

**RECEIVED**

MAR 01 2019

PUBLIC SERVICE  
COMMISSION

February 28, 2019

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

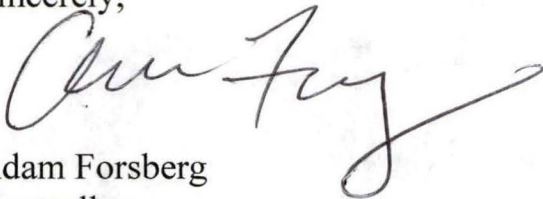
Re: Citipower L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation

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, 2019 based on the reporting period from October 1, 2018 through December 31, 2018. 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**

**RECEIVED**

MAR 01 2019

PUBLIC SERVICE  
COMMISSION

Date Filed:

February 28, 2019

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Date Rated to be Effective:

April 1, 2019

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Reporting Period is Calendar Quarter Ended:

December 2018

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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      | \$5.6716      |
| Refund Adjustment (RA)       | \$/Mcf      | \$0.0000      |
| Actual Adjustment (AA)       | \$/Mcf      | \$0.1225      |
| Balance Adjustment (BA)      | \$/Mcf      | \$0.0516      |
| Gas Cost Recovery Rate (GCR) | \$/Mcf      | \$5.8458      |

to be effective for service rendered from April 2019 through June 2019

| <u>A. EXPECTED GAS COST CALCULATION</u>                   | <u>Unit</u> | <u>Amount</u> |
|---|-------------|---------------|
| Total Expected Gas Cost (Sch II)                          | \$/Mcf      | \$416,035     |
| /Sales for the 12 months ended 12/18                      | \$/Mcf      | 73,354        |
| Expected Gas Cost   | \$/Mcf      | \$5.6716      |
| <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      | (\$0.2569)    |
| +Previous Quarter Reported Actual Adjustment              | \$/Mcf      | (\$0.0532)    |
| +Second Previous Quarter Reported Actual Adjustment       | \$/Mcf      | (\$0.0366)    |
| +Third Previous Quarter Reported Actual Adjustment        | \$/Mcf      | \$0.4692      |
| =Actual Adjustment (AA)                                   | \$ Mcf      | \$0.1225      |
| <u>D. BALANCE ADJUSTMENT CALCULATION</u>                  | <u>Unit</u> | <u>Amount</u> |
| Balance Adjustment for the Reporting Period (Sch V)       | \$/Mcf      | \$0.0065      |
| +Previous Quarter Reported Balance Adjustment             | \$/Mcf      | \$0.0327      |
| +Second Previous Quarter Reported Balance Adjustment      | \$/Mcf      | \$0.0122      |
| +Third Previous Quarter Reported Balance Adjustment       | \$/Mcf      | \$0.0002      |
| =Balance Adjustment (BA)                                  | \$ Mcf      | \$0.0516      |

**CITIPOWER, LLC**  
**SCHEDULE II**  
**EXPECTED GAS COST**

| (1)<br>Supplier               | (2)<br>Dth | (3)<br>Btu<br>Conversion Factor | (4)<br>Mcf | (5)<br>Rate | (6)<br>(4) x (5)<br>Cost |
|-------------------------------|------------|---------------------------------|------------|-------------|--------------------------|
| Greystone                     |            |                                 | 64,387     | \$5.04      | \$324,509                |
| Citizens Gas Utility District |            |                                 | 8,967      | \$10.21     | \$91,525                 |

|               |               |                  |
|---------------|---------------|------------------|
| <b>Totals</b> | <b>73,354</b> | <b>\$416,035</b> |
|---------------|---------------|------------------|

Line loss for 12 months ended 12/31/2018 is based on purchases of 73,354  
and sales of 73,354 Mcf. 0.00%

|   | <u>Unit</u> | <u>Amount</u> |
|---|-------------|---------------|
| Total Expected Cost of Purchases (6)                        |             | \$416,035     |
| / Mcf Purchases (4)   |             | 73,354        |
| = Average Expected Cost Per Mcf Purchased                   |             | \$5.6716      |
| x Allowable Mcf Purchases (must not exceed Mcf sales / .95) |             | 73,354        |
| = Total Expected Gas Cost (to Schedule IA)                  |             | \$416,035     |



CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

| <u>Particulars</u>                                       | <u>Unit</u> | <u>Oct-18</u> | <u>Nov-18</u> | <u>Dec-18</u> |
|--|-------------|---------------|---------------|---------------|
| Total Supply Volumes Purchased                           | Mcf         | 3,498         | 7,784         | 9,788         |
| Total Cost of Volumes Purchased                          | \$          | \$12,206      | \$27,167      | \$39,095      |
| / Total Sales *  | Mcf         | 3,498         | 7,784         | 9,788         |
| = Unit Cost of Gas                                       | \$/Mcf      | \$3.4900      | \$3.4900      | \$3.9941      |
| - EGC in Effect for Month                                | \$/Mcf      | \$4.6184      | \$4.6184      | \$4.6184      |
| = Difference   | \$/Mcf      | (\$1.1284)    | (\$1.1284)    | (\$0.6243)    |
| x Actual Sales during Month                              | Mcf         | 3,498         | 7,784         | 9,788         |
| = Monthly Cost Difference                                | \$          | (\$3,947)     | (\$8,784)     | (\$6,111)     |
| <br>   |             |               |               |               |
| Total Cost Difference                                    |             |               | \$            | (\$18,841)    |
| / Sales for 12 months ended 12/31/18                     |             |               | Mcf           | 73,354        |
| = Actual Adjustment for the Reporting Period (to Sch IC) |             |               |               | (\$0.2569)    |

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

CITIPOWER, LLC

SCHEDULE V  
BALANCE ADJUSTMENT

2017-00451

| Effective Date    | 12 months<br>Mcf Sales | Factor     | Refunded  | Balance   |
|-------------------|------------------------|------------|-----------|-----------|
| Beginning Balance | 73,354                 | (\$0.0266) | (\$1,951) | (\$1,474) |

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|                       |          |
|-----------------------|----------|
| Under/(Over) Recovery | \$477    |
| Mcf Sales for factor  | 73,354   |
| BA Factor             | \$0.0065 |

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

| Month  | Expected |            |         |          |            |        | Total Cost | Mcf<br>(Sold) |
|--------|----------|------------|---------|----------|------------|--------|------------|---------------|
|        | Mcf      | Greystone  |         | Citizens |            |        |            |               |
|        |          | Cost p/mcf | Total   | MCF      | Cost p/mcf | Total  |            |               |
| Jan-18 | 9,300    | 5.04       | 46,872  | 4,869    | 10.21      | 49,696 | 96,568     | 14,169        |
| Feb-18 | 8,400    | 5.04       | 42,336  | 3,610    | 10.21      | 36,846 | 79,182     | 12,010        |
| Mar-18 | 8,877    | 5.04       | 44,742  | -        | 10.21      | 0      | 44,742     | 8,877         |
| Apr-18 | 6,045    | 5.04       | 30,466  | -        | 10.21      | 0      | 30,466     | 6,045         |
| May-18 | 2,589    | 5.04       | 13,050  | -        | 10.21      | 0      | 13,050     | 2,589         |
| Jun-18 | 2,213    | 5.04       | 11,152  | -        | 10.21      | 0      | 11,152     | 2,213         |
| Jul-18 | 1,956    | 5.04       | 9,857   | -        | 10.21      | 0      | 9,857      | 1,956         |
| Aug-18 | 1,924    | 5.04       | 9,698   | -        | 10.21      | 0      | 9,698      | 1,924         |
| Sep-18 | 2,501    | 5.04       | 12,605  | -        | 10.21      | 0      | 12,605     | 2,501         |
| Oct-18 | 3,498    | 5.04       | 17,627  | -        | 10.21      | 0      | 17,627     | 3,498         |
| Nov-18 | 7,784    | 5.04       | 39,233  | -        | 10.21      | 0      | 39,233     | 7,784         |
| Dec-18 | 9,300    | 5.04       | 46,872  | 488      | 10.21      | 4,983  | 51,855     | 9,788         |
|        | 64,387   |            | 324,509 | 8,967    |            | 91,525 | 416,035    | 73,354        |

|                  |      |             |       |
|------------------|------|-------------|-------|
| NYMEX Settlement | 2.95 | TGP 500L    | 3.00  |
| Greystone        | 1.25 | Citizens    | 5.00  |
| Citigas          | 0.84 | Citigas     | 2.21  |
| Total Price      | 5.04 | Total Price | 10.21 |









