



December 2, 2011

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

RECEIVED
DEC 5 2011
PUBLIC SERVICE
COMMISSION

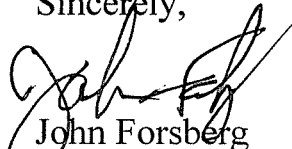
Re: Citipower L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation

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, 2012 based on the reporting period from July 1, 2011 through September 30, 2011. 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

CITIPOWER, LLC

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

RECEIVED
DEC 5 2011
PUBLIC SERVICE
COMMISSION

Date Filed:

December 2, 2011

Date Rated to be Effective:

January 1, 2012

Reporting Period is Calendar Quarter Ended:

September 30, 2011

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$4.7121
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$0.1733
Balance Adjustment (BA)	\$/Mcf	\$0.1486
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$5.0340

to be effective for service rendered from January 1, 2012 to March 31, 2012.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$351,532
/Sales for the 12 months ended Sept 30, 2011	\$/Mcf	74,602
Expected Gas Cost	\$/Mcf	\$4.7121
<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	(\$0.0147)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.2314
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1675)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.1241
=Actual Adjustment (AA)	\$ Mcf	\$0.1733
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0106
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.1764
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0384)
=Balance Adjustment (BA)	\$ Mcf	\$0.1486

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			72,169	\$4.52	\$326,204
Citizens Gas Utility District			2,433	\$10.41	\$25,328

Totals			74,602		\$351,532
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Line loss for 12 months ended 9/30/2011 is based on purchases of 74,602
and sales of 74,602 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$351,532
/ Mcf Purchases (4)		74,602
= Average Expected Cost Per Mcf Purchased		\$4.7121
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		74,602
= Total Expected Gas Cost (to Schedule IA)		\$351,532

Calculation of Citigas Rate:

Richardson Barr March 1 NYMEX 12 Mo Strip	\$ 3.77
Plus 20% BTU Factor	\$ 0.75
Total	\$ 4.52
Citizens	
TGP-500 (\$3.45 + \$5.00 + \$1.96)	\$ 10.41

CITIPOWER, LLC
SCHEDULE IV
ACTUAL ADJUSTMENT

<u>Particulars</u>	<u>Unit</u>	<u>July '11</u>	<u>Aug '11</u>	<u>Sept '11</u>
Total Supply Volumes Purchased	Mcf	1,879	2,178	2,219
Total Cost of Volumes Purchased	\$	\$9,731	\$11,283	\$11,496
/ Total Sales *	Mcf	1,879	2,178	2,219
= Unit Cost of Gas	\$/Mcf	\$5.1789	\$5.1802	\$5.1809
- EGC in Effect for Month	\$/Mcf	\$5.3549	\$5.3549	\$5.3549
= Difference	\$/Mcf	(\$0.1760)	(\$0.1747)	(\$0.1740)
x Actual Sales during Month	Mcf	1,879	2,178	2,219
= Monthly Cost Difference	\$	(\$331)	(\$380)	(\$386)
 Total Cost Difference			\$	(\$1,097)
/ Sales for 12 months ended 9/30/11			Mcf	74,602
= Actual Adjustment for the Reporting Period (to Sch IC)				(\$0.0147)

* May not be less than 95% of supply volume

CITIPOWER, LLC

SCHEDULE V
BALANCE ADJUSTMENT

Case No. 2010-00356

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	74,602	\$0.0617	\$4,603	\$5,394

Under/(Over) Recovery	\$791
Mcf Sales for factor	74,602
BA Factor	\$0.0106

Citipower, LLC
Quarterly Report of Gas Cost
Filing Date: 12/2/11
Schedule II - Expected Gas Cost

Month	Mcf (Purchased)	Expected					Total Cost
		Citigas		MCF	Citizens		
		Cost p/mcf	Total		Cost p/mcf	Total	
Oct-10	4,234	4.52	19,138				19,138
Nov-10	7,870	4.52	35,572				35,572
Dec-10	12,135	4.52	50,769	903	10.41	9,400	60,169
Jan-11	13,897	4.52	58,984	847	10.41	8,817	67,801
Feb-11	10,718	4.52	46,393	454	10.41	4,726	51,119
Mar-11	8,301	4.52	36,504	225	10.41	2,342	38,846
Apr-11	5,237	4.52	23,655	4	10.41	42	23,697
May-11	3,388	4.52	15,315				15,315
Jun-11	2,546	4.52	11,507				11,507
Jul-11	1,879	4.52	8,491				8,491
Aug-11	2,178	4.52	9,845				9,845
Sep-11	2,219	4.52	10,032				10,032
	<u>74,602</u>		<u>326,204</u>	<u>2,433</u>		<u>25,328</u>	<u>351,532</u>



Citigas, LLC

November 30, 2011

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for January 2012 through March 2012 will be as calculated below:

Purchases From Forexco:	
Richardson Barr November 30 NYMEX 12 Month Strip	\$ 3.77
Plus 20% BTU Factor	<u>\$.75</u>
Total	\$ 4.52

Purchases From Citizens:
 TGP-500L (12/2/11 \$3.45) + \$5.00 + \$1.96 p/mcf \$10.41

Sincerely,

Daniel R Forsberg
President

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



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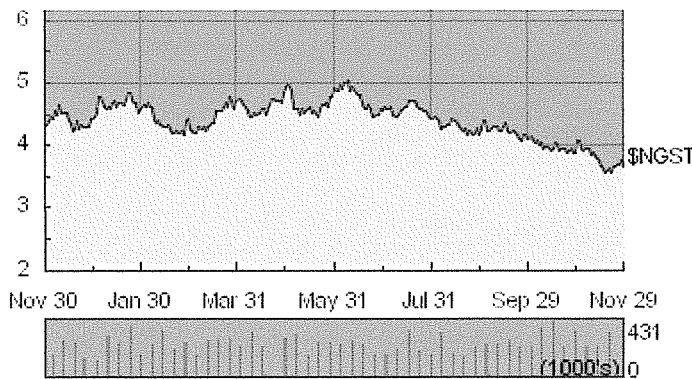
Look under "More Info" for further information. At least 20 min. delay.

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

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

Last Trade 3:19 p.m. - 3.77		Change ↑ 0.02 (↑ 0.53%)	Trades Today 53,324	Day's Volume 231,756
Beta NA	Day's Range 3.74 - 3.82	Prev Close 3.75	Open 3.78	52 Wk Range 3.64 - 7.53
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 30, 2011

[1 Quarter](#) | [1 Year](#) | [5 Years](#) | Compare multiple stocks: \$NGST

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	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.7600	3.6500	3.7194	-.0609	325,400	41	19
Socal-Ehrenberg	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.6300	3.5800	3.6022	-.0378	41,000	6	5
Socal-Kramer	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.6500	3.5700	3.6026	-.0848	267,500	33	12
Socal-Needles	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.6300	3.5500	3.5960	-.0830	116,600	13	10
Sonat-T1	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.5150	3.4000	3.4443	-.0969	239,300	38	23
Southern Star	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.4000	3.3100	3.3600	-.0699	38,000	8	7
Stanfield	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.5700	3.4400	3.4939	-.0557	169,800	25	13
TETCO-ELA	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.4700	3.3600	3.4207	-.0923	102,900	31	25
TETCO-ETX	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.3200	3.1500	3.2574	-.0948	17,900	11	10
TETCO-M1 24	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.4375	3.3900	3.4233	-.0995	24,500	5	8
TETCO-M1 30	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.5000	3.4000	3.4325	-.1171	191,800	33	27
TETCO-M2	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.7000	3.6500	3.6715	-.1785	32,400	6	7
TETCO-M3	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.8200	3.6800	3.7585	-.1342	523,500	98	43
TETCO-STX	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.3350	3.2500	3.2672	-.1555	47,100	10	10
TETCO-WLA	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.4600	3.3700	3.4284	-.0880	135,400	24	16
TGP-500L	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.5100	3.4000	3.4467	-.1068	491,500	85	40
TGP-800L	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.4900	3.3800	3.4192	-.0996	550,700	100	42
TGP-20	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.4300	3.3400	3.3789	-.0691	325,900	67	34
TGP-24 Marcellus	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.5700	3.4500	3.4788	-.1227	180,600	37	22
TGP-24 Sta-219	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.5500	3.5500	3.5500	-.0400	7,500	2	3
TGP-24 Sta-313	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.6600	3.6300	3.6492	-.0469	9,800	3	6
TGP-Z6 300L	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	4.1000	3.8500	4.0221	-.4551	7,700	3	4
TGP-Z6 200L	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	4.6000	4.0200	4.2197	-.1965	165,200	40	24
TGT-SL (FT)	Dec 1, 2011	Dec 2, 2011	Dec 2, 2011	3.4800	3.3950	3.4144	-.0615	76,100	18	16

Internet 100%

Citizens

TGP-500
 Citizens Add-on
 Citipower Approved

3.4467
 5.0000
 1.9600

 \$10.4067