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FEB 24 2017

Public Service
Commission

February 20, 2017

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 April 1, 2017 based on the reporting period from October 1, 2016 through December 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

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Public Service
Commission

APPENDIX B
Page 1

CITIPOWER, LLC

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

Date Filed:

February 20, 2017

Date Rated to be Effective:

April 1, 2017

Reporting Period is Calendar Quarter Ended:

December 2016

CITIPower, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$4.5347
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$0.0535
Balance Adjustment (BA)	\$/Mcf	\$0.0339
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$4.6221

to be effective for service rendered from April 2017 through June 2017

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$296,937
/Sales for the 12 months ended 12/16	\$/Mcf	65,482
Expected Gas Cost	\$/Mcf	\$4.5347
<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	(\$0.0380)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0266)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0896)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.2077
=Actual Adjustment (AA)	\$ Mcf	\$0.0535
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0001
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0175
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0492
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0329)
=Balance Adjustment (BA)	\$ Mcf	\$0.0339

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			60,859	\$4.08	\$248,303
Citizens Gas Utility District			4,623	\$10.52	\$48,634
Totals			65,482		\$296,937
Line loss for 12 months ended		<u>12/31/2016</u>	is based on purchases of		<u>65,482</u>
and sales of		<u>65,482</u>	Mcf.	0.00%	
				<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)					\$296,937
/ Mcf Purchases (4)					65,482
= Average Expected Cost Per Mcf Purchased					\$4.5347
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)					65,482
= Total Expected Gas Cost (to Schedule IA)					\$296,937

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

<u>Particulars</u>	<u>Unit</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>
Total Supply Volumes Purchased	Mcf	2,363	5,984	9,653
Total Cost of Volumes Purchased	\$	\$8,813	\$22,320	\$40,481
/ Total Sales *	Mcf	2,363	5,984	9,653
= Unit Cost of Gas	\$/Mcf	\$3.7300	\$3.7300	\$4.1938
- EGC in Effect for Month	\$/Mcf	\$4.1168	\$4.1168	\$4.1168
= Difference	\$/Mcf	(\$0.3868)	(\$0.3868)	\$0.0770
x Actual Sales during Month	Mcf	2,363	5,984	9,653
= Monthly Cost Difference	\$	(\$914)	(\$2,315)	\$743
Total Cost Difference			\$	(\$2,485)
/ Sales for 12 months ended 12/31/16			Mcf	65,482
= Actual Adjustment for the Reporting Period (to Sch IC)				(\$0.0380)

* May not be less than 95% of supply volume

2015-00396

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	65,482	\$0.0007	\$46	\$54

Under/(Over) Recovery	\$8
Mcf Sales for factor	65,482
BA Factor	\$0.0001

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		
Jan-16	12,050	4.08	49,162	1,233	10.52	12,971	62,133	13,283
Feb-16	8,579	4.08	35,004	2,847	10.52	29,950	64,954	11,426
Mar-16	7,838	4.08	31,980	-	10.52	0	31,980	7,838
Apr-16	5,051	4.08	20,607	-	10.52	0	20,607	5,051
May-16	3,137	4.08	12,797	-	10.52	0	12,797	3,137
Jun-16	2,047	4.08	8,353	-	10.52	0	8,353	2,047
Jul-16	1,513	4.08	6,172	-	10.52	0	6,172	1,513
Aug-16	1,528	4.08	6,235	-	10.52	0	6,235	1,528
Sep-16	1,660	4.08	6,772	-	10.52	0	6,772	1,660
Oct-16	2,363	4.08	9,640	-	10.52	0	9,640	2,363
Nov-16	5,984	4.08	24,414	-	10.52	0	24,414	5,984
Dec-16	9,110	4.08	37,167	543	10.52	5,712	42,880	9,653
	60,859		248,303	4,623		48,634	296,937	65,482

12 month strip	3.40	TGP 500L*	3.31
20% Btu Factor	0.68	Citizens	5.00
Total Gas Price	4.08	Citigas	2.21
		Total Price	10.52



Citigas, LLC

February 20, 2017

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for April 2017 through June 2017 will be as calculated below:

Purchases From Forexco:

Richardson Barr NYMEX 12 Month Strip	\$ 3.40
Plus 20% BTU Factor	<u>\$ 0.68</u>

Total	\$ 4.08
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Purchases From Citizens:

TGP-500L \$3.31 + \$5.00 + \$2.21 p/mcf	\$ 10.52
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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 3.73
Which includes BTU adjustment

Citigas, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

November 1, 2016

INVOICE

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

PROD MONTH: October-16

Purchased from Forexco, Inc.

