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SEP 04 2018

PUBLIC SERVICE
COMMISSION

August 30, 2018

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 October 1, 2018 based on the reporting period from April 1, 2018 through June 30, 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

APPENDIX B
Page 1

CITIPOWER, LLC

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

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SEP 04 2018

PUBLIC SERVICE
COMMISSION

Date Filed:

August 30, 2018

Date Rated to be Effective:

October 1, 2018

Reporting Period is Calendar Quarter Ended:

June 2018

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	\$4.0719
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$2.3975
Balance Adjustment (BA)	\$/Mcf	(\$0.0228)
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$6.4466

to be effective for service rendered from October 2018 through December 2018

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$283,561
/Sales for the 12 months ended 6/18	\$/Mcf	69,638
Expected Gas Cost	\$/Mcf	\$4.0719
<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	\$1.7985
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.4692
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.1446
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0148)
=Actual Adjustment (AA)	\$ Mcf	\$2.3975
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0053
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0002
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0016)
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0267)
=Balance Adjustment (BA)	\$ Mcf	(\$0.0228)

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			63,406	\$3.49	\$221,490
Citizens Gas Utility District			6,232	\$9.96	\$62,071

Totals			69,638		\$283,561
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Line loss for 12 months ended 6/30/2018 is based on purchases of 69,638
and sales of 69,638 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$283,561
/ Mcf Purchases (4)		69,638
= Average Expected Cost Per Mcf Purchased		\$4.0719
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		69,638
= Total Expected Gas Cost (to Schedule IA)		\$283,561

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

<u>Particulars</u>	<u>Unit</u>	<u>Apr-18</u>	<u>May-18</u>	<u>Jun-18</u>
Total Supply Volumes Purchased	Mcf	6,045	2,589	2,213
Total Cost of Volumes Purchased	\$	\$75,316	\$52,490	\$37,664
/ Total Sales *	Mcf	6,045	2,589	2,213
= Unit Cost of Gas	\$/Mcf	\$12.4595	\$20.2726	\$17.0223
- EGC in Effect for Month	\$/Mcf	\$3.7085	\$3.7085	\$3.7085
= Difference	\$/Mcf	\$8.7510	\$16.5641	\$13.3138
x Actual Sales during Month	Mcf	6,045	2,589	2,213
= Monthly Cost Difference	\$	\$52,899	\$42,888	\$29,458
 Total Cost Difference			\$	\$125,245
/ Sales for 12 months ended 6/30/18			Mcf	69,638
= Actual Adjustment for the Reporting Period (to Sch IC)				\$1.7985

* May not be less than 95% of supply volume

2017-00226

Effective Date	12 months Mcf Sales	Factor	Refunded	Balance
Beginning Balance	69,638	(\$0.0322)	(\$2,242)	(\$1,874)

Under/(Over) Recovery	\$369
Mcf Sales for factor	69,638
BA Factor	\$0.0053

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

Month	Expected						Total Cost	Mcf (Sold)
	Mcf	Citigas		Citizens		Total		
		Cost p/mcf	Total	MCF	Cost p/mcf			
Jul-17	1,643	3.49	5,741		9.96	0	5,741	1,643
Aug-17	1,596	3.49	5,573		9.96	0	5,573	1,596
Sep-17	1,897	3.49	6,626		9.96	0	6,626	1,897
Oct-17	2,868	3.49	10,017		9.96	0	10,017	2,868
Nov-17	6,650	3.49	23,229	36	9.96	359	23,587	6,686
Dec-17	7,668	3.49	26,787	1,378	9.96	13,725	40,511	9,046
Jan-18	11,122	3.49	38,851	3,047	9.96	30,348	69,199	14,169
Feb-18	11,036	3.49	38,551	974	9.96	9,701	48,252	12,010
Mar-18	8,185	3.49	28,593	692	9.96	6,892	35,486	8,877
Apr-18	5,940	3.49	20,749	105	9.96	1,046	21,795	6,045
May-18	2,589	3.49	9,045		9.96	0	9,045	2,589
Jun-18	2,213	3.49	7,729		9.96	0	7,729	2,213
	63,406		221,490	6,232		62,071	283,561	69,638

12 month strip	2.91	TGP 500L*	2.75
20% Btu Factor	0.58	Citizens	5.00
Total Gas Price	3.49	Citigas	2.21
		Total Price	9.96

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

RECEIVED

MAY 14 2018

Invoice

Date: MAY 4, 2018

Number: 0518-CitiGas

To: CitiGas, LLC.

