



April 4, 2011

Hon. Jeff R. Derouen
Executive Director
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED
APR 13 2011
PUBLIC SERVICE
COMMISSION

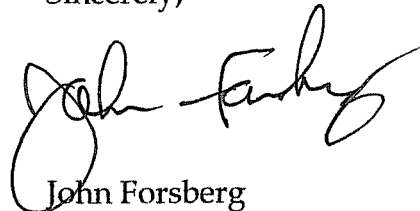
RE: Case No. 2011-00081
Purchased Gas Adjustment Filing of Citipower, LLC

Dear Mr. Derouen:

Enclosed for filing are one original and ten (10) copies of CitiPower, L.L.C.'s Response to Commission Staff's First Request for Information in accordance with the order of the Public Service Commission of the Commonwealth of Kentucky dated March 24, 2011, along with two (2) copies of this cover letter. Please file-stamp one copy of each and return it to our office.

Your assistance is greatly appreciated and should you have any questions or comments, please do not hesitate to contact our office.

Sincerely,



John Forsberg

JF/tpp

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT
FILING OF CITIPOWER, LLC

CASE NO. 2011-00081

RESPONSE TO COMMISSION STAFF'S
FIRST REQUEST FOR INFORMATION FROM CITIPOWER, LLC

Comes now Citipower, LLC, ("Citipower") by and through the undersigned company representative, and states the following Response to the Commission Staff's First Request for Information from Citipower, LLC, with regard to the above-referenced case number:

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APR - 6 2011

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

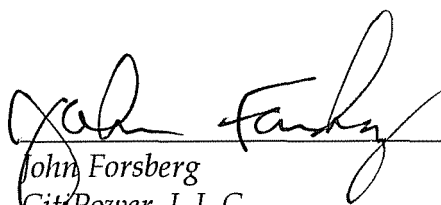
PURCHASED GAS ADJUSTMENT
FILING OF CITIPOWER, LLC

CASE NUMBER 2011-00081

1. Explain whether Citipower is aware that the Henry Hub spot prices for gas for October, November, and December 2010 were \$3.43, \$3.73, and \$4.24 per Mmbtu as reported by Dow Jones & Company.

RESPONSE: Citipower does not track the Henry Hub spot prices, as it relies on NYMEX Natural Gas 12-month Strip rate, as a gas price indicator as disclosed in Rate Case No. 2009-00080¹.

I hereby certify that the foregoing response is true and accurate to the best of my knowledge, information and belief.



John Forsberg
Citipower, L.L.C.
2122 Enterprise Road
Greensboro, NC 37408

¹ Rate Case No. 2009-00080, Purchased Gas Adjustment Filing of Citipower, LLC (Ky. PSC Mar. 3, 2009).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT
FILING OF CITIPOWER, LLC

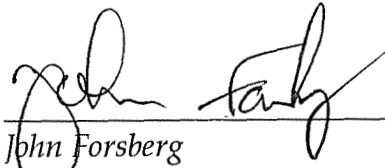
CASE NUMBER 2011-00081

2. Explain in detail the basis for Citigas's pricing to Citipower. Include in the explanation a complete description of what is included in Citigas's price to Citipower beyond the commodity price of gas.

RESPONSE: Due to human error of transposing numbers, Citipower mistakenly used the amount from the quarterly Gas Recovery Rate (GCR) as found in the December 27, 2010, filing on Appendix B, Page 2, instead of the \$5.18 figure on the November 30, 2010, letter from Daniel R. Forsberg (attached as "Exhibit A"). Citipower requests that the error be adjusted to \$5.18, relative to the rate in the GCR to customers. Citipower further states that the error initially occurred in the filing effective April 1, 2010. The Expected Gas Cost (EGC) included projected gas purchases from Citizens. Rather than picking up the projected gas cost from Citigas we picked up the higher (blended) GCR. (See below)

| <u>Quarter</u> | <u>Price Charged Per MCF</u> | <u>Price We Should Have Charged Per MCF</u> |
|----------------|----------------------------------|---|
| 4/10 - 6/10 | \$7.91 | \$6.47 |
| 7/10 - 9/10 | \$8.80 | \$5.67 |
| 10/10 - 12/10 | \$7.32 | \$5.39 |

I hereby certify that the foregoing response is true and accurate to the best of my knowledge, information and belief.

A handwritten signature in black ink, appearing to read "John Forsberg", written over a horizontal line.

John Forsberg
CitiPower, L.L.C.
2122 Enterprise Road
Greensboro, NC 37408

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

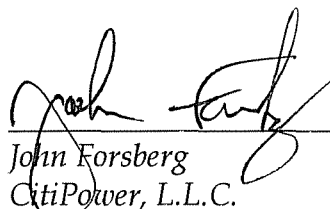
PURCHASED GAS ADJUSTMENT
FILING OF CITIPOWER, LLC

CASE NUMBER 2011-00081

3. Explain whether the gas supply contract provided in Case No. 2005-00319² is the most current contract between Citipower and Citigas. If it is not the most current contract, provide the current contract between Citipower and Citigas.