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JAN 14 2018

# 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](http://www.citizensgas.org)

## Invoice

Date: **JANUARY 3, 2018**

Number: **0618-CitiGas**

To: **CitiGas, LLC.**

Due: **JANUARY 31, 2018**

2309 Cone Blvd.  
Suite 200  
Greensboro, NC. 27408

| Quantity | Description   | Unit Price       | Amount             |
|----------|---|------------------|--------------------|
|          | December 2018 Deliveries                            |                  |                    |
|          | Isham Road Compressor: 573 DTH \$ 9.71              |                  | \$ 5,563.83        |
|          | (492 MCF * 1.164 BTU = 573 DTH)                     |                  |                    |
|          | (TGP - 500 Leg Index for December 2018 plus \$5.00) |                  |                    |
|          |   |                  |                    |
|          |   | <b>TOTAL DUE</b> | <b>\$ 5,563.83</b> |



# Citigas, LLC

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February 25, 2019

Citipower, LLC  
2309 W Cone Blvd, Ste 200  
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for April 2019 through June 2019 will be as calculated below:

Purchases From Greystone:

NYMEX \$2.95 + \$1.25 + \$0.84 p/mcf \$ 5.04

Purchases From Citizens:

TGP-500L \$3.00 + \$5.00 + \$2.21 p/mcf \$ 10.21

Sincerely,

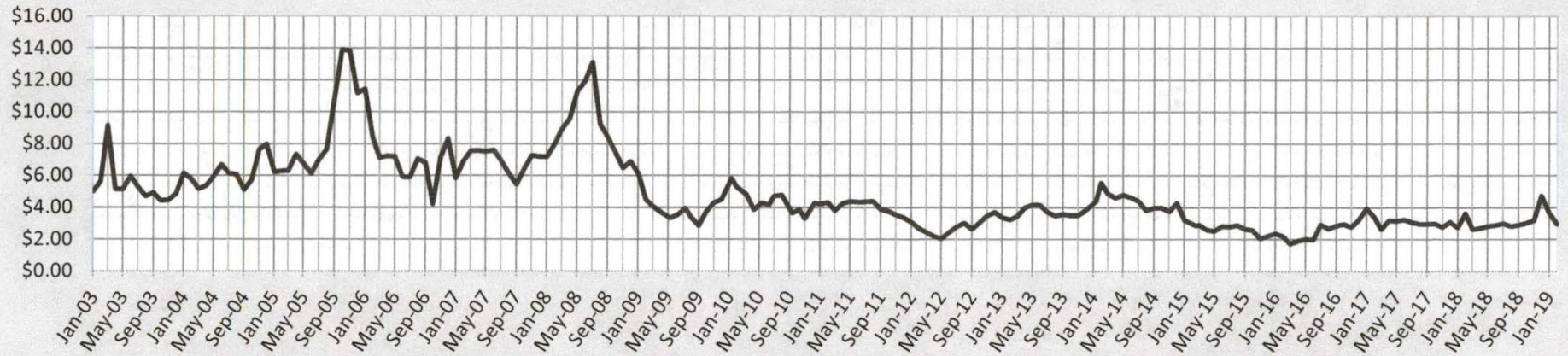
Daniel R Forsberg  
President







### NYMEX Monthly Settlement History



| MO / YR    | 2005          | 2006          | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          |
|------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| JAN        | \$6.21        | \$11.43       | \$5.84        | \$7.17        | \$6.14        | \$5.81        | \$4.22        | \$3.08        | \$3.35        | \$4.41        | \$3.19        | \$2.37        | \$3.93        | \$2.74        | \$3.64        |
| FEB        | \$6.29        | \$8.40        | \$6.92        | \$8.00        | \$4.48        | \$5.27        | \$4.32        | \$2.68        | \$3.23        | \$5.56        | \$2.87        | \$2.19        | \$3.39        | \$3.63        | \$2.95        |
| MAR        | \$6.30        | \$7.11        | \$7.55        | \$8.93        | \$4.06        | \$4.82        | \$3.79        | \$2.45        | \$3.43        | \$4.86        | \$2.89        | \$1.71        | \$2.63        | \$2.64        |               |
