



January 31, 2008

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

RECEIVED

FEB - 4 2008

PUBLIC SERVICE  
COMMISSION

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

Dear Ms. O'Donnell:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective March 1, 2008 based on the reporting period from August 1, 2007 through October 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  
Controller

**CITIPOWER, LLC**

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

**RECEIVED**  
FEB 04 2008  
PUBLIC SERVICE  
COMMISSION

Date Filed:

January 31, 2008

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Date Rated to be Effective:

March 1, 2008

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Reporting Period is Calendar Quarter Ended:

October 31 2007

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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 (EGA)	\$/Mcf	\$10.4400
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	(\$0.4446)
Balance Adjustment (BA)	\$/Mcf	\$0.1530
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$10.1484

to be effective for service rendered from March 1, 2008 to May 31, 2008.

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<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$936,222.66
/Sales for the 12 months ended July 31, 2007	\$/Mcf	89,676.50
Expected Gas Cost	\$/Mcf	\$10.4400

<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	\$0.0000
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0704
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1724)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.3426)
=Actual Adjustment (AA)	\$ Mcf	(\$0.4446)

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.0339
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.1317
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0349
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0475)
=Balance Adjustment (BA)	\$ Mcf	\$0.1530

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended October 31, 2007.

<u>Particulars</u>	<u>Unit</u>	<u>Aug. '07</u> <u>Month 1</u>	<u>Sept. '07</u> <u>Month 2</u>	<u>October. '07</u> <u>Month 3</u>
Total Supply Volumes Purchased	Mcf	2,945	2,674	4,715
Total Cost of Volumes Purchased	\$	\$30,742	\$27,919	\$49,226
/ Total Sales *	Mcf	2,945	2,674	4,715
= Unit Cost of Gas	\$/Mcf	\$10.4387	\$10.4409	\$10.4403
- EGC in Effect for Month	\$/Mcf	\$10.4400	\$10.4400	\$10.4400
= Difference	\$/Mcf	(\$0.0013)	\$0.0009	\$0.0003
x Actual Sales during Month	Mcf	2,945	2,674	4,715
= Monthly Cost Difference	\$	(\$3.80)	\$2.44	\$1.40

Total Cost Difference	\$	\$0.04
/ Sales for 12 months ended 10/31/07	Mcf	89,676.5
= Actual Adjustment for the Reporting Period (to Sch IC)		\$0.0000

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

Case No. 2006-00462

Effective Date	Mcf Sales	Factor	Refunded	Balance
Beginning Balance				(\$105,456)
December 2006	11,084	(\$1.2368)	(\$13,708.69)	(\$91,747)
January 2007	13,993	(\$1.2368)	(\$17,306.54)	(\$74,441)
February 2007	15,652	(\$1.2368)	(\$19,358.39)	(\$55,082)
March 2007	8,502	(\$1.2368)	(\$10,515.27)	(\$44,567)
April 2007	8,020	(\$1.2368)	(\$9,919.14)	(\$34,648)
May 2007	5,142	(\$1.2368)	(\$6,359.63)	(\$28,288)
June 2007	3,590	(\$1.2368)	(\$4,440.17)	(\$23,848)
July 2007	3,088	(\$1.2368)	(\$3,818.62)	(\$20,029)
August 2007	2,945	(\$1.2368)	(\$3,641.88)	(\$16,387)
September 2007	2,674	(\$1.2368)	(\$3,307.20)	(\$13,080)
October 200	4,715	(\$1.2368)	(\$5,831.51)	(\$7,249)
Nov-07	8,320	(\$1.2368)	(\$10,290.18)	\$3,041
der/(Over) Recovery	\$3,041			
Mcf Sales for factor	89,677			
BA Factor	\$0.0339			

**Citipower, LLC**  
**Quarterly Report of Gas Cost**  
**Filing Date: 1/31/08**  
**Schedule II - Expected Gas Cost**

<u>Month</u>	<u>Mcf</u>	<u>Expected Rate</u>	<u>Cost</u>
November-06	10,272	10.44	107,240
December-06	11,084	10.44	115,717
January-07	13,993	10.44	146,087
February-07	15,652	10.44	163,407
March-07	8,502	10.44	88,761
April-07	8,020	10.44	83,729
May-07	5,142	10.44	53,682
June-07	3,590	10.44	37,480
July-07	3,088	10.44	32,234
August-07	2,945	10.44	30,742
September-07	2,674	10.44	27,919
October-07	4,715	10.44	49,226
	<u>89,677</u>		<u>936,223</u>

CITIPOWER, LLC

SCHEDULE II

EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended October 31, 2007

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Citigas			89,676.50	\$10.4400	\$936,223

Totals			89,677		\$936,223
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Line loss for 12 months ended 10/31/2007 is based on purchases of 89,676.50  
and sales of 89,676.50 Mcf. 0.00%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$936,223
/ Mcf Purchases (4)		89,677
= Average Expected Cost Per Mcf Purchased		\$10.4400
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		89,677
= Total Expected Gas Cost (to Schedule IA)		\$936,223



# Citigas, LLC

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January 31, 2008

Citipower, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for March 2008 through May 2008 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