

May 29, 2020

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 July 1, 2020 based on the reporting period from January 1, 2020 through March 31, 2020. 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

**CITIPOWER, LLC**

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

Date Filed:

May 29, 2020

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Date Rated to be Effective:

July 1, 2020

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Reporting Period is Calendar Quarter Ended:

March 31, 2020

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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 (EGC)	\$/Mcf	\$4.4520
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$0.0930
Balance Adjustment (BA)	\$/Mcf	(\$0.0200)
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$4.5250

to be effective for service rendered from July 2020 through September 2020

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$302,192
/Sales for the 12 months ended 3/20	\$/Mcf	67,878
Expected Gas Cost	\$/Mcf	\$4.4520
<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	\$0.1861
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0996
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.0707)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1220)
=Actual Adjustment (AA)	\$ Mcf	\$0.0930
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	(\$0.0072)
+Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0014)
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0012)
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0102)
=Balance Adjustment (BA)	\$ Mcf	(\$0.0200)

**CITIPOWER, LLC**  
**SCHEDULE II**  
**EXPECTED GAS COST**

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Greystone			67,878	\$4.45	\$302,192

Totals			67,878		\$302,192
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Line loss for 12 months ended 3/31/2020 is based on purchases of 67,878  
and sales of 67,878 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$302,192
/ Mcf Purchases (4)		67,878
= Average Expected Cost Per Mcf Purchased		\$4.4520
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		67,878
= Total Expected Gas Cost (to Schedule IA)		\$302,192

**CITIPOWER, LLC**  
**SCHEDULE IV**  
**ACTUAL ADJUSTMENT**

<u>Particulars</u>	<u>Unit</u>	<u>Jan-20</u>	<u>Feb-20</u>	<u>Mar-20</u>
Total Supply Volumes Purchased	Mcf	11,628	10,879	8,902
Total Cost of Volumes Purchased	\$	\$65,546	\$64,379	\$38,511
/ Total Sales *	Mcf	11,628	10,879	8,902
= Unit Cost of Gas	\$/Mcf	\$5.6370	\$5.9178	\$4.3263
- EGC in Effect for Month	\$/Mcf	\$4.9606	\$4.9606	\$4.9606
= Difference	\$/Mcf	\$0.6764	\$0.9572	(\$0.6343)
x Actual Sales during Month	Mcf	11,628	10,879	8,902
= Monthly Cost Difference	\$	\$7,865	\$10,413	(\$5,646)
 Total Cost Difference			\$	\$12,632
/ Sales for 12 months ended 3/31/20			Mcf	67,878
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.1861

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

SCHEDULE V  
BALANCE ADJUSTMENT

Appendix B  
Page 6

For the 3 month period ended

March 31, 2020

Case No. **2019-00075**

Line	Particulars	Unit	Amount
	Utility Gas Management		
(1)	Total cost difference from actual adjustment used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
1		\$	<u>(7,327)</u>
2	Less: Dollars amount resulting from the AA of <u>(0.0999)</u> \$/MCF as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of 67,878		
3	MCF during the 12 month period the AA was in effect.	\$	<u>(6,780.98)</u>
4	Equals: Balance Adjustment for the AA.	\$	<u>(545.57)</u>
(3)	Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
5		\$	<u>-</u>
6	Less: Dollar amount resulting from the RA of <u>-</u> \$/MCF as used to compute the OCR in effect four quarters prior to the effective GCR times the sales of 67,878 MCF		
7	during the 12 month period the RA was in effect.	\$	<u>-</u>
8	Equals: Balance Adjustment for the RA.	\$	<u>-</u>
(3)	Total Balance Adjustment used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
9		\$	<u>741</u>
10	Less: Dollar amount resulting from the BA of <u>0.0101</u> \$/MCF four quarters prior to the effective date of the currently effective GCR times the sales of 67,878 MCF during the 12 month		
11	period the BA was in effect.	\$	<u>685.56</u>
12	Equals: Balance Adjustment for the BA.	\$	<u>55.31</u>
13	Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u>(490.26)</u>
14	Divided ÷ Sales for 12 months ended 3/31/2020	\$	<u>67,878</u>
15	Equals: Balance Adjustment for the Rep V.P. of Operations	\$/MCF	<u>(0.0072)</u>