Gas cost per mcf

BTU Adjustment

Selling Price \$3.7300

MCFs	2,362.70	per Citipower reports
	0.00	Less gas purchased from Citizens
Net MCFs purchased from Forexco	2,362.70	
Amount Due	\$8,812.87	

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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 **\$8,812.87**

New price effective is 3.73
Which includes BTU adjustment

Citigas, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

December 1, 2016

INVOICE

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

PROD MONTH: November-16

Purchased from Forexco, Inc.

Gas cost per mcf

BTU Adjustment

Selling Price \$3.7300

MCFs	5,983.90	per Citipower reports
Net MCFs purchased from Forexco	0.00	Less gas purchased from Citizens
Amount Due	5,983.90	
	\$22,319.95	

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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 \$22,319.95

New price effective is 3.73
Which includes BTU adjustment

Citigas, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

January 1, 2017

INVOICE

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

PROD MONTH: December-16

Purchased from Forexco, Inc.

Gas cost per mcf

BTU Adjustment

Selling Price \$3.7300

MCFs	9,652.60	per Citipower reports
Net MCFs purchased from Forexco	(543.00)	Less gas purchased from Citizens
Amount Due	9,109.60	
	\$33,978.81	

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Invoiced from Citizens Gas Utility District \$5,302.33

MCFs 543.00

Transportation @ .25/mcf \$135.75

Marketing fee @ \$1.96/mcf \$1,064.28

Total amount due for Citizens purchase **\$6,502.36**

Total due for month **\$40,481.17**

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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Invoice

Date: JANUARY 6, 2017

Number: 0117-CitiGas

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

Due: JANUARY 31, 2017

Quantity	Description	Unit Price	Amount
	December 2016 Deliveries		
	Isham Road Compressor: 649 DTH \$8.17		\$ 5,302.33
	(543 MCF * 1.195 BTU = 649 DTH)		
	(TGP - 500 Leg Index for December 2016 plus \$5.00)		
		TOTAL DUE	\$ 5,302.33



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

NYMEX NATURAL GAS 12-MO STRIP MARCH (NYMEX_NT: \$NGST) More Info: chart stock screen performance screen news						
Last Trade 2:33 p.m. - 3.400		Change ↑ 0.008 (↑ 0.24%)		Trades Today 26,122	Day's Volume 370,833	
Beta NA		Day's Range 3.367 - 3.433	Prev Close 3.392	Open 3.407	52 Wk Range 2.477 - 4.533	
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 Feb 9, 2017 1 Quarter 1 Year 5 Years Compare multiple stocks: <input type="text" value="\$NGST"/> <input type="button" value="Compare"/>						

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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	Mid-Con	Rocky	Permian		
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		2.15	2.14		
Jan-16	2.372	2.10	2.34		2.16	2.25	2.57	2.33	2.06	2.33		2.15	1.90		
Feb-16	2.189	2.04	2.16		2.06	2.13	2.32	2.17	2.05	2.28		1.99	2.02		
Mar-16	1.711	1.48	1.66		1.52	1.62	1.85	1.64	1.53	1.63		1.49	1.49		
Apr-16	1.903	1.61	1.84		1.59	1.80	1.89	1.83	1.63	1.73		1.51	1.54		
May-16	1.995	1.73	1.92		1.83	1.91	2.04	1.92	1.79	1.91		1.74	1.80		
Jun-16	1.963	1.76	1.89		1.84	1.88	1.94	1.88	1.77	1.88		1.75	1.81		
Jul-16	2.917	2.66	2.86		2.62	2.75	2.80	2.85	2.53	2.70		2.44	2.56		
Aug-16	2.672	2.43	2.61		2.52	2.62	2.67	2.59	2.47	2.60		2.43	2.56		
Sep-16	2.853	2.59	2.79		2.67	2.75	2.81	2.80	2.60	2.75		2.53	2.60		
Oct-16	2.952	2.69	2.90		2.76	2.85	2.96	2.88	2.72	2.86		2.65	2.72		
Nov-16	2.764	2.55	2.70		2.60	2.66	2.81	2.69	2.55	2.73		2.54	2.52		
Dec-16	3.232	3.04	3.17		2.97	3.09	3.25	3.19	3.00	3.11		2.77	2.93		
Jan-17	3.930	3.69	3.88		3.66	3.78	4.17	3.89	3.74	4.17		3.63	3.50		
Feb-17	3.391	3.19	3.31	4.12	3.10	3.25	3.40	3.31	3.11	3.32	3.08	3.12	3.09		