



August 31, 2010

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

RECEIVED

SEP 07 2010

PUBLIC SERVICE
COMMISSION

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

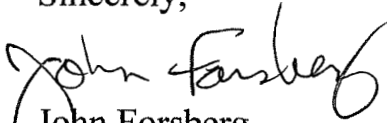
Dear Mr. DeRouen:

2010-20356

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective October 1, 2010 based on the reporting period from April 1, 2010 through June 30, 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.

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

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SEP 07 2010

PUBLIC SERVICE
COMMISSION

CITIPOWER, LLC

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

Date Filed:

Aug 31, 2010

Date Rated to be Effective:

October 1, 2010

Reporting Period is Calendar Quarter Ended:

June 31, 2010

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$6.2456
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$1.0542
Balance Adjustment (BA)	\$/Mcf	\$0.0241
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$7.3239

to be effective for service rendered from October 1, 2010 to December 31, 2010.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$546,049
/Sales for the 12 months ended June 30, 2010	\$/Mcf	87,430
Expected Gas Cost	\$/Mcf	\$6.2456

<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	\$0.0617
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.8652
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.1258
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0015
=Actual Adjustment (AA)	\$ Mcf	\$1.0542

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0201
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0012
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0028
=Balance Adjustment (BA)	\$ Mcf	\$0.0241

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			73,367	\$5.39	\$395,445
Citizens Gas Utility District			14,062	\$10.71	\$150,604

Totals	87,429	\$546,049
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Line loss for 12 months ended 6/30/2010 is based on purchases of 87,429
and sales of 87,430 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$546,049
/ Mcf Purchases (4)		87,429
= Average Expected Cost Per Mcf Purchased		\$6.2457
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		87,429
= Total Expected Gas Cost (to Schedule IA)		\$546,049

Calculation of Citigas Rate:

Richardson Barr May 25 NYMEX 12 Mo Strip	\$	4.49
Plus 20% BTU Factor	\$	0.90
Total	\$	5.39

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the period ended June 30, 2010.

Particulars	Unit	Apr '10 Month 1	May '10 Month 2	June '10 Month 3
Total Supply Volumes Purchased	Mcf	5,441	3,066	2,663
Total Cost of Volumes Purchased	\$	\$43,048	\$24,256	\$21,070
/ Total Sales *	Mcf	5,441	3,066	2,663
= Unit Cost of Gas	\$/Mcf	\$7.9117	\$7.9113	\$7.9120
- EGC in Effect for Month	\$/Mcf	\$7.4286	\$7.4286	\$7.4286
= Difference	\$/Mcf	\$0.4831	\$0.4827	\$0.4834
x Actual Sales during Month	Mcf	5,441	3,066	2,663
= Monthly Cost Difference	\$	\$2,629	\$1,480	\$1,287
Total Cost Difference			\$	\$5,396
/ Sales for 12 months ended 6/30/10			Mcf	87,430
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.0617

* May not be less than 95% of supply volume

CITIPOWER, LLC

SCHEDULE V
BALANCE ADJUSTMENT

Case No. 2009-00205

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	87,429	(\$0.4446)	(\$38,871)	(\$37,113)

Under/(Over) Recovery	\$1,758
Mcf Sales for factor	87,430
BA Factor	\$0.0201

Citipower, LLC
Quarterly Report of Gas Cost
Filing Date: 8/31/2010
Schedule II - Expected Gas Cost

Month	Expected			Total Cost
	Mcf (Purchased)	Citigas	Citizens	
Jul-09	2,342	12,623		12,623
Aug-09	2,025	10,915		10,915
Sep-09	2,281	12,295		12,295
Oct-10	6,685	36,032		36,032
Nov-10	7,118	38,366		38,366
Dec-10	14,162	68,130	16,301	84,430
Jan-10	15,601	51,846	64,067	115,914
Feb-10	14,411	49,071	56,838	105,909
Mar-10	11,635	55,967	13,398	69,365
Apr-10	5,441	29,325		29,325
May-10	3,066	16,524		16,524
Jun-10	2,663	14,353		14,353
	87,429	395,445	150,604	546,049



Citigas, LLC

August 31, 2010

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for October 2010 through December 2010 will be as calculated below:

Purchases From Forexco:

Richardson Barr Aug 2010 NYMEX 12 Month Strip	\$ 4.49
Plus 20% BTU Factor	<u>\$.90</u>

Total	\$ 5.39
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Purchases From Citizens:

TGP-500L (8/31/10 \$3.75) + \$5.00 + \$1.96 p/mcf	\$10.71
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Sincerely,

Daniel R Forsberg
President

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



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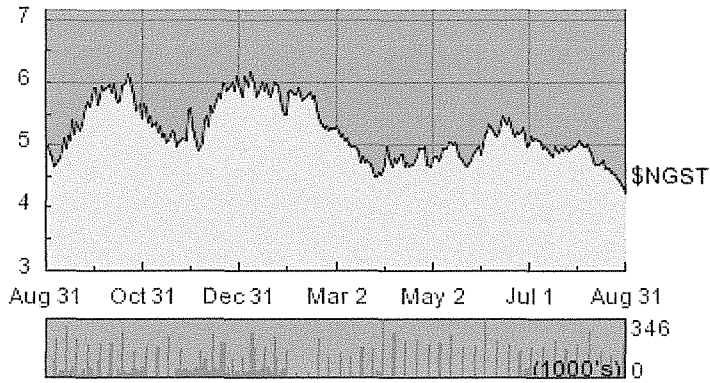
Look under "More Info" for further information. At least 20 min. delay.

NYMEX NATURAL GAS 12-MO STRIP OCTOBER (NYMEX_NT: \$NGST)

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

Last Trade		Change		Trades Today		Day's Volume	
4:04 p.m. -		↓ 0.01 (↓ 0.22%)		46,696		182,591	
4.49							
Beta		Day's Range		Prev Close		Open	
NA		4.43 - 4.52		4.50		4.51	
						52 Wk Range	
						4.34 - 7.18	
EPS	PE	Div/Shr	Ex-Div	Yield	Shares Out.	Market Cap.	
NA	NA	0.00	NA	NA%	NA	0	

• 1 Year Stock Performance:



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Citizens Gas Cost

		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	High	Low	Ave							
Socal-WR		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.4450	3.4300	3.4420	.0420						
Sonat-T1		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8300	3.7650	3.7931	-.0025						
Southern Star		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.5000	3.4600	3.4899	.1395						
Stanfield		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.3275	3.2800	3.3115	-.0063						
TETCO-ELA		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.7800	3.7100	3.7375	-.0241						
TETCO-ETX		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.7100	3.5100	3.6832	.0590						
TETCO-M1 24		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.7900	3.7350	3.7660	.0925						
TETCO-M1 30		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.9100	3.8000	3.8501	-.0125						
TETCO-M2		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	4.1900	4.1000	4.1499	.0570						
TETCO-M3		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	4.3900	4.1650	4.2443	.0460						
TETCO-STX		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.7200	3.6975	3.7029	-.0153						
TETCO-WLA		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8000	3.7075	3.7440	-.0397						
<u>TGP-500L</u>		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8350	3.7150	* 3.7537	.0107						
TGP-800L		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8100	3.7200	3.7546	-.0049						
TGP-Z0		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8125	3.7000	3.7446	.0433						
<u>TGP-Z6 200L</u>		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	4.4500	4.2100	4.3018	.1095						
TGT-SL (FT)		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.7500	3.6800	3.7178	.0017						
TGT-Z1 (FT)		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8250	3.6650	3.7219	.0053						
TGT-Z1 (TT)		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.7850	3.6900	3.7475	.0325						
TW-Bianco		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.3900	3.2550	3.2915	.0806						
TW-Central		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.3500	3.3000	3.3336	.0870						
TW-WTX		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.3000	3.3000	3.3000	-.0200						
Transco-30		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8100	3.7200	3.7763	.0555						
Transco-45		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8100	3.7450	3.7740	-.1329						
Transco-65		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8300	3.7500	3.7865	-.0307						
Transco-85		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	3.8550	3.7700	3.8102	.0068						
Transco-Z5 (WGL)		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	4.0900	4.0500	4.0605	.0105						
Transco-Z5 (non-WGL)		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	4.0700	4.0700	4.0700	.0033						
Transco-Z6 (NY)		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	4.4000	4.1500	4.2549	.0868						
Transco-Z6 (non-NY)		Aug 31, 2010	Sep 1, 2010	Sep 1, 2010	4.3200	4.1400	4.2324	.0422						

* Citizens Charges TGP-500 + 5.00 = \$8.75
 + PSC approval charge

1.96
\$ 10.71