



April 30, 2007

Beth O'Donnell, Executive Director
Commonwealth of Kentucky
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615

RECEIVED

MAY - 2 2007

PUBLIC SERVICE
COMMISSION

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

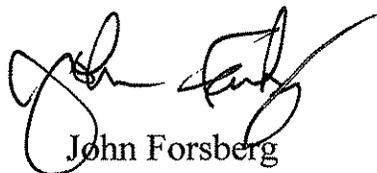
Dear Ms. O'Donnell:

Case No. 2007-00174

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective June 1, 2007 based on the reporting period from November 1, 2006 through January 31, 2007. 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

Citipower, LLC
2122 Enterprise Road
Greensboro, NC 27408

Voice 336-379-0800
Fax 336-379-0881

Case No. 2007-00174

APPENDIX B
Page 1

Citipower, LLC

COMPANY NAME

RECEIVED

MAY 02 2007

PUBLIC SERVICE
COMMISSION

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

April 30, 2007

Date Rates to be Effective:

June 1, 2007

Reporting Period is Calendar Quarter Ended:

January 31, 2006

Cibola Power, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	10.44
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	< 2.3794 >
+ Balance Adjustment (BA)	\$/Mcf	.0174
= Gas Cost Recovery Rate (GCR)	\$/Mcf	8.078

GCR to be effective for service rendered from 6/1/07 to 8/31/07

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	953,057
	+ Sales for the 12 months ended <u>Jan 31, 2007</u>	Mcf	91,289
	<u>Expected Gas Cost (EGC)</u>	\$/Mcf	10.44
B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (Sch. III)	\$/Mcf	
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	= Refund Adjustment (RA)	\$/Mcf	
C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	< .3426 >
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	< .3220 >
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	< .2525 >
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	< 1.4623 >
	= Actual Adjustment (AA)	\$/Mcf	< 2.3794 >
D.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	< .0013 >
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	< .0057 >
	+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	.0432
	+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	< .0188 >
	= Balance Adjustment (BA)	\$/Mcf	.0174

Citipower, LLC

SCHEDULE II
EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended January 31, 2007

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
-----------------	------------	---------------------------------	------------	---------------	------------------------

Citigas

			91,289	10.44	953,057
--	--	--	--------	-------	---------

Totals			<u>91,289</u>		<u>953,057</u>
--------	--	--	---------------	--	----------------

Line loss for 12 months ended January 31, 2007 is 5 % based on purchases of 91,289 Mcf and sales of 953,057 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	953,057
+ Mcf Purchases (4)	Mcf	91,289
= Average Expected Cost Per Mcf Purchased	\$/Mcf	10.44
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	91,289
= Total Expected Gas Cost (to Schedule IA.)	\$	953,057

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ (reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
= Refund Adjustment including interest	\$	
+ Sales for 12 months ended _____	Mcf	
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

Cit. Power, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended January 31, 2007
(reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> (11/06)	<u>Month 2</u> (12/06)	<u>Month 3</u> (1/07)
Total Supply Volumes Purchased	Mcf	10,272	11,084	13,993
Total Cost of Volumes Purchased	\$	109,019	88,692	128,738
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	10,272	11,084	13,993
= Unit Cost of Gas	\$/Mcf	10.61	8.00	9.20
- EGC in effect for month	\$/Mcf	10.31	10.04	10.04
= Difference [(Over-)/Under-Recovery]	\$/Mcf	.30	<2.04>	<1.84>
x Actual sales during month	Mcf	10,272	11,084	13,993
= Monthly cost difference	\$	3,082	<22,611>	<11,754>

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	<31,283>
+ Sales for 12 months ended <u>January 31, 2007</u>	Mcf	91,289
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	<.3426>

Cit. Power, LLC

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended January 31, 2007
(reporting period)

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the AA of <u>.02</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 <u>91,289</u> Mcf during the 12-month period the AA was in effect. Equals: Balance Adjustment for the AA.	\$	1700.66 1825.78 <u><125.12></u>
(2) 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. Less: Dollar amount resulting from the RA of _____ \$/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 _____ Mcf during the 12-month period the RA was in effect. Equals: Balance Adjustment for the RA.	\$	<u> </u>
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR. Less: Dollar amount resulting from the BA of _____ \$/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 _____ Mcf during the 12-month period the BA was in effect. Equals: Balance Adjustment for the BA.	\$	<u> </u>
Total Balance Adjustment Amount (1) + (2) + (3)	\$	<u> </u>
+ Sales for 12 months ended <u>January 31, 2007</u>	Mcf	<u>91,289</u>
Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	<u><.0013></u>

**Citipower LLC
Quarterly Report of Gas Cost
Recovery Rate Calculation
Filing 04/30/07**

**Schedule II
Expected Gas Cost**

<u>Month</u>	<u>Mcf</u>
February-06	13,803
March-06	9,589
April-06	5,634
May-06	5,843
June-06	4,417
July-06	3,238
August-06	3,364
September-06	3,774
October-06	6,278
November-06	10,272
December-06	11,084
January-07	13,993
	<u>91,289</u>



Citigas, LLC

April 30, 2007

Citipower, LLC
2122 Enterprise Rd.
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for June – August 2007 will be as calculated below:

Gas cost per Mcf	\$ 8.70
BTU factor	<u>\$ 1.74</u>
Total	\$10.44

Sincerely

Daniel R Forsberg
President

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

Citipower, LLC
2122 Satephie Rd
Glenolton, NC 27468

UNITED STATES POSTAGE
PB6530600
171
1497 \$ 00.870 APR 30 07
4724 GREENSBORO NC 27408

RECEIVED
MAY - 2 2007
PUBLIC SERVICE
COMMISSION

Beth O'Donnell, Ex Director
Kentucky PSC
P.O. Box 615
Frankfort, KY
40602-0615