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

**Expected**

Month	Greystone		
	MCF	Cost p/mcf	Total
Apr-19	4,072	4.45	18,127
May-19	2,484	4.45	11,061
Jun-19	1,840	4.45	8,190
Jul-19	2,081	4.45	9,266
Aug-19	1,764	4.45	7,854
Sep-19	1,635	4.45	7,279
Oct-19	3,300	4.45	14,690
Nov-19	8,523	4.45	37,944
Dec-19	10,771	4.45	47,952
Jan-20	11,628	4.45	51,767
Feb-20	10,879	4.45	48,433
Mar-20	8,902	4.45	39,630
	67,878		302,192

NYMEX Strip	2.21
Greystone	1.50
Citigas	0.74
Total Price	4.45





Citigas, LLC  
2309 W Cone Blvd, Ste 200  
Greensboro, NC 27408

# INVOICE

Date: March 1, 2020

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

SALES MONTH: February-20

Invoiced from Greystone, LLC	\$22,723.60
MCFs	7,266.90
Marketing fee @ \$0.625/mcf	\$4,541.81
<b>Total amount due for Greystone purchase</b>	<b>\$27,265.41</b>

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Invoiced from Citizens Gas Utility District	\$29,131.20
MCFs	3,612.00
Transportation @ .25/mcf	\$903.00
Marketing fee @ \$1.96/mcf	\$7,079.52
<b>Total amount due for Citizens purchase</b>	<b>\$37,113.72</b>

Total MCFs Sold	10,878.90 per Citipower reports
<b>Total due for month</b>	<b>\$64,379.13</b>

Citigas, LLC  
 2309 W Cone Blvd, Ste 200  
 Greensboro, NC 27408

## INVOICE

Date: April 1, 2020

Sold to: Citipower, LLC  
 PO Box 1309  
 Whitley City, KY 42653

SALES MONTH: March-20

Invoiced from Greystone, LLC	\$24,607.00
MCFs	8,012.70
Marketing fee @ \$0.614/mcf	\$4,919.80
<b>Total amount due for Greystone purchase</b>	<b>\$29,526.80</b>

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Invoiced from Citizens Gas Utility District	\$7,020.00
MCFs	889.00
Transportation @ .25/mcf	\$222.25
Marketing fee @ \$1.96/mcf	\$1,742.44
<b>Total amount due for Citizens purchase</b>	<b>\$8,984.69</b>

Total MCFs Sold	8,901.70 per Citipower reports
<b>Total due for month</b>	<b>\$38,511.49</b>

Greystone, LLC  
600 The Grange Lane  
Lexington, KY 40511  
Tel (859) 321-1500

INVOICE 051820.17

5.18.2020

BILL TO

Citigas, LLC  
2309 Cone Blvd.  
Suite 200  
Greensboro, NC 27408

[REDACTED]

QUANTITY	DESCRIPTION	UNIT PRICE	TOTAL
9,022.7 Mcf	January, 2020 Gas Supply - Citipower	\$3.408	\$30,749.36
7,266.9 Mcf	February, 2020 Gas Supply - Citipower	\$3.127	\$22,723.60
8,012.7 Mcf	March, 2020 Gas Supply - Citipower	\$3.071	\$24,607.00

**TOTAL** \$78,079.96

**TOTAL DUE 05.30.20**

# 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)

RECEIVED

FEB 14 2020

## Invoice

**Date: FEBRUARY 5, 2020**

**Number: 120-CitiGas**

**To: CitiGas, LLC.**  
 2309 Cone Blvd.  
 Suite 200  
 Greensboro, NC. 27408

**Due: FEBRUARY 29, 2020**

Quantity	Description	Unit Price	Amount
	<b>JANUARY 2020 DELIVERIES</b>		
	Isham Road Compressor: 3,105 DTH \$ 7.08		\$ 21,983.40
	(2,605 MCF * 1.192 BTU = 3,105 DTH)		
	(TGP - 500 Leg Index for January 2020 plus \$5.00)		
		<b>TOTAL DUE</b>	<b>\$ 21,983.40</b>



