



May 31, 2010

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

RECEIVED

JUN 03 2010

PUBLIC SERVICE  
COMMISSION

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

Dear Mr. DeRouen:

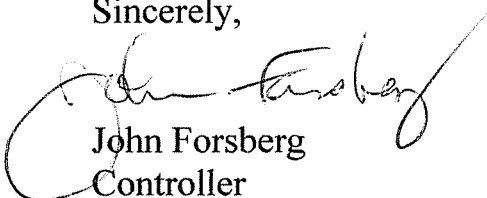
2010-00221

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective July 1, 2010 based on the reporting period from January 1, 2010 through March 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.

Due to cold weather (resulting in higher gas usage and "Special and Extraordinary Circumstances") Citipower, L.L.C. has had to purchase gas from Citizens Gas at a higher than normal rate. Enclosed are copies of invoices from Citizens Gas for January – March 2010. Our understanding is that our tariff allows for Special and Extraordinary Circumstances.

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**

Date Filed:

May 31, 2010

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Date Rated to be Effective:

July 1, 2010

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Reporting Period is Calendar Quarter Ended:

March 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	\$7.0085
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$0.9856
Balance Adjustment (BA)	\$/Mcf	\$0.0882
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$8.0822

to be effective for service rendered from July 1, 2010 to September 30 2010.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$634,797
/Sales for the 12 months ended Sept 30, 2009	\$/Mcf	90,576
Expected Gas Cost	\$/Mcf	\$7.0085
<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	\$0.1039
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.1666
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0015
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.7136
=Actual Adjustment (AA)	\$ Mcf	\$0.9856
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0008
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0028
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0846
=Balance Adjustment (BA)	\$ Mcf	\$0.0882

**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			76,513	\$5.62	\$430,005
Citizens Gas Utility District			14,062		\$207,926
<b>Totals</b>			<b>90,575</b>		<b>\$637,932</b>

Line loss for 12 months ended 3/31/2010 is based on purchases of 90,575  
and sales of 90,576 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$637,932
/ Mcf Purchases (4)		90,575
= Average Expected Cost Per Mcf Purchased		\$7.0431
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		90,575
= Total Expected Gas Cost (to Schedule IA)		\$637,932

Calculation of Citigas Rate:

Richardson Barr May 25 NYMEX 12 Mo Strip	4.68
Plus 20% BTU Factor	0.94
Total	<u>5.62</u>

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the period ended March 31, 2010.

<u>Particulars</u>	<u>Unit</u>	<u>Jan '10</u> <u>Month 1</u>	<u>Feb '10</u> <u>Month 2</u>	<u>Mar '10</u> <u>Month 3</u>
Total Supply Volumes Purchased	Mcf	15,601	14,411	11,635
Total Cost of Volumes Purchased	\$	\$144,504	\$127,535	\$75,782
/ Total Sales *	Mcf	15,601	14,411	11,635
= Unit Cost of Gas	\$/Mcf	\$9.2625	\$8.8499	\$6.5133
- EGC in Effect for Month	\$/Mcf	\$7.4286	\$7.4286	\$7.4286
= Difference	\$/Mcf	\$1.8339	\$1.4213	(\$0.9153)
x Actual Sales during Month	Mcf	6,685	7,118	14,162
= Monthly Cost Difference	\$	\$12,259	\$10,117	(\$12,963)
Total Cost Difference			\$	\$9,413
/ Sales for 12 months ended 3/31/10			Mcf	90,576
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.1039

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

**Citipower, LLC**  
**Quarterly Report of Gas Cost**  
**Filing Date: 5/31/2010**  
**Schedule II - Expected Gas Cost**

<b>Month</b>	<b>Expected</b>			<b>Cost</b>
	<b>Mcf (Purchased)</b>	<b>Citigas</b>	<b>Citizens</b>	
Apr-09	7,426	41,734		41,734
May-09	3,837	21,564		21,564
Jun-09	3,053	17,158		17,158
Jul-09	2,342	13,162		13,162
Aug-09	2,025	11,381		11,381
Sep-09	2,281	12,819		12,819
Oct-10	6,685	37,569		37,569
Nov-10	7,118	40,003		40,003
Dec-10	14,162	71,037	20,549	91,586
Jan-10	15,601	54,059	90,445	144,504
Feb-10	14,411	51,164	76,371	127,535
Mar-10	11,635	58,355	17,426	75,782
	90,575	430,005	204,791	634,797

CITIPOWER, LLC

SCHEDULE V  
BALANCE ADJUSTMENT

Case No. 2009-00080

Effective Date	Mcf Sales	Factor	Refunded	Balance
Beginning Balance				(\$1,187)
Mar-09	8,953	(\$0.0143)	(\$128)	(\$1,059)
Apr-09	7,426	(\$0.0143)	(\$106)	(\$953)
May-09	3,837	(\$0.0143)	(\$55)	(\$898)
Jun-09	3,053	(\$0.0143)	(\$44)	(\$854)
Jul-09	2,342	(\$0.0143)	(\$33)	(\$821)
Aug-09	2,025	(\$0.0143)	(\$29)	(\$792)
Sep-09	2,281	(\$0.0143)	(\$33)	(\$759)
Oct-09	6,685	(\$0.0143)	(\$96)	(\$664)
Nov-09	7,118	(\$0.0143)	(\$102)	(\$562)
Dec-09	14,162	(\$0.0143)	(\$203)	(\$359)
Jan-10	15,601	(\$0.0143)	(\$223)	(\$136)
Feb-10	14,411	(\$0.0143)	(\$206)	\$70

Under/(Over) Recovery	\$70
Mcf Sales for factor	90,576
BA Factor	\$0.0008







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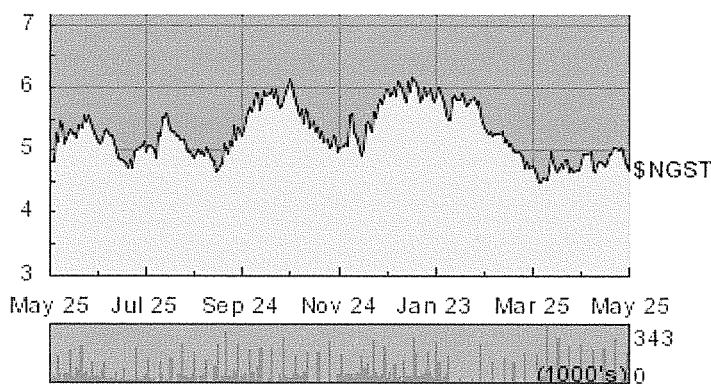
Look under "More Info" for further information. At least 20 min. delay.

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

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

Last Trade		Change		Trades Today		Day's Volume	
1:45 p.m. -		UNCH ( 0.0%)		11,701		110,992	
<b>4.68</b>							
Beta		Day's Range		Open		52 Wk Range	
NA		4.64 - 4.70		4.67		4.62 - 6.99	
Prev Close		Ex-Div		Yield		Shares Out. Market Cap.	
4.68		NA		0.01%		NA 0	
EPS	PE	Div/Shr	Ex-Div	Yield	Shares Out.	Market Cap.	
NA	NA	0.00	NA	0.01%	NA	0	

• 1 Year Stock Performance:



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# Citizens Gas Utility District Of Scott and Morgan Counties

RECEIVED  
MAR 10 2010

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: MARCH 3, 2010**

**Number: 0310-CitiGas**

**To: CitiGas, LLC.**  
2122 Enterprise Road  
Greensboro, NC. 27408

**Due: MARCH 31, 2010**

Quantity	Description	Unit Price	Amount
	February 2010 Deliveries		
	Isham Road Compressor: 6,411 DTH @ \$10.29		\$ 65,969.19
	(5,307 MCF * 1.208 BTU = 6,411 DTH)		
	(TGP - 500 Leg Index for February 2010 which is \$5.29 plus \$5.00)		
		<b>TOTAL DUE</b>	<b>\$ 65,969.19</b>

Approved 1.96 p/mcf  
total

10,401.72  

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76,370.91  

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# Citizens Gas Utility District Of Scott and Morgan Counties

✓  
Rec'd  
2/24/10

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: FEBRUARY 5, 2010**

**Number: 0210-CitiGas**

**To: CitiGas, LLC.**  
2122 Enterprise Road  
Greensboro, NC. 27408

**Due: FEBRUARY 28, 2010**

Quantity	Description	Unit Price	Amount
	January 2010 Deliveries		
	Isham Road Compressor: 7,262 DTH @ \$10.84		\$ 78,720.08
	(5,982 MCF * 1.214 BTU = 7,262 DTH)		
	(TGP – 500 Leg Index for January 2010 which is \$5.84 plus \$5.00)		
		<b>TOTAL DUE</b>	<b>\$78,720.08</b>

Citigas - Approved 1.96 p/mcf  
Total

11,724.72  
\$ 90,444.83

# 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)

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APR 22 2010

## Invoice

**Date: APRIL 7, 2010**

**Number: 0410-CitiGas**

**To: CitiGas, LLC.**  
 2122 Enterprise Road  
 Greensboro, NC. 27408

**Due: APRIL 30, 2010**

Quantity	Description	Unit Price	Amount
	March 2010 Deliveries		
	Isham Road Compressor: 1,539 DTH @ \$9.73		\$ 14,974.47
	(1,251 MCF * 1.230 BTU = 1,539 DTH)		
	(TGP - 500 Leg Index for March 2010 which is \$4.73 plus \$5.00)		
		<b>TOTAL DUE</b>	<b>\$ 14,974.47</b>

*Approved 1.96 P/MCF  
 Total*

2,451.96  
17,426.43