RESPONSE: Yes this contract is still in effect subject to using the NYMEX Natural Gas 12-month Strip rate, as previously discussed and disclosed to the Commission.

I hereby certify that the foregoing response is true and accurate to the best of my knowledge, information and belief.



John Forsberg
CitiPower, L.L.C.
2122 Enterprise Road
Greensboro, NC 37408

² Case No. 2005-00319, Purchase Gas Adjustment of Citipower, LLC (Ky. PSC Mar. 31, 2006).

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

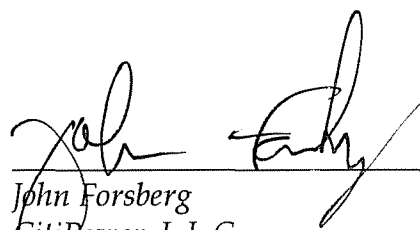
PURCHASED GAS ADJUSTMENT
FILING OF CITIPOWER, LLC

CASE NUMBER 2011-00081

4. Explain whether Citipower and Citigas are familiar with KRS 278.2207(1)(b), which provides that services and products provided to the utility by an affiliate shall be priced at the affiliate's fully distributed cost, but in no event greater than market, and how the pricing to Citipower from Citigas is consistent with this statute.

RESPONSE: Yes, Citipower and Citigas are familiar with KRS 278.2207(1)(b). See response to Question No. 2.

I hereby certify that the foregoing response is true and accurate to the best of my knowledge, information and belief.



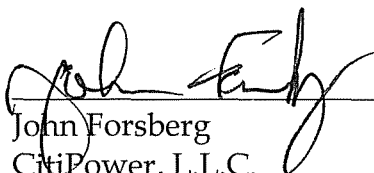
John Forsberg
CitiPower, L.L.C.
2122 Enterprise Road
Greensboro, NC 37408

COMMONWEALTH OF KENTUCKY
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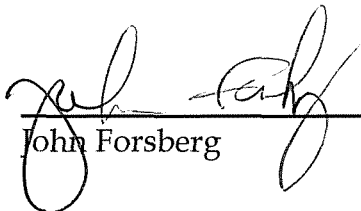


John Forsberg
CitiPower, L.L.C.
2122 Enterprise Road
Greensboro, NC 37408

CERTIFICATE

I hereby certify that the above and foregoing was on the 4th day of April 2011, served by mailing the original and ten (10) true and exact copies of same, all postage prepaid, addressed for delivery to:

Mr. Jeff Derouen
Executive Director
COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 Sower Building
P. O. BOX 615
Frankfort, Kentucky 40602


John Forsberg



Citigas, LLC

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:

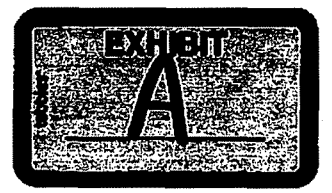
| | |
|---|----------------|
| Purchases From Forexco: | |
| Richardson Barr Aug 2010 NYMEX 12 Month Strip | \$ 4.32 |
| Plus 20% BTU Factor | <u>\$.86</u> |
| Total | \$ 5.18 |

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



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

| Month | Expected | | | Total Cost |
|--------|--------------------|---------|----------|------------|
| | Mcf (Purchased) | Citigas | Citizens | |
| 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 |
| | 86,781 | 376,683 | 156,791 | 533,474 |



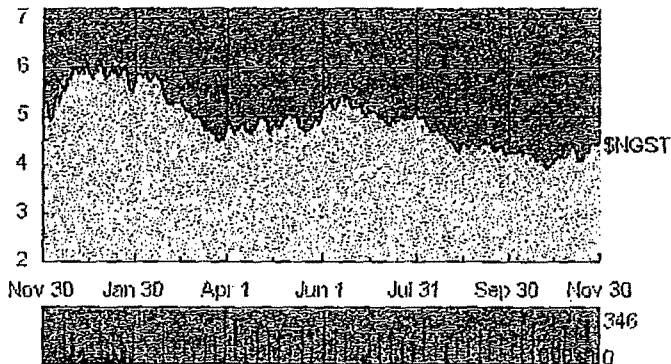
Look under "More Info" for further information. At least 20 min. delay.

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 | |
| 4.32 | | | | | | | |
| Beta | | Day's Range | | Prev Close | | Open | |
| NA | | 4.30 - 4.39 | | 4.38 | | 4.37 | |
| | | | | | | 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

[1 Quarter](#) | [1 Year](#) | [5 Years](#) | Compare multiple stocks: \$NGST

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