

RECEIVED

May 27, 2016

MAY 31 2016

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 July 1, 2016 based on the reporting period from January 1, 2016 through March 31, 2016. 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,



Adam Forsberg
Controller

CITIPOWER, LLC

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

Date Filed:

May 27, 2016

Date Rated to be Effective:

July 1, 2016

Reporting Period is Calendar Quarter Ended:

March 2016

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$3.6326
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.0070)
Balance Adjustment (BA)	\$/Mcf	\$0.2964
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$3.9220

to be effective for service rendered from July 2016 through September 2016

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$245,216
/Sales for the 12 months ended 3/16	\$/Mcf	67,504
Expected Gas Cost	\$/Mcf	\$3.6326
<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	\$0.2077
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1210)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0429)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0508)
=Actual Adjustment (AA)	\$ Mcf	(\$0.0070)
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.1371
+Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0020)
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0007
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.1606
=Balance Adjustment (BA)	\$ Mcf	\$0.2964

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			63,262	\$3.26	\$206,486
Citizens Gas Utility District			4,242	\$9.13	\$38,729
Totals			67,504		\$245,216
Line loss for 12 months ended <u>3/31/2016</u> is based on purchases of <u>67,504</u>					
and sales of <u>67,504</u> Mcf. 0.00%					
				<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)					\$245,216
/ Mcf Purchases (4)					67,504
= Average Expected Cost Per Mcf Purchased					\$3.6326
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)					67,504
= Total Expected Gas Cost (to Schedule IA)					\$245,216

CITIPOWER, LLC
SCHEDULE IV
ACTUAL ADJUSTMENT

<u>Particulars</u>	<u>Unit</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>
Total Supply Volumes Purchased	Mcf	13,283	11,426	7,838
Total Cost of Volumes Purchased	\$	\$48,210	\$55,502	\$21,947
/ Total Sales *	Mcf	13,283	11,426	7,838
= Unit Cost of Gas	\$/Mcf	\$3.6296	\$4.8574	\$2.8000
- EGC in Effect for Month	\$/Mcf	\$3.4301	\$3.4301	\$3.4301
= Difference	\$/Mcf	\$0.1995	\$1.4273	(\$0.6301)
x Actual Sales during Month	Mcf	13,283	11,426	7,838
= Monthly Cost Difference	\$	\$2,650	\$16,308	(\$4,939)
Total Cost Difference			\$	\$14,019
/ Sales for 12 months ended 3/31/16			Mcf	67,504
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.2077

* May not be less than 95% of supply volume

2015-00073

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	67,504	(\$0.1400)	(\$9,451)	(\$194)

Under/(Over) Recovery	\$9,256
Mcf Sales for factor	67,504
BA Factor	\$0.1371



Citigas, LLC

May 27, 2016

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for July 2016 through September 2016 will be as calculated below:

Purchases From Forexco:

Richardson Barr NYMEX 12 Month Strip	\$ 2.72
Plus 20% BTU Factor	<u>\$.54</u>

Total	\$ 3.26
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Purchases From Citizens:

TGP-500L \$1.92 + \$5.00 + \$2.21 p/mcf	\$ 9.13
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Sincerely,

Daniel R Forsberg
President

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

New price effective is 2.88
Which includes BTU adjustment

Citigas, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

March 1, 2016

INVOICE

Sold to: Citipower, LLC
PO Box 1309
Whitley City, KY 42653

PROD MONTH: February-16

Purchased from Forexco, Inc.

Gas cost per mcf

BTU Adjustment

Selling Price \$2.8800

MCFs	11,426.40	per Citipower reports
	(2,847.00)	Less gas purchased from Citizens
Net MCFs purchased from Forexco	8,579.40	
Amount Due	\$24,708.67	

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Invoiced from Citizens Gas Utility District \$24,501.52

MCFs 2,847.00

Transportation @ .25/mcf \$711.75

Marketing fee @ \$1.96/mcf \$5,580.12

Total amount due for Citizens purchase \$30,793.39

Total due for month \$55,502.06

New price effective is 2.80
Which includes BTU adjustment

Citigas, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

April 1, 2016

INVOICE

Sold to: Citipower, LLC
PO Box 1309
Whitley City, KY 42653

PROD MONTH: March-16

Purchased from Forexco, Inc.

Gas cost per mcf

BTU Adjustment

Selling Price \$2.8000

MCFs 7,838.30 per Citipower reports
0.00 Less gas purchased from Citizens
Net MCFs purchased from Forexco 7,838.30
Amount Due \$21,947.24

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Invoiced from Citizens Gas Utility District \$0.00

MCFs 0.00

Transportation @ .25/mcf \$0.00

Marketing fee @ \$1.96/mcf \$0.00

Total amount due for Citizens purchase \$0.00

Total due for month \$21,947.24

Citizens Gas Utility District Of Scott and Morgan Counties

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FEB 08 2016

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

Invoice

Date: FEBRUARY 4, 2016

Number: 0216-CitiGas

To: CitiGas, LLC.
 2309 Cone Blvd.
 Suite 200
 Greensboro, NC. 27408

Due: FEBRUARY 29, 2016

Quantity	Description	Unit Price	Amount
	January 2016 Deliveries		
	Isham Road Compressor: 1,469 DTH	\$7.34	\$ 10,782.46
	(1,233 MCF * 1.191 BTU = 1,469 DTH)		
	(TGP – 500 Leg Index for January 2016 plus \$5.00)		
		TOTAL DUE	\$ 10,782.46

