9007
- EGC in Effect for Month	\$/Mcf	\$5.9370	\$5.9370	\$5.9370
= Difference	\$/Mcf	(\$0.0373)	(\$0.0378)	(\$0.0363)
x Actual Sales during Month	Mcf	4,817	3,245	2,045
= Monthly Cost Difference	\$	(\$180)	(\$123)	(\$74)
 Total Cost Difference			\$	(\$378)
/ Sales for 12 months ended 6/30/14			Mcf	86,325
= Actual Adjustment for the Reporting Period (to Sch IC)				(\$0.0044)

* May not be less than 95% of supply volume

CITIPOWER, LLC

SCHEDULE V
BALANCE ADJUSTMENT

Case No. 2013-00260

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	86,325	(\$0.0154)	(\$1,329)	(\$86,325)

Under/(Over) Recovery	\$463
Mcf Sales for factor	86,325
BA Factor	\$0.0054

Citipower, LLC
Quarterly Report of Gas Cost
Schedule II - Expected Gas Cost

Expected

Month	Mcf	Citigas		MCF	Citizens		Total Cost
		Cost p/mcf	Total		Cost p/mcf	Total	
Jul-13	3,281	4.84	15,880				15,880
Aug-13	3,718	4.84	17,997				17,997
Sep-13	3,289	4.84	15,920				15,920
Oct-13	5,752	4.84	27,840				27,840
Nov-13	7,332	4.84	35,487				35,487
Dec-13	11,314	4.84	54,758	80	10.88	870	55,629
Jan-14	14,703	4.84	71,163	2,610	10.88	28,397	99,559
Feb-14	12,163	4.84	58,869	1,109	10.88	12,066	70,935
Mar-14	10,360	4.84	50,143	506	10.88	5,505	55,648
Apr-14	4,817	4.84	23,314				23,314
May-14	3,245	4.84	15,706				15,706
Jun-14	2,045	4.84	9,898				9,898
	<u>82,020</u>		<u>396,975</u>	<u>4,305</u>		<u>46,838</u>	<u>443,813</u>



Citigas, LLC

August 29, 2014

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for October 2014 through December 2014 will be as calculated below:

Purchases From Forexco:	
Richardson Barr NYMEX 12 Month Strip (8/27/14)	\$ 4.03
Plus 20% BTU Factor	<u>\$.81</u>
 Total	 \$ 4.84
 Purchases From Citizens:	
TGP-500L (8/26/14) \$3.9184 + \$5.00 + \$1.96 p/mcf	\$10.88

