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Public Service  
Commission

November 29, 2016

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, 2017 based on the reporting period from July 1, 2016 through September 30, 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:

November 29, 2016

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Date Rated to be Effective:

January 1, 2017

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Reporting Period is Calendar Quarter Ended:

September 2016

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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 (EGC)	\$/Mcf	\$4.3543
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.0203)
Balance Adjustment (BA)	\$/Mcf	\$0.2240
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$4.5579

to be effective for service rendered from January 2017 through March 2017

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$286,445
/Sales for the 12 months ended 9/16	\$/Mcf	65,785
Expected Gas Cost	\$/Mcf	\$4.3543
<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	(\$0.0612)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0458)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.2077
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1210)
=Actual Adjustment (AA)	\$ Mcf	(\$0.0203)
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0504
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0492
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.1264
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0020)
=Balance Adjustment (BA)	\$ Mcf	\$0.2240

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			61,550	\$3.97	\$244,477
Citizens Gas Utility District			4,235	\$9.91	\$41,969

Totals			65,785		\$286,445
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Line loss for 12 months ended 9/30/2016 is based on purchases of 65,785  
and sales of 65,785 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$286,445
/ Mcf Purchases (4)		65,785
= Average Expected Cost Per Mcf Purchased		\$4.3543
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		65,785
= Total Expected Gas Cost (to Schedule IA)		\$286,445

**CITIPOWER, LLC**  
**SCHEDULE IV**  
**ACTUAL ADJUSTMENT**

<u>Particulars</u>	<u>Unit</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>
Total Supply Volumes Purchased	Mcf	1,513	1,528	1,660
Total Cost of Volumes Purchased	\$	\$4,931	\$4,982	\$5,411
/ Total Sales *	Mcf	1,513	1,528	1,660
= Unit Cost of Gas	\$/Mcf	\$3.2600	\$3.2600	\$3.2600
- EGC in Effect for Month	\$/Mcf	\$4.1168	\$4.1168	\$4.1168
= Difference	\$/Mcf	(\$0.8568)	(\$0.8568)	(\$0.8568)
x Actual Sales during Month	Mcf	1,513	1,528	1,660
= Monthly Cost Difference	\$	(\$1,296)	(\$1,309)	(\$1,422)
Total Cost Difference			\$	(\$4,028)
/ Sales for 12 months ended 9/30/16			Mcf	65,785
= Actual Adjustment for the Reporting Period (to Sch IC)				(\$0.0612)

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

2015-00177

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	65,785	\$0.1606	\$10,565	\$13,878

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Under/(Over) Recovery	\$3,313
Mcf Sales for factor	65,785
BA Factor	\$0.0504

**Citipower, LLC**  
**Quarterly Report of Gas Cost**  
**Schedule II - Expected Gas Cost**

Month	Expected						Total Cost	Mcf (Sold)
	Mcf	Citigas		Citizens				
		Cost p/mcf	Total	MCF	Cost p/mcf	Total		
Oct-15	5,067	3.97	20,125		9.91	0	20,125	5,067
Nov-15	5,036	3.97	20,003	5	9.91	50	20,052	5,041
Dec-15	8,045	3.97	31,955	150	9.91	1,487	33,441	8,195
Jan-16	12,050	3.97	47,861	1,233	9.91	12,219	60,080	13,283
Feb-16	8,579	3.97	34,077	2,847	9.91	28,214	62,291	11,426
Mar-16	7,838	3.97	31,134	-	9.91	0	31,134	7,838
Apr-16	5,051	3.97	20,062	-	9.91	0	20,062	5,051
May-16	3,137	3.97	12,459	-	9.91	0	12,459	3,137
Jun-16	2,047	3.97	8,131	-	9.91	0	8,131	2,047
Jul-16	1,513	3.97	6,008	-	9.91	0	6,008	1,513
Aug-16	1,528	3.97	6,070	-	9.91	0	6,070	1,528
Sep-16	1,660	3.97	6,593	-	9.91	0	6,593	1,660
	61,550		244,477	4,235		41,969	286,445	65,785

12 month strip	3.31	TGP 500L*	2.70
20% Btu Factor	0.66	Citizens	5.00
Total Gas Price	3.97	Citigas	2.21
		Total Price	9.91





# Citigas, LLC

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November 29, 2016

Citipower, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for January 2017 through March 2017 will be as calculated below:

Purchases From Forexco:

Richardson Barr NYMEX 12 Month Strip	\$ 3.31
Plus 20% BTU Factor	<u>\$ 0.66</u>

Total	\$ 3.97
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Purchases From Citizens:

TGP-500L \$2.70 + \$5.00 + \$2.21 p/mcf	\$ 9.91
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Sincerely,

Daniel R Forsberg  
President

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



**Citigas, LLC**  
2122 Enterprise Rd.  
Greensboro, NC 27408

**INVOICE**

Total due for month	\$4,931.40
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New price effective is 3.26  
Which includes BTU adjustment

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

September 1, 2016

# INVOICE

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

PROD MONTH: August-16

Purchased from Forexco, Inc.

Gas cost per mcf

BTU Adjustment

Selling Price \$3.2600

MCFs	1,528.20	per Citipower reports
	0.00	Less gas purchased from Citizens
Net MCFs purchased from Forexco	1,528.20	
Amount Due	\$4,981.93	

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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 \$4,981.93

New price effective is 3.26  
Which includes BTU adjustment

**Citigas, LLC**  
2122 Enterprise Rd.  
Greensboro, NC 27408

October 1, 2016

**INVOICE**

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

PROD MONTH: September-16

Purchased from Forexco, Inc.

Gas cost per mcf

BTU Adjustment

<b>Selling Price</b>	<b>\$3.2600</b>
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MCFs	1,659.80	per Citipower reports
	0.00	Less gas purchased from Citizens
Net MCFs purchased from Forexco	1,659.80	
Amount Due	\$5,410.95	

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Invoiced from Citizens Gas Utility District	\$0.00
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MCFs	0.00
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Transportation @ .25/mcf	\$0.00
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Marketing fee @ \$1.96/mcf	\$0.00
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Total amount due for Citizens purchase	\$0.00
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Total due for month	\$5,410.95
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Look under "More Info" for further information. At least 20 min. delay.

NYMEX NATURAL GAS 12-MO STRIP JANUARY 17 (NYMEX_NT: \$NGST)						
More Info: <a href="#">chart</a> <a href="#">stock screen</a> <a href="#">performance screen</a> <a href="#">news</a>						
Last Trade 10:55 a.m. - <b>3.309</b>		Change ↑ 0.006 (↑ 0.18%)		Trades Today 18,287	Day's Volume 167,474	
Beta NA		Day's Range 3.288 - 3.330	Prev Close 3.303	Open 3.325	52 Wk Range 2.055 - 4.504	
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 29, 2016						
<a href="#">1 Quarter</a>   <a href="#">1 Year</a>   <a href="#">5 Years</a>   Compare multiple stocks: <input type="text" value="\$NGST"/> <input type="button" value="Compare"/>						

[Back](#)

		\$0.030	\$0.030					\$0.038	\$0.038			\$0.040	\$0.030
	<b>NYMEX</b>	<b>PEPL</b>	<b>TGPL</b>	<b>Transco</b>	<b>NGPL</b>	<b>NGPL</b>	<b>Chicago</b>	<b>ANR</b>	<b>ANR</b>	<b>NNG</b>	<b>So. Star</b>	<b>CIG</b>	<b>EPNG</b>
	<b>Settle</b>	<b>TX OK</b>	<b>LA-500</b>	<b>Zone 5</b>	<b>Mid-Con</b>	<b>Texok</b>	<b>City Gate</b>	<b>LA</b>	<b>OK</b>	<b>Ventura</b>	<b>MidCon</b>	<b>Rocky</b>	<b>Permian</b>
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
Jun-16	1.963	1.76	1.89	1.99	1.84	1.88	1.94	1.88	1.77	1.88	1.78	1.75	1.81
Jul-16	2.917	2.66	2.86	2.93	2.62	2.75	2.80	2.85	2.53	2.70	2.48	2.44	2.56
Aug-16	2.672	2.43	2.61	2.71	2.52	2.62	2.67	2.59	2.47	2.60	2.49	2.43	2.56
Sep-16	2.853	2.59	2.79	2.90	2.67	2.75	2.81	2.80	2.60	2.75	2.60	2.53	2.60
Oct-16	2.952	2.69	2.90	3.00	2.76	2.85	2.96	2.88	2.72	2.86	2.71	2.65	2.72
Nov-16	2.764	2.55	2.70	2.86	2.60	2.66	2.81	2.69	2.55	2.73	2.55	2.54	2.52