Citizens Gas Utility District Of Scott and Morgan Counties

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

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MAR 14 2016

Invoice

Date: MARCH 7, 2016

Number: 0316-CitiGas

To: CitiGas, LLC.
 2309 Cone Blvd.
 Suite 200
 Greensboro, NC. 27408

Due: MARCH 31, 2016

Quantity	Description	Unit Price	Amount
	February 2016 Deliveries		
	Isham Road Compressor: 3,422 DTH	\$7.16	\$ 24,501.52
	(2,847 MCF * 1.202 BTU = 3,422 DTH)		
	(TGP - 500 Leg Index for January 2016 plus \$5.00)		
		TOTAL DUE	\$ 24,501.52



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

NYMEX NATURAL GAS 12-MO STRIP JULY (NYMEX_NT: \$NGST)						
More Info: chart stock screen performance screen news						
Last Trade 11:09 a.m. - 2.720		Change ↑ 0.003 (↑ 0.11%)		Trades Today 15,073	Day's Volume 148,778	
Beta NA		Day's Range 2.684 - 2.725	Prev Close 2.717	Open 2.708	52 Wk Range 2.249 - 4.422	
EPS NA	PE NA	Div/Shr 0.00	Ex-Div NA	Yield NA%	Shares Out. NA	Market Cap. 0
• 1 Year Stock Performance:						
<p>TickerTech.com May 27, 2016</p> <p>1 Quarter 1 Year 5 Years Compare multiple stocks: <input type="text" value="\$NGST"/> <input type="button" value="Compare"/></p>						

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		\$0.030	\$0.030					\$0.038	\$0.038			\$0.040	\$0.030
	NYMEX	PEPL	TGPL	Transco	NGPL	NGPL	Chicago	ANR	ANR	NNG	So. Star	CIG	EPNG
	Settle	TX OK	LA-500	Zone 5	Mid-Con	Texok	City Gate	LA	OK	Ventura	MidCon	Rocky	Permian
May-14	4.795	4.31	4.75		4.52	4.69	4.85	4.72	4.45	4.71		4.36	4.52
Jun-14	4.619	4.16	4.57		4.35	4.46	4.65	4.54	4.21	4.58		4.13	4.31
Jul-14	4.400	4.14	4.38		4.37	4.37	4.66	4.33	4.28	4.50		4.28	4.43
Aug-14	3.808	3.57	3.77		3.66	3.75	3.87	3.74	3.62	3.80		3.58	3.71
Sep-14	3.957	3.74	3.92		3.82	3.89	4.01	3.91	3.79	3.97		3.73	3.83
Oct-14	3.984	3.74	3.93		3.76	3.92	4.07	3.93	3.75	3.98		3.65	3.74
Nov-14	3.728	3.44	3.67		3.42	3.59	3.75	3.65	3.44	3.70		3.37	3.41
Dec-14	4.282	4.22	4.25		4.22	4.18	5.17	4.19	4.35	5.11		4.33	4.21
Jan-15	3.189	3.07	3.17		3.04	3.06	3.61	3.11	3.17	3.60		3.06	3.03
Feb-15	2.866	2.62	2.85		2.71	2.75	3.02	2.81	2.75	3.01		2.63	2.64
Mar-15	2.894	2.62	2.89		2.66	2.79	3.67	2.86	2.77	3.38		2.61	2.62
Apr-15	2.590	2.25	2.54		2.39	2.52	2.65	2.52	2.35	2.54		2.25	2.37
May-15	2.517	2.19	2.49		2.29	2.43	2.52	2.45	2.27	2.41		2.20	2.26
Jun-15	2.815	2.55	2.79		2.66	2.73	2.86	2.77	2.57	2.70		2.54	2.59
Jul-15	2.773	2.55	2.75		2.66	2.69	2.82	2.72	2.53	2.68		2.56	2.68
Aug-15	2.886	2.65	2.86		2.70	2.79	2.89	2.84	2.64	2.79		2.58	2.73
Sep-15	2.638	2.37	2.60		2.53	2.60	2.78	2.59	2.42	2.67		2.42	2.53
Oct-15	2.563	2.38	2.50		2.46	2.50	2.70	2.49	2.36	2.64		2.36	2.42
Nov-15	2.033	1.87	1.97		1.98	1.95	2.34	1.96	1.90	2.28		1.94	1.99
Dec-15	2.206	2.08	2.15		2.11	2.13	2.39	2.15	2.11	2.32	2.10	2.15	2.14
Jan-16	2.372	2.10	2.34	3.25	2.16	2.25	2.57	2.33	2.06	2.33	2.15	1.90	2.08
Feb-16	2.189	2.04	2.16	3.00	2.06	2.13	2.32	2.17	2.05	2.28	2.02	1.99	2.02
Mar-16	1.711	1.48	1.66	1.81	1.52	1.62	1.85	1.64	1.53	1.63	1.49	1.49	1.55
Apr-16	1.903	1.61	1.84	1.93	1.59	1.80	1.89	1.83	1.63	1.73	1.61	1.51	1.54
May-16	1.995	1.73	1.92	2.02	1.83	1.91	2.04	1.92	1.79	1.91	1.76	1.74	1.80