

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
MAR 19 2015
PUBLIC SERVICE
COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO.
FILING OF CITIPOWER, LLC) 2015-00073

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO CITIPOWER, LLC

Citipower, LLC ("Citipower"), pursuant to 807 KAR 5:001, is to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due within seven days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Citipower shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which Citipower fails or refuses to furnish all or part of the requested information, Citipower

shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When filing a paper containing personal information, Citipower shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the response to Appendix B of the Commission's Order in Case No. 2014-00426.¹ Confirm that Citipower billed a Gas Cost Recovery ("GCR") rate of \$6.0605 per Mcf for the months of October through December 2014. If this cannot be confirmed, state what GCR rate was billed.

2. Refer to the Application, Schedule IV, Actual Adjustment.

a. Provide the Total Cost of Volumes Purchased for December 2014, broken down between Citigas, LLC ("Citigas") and Citizens Gas Utility District ("Citizens Gas").

b. Provide bills from Citigas and Citizens Gas for October, November, and December 2014.

3. a. Explain how Citigas bills Citipower for monthly purchases. The explanation should specifically include whether the monthly bills are based on the NYMEX price quoted in the letters provided in Citipower's GCR filings, or whether

¹ Case No. 2014-00426, *Purchased Gas Adjustment Filing of Citipower, LLC* (Ky. PSC Dec. 22, 2014).

Citigas's monthly prices to Citipower are based on the current market price of gas during each specific month.

b. Refer to the Application, Schedule IV, Actual Adjustment. If monthly prices to Citipower are based on the NYMEX price quoted in the letters provided in Citipower's GCR filings, explain why the Unit Cost of Gas is not the same as the \$5.1412 EGC in Effect for Month for October and November 2014. If monthly prices to Citipower are based on the current market price of gas during each specific month, explain the basis for the monthly pricing from Citigas, whether it is NYMEX-based, or whether some other pricing method is used.



Jeff Detouen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED MAR 11 2015

cc: Parties of Record

Question 1

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BEFORE THE PUBLIC SERVICE COMMISSION

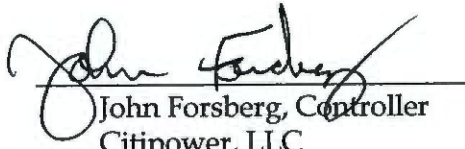
In the Matter of:

COMMISSION STAFF'S INITIAL REQUEST FOR
INFORMATION TO CITIPOWER, LLC
PURSUANT TO 807 KAR 5:001

CASE NO. 2015-00073

1. Refer to the response to Appendix B of the Commission's Order in Case No. 2014-00426. Confirm that Citipower billed a Gas Cost Recovery ("GCR") rate of \$6.0605 per Mcf for the months of October through December 2014. If this cannot be confirmed, state what GCR rate was billed.

RESPONSE: Citipower was billed \$5.36 per MCF for the months of October, November and December 2014.


John Forsberg, Controller
Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:


COMMISSION STAFF'S INITIAL REQUEST FOR
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CASE NO. 2015-00073

2. Refer to the Application, Schedule IV, Actual Adjustment.

a. Provide the Total Cost of Volumes Purchased for December 2014, broken down between Citigas, LLC ("Citigas") and Citizens Gas Utility District ("Citizens Gas").

RESPONSE: December 2014 volumes purchased was 9,615.7 MCF for a total of \$50,758.95. \$50,210.67 from Citigas and \$548.08 from Citizens. We were notified by field staff that Citipower purchased 248 MCF from Citizens in December, however the invoice was never received. The \$548.08 represents Citigas' transportation and marketing charges.



John Forsberg, Controller
Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Adam Forsberg

From: vernon_smith@windstream.net
Sent: Tuesday, January 20, 2015 9:32 AM
To: aforsberg@citienergyllc.com
Subject: Gas purchase from citizens Gas for Dec., 2014

Adam,

CitiPower purchased 248 MCF of natural gas from Citizens Gas during the month of December, 2014.

Also, during the month of Dec., CitiPower ran the Schencke Compressor and the Airport Compressor.

If you have any questions, please advise.

Vernon

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

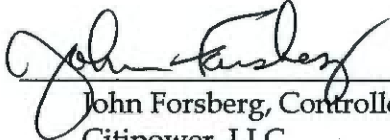
COMMISSION STAFF'S INITIAL REQUEST FOR
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CASE NO. 2015-00073

2. Refer to the Application, Schedule IV, Actual Adjustment.

b. Provide bills from Citigas and Citizens Gas for October, November, and December 2014.

RESPONSE: Copies of October, November and December 2014 invoices are attached. The Citizens Gas Utility invoice for November deliveries was not reflected in the original filing numbers as it wasn't received until January 12, 2015.



John Forsberg, Controller
Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Citizens Gas Utility District
Of Scott and Morgan Counties

RECEIVED
JAN 12 REC'D

12519 Scott Highway • P.O. Box 320 • Helenwood, TN. 37755
Phone : (423) 569-4457 Fax : (423) 569-5303
www.citizensgas.org

Invoice

Date: JANUARY 7, 2015

Number: 1114-CitiGas

To: CitiGas, LLC.

Due: JANUARY 31, 2015

2122 Enterprise Road
Greensboro, NC. 27408

Quantity	Description	Unit Price	Amount
	November 2014 Deliveries		
	Isham Road Compressor: 304 DTH \$8.67		\$ 2,635.68
	(262 MCF * 1.160 BTU = 304 DTH)		
	(TGP - 500 Leg Index for November 2014 plus \$5.00)		
		TOTAL DUE	\$ 2,635.68

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3. a. Explain how Citigas bills Citipower for monthly purchases. The explanation should specifically include whether the monthly bills are based on the NYMEX price quoted in the letters provided in Citipower's GCR filings, or whether Citigas's monthly prices to Citipower are based on the current market price of gas during each specific month.

RESPONSE: Citigas bills Citipower based on the expected gas cost as filed in the Quarterly Report of Gas Cost Recovery Rate Calculation.



John Forsberg, Controller
Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Question 3b

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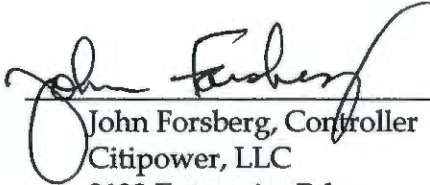
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3. b. Refer to the Application, Schedule IV, Actual Adjustment. If monthly prices to Citipower are based on the NYMEX price quoted in the letters provided in Citipower's GCR filings, explain why the Unit Cost of Gas is not the same as the \$5.1412 EGC in Effect for Month for October and November 2014. If monthly prices to Citipower are based on the current market price of gas during each specific month, explain the basis for the monthly pricing from Citigas, whether it is NYMEX-based, or whether some other pricing method is used.

RESPONSE: There was an error in Citigas billings to Citipower for the months October, November and December 2014. Citigas inadvertently charged Citipwer the previous quarters gas cost of \$5.36.



John Forsberg, Controller
Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408



Citigas, LLC

May 28, 2014

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for July 2014 through September 2014 will be as calculated below:

Purchases From Forexco:

Richardson Barr September 12 NYMEX 12 Month Strip	\$ 4.47
Plus 20% BTU Factor	<u>\$.89</u>

Total	\$ 5.36
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Purchases From Citizens:

TGP-500L (5/28/14) \$4.41 + \$5.00 + \$1.96 p/mcf	\$11.36
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Sincerely,

Daniel R Forsberg
President

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