



November 30, 2010

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

RECEIVED  
PUBLIC SERVICE COMMISSION  
NOV 30 2010

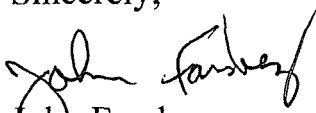
Re: Citipower L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation

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, 2011 based on the reporting period from July 1, 2010 through September 31, 2010. 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  
2122 Enterprise Road  
Greensboro, NC 27408

Voice 336-379-0800  
Fax 336-379-0881

**CITIPOWER, LLC**

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

RECEIVED  
FEB 15 2011  
PUBLIC SERVICE  
COMMISSION

Date Filed:

November 30, 2010

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Date Rated to be Effective:

January 1, 2011

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Reporting Period is Calendar Quarter Ended:

September 31, 2010

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CITIPOWER, LLC

SCHEDULE I

**GAS COST RECOVERY RATE SUMMARY**

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$6.1474
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$1.1768
Balance Adjustment (BA)	\$/Mcf	(\$0.0171)
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$7.3071

to be effective for service rendered from January 1, 2011 to March 31, 2011.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$533,474
/Sales for the 12 months ended Sept 31, 2010	\$/Mcf	86,781
Expected Gas Cost	\$/Mcf	\$6.1474
<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	\$0.1241
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0617
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.8652
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.1258
=Actual Adjustment (AA)	\$ Mcf	\$1.1768
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	(\$0.0384)
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0201
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0012
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
=Balance Adjustment (BA)	\$ Mcf	(\$0.0171)

**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			72,719	\$5.18	\$376,683
Citizens Gas Utility District			14,062	\$11.15	\$156,791

Totals			86,781		\$533,474
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Line loss for 12 months ended 9/31/2010 is based on purchases of 86,781  
and sales of 86,781 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$533,474
/ Mcf Purchases (4)		86,781
= Average Expected Cost Per Mcf Purchased		\$6.1474
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		86,781
= Total Expected Gas Cost (to Schedule IA)		\$533,474

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the period ended Sept 31, 2010.

<u>Particulars</u>	<u>Unit</u>	<u>Jul '10</u> <u>Month 1</u>	<u>Aug '10</u> <u>Month 2</u>	<u>Sept '10</u> <u>Month 3</u>
Total Supply Volumes Purchased	Mcf	2,083	1,792	2,125
Total Cost of Volumes Purchased	\$	\$18,334	\$15,777	\$18,709
/ Total Sales *	Mcf	2,083	1,792	2,125
= Unit Cost of Gas	\$/Mcf	\$8.8019	\$8.8042	\$8.8032
- EGC in Effect for Month	\$/Mcf	\$7.0085	\$7.0085	\$7.0085
= Difference	\$/Mcf	\$1.7934	\$1.7957	\$1.7947
x Actual Sales during Month	Mcf	2,083	1,792	2,125
= Monthly Cost Difference	\$	\$3,736	\$3,218	\$3,814
Total Cost Difference			\$	\$10,767
/ Sales for 12 months ended 9/31/10			Mcf	86,781
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.1241

\* May not be less than 95% of supply volume

CITIPOWER, LLC

SCHEDULE V  
BALANCE ADJUSTMENT

Case No. 2009-00342

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	86,781	\$0.7136	\$61,927	\$58,598

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Under/(Over) Recovery	(\$3,329)
Mcf Sales for factor	86,781
BA Factor	(\$0.0384)

**Filing Date: 11/30/2010**  
**Schedule II - Expected Gas Cost**

<b>Month</b>	<b>Expected</b>			<b>Total Cost</b>
	<b>Mcf (Purchased)</b>	<b>Citigas</b>	<b>Citizens</b>	
Oct-10	6,685	34,628		34,628
Nov-10	7,118	36,871		36,871
Dec-10	14,162	65,475	16,970	82,446
Jan-10	15,601	49,826	66,699	116,526
Feb-10	14,411	47,159	59,173	106,332
Mar-10	11,635	53,787	13,949	67,735
Apr-10	5,441	28,182		28,182
May-10	3,066	15,880		15,880
Jun-10	2,663	13,794		13,794
Jul-10	2,083	10,788		10,788
Aug-10	1,792	9,284		9,284
Sep-10	2,125	11,009		11,009
	<b>86,781</b>	<b>376,683</b>	<b>156,791</b>	<b>533,474</b>



November 30, 2010

Citipower, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for January 2011 through March 2011 will be as calculated below:

Purchases From Forexco:

Richardson Barr Aug 2010 NYMEX 12 Month Strip	\$ 4.32
Plus 20% BTU Factor	<u>\$ .86</u>

Total	\$ 5.18
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Purchases From Citizens:

TGP-500L (11/30/10 \$4.19) + \$5.00 + \$1.96 p/mcf \$11.15

Sincerely,

Daniel R Forsberg  
President

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





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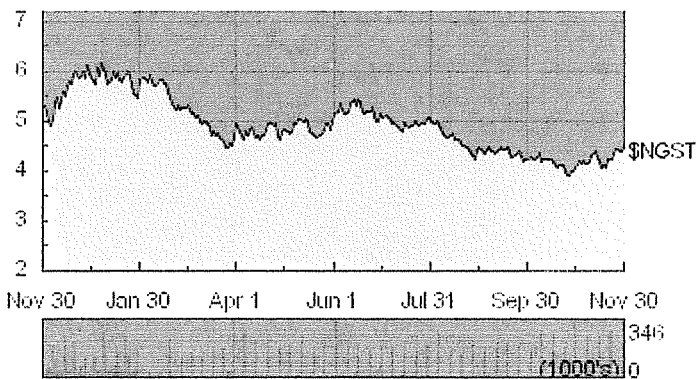
Look under "More Info" for further information. At least 20 min. delay.

**NYMEX NATURAL GAS 12-MO STRIP JANUARY 11 (NYMEX\_NT: \$NGST)**

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

Last Trade		Change		Trades Today		Day's Volume	
10:00 a.m. -		↓ 0.06 (↓ 1.37%)		19,317		52,719	
<b>4.32</b>							
Beta		Day's Range		Prev Close		Open	
NA		4.30 - 4.39		4.38		52 Wk Range	
						4.05 - 7.29	
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 Nov 30, 2010

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Stanfield	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.4450	4.4000	4.4248	.0449	223,000	29
TETCO-EIA	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2075	4.0500	4.1540	.3250	204,900	44
TETCO-ETX	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.1500	4.0800	4.1031	.1521	33,600	12
TETCO-M1 24	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2200	4.1100	4.1874	.3258	23,500	5
TETCO-M1 30	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2800	4.1000	4.2015	.3288	156,200	43
TETCO-M2	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.5000	4.3900	4.4585	.3093	16,300	5
TETCO-M3	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.5500	4.4200	4.5118	.3263	463,700	92
TETCO-STX	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2400	4.1000	4.1627	.3241	79,700	23
TETCO-WLA	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2400	4.1600	4.1776	.3491	10,200	6
<u>TGP-500L</u>	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2500	4.0500	4.1925	.3684	381,800	70
<u>TGP-800L</u>	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2500	4.0900	4.2070	.3905	292,000	66
TGP-Z0	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2400	4.1000	4.1781	.4077	363,900	78
TGP-Z6 200L	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	5.6200	5.2700	5.4729	-.2944	204,400	42
TGT-SL (FT)	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2500	4.1000	4.1899	.3696	155,700	26
TGT-Z1 (FT)	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2600	4.1000	4.2037	.3979	354,500	63
TGT-Z1 (IT)	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2000	4.2000	4.2000	.0400	5,000	1
TW-Blanco	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.3500	4.2200	4.3140	.4205	139,700	21
TW-Central	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.3500	4.2500	4.2521	.4321	9,400	4
Transco-30	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2075	4.0800	4.1574	.3847	85,000	23
Transco-45	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2500	4.1100	4.1720	.3901	61,200	18
Transco-65	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.3000	4.1000	4.2020	.3436	364,600	68
Transco-85	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.3050	4.0700	4.2097	.3684	524,100	90
Transco-Z5 (non-WGL)	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.5500	4.4850	4.5139	.3621	26,700	7
Transco-Z6 (NY)	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.6300	4.4700	4.5798	.2963	168,700	38
Transco-Z6 (non-NY)	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.6375	4.5000	4.5715	.3047	169,400	39
Tres Palacios Hub	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2000	4.2000	4.2000	.3609	2,000	2
Trunkline-ELA	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2700	4.2000	4.2432	.3658	33,400	13
Trunkline-WLA	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.2800	4.2000	4.2465	.4156	142,000	24
Trunkline-Z1A	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.3200	4.2000	4.2408	.4145	236,100	43
Ventura	Nov 29, 2010	Nov 30, 2010	Nov 30, 2010	4.5750	4.4300	4.5170	.2955	594,400	85