| APR        | \$7.32        | \$7.23        | \$7.56        | \$9.58        | \$3.63        | \$3.84        | \$4.24        | \$2.19        | \$3.98        | \$4.58        | \$2.59        | \$1.90        | \$3.18        | \$2.69        |               |
| MAY        | \$6.75        | \$7.20        | \$7.51        | \$11.28       | \$3.32        | \$4.27        | \$4.38        | \$2.04        | \$4.15        | \$4.80        | \$2.52        | \$2.00        | \$3.14        | \$2.82        |               |
| JUN        | \$6.12        | \$5.93        | \$7.59        | \$11.92       | \$3.54        | \$4.16        | \$4.33        | \$2.43        | \$4.15        | \$4.62        | \$2.82        | \$1.96        | \$3.24        | \$2.88        |               |
| JUL        | \$6.98        | \$5.89        | \$6.93        | \$13.11       | \$3.95        | \$4.72        | \$4.36        | \$2.77        | \$3.71        | \$4.40        | \$2.77        | \$2.92        | \$3.07        | \$3.00        |               |
| AUG        | \$7.65        | \$7.04        | \$6.11        | \$9.22        | \$3.38        | \$4.77        | \$4.37        | \$3.01        | \$3.46        | \$3.81        | \$2.89        | \$2.67        | \$2.97        | \$2.82        |               |
| SEP        | \$10.85       | \$6.82        | \$5.43        | \$8.39        | \$2.84        | \$3.65        | \$3.86        | \$2.63        | \$3.57        | \$3.96        | \$2.64        | \$2.85        | \$2.96        | \$2.90        |               |
| OCT        | \$13.91       | \$4.20        | \$6.42        | \$7.47        | \$3.73        | \$3.84        | \$3.76        | \$3.02        | \$3.50        | \$3.98        | \$2.56        | \$2.95        | \$2.97        | \$3.02        |               |
| NOV        | \$13.83       | \$7.15        | \$7.27        | \$6.47        | \$4.29        | \$3.29        | \$3.52        | \$3.47        | \$3.50        | \$3.73        | \$2.03        | \$2.76        | \$2.75        | \$3.19        |               |
| DEC        | \$11.18       | \$8.32        | \$7.20        | \$6.89        | \$4.49        | \$4.27        | \$3.36        | \$3.70        | \$3.82        | \$4.28        | \$2.21        | \$3.23        | \$3.07        | \$4.72        |               |
| <b>AVG</b> | <b>\$8.62</b> | <b>\$7.23</b> | <b>\$6.86</b> | <b>\$9.04</b> | <b>\$3.99</b> | <b>\$4.39</b> | <b>\$4.04</b> | <b>\$2.79</b> | <b>\$3.65</b> | <b>\$4.41</b> | <b>\$2.66</b> | <b>\$2.46</b> | <b>\$3.11</b> | <b>\$3.09</b> | <b>\$3.30</b> |

\* Monthly settlement prices are rounded to the nearest tenth of a cent.