Sincerely,



Daniel R Forsberg
President

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

TGP-Z4 Marcellus	\$2.3100	\$2.1700	\$2.2217	0.4331	54,500	20
TGP-Z4 Sta-219	\$2.6200	\$2.5500	\$2.5967	0.3915	113,900	30
TGP-Z4 Sta-313	\$2.6000	\$2.5000	\$2.5508	0.3815	56,900	17
TGP-Z6 200L	\$3.1500	\$3.1200	\$3.1343	0.7967	17,500	4
Transco-Z5 (non-WGL)	\$4.0400	\$4.0150	\$4.0297	0.0421	60,700	12
Transco-Z6 (non-NY north)	\$2.8000	\$2.5950	\$2.6671	0.8013	183,500	41
Transco-Z6 (NY)	\$2.7800	\$2.5000	\$2.6912	0.8243	120,200	24
ANR-LA	\$3.9100	\$3.8750	\$3.8999	0.0608	98,700	17
ANR-SE-T	\$3.9100	\$3.8750	\$3.8999	0.0608	98,700	17
Carthage	\$3.8800	\$3.8750	\$3.8765	0.0399	7,100	2
CG-Mainline	\$3.8950	\$3.8800	\$3.8882	0.0416	176,500	35
CG-Onshore	\$3.9100	\$3.9000	\$3.9093	0.0404	72,100	12
FGT-Z3	\$4.0700	\$4.0000	\$4.0325	0.0304	100,200	21
Henry	\$4.0000	\$3.8900	\$3.9250	0.0659	129,100	21
Houston Ship Channel	\$4.0000	\$3.9750	\$3.9963	0.0657	70,600	10
Katy	\$4.0000	\$3.9600	\$3.9857	0.0481	185,100	31
Katy-Lonestar Inter	\$3.9900	\$3.9600	\$3.9697	0.0397	3,700	4
Katy-Oasis	\$4.0000	\$3.9700	\$3.9880	0.0532	121,100	17
Moss Bluff Inter	\$3.9500	\$3.9500	\$3.9500	0.0390	30,000	4
NGPL-STX	\$3.8500	\$3.8250	\$3.8366	0.0179	28,800	6
Pine Prairie	\$3.9300	\$3.9100	\$3.9182	0.0432	54,200	6
Sonat-T1	\$3.9400	\$3.9100	\$3.9214	0.0272	229,500	37
TETCO-ELA	\$3.9000	\$3.8700	\$3.8870	0.0337	48,100	8
TETCO-ETX	\$3.8350	\$3.8000	\$3.8168	0.0137	14,700	5
TETCO-M1 24	\$3.9000	\$3.9000	\$3.9000	0.0200	8,600	3
TETCO-M1 30	\$3.9000	\$3.8800	\$3.8886	0.0336	17,500	4
TETCO-STX	\$3.9100	\$3.9000	\$3.9022	0.0378	22,300	5
TETCO-WLA	\$3.9000	\$3.9000	\$3.9000	0.0266	8,500	2
TGP-500L	\$3.9350	\$3.8900	\$3.9184	0.0451	94,300	20
TGP-800L	\$3.9150	\$3.8900	\$3.9064	0.0405	72,500	16
TGP-Z0	\$3.8200	\$3.7975	\$3.8088	0.0038	144,500	31
TGT-Mainline	\$3.8975	\$3.8700	\$3.8910	0.0412	113,300	16
TGT-North LA	\$3.8700	\$3.8450	\$3.8513	0.0083	28,700	8
Transco-30	\$3.8800	\$3.8400	\$3.8694	0.0394	43,900	16
Transco-45	\$3.9500	\$3.9100	\$3.9149	0.0649	5,700	2
Transco-65	\$3.9475	\$3.9050	\$3.9363	0.0494	130,700	28
Transco-85	\$3.9650	\$3.9250	\$3.9492	0.0453	338,300	65
Trunkline-ELA	\$3.9000	\$3.8650	\$3.8766	0.0405	29,500	7
Trunkline-Z1A	\$3.9100	\$3.8950	\$3.8985	0.0475	51,600	11
Alliance Delivered	\$3.9725	\$3.9600	\$3.9669	0.0302	28,700	4
ANR-Joliet Hub	\$3.9700	\$3.9700	\$3.9700	0.0200	10,000	1
ANR-SW	\$3.8300	\$3.7500	\$3.7859	0.0351	30,500	13
APC-ACE	\$3.9725	\$3.9600	\$3.9669	0.0293	28,700	4
Chicago Citygates	\$3.9800	\$3.9600	\$3.9653	0.0218	98,800	22
Consumers	\$4.0350	\$4.0200	\$4.0286	0.0516	91,900	16
Demarc	\$3.9450	\$3.9250	\$3.9346	0.0176	116,600	23
EGT-Flex	\$3.8300	\$3.8000	\$3.8188	0.0273	47,400	9
Enable West Pool	\$3.9000	\$3.8500	\$3.8662	0.0657	56,300	8
Lebanon	\$3.9500	\$3.9400	\$3.9442	0.0626	45,000	7
Michcon	\$4.0350	\$4.0100	\$4.0257	0.0411	189,200	37
NBPL-Vector	\$3.9700	\$3.9600	\$3.9648	0.0419	24,500	4



RBC Capital Markets
RBC Richardson Barr

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

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

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

Last Trade 9:05 a.m. - 4.03		Change +0.04 (+1.00%)		Trades Today 538	Day's Volume 21,108	
Beta NA		Day's Range 4.00 - 4.03	Prev Close 3.99	Open 4.00	52 Wk Range 3.74 - 4.69	
EPS NA	PE NA	Div/Shr 0.00	Ex-Div NA	Yield NA%	Shares Out. NA	Market Cap. 0

• 1 Year Stock Performance:

