



September 12, 2012

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

RECEIVED

SEP 14 2012

PUBLIC SERVICE
COMMISSION

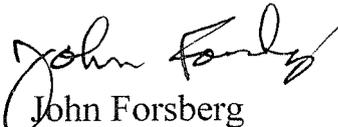
Re: Citipower L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Mr. DeRouen:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective October 1, 2012 based on the reporting period from April 1, 2012 through June 30, 2012. 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

SEP 14 2012

PUBLIC SERVICE
COMMISSION

Date Filed:

September 12, 2012

Date Rated to be Effective:

October 1, 2012

Reporting Period is Calendar Quarter Ended:

June 2012

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$4.1503
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.1444)
Balance Adjustment (BA)	\$/Mcf	\$0.1616
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$4.1676

to be effective for service rendered from October 1, 2012 to December 31, 2012.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$264,316
/Sales for the 12 months ended June 30, 2012	\$/Mcf	63,685
Expected Gas Cost	\$/Mcf	\$4.1503
<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	(\$0.0238)
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0338)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0054)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0814)
=Actual Adjustment (AA)	\$ Mcf	(\$0.1444)
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.2075
+Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0822)
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0257
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0106
=Balance Adjustment (BA)	\$ Mcf	\$0.1616

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			63,432	\$4.13	\$261,975
Citizens Gas Utility District			253	\$9.25	\$2,340
Totals			63,685		\$264,316

Line loss for 12 months ended 6/30/2011 is based on purchases of 63,685
and sales of 63,685 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$264,316
/ Mcf Purchases (4)		63,685
= Average Expected Cost Per Mcf Purchased		\$4.1503
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		63,685
= Total Expected Gas Cost (to Schedule IA)		\$264,316

Calculation of Citigas Rate:

Richardson Barr September 12 NYMEX 12 Mo Strip	\$	3.44
Plus 20% BTU Factor	\$	0.69
Total	\$	4.13
 Citizens TGP-500 \$2.83 + \$5.00 + \$1.96)	 \$	 9.79

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

Particulars	Unit	April '12	May '12	June '12
Total Supply Volumes Purchased	Mcf	5,207	3,054	2,112
Total Cost of Volumes Purchased	\$	\$18,475	\$10,996	\$7,604
/ Total Sales *	Mcf	5,207	3,054	2,112
= Unit Cost of Gas	\$/Mcf	\$3.5481	\$3.6005	\$3.6003
- EGC in Effect for Month	\$/Mcf	\$3.7200	\$3.7200	\$3.7200
= Difference	\$/Mcf	(\$0.1719)	(\$0.1195)	(\$0.1197)
x Actual Sales during Month	Mcf	5,207	3,054	2,112
= Monthly Cost Difference	\$	(\$895)	(\$365)	(\$253)
Total Cost Difference			\$	(\$1,513)
/ Sales for 12 months ended 6/30/11			Mcf	63,685
= Actual Adjustment for the Reporting Period (to Sch IC)				(\$0.0238)

* May not be less than 95% of supply volume

CITIPOWER, LLC

SCHEDULE V
BALANCE ADJUSTMENT

Case No. 2011-00367

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	63,685	(\$0.2314)	(\$14,737)	(\$1,520)

Under/(Over) Recovery	\$13,217
Mcf Sales for factor	63,685
BA Factor	\$0.2075

Citipower, LLC
Quarterly Report of Gas Cost
Filing Date:9/12/12
Schedule II - Expected Gas Cost

Expected

Month	Mcf	Citigas		Citizens			Total Cost
		Cost p/mcf	Total	MCF	Cost p/mcf	Total	
Jul-11	1,879	4.13	7,759				7,759
Aug-11	2,178	4.13	8,996				8,996
Sep-11	2,219	4.13	9,166				9,166
Oct-12	4,637	4.13	19,152				19,152
Nov-12	9,352	4.13	38,625				38,625
Dec-12	7,529	4.13	31,094				31,094
Jan-12	9,327	4.13	38,521				38,521
Feb-12	10,978	4.13	45,338				45,338
Mar-12	5,213	4.13	20,485	253	9.25	2,340	22,825
Apr-12	5,207	4.13	21,505				21,505
May-12	3,054	4.13	12,613				12,613
Jun-12	2,112	4.13	8,723				8,723
	<u>63,685</u>		<u>261,975</u>	<u>253</u>		<u>2,340</u>	<u>264,316</u>

TETCO-ETX	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.8100	2.7600	2.7855	.1587	19,300	7	6
TETCO-M1 30	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.8350	2.7800	2.8056	.1698	237,900	37	23
TETCO-M2	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	3.0100	2.9700	2.9842	.1794	19,700	4	7
TETCO-M2 (receipt)	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.8525	2.8000	2.8292	.2091	114,400	19	13
TETCO-M3	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	3.0500	2.9500	3.0090	.2136	524,100	87	30
TETCO-STX	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.8500	2.7700	2.8264	.2052	41,400	9	7
TETCO-WLA	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.8600	2.8450	2.8560	.1889	17,000	3	6
TGP-500L	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.8850	2.7850	2.8316	.1637	319,400	66	35
TGP-800L	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.8900	2.7825	2.8260	.1843	333,500	68	41
TGP-Z0	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.9200	2.7700	2.8085	.1828	216,500	49	31
TGP-Z1 100L	Sep 11, 2012	Sep 12, 2012	Sep 12, 2012	2.8450	2.8450	2.8450	.2317	3,100	1	2



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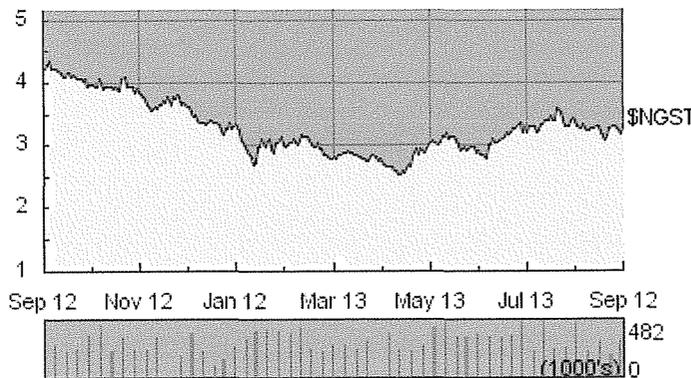
Look under "More Info" for further information. At least 20 min. delay.

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	
10:55 a.m. -		↑ 0.01 (↑ 0.29%)		32,085		126,278	
3.44							
Beta		Day's Range		Prev Close		Open	
NA		3.40 - 3.46		3.43		3.44	
						52 Wk Range	
						2.98 - 7.63	
EPS	PE	Div/Shr	Ex-Div	Yield	Shares Out.	Market Cap.	
NA	NA	0.00	NA	NA%	NA	0	

• 1 Year Stock Performance:



TickerTech.com Sep 12, 2012

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

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Citigas, LLC

September 12, 2012

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for October 2012 through December 2012 will be as calculated below:

Purchases From Forexco:

Richardson Barr September 12 NYMEX 12 Month Strip	\$ 3.44
Plus 20% BTU Factor	<u>\$.69</u>

Total	\$ 4.13
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Purchases From Citizens:

TGP-500L (9/12/12 \$2.83) + \$5.00 + \$1.96 p/mcf	\$9.79
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Sincerely,

Daniel R Forsberg
President

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Greensboro, NC 27408
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