DAILY MIDPOINT AVERAGES, JANUARY

TENN 500 = \$2.997

| Northeast                             |         |        |
|---------------------------------------|---------|--------|
| Algonquin, city-gates                 | IGBEE06 | 6.947  |
| Algonquin, receipts                   | IGBDK06 | 4.780  |
| Dracut, Mass.                         | IGBDW06 | 10.058 |
| Iroquois, receipts                    | IGBCR06 | 4.018  |
| Iroquois, zone 1                      | IGBRP06 | 4.993  |
| Iroquois, zone 2                      | IGBEJ06 | 6.947  |
| Niagara                               | IGBCS06 | 3.689  |
| Tennessee, zone 5 (200 leg)           | IGBRQ06 | 5.407  |
| Tennessee, zone 6 (300 leg) delivered | IGBJC06 | NA     |
| Tennessee, zone 6 delivered           | IGBEI06 | 7.028  |
| Tennessee, Zone 6, delivered North    | IGBRR06 | 7.610  |
| Tennessee, Zone 6, delivered South    | IGBR506 | 6.845  |
| Texas Eastern, M-3                    | IGBEK06 | 4.351  |
| Transco, zone 5 del.                  | IGBEN06 | 4.241  |
| Transco, zone 5 del. North            | IGCGL06 | 4.170  |
| Transco, zone 5 del. South            | IGCHL06 | 4.255  |
| Transco, zone 6 N.Y.                  | IGBEM06 | 6.016  |
| Transco, zone 6 non-N.Y.              | IGBEL06 | 4.158  |
| Transco, zone 6 non-N.Y. North        | IGBJS06 | 4.158  |
| Transco, zone 6 non-N.Y. South        | IGBJT06 | NA     |
| Appalachia                            |         |        |
| Columbia Gas, App.                    | IGBDE06 | 2.878  |
| Columbia Gas, App. Non-IPP            | IGBJU06 | NA     |
| Dominion, North Point                 | IGBD806 | 2.865  |
| Dominion, South Point                 | IGBD06  | 2.840  |
| Lebanon Hub                           | IGBFJ06 | 3.012  |
| Leidy Hub                             | IGBDD06 | 3.262  |
| Millennium, East receipts             | IGBIW06 | 2.944  |
| Tennessee, zone 4-200 leg             | IGBJN06 | 2.910  |
| Tennessee, zone 4-300 leg             | IGBFL06 | 2.874  |
| Tennessee, zone 4-313 Pool            | IGCFL06 | 2.895  |
| Texas Eastern, M-2 receipts           | YGBJE06 | 2.813  |
| Transco, Leidy Line receipts          | IGBIS06 | 2.919  |
| Midcontinent                          |         |        |
| ANR, Okla.                            | IGBBY06 | 2.928  |
| Enable Gas, East                      | IGBCA06 | 2.960  |
| NGPL, Amarillo receipt                | IGBDR06 | 3.001  |
| NGPL, Midcontinent                    | IGBDZ06 | 2.634  |
| Oneok, Okla.                          | IGBCD06 | 2.610  |
| Panhandle, Tx.-Okla.                  | IGBCE06 | 2.892  |
| Southern Star                         | IGBCF06 | 2.894  |
| Tx. Eastern, M-1 24-in.               | IGBET06 | 3.016  |
| Upper Midwest                         |         |        |
| Alliance, into interstates            | IGBDP06 | 3.144  |
| ANR, ML 7                             | IGBDQ06 | 3.193  |
| Chicago city-gates                    | IGBDX06 | 3.221  |
| Chicago-Nicor                         | IGBEX06 | 3.229  |
| Chicago-NIPSCO                        | IGBFX06 | 3.199  |
| Chicago-Peoples                       | IGBEX06 | 3.185  |
| Consumers city-gate                   | IGBDY06 | 3.014  |
| Dawn, Ontario                         | IGBCX06 | 3.060  |
| Emerson, Viking GL                    | IGBCM06 | 3.076  |
| Mich Con city-gate                    | IGBDZ06 | 2.984  |
| Northern Bdr., Ventura TP             | IGBGH06 | 3.266  |
| Northern, demarc                      | IGBDV06 | 3.025  |
| Northern, Ventura                     | IGBDU06 | 3.279  |
| REX, zone 3 delivered                 | IGBR06  | 3.013  |
| East Texas                            |         |        |
| Agua Dulce                            | IGBAV06 | 3.104  |