# 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)

RECEIVED

MAR 12 2020

## Invoice

**Date: MARCH 3, 2020**

**Number: 220-CitiGas**

**To: CitiGas, LLC.**

**Due: MARCH 31, 2020**

2309 Cone Blvd.

Suite 200

Greensboro, NC. 27408

Quantity	Description	Unit Price	Amount
	<b>FEBRUARY 2020 DELIVERIES</b>		
	Isham Road Compressor: 4,284 DTH \$ 6.80		\$ 29,131.20
	(3,612 MCF * 1.186 BTU = 4,284 DTH)		
	(TGP - 500 Leg Index for February 2020 plus \$5.00)		
		<b>TOTAL DUE</b>	<b>\$ 29,131.20</b>

RECEIVED  
APR 14 2020

# 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)

## Invoice

**Date: APRIL 8, 2020**

**Number: 320-CitiGas**

**To: CitiGas, LLC.**

**Due: APRIL 30, 2020**

2309 Cone Blvd.  
Suite 200  
Greensboro, NC. 27408

Quantity	Description	Unit Price	Amount
	<b>MARCH 2020 DELIVERIES</b>		
	Isham Road Compressor: 1,040 DTH \$ 6.75		\$ 7,020.00
	(889 MCF * 1.170 BTU = 1,040 DTH)		
	(TGP - 500 Leg Index for February 2020 plus \$5.00)		
		<b>TOTAL DUE</b>	<b>\$ 7,020.00</b>

EXHIBIT A  
FOR IMMEDIATE DELIVERY

**GREYSTONE, LLC**

Date: March 11, 2020  
Transaction Confirmation #031120CE

This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated February 8, 2019. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.

**SELLER:**  
Greystone, LLC  
600 The Grange Lane  
Lexington, KY 40511  
Attn: David Rudder  
Phone: (859) 321-1500  
Fax: \_\_\_\_\_  
Base Contract No. \_\_\_\_\_  
Transporter: \_\_\_\_\_  
Transporter Contract Number: \_\_\_\_\_

**BUYER:**  
Citigas, LLC  
2309 Cone Blvd., Suite 200  
Greensboro, NC 27408  
Attn: Adam Forsberg  
Phone: (336) 379-0800  
Fax: \_\_\_\_\_  
Base Contract No. \_\_\_\_\_  
Transporter: \_\_\_\_\_  
Transporter Contract Number: \_\_\_\_\_

Contract Price: \$2.21 (100% 9-Month NYMEX Strip Pricing) plus \$1.50/Mcf for volumes demanded by Citipower, LLC that originate from sources other than Citizens Gas Utility

Delivery Period: Begin: April 1, 2020 End: December 31, 2020

Performance Obligation and Contract Quantity: (Select One)

Firm (Fixed Quantity):

\_\_\_\_\_ Mcf/day  
 EFP

Firm (Variable Quantity):

\_\_\_\_\_ Mcf/day Minimum  
\_\_\_\_\_ Mcf/day Maximum  
subject to Section 4.2. at election of  
 Buyer or  Seller

Interruptible:

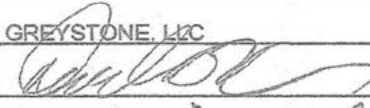
Up to 300 Mcf/day


Delivery Point(s): Citipower, LLC Distribution Lines – McCreary and Whitley Counties, KY

(If a pooling point is used, list a specific geographic and pipeline location):

Special Conditions:

This Agreement can be terminated by either Party upon sixty (60) days written notice.

Seller: GREYSTONE, LLC  
By:   
Title: Manager  
Date: 3/12/20

Buyer: CITIGAS, LLC  
By:   
Title: Controller  
Date: 3/12/20