Due: MAY 31, 2018

2309 Cone Blvd.
 Suite 200
 Greensboro, NC. 27408

Quantity	Description	Unit Price	Amount
	April 2018 Deliveries		
	Isham Road Compressor: 121 DTH \$ 7.62		\$ 922.02
	(105 MCF * 1.149 BTU = 121 DTH)		
	(TGP – 500 Leg Index for April 2018 plus \$5.00)		
		TOTAL DUE	\$ 922.02



August 30, 2018

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for October 2018 through December 2018 will be as calculated below:

Purchases From Forexco:

Richardson Barr NYMEX 12 Month Strip	\$ 2.91
Plus 20% BTU Factor	<u>\$ 0.58</u>

Total	\$ 3.49
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Purchases From Citizens:

TGP-500L \$2.75 + \$5.00 + \$2.21 p/mcf	\$ 9.96
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Sincerely,

Daniel R Forsberg
President

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



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

NYMEX NATURAL GAS 12-MO STRIP SEPTEMBER (NYMEX: \$NGST)						
More Info: chart stock screen performance screen news						
Last Trade 8/21 - 2.911		Change ↑ 0.022 (↑ 0.76%)		Trades Today 17,300	Day's Volume 314,623	
Beta NA		Day's Range 2.891 - 2.913	Prev Close 2.889	Open 2.898	52 Wk Range 2.667 - 3.009	
EPS NA	PE NA	Div/Shr 0.00	Ex-Div NA	Yield NA%	Shares Out. NA	Market Cap. 0
• 1 Year Stock Performance:						
<p style="text-align: center;">TickerTech.com Aug 21, 2018</p> <p style="text-align: center;"> 1 Quarter 1 Year 5 Years Compare multiple stocks: <input type="text" value="\$NGST"/> <input type="button" value="Compare"/> </p>						

[Back](#)

		\$0.030	\$0.030					\$0.038	\$0.038			\$0.040	\$0.030	
	NYMEX	PEPL	IGPL	Transco	NGPL	NGPL	Chicago	ANR	ANR	NNG	So. Star	CIG	EPNG	Chicago
	Settle	TX OK	LA-500	Zone 5	Mid-Con	Texok	City Gate	LA	OK	Ventura	MidCon	Rocky	Permian	NGI
Aug-16	2.672	2.43	2.61	2.71	2.52	2.62	2.67	2.59	2.47	2.60	2.49	2.43	2.56	
Sep-16	2.853	2.59	2.79	2.90	2.67	2.75	2.81	2.80	2.60	2.75	2.60	2.53	2.60	
Oct-16	2.952	2.69	2.90	3.00	2.76	2.85	2.96	2.88	2.72	2.86	2.71	2.65	2.72	
Nov-16	2.764	2.55	2.70	2.86	2.60	2.66	2.81	2.69	2.55	2.73	2.55	2.54	2.52	
Dec-16	3.232	3.04	3.17	3.74	2.97	3.09	3.25	3.19	3.00	3.11	3.04	2.77	2.93	
Jan-17	3.930	3.69	3.88	5.82	3.66	3.78	4.17	3.89	3.74	4.17	3.75	3.63	3.50	
Feb-17	3.391	3.19	3.31	4.12	3.10	3.25	3.40	3.31	3.11	3.32	3.08	3.12	3.09	
Mar-17	2.627	2.34	2.54	2.65	2.32	2.49	2.63	2.52	2.34	2.44	2.30	2.28	2.27	
Apr-17	3.175	2.71	3.09	3.18	2.72	3.02	3.01	3.10	2.72	2.82	2.66	2.63	2.59	
May-17	3.142	2.67	3.05	3.09	2.72	2.92	2.92	3.06	2.66	2.79	2.66	2.59	2.57	
Jun-17	3.236	2.82	3.15	3.17	2.91	3.08	3.09	3.15	2.88	2.94	2.84	2.76	2.79	
Jul-17	3.067	2.68	2.97	3.02	2.71	2.90	2.88	2.96	2.73	2.76	2.66	2.58	2.66	
Aug-17	2.969	2.57	2.88	3.01	2.66	2.81	2.83	2.88	2.63	2.73	2.58	2.57	2.55	
Sep-17	2.961	2.56	2.89	2.98	2.65	2.81	2.79	2.87	2.63	2.74	2.54	2.56	2.57	
Oct-17	2.974	2.50	2.88	2.99	2.62	2.80	2.82	2.84	2.58	2.69	2.51	2.48	2.40	
Nov-17	2.752	2.37	2.66	2.82	2.50	2.60	2.83	2.62	2.41	2.71	2.37	2.53	2.40	
Dec-17	3.074	2.67	3.01	3.67	2.74	2.90	3.10	2.99	2.74	3.08	2.64	2.66	2.44	
Jan-18	2.738	2.40	2.67	5.63	2.38	2.57	3.07	2.66	2.58	3.56	2.60	2.40	2.23	
Feb-18	3.631	2.81	3.59	9.98	2.98	3.34	4.22	3.53	2.85	4.90	2.89	2.73	2.64	
Mar-18	2.639	2.07	2.57	2.99	2.20	2.48	2.52	2.52	2.16	2.40	2.11	2.13	1.89	2.52
Apr-18	2.691	1.96	2.62	2.76	2.11	2.53	2.46	2.57	1.95	2.36	1.94	1.74	1.26	2.46
May-18	2.821	2.05	2.76	2.87	2.05	2.63	2.58	2.69	2.03	2.39	2.05	1.80	1.28	2.58
Jun-18	2.875	2.21	2.81	2.94	2.31	2.71	2.70	2.70	2.22	2.51	2.23	1.96	1.90	2.71
Jul-18	2.996	2.24	2.92	3.07	2.29	2.82	2.78	2.81	2.26	2.65	2.24	2.08	1.74	2.78
Aug-18	2.822	2.34	2.75	2.91	2.33	2.67	2.73	2.71	2.34	2.64	2.32	2.23	1.85	2.73