| East Texas                     |         |       |
|--------------------------------|---------|-------|
| Carthage Hub                   | IGBAF06 | 2.922 |
| Florida Gas, zone 1            | IGBAM06 | 3.003 |
| Houston Ship Channel           | IGBAP06 | 3.017 |
| Katy                           | IGBAQ06 | 3.003 |
| NGPL, STX                      | IGBAZ06 | 2.981 |
| NGPL, Texok zone               | IGBAL06 | 2.889 |
| Tennessee, zone 0              | IGBBA06 | 2.937 |
| Texas Eastern, ETX             | IGBAH06 | 2.936 |
| Texas Eastern, STX             | IGBBB06 | 2.977 |
| Transco, zone 1                | IGBBC06 | 2.961 |
| Transco, zone 2                | IGBBU06 | 2.969 |
| Louisiana/Southeast            |         |       |
| ANR, La.                       | IGBBF06 | 2.990 |
| Columbia Gulf, La.             | IGBBG06 | 2.990 |
| Columbia Gulf, mainline        | IGBBH06 | 2.935 |
| Florida city-gates             | IGBED06 | 3.295 |
| Florida Gas, zone 2            | IGBBJ06 | 3.027 |
| Florida Gas, zone 3            | IGBBK06 | 3.030 |
| Henry Hub                      | IGBBL06 | 3.074 |
| Southern Natural, La.          | IGBB06  | 3.007 |
| Tennessee, 500 Leg             | IGBBP06 | 2.997 |
| Tennessee, 800 Leg             | IGBBQ06 | 2.971 |
| Texas Eastern, ELA             | IGBBS06 | 2.977 |
| Texas Eastern, M-1 30-in.      | IGBDI06 | 2.929 |
| Texas Eastern, WLA             | IGBBR06 | 2.989 |
| Texas Gas, zone 1              | IGBAO06 | 2.948 |
| Texas Gas, zone SL             | IGBBT06 | 3.015 |
| Transco, zone 3                | IGBBV06 | 3.007 |
| Transco, zone 4                | IGBDJ06 | 3.018 |
| Trunkline, ELA                 | IGBBX06 | 2.971 |
| Trunkline, WLA                 | IGBBN06 | 2.979 |
| Trunkline, zone 1A             | IGBBP06 | 2.945 |
| Rockies/Northwest              |         |       |
| Cheyenne Hub                   | IGBC06  | 2.895 |
| CIG, Rockies                   | IGBCK06 | 2.905 |
| GTN, Kingsgate                 | IGBCY06 | 3.389 |
| Kern River, Opal plant         | IGBCL06 | 3.424 |
| Northwest, Can. border (Sumas) | IGBCT06 | 3.513 |
| Northwest, S. of Green River   | IGBCQ06 | 2.957 |
| Northwest, Wyoming Pool        | IGBCP06 | 3.425 |
| PG&E, Malin                    | IGBD06  | 3.461 |
| Questar, Rocky Mountains       | IGBCN06 | 3.140 |
| Stanfield, Ore.                | IGBCM06 | 3.468 |
| TCPL Alberta, AECO-C*          | IGBCU06 | 1.782 |
| Westcoast, station 2*          | IGBCZ06 | 1.352 |
| White River Hub                | IGBGL06 | 2.970 |
| Southwest                      |         |       |
| El Paso, Bondad                | IGBCG06 | 2.907 |
| El Paso, Permian Basin         | IGBA806 | 2.136 |
| El Paso, San Juan Basin        | IGBCH06 | 2.927 |
| El Paso, South Mainline        | IGBFR06 | 3.303 |
| Kern River, delivered          | IGBE506 | 3.753 |
| PG&E city-gate                 | IGBE806 | 3.685 |
| PG&E, South                    | IGBDM06 | 2.998 |
| SoCal Gas                      | IGBDL06 | 3.523 |
| SoCal Gas city-gate            | IGBGG06 | 4.825 |
| Transwestern Permian           | IGBAE06 | 2.186 |
| Transwestern, San Juan         | IGBGK06 | 2.924 |
| Waha                           | IGBAD06 | 2.040 |

\* Prices in C\$/gJ