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December 1, 2014

DEC 5 2014

PUBLIC SERVICE
COMMISSION

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 January 1, 2015 based on the reporting period from July 1, 2014 through September 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**

RECEIVED

DEC 5 2014

PUBLIC SERVICE
COMMISSION

Date Filed:

December 1, 2015

Date Rated to be Effective:

January 1, 2015

Reporting Period is Calendar Quarter Ended:

September 2014

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$5.0886
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$0.3552
Balance Adjustment (BA)	\$/Mcf	\$0.0213
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$5.4651

to be effective for service rendered from January 2015 to March 2015.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$414,010
/Sales for the 12 months ended 9/30/14	\$/Mcf	81,360
Expected Gas Cost	\$/Mcf	\$5.0886

<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	(\$0.0378)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.4030
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0100)
=Actual Adjustment (AA)	\$ Mcf	\$0.3552

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	(\$0.0012)
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0218
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0007
=Balance Adjustment (BA)	\$ Mcf	\$0.0213

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			77,055	\$4.75	\$366,009
Citizens Gas Utility District			4,305	\$11.15	\$48,001
Totals			81,360		\$414,010

Line loss for 12 months ended 9/30/2014 is based on purchases of 81,360
and sales of 81,360 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$414,010
/ Mcf Purchases (4)		81,360
= Average Expected Cost Per Mcf Purchased		\$5.0886
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		81,360
= Total Expected Gas Cost (to Schedule IA)		\$414,010

Calculation of Citigas Rate:

Richardson Barr September 12 NYMEX 12 Mo Strip	\$	3.96
Plus 20% BTU Factor	\$	0.79
Total	\$	4.75
 Citizens		
TGP-500 \$4.19 + \$5.00 + \$1.96)	\$	11.15

CITIPOWER, LLC
SCHEDULE IV
ACTUAL ADJUSTMENT

<u>Particulars</u>	<u>Unit</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>
Total Supply Volumes Purchased	Mcf	1,923	1,649	1,753
Total Cost of Volumes Purchased	\$	\$10,305	\$8,838	\$9,393
/ Total Sales *	Mcf	1,923	1,649	1,753
= Unit Cost of Gas	\$/Mcf	\$5.3586	\$5.3600	\$5.3585
- EGC in Effect for Month	\$/Mcf	\$5.9370	\$5.9370	\$5.9370
= Difference	\$/Mcf	(\$0.5784)	(\$0.5770)	(\$0.5785)
x Actual Sales during Month	Mcf	1,923	1,649	1,753
= Monthly Cost Difference	\$	(\$1,112)	(\$951)	(\$1,014)
 Total Cost Difference			\$	(\$3,078)
/ Sales for 12 months ended 9/30/14			Mcf	81,360
= Actual Adjustment for the Reporting Period (to Sch IC)				(\$0.0378)

* May not be less than 95% of supply volume

CITIPOWER, LLC

SCHEDULE V
BALANCE ADJUSTMENT

Case No. 2013-00334

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	81,360	\$0.0156	\$1,269	\$1,168

Under/(Over) Recovery	(\$101)
Mcf Sales for factor	81,360
BA Factor	(\$0.0012)

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	
Oct-13	5,752	4.75	27,322				27,322
Nov-13	7,332	4.75	34,827				34,827
Dec-13	11,314	4.75	53,740	80	11.15	892	54,632
Jan-14	14,703	4.75	69,839	2,610	11.15	29,102	98,941
Feb-14	12,163	4.75	57,775	1,109	11.15	12,365	70,140
Mar-14	10,360	4.75	49,210	506	11.15	5,642	54,852
Apr-14	4,817	4.75	22,881				22,881
May-14	3,245	4.75	15,414				15,414
Jun-14	2,045	4.75	9,714				9,714
Jul-14	1,923	4.75	9,132				9,132
Aug-14	1,649	4.75	7,833				7,833
Sep-14	1,752	4.75	8,322				8,322
	<u>77,055</u>		<u>366,009</u>	<u>4,305</u>		<u>48,001</u>	<u>414,010</u>



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

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

Last Trade 5:35 p.m. - 3.96		Change ↓ 0.01 (↓ 0.25%)		Trades Today 0	Day's Volume 27,967	
Beta NA		Day's Range 3.95 - 3.98	Prev Close 3.97	Open 3.97	52 Wk Range 3.28 - 4.10	
EPS NA	PE NA	Div/Shr 0.00	Ex-Div NA	Yield NA%	Shares Out. NA	Market Cap. 0

• 1 Year Stock Performance:



TickerTech.com Nov 26, 2014

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TETCO-ETX	\$4.1000	\$4.0400	\$4.0687	0.0966	24,200	11
TETCO-M1 24	\$4.2000	\$4.1250	\$4.1314	0.0814	7,000	2
TETCO-M1 30	\$4.1450	\$4.0000	\$4.0545	0.1250	30,000	6
TETCO-STX	\$4.1500	\$4.0500	\$4.0935	0.1232	119,600	19
TETCO-WLA	\$4.1500	\$4.1500	\$4.1500	0.0883	12,200	3
TGP-500L	\$4.2200	\$4.1350	\$4.1903	0.1007	233,800	42
TGP-800L	\$4.1600	\$4.1000	\$4.1236	0.0797	156,400	28
TGP-ZO	\$4.1000	\$3.9500	\$4.0160	0.0617	128,600	30
TGT-Mainline	\$4.1875	\$4.1100	\$4.1274	0.0826	112,900	22
TGT-North LA	\$4.1200	\$4.1200	\$4.1200	0.0690	5,000	1
TGT-SL	\$4.1900	\$4.1600	\$4.1638	-0.0662	2,400	2
Transco-30	\$4.1400	\$4.0800	\$4.1097	0.0829	18,500	8
Transco-45	\$4.1400	\$4.0800	\$4.1311	0.0811	10,100	5
Transco-65	\$4.1800	\$4.1200	\$4.1635	0.0671	86,500	27
Transco-85	\$4.2250	\$4.1600	\$4.1947	0.0744	940,800	144
Tres Palacios (inj)	\$4.1000	\$4.1000	\$4.1000	-0.0786	10,000	1
Tres Palacios (w/d)	\$4.1500	\$4.1500	\$4.1500	0.0450	10,000	1
Trunkline-ELA	\$4.1700	\$4.1500	\$4.1633	0.1169	16,000	7
Trunkline-WLA	\$4.2000	\$4.2000	\$4.2000	0.1087	3,000	1
Trunkline-Z1A	\$4.1700	\$4.1100	\$4.1460	0.0976	106,900	21
Alliance Delivered	\$4.6500	\$4.5700	\$4.6199	0.1449	226,300	37
ANR-Joliet Hub	\$4.6500	\$4.6300	\$4.6380	0.1053	25,000	4
ANR-SW	\$4.2350	\$4.0500	\$4.1368	0.0168	38,600	9
APC-ACE	\$4.6500	\$4.5700	\$4.6199	0.1462	226,300	37
Chicago Citygates	\$4.6700	\$4.5300	\$4.5982	0.1280	848,900	108
Consumers	\$4.6500	\$4.6000	\$4.6329	0.1368	65,200	23
Demarc	\$4.5250	\$4.4850	\$4.5089	0.1100	259,200	41
EGT-Flex	\$4.0300	\$3.9800	\$3.9963	0.0382	80,000	10
EGT-North	\$3.9900	\$3.9900	\$3.9900	0.0000	7,000	1
EGT-South	\$4.0200	\$3.9800	\$4.0064	0.0564	17,400	3
Enable West Pool	\$3.9000	\$3.7500	\$3.8579	0.1038	12,600	4
Lebanon	\$4.3600	\$4.3600	\$4.3600	0.0744	1,900	1
Michcon	\$4.6600	\$4.6300	\$4.6470	0.1067	367,800	55
NBPL-Vector	\$4.6200	\$4.5800	\$4.5966	0.1330	64,900	12
NBPL-Ventura	\$4.5400	\$4.5000	\$4.5259	0.1098	101,800	14
NBPL-Will County	\$4.6500	\$4.5800	\$4.6121	0.1099	101,800	14
NGPL-Amarillo	\$4.5000	\$4.4100	\$4.4399	0.1416	92,600	17
NGPL-GC Mainline	\$4.1200	\$4.1200	\$4.1200	0.1014	10,000	1
NGPL-MidAm	\$4.5800	\$4.5600	\$4.5700	0.1094	26,200	5
NGPL-Midcont Pool	\$4.1350	\$4.1000	\$4.1163	0.1597	136,800	24
NGPL-Nicor	\$4.5850	\$4.5300	\$4.5541	0.0927	191,000	30
NGPL-Nipsco	\$4.6700	\$4.6000	\$4.6330	0.1571	115,600	17
NGPL-TXOK	\$4.1400	\$4.0800	\$4.0935	0.0962	237,400	32
NNG-Mid 1-7	\$4.1500	\$4.1000	\$4.1278	0.0996	18,000	2
NNG-Ventura	\$4.5400	\$4.4800	\$4.5219	0.1080	105,500	17
OGT	\$4.1300	\$4.0500	\$4.0758	0.0518	155,300	22
Panhandle	\$4.1300	\$4.0500	\$4.0988	0.1866	124,900	28
PGLC	\$4.6300	\$4.5500	\$4.6031	0.1346	415,500	43