Citipower

July 29, 2005

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

Case 2005-00319

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, filed July 29, 2005 for rates to be effective September
1, 2005 based on the reporting period from February 1, 2005 through April 30,
2005. 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, and is consistent with the calculation of the rates Ordered by
the Public Service Commission on August 8, 2002 regarding Case No. 2002-
00252.

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 of the Commission's corrected Calculation
for my future reference.

Sincerely,

John Forsberg

Citipower, LLC   Voice 336-379-0800
2122 Enterprise Road   Fax   336-379-0881
Greensboro, NC 27408

Citipower, LLC

COMPANY NAME

QUARTERLY REPORT OF GAS COST
RECOVERY RATE CALCULATION

Date Filed:

July 29, 2005

Date Rates to be Effective:

Sept 1, 2005

Reporting Period is Calendar Quarter Ended:

April 30, 2005

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	Unit	Amount
Expected Gas Cost (EGC)	$/Mcf	12.37
+ Refund Adjustment (RA)	$/Mcf	—
+ Actual Adjustment (AA)	$/Mcf	1.0306
+ Balance Adjustment (BA)	$/Mcf	.4167
= Gas Cost Recovery Rate (GCR)	$/Mcf	13.8173

GCR to be effective for service rendered from _Sept 1, 05_ to _Nov 30, 05_

A.   EXPECTED GAS COST CALCULATION

	Unit	Amount
Total Expected Gas Cost (Schedule II)	$	995,859
+ Sales for the 12 months ended _4/05_	Mcf	80,506
Expected Gas Cost (EGC)	$/Mcf	12.37

B.   REFUND ADJUSTMENT CALCULATION

	Unit	Amount
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.   ACTUAL ADJUSTMENT CALCULATION

Case 2002-0252 (exp 8/05)

	Unit	Amount
Actual Adjustment for the Reporting Period (Schedule IV)	$/Mcf	1.1136
+ Previous Quarter Reported Actual Adjustment	$/Mcf	.0772
+ Second Previous Quarter Reported Actual Adjustment	$/Mcf	<.42237
+ Third Previous Quarter Reported Actual Adjustment	$/Mcf	.2126
= Actual Adjustment (AA)	$/Mcf	.0495
		1.0306

D.   BALANCE ADJUSTMENT CALCULATION

	Unit	Amount
Balance Adjustment for the Reporting Period (Schedule V)	$/Mcf	<.0469>
+ Previous Quarter Reported Balance Adjustment	$/Mcf	.0091
+ Second Previous Quarter Reported Balance Adjustment	$/Mcf	<.0198>
+ Third Previous Quarter Reported Balance Adjustment	$/Mcf	<.3591>
= Balance Adjustment (BA)	$/Mcf	
		<.4167>

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended _____ (reporting period)

Particulars	Unit	Month 1 (2-05)	Month 2 (3-05)	Month 3 (4-05)
Total Supply Volumes Purchased	Mcf	11,744	13,024	5,489
Total Cost of Volumes Purchased	$	94,844	119,607	43,376
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	11,744	13024	5,489
= Unit Cost of Gas	$/Mcf	8.076	9.18	7.90
- EGC in effect for month	$/Mcf	9.524	7.546	7.546
= Difference [(Over-)/Under-Recovery]	$/Mcf	⟨1.448⟩	1.634	.354
x Actual sales during month	Mcf	11,744	13,024	5489
= Monthly cost difference	$	⟨17,005⟩	21,281	1,943

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	$	6219
÷ Sales for 12 months ended 4/30/05	Mcf	80,506
= Actual Adjustment for the Reporting Period (to Schedule IC.)	$/Mcf	.0772

Citipower, LLC
7/29/05

SCHEDULE II

EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended ___4/30/05___

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Forexco INC			80,506		995,859

Totals			86,506		995,859

Line loss for 12 months ended _____ is ____ % based on purchases o:
_____ Mcf and sales of _____ Mcf.

		Unit	Amount
Total Expected Cost of Purchases (6)		$	995,535
÷ Mcf Purchases (4)		Mcf	80,506
= Average Expected Cost Per Mcf Purchased		$/Mcf	12.37
x Allowable Mcf purchases (must not exceed Mcf sales ÷ .95)		Mcf	80,506
= Total Expected Gas Cost (to Schedule IA.)		$	995,859

*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) _____

Particulars	Unit	Amount
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	_____

Citipower, LLC
Filing 7-29-05

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended ___April 05___
(reporting period)

Particulars	Unit	Amount
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR.	$	28,695
Less: Dollar amount resulting from the AA of ___.3944___ $/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 ___82,596___ Mcf during the 12-month period the AA was in effect.		$< 32,576 >
Equals: Balance Adjustment for the AA.	$	*< 3,881 >*
(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.	$	0
(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.	$	0
Total Balance Adjustment Amount (1) + (2) + (3)	$	< 3,881 >
÷ Sales for 12 months ended ___5\05___	Mcf	82,596
Balance Adjustment for the Reporting Period (to Schedule ID.)	$/Mcf	< .0469 >

Citipower LLC
Schedule V
Balance Adjustment
Filing July 29, 2005

Month	Mcf
June-04	2,561
July-04	1,882
August-04	2,605
September-04	3,443
October-04	4,275
November-04	7,772
December-04	12,419
January-05	12,044
February-05	11,744
Mar-05	13,024
Apr-05	5,489
May-05	5,338
	82,596

Citipower LLC
Quarterly Report of Gas Cost
Recovery Rate Calculation
Filing 07/29/05

Schedule II
Expected Gas Cost

Month	Mcf	Expected Rate	Cost
May-04	3,248	12.3700	40,178
June-04	2,561	12.3700	31,680
July-04	1,882	12.3700	23,280
Aug-04	2,605	12.3700	32,229
Sep-04	3,443	12.3700	42,585
Oct-04	4,275	12.3700	52,882
Nov-04	7,772	12.3700	96,140
Dec-05	12,419	12.3700	153,623
Jan-05	12,044	12.3700	148,984
Feb-05	11,744	12.3700	145,273
Mar-05	13,024	12.3700	161,107
Apr-05	5,489	12.3700	67,899
	80,506	12.3700	995,859

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(Price quotes for NYMEX Henry Hub Natural Gas delayed at least 30 minutes as per exchange requirements)

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Month Click for chart	Session									Pr.Day		Options
	Open	High	Low	Last	Time	Sett	Chg	Vol	Ticks	Sett	OpInt	
Aug 05	-	-	-	7.647	-	-	0	32887	43841	7.647	15058	Call Put
Sep 05	-	-	-	7.592	-	-	0	30699	11772	7.592	94006	Call Put
Oct 05	-	-	-	7.644	-	-	0	9224	4619	7.644	55486	Call Put
Nov 05	-	-	-	8.194	-	-	0	2311	2136	8.194	31150	Call Put
Dec 05	-	-	-	8.689	-	-	0	2469	2325	8.689	32619	Call Put
Jan 06	-	-	-	9.037	-	-	0	3320	2442	9.037	32171	Call Put
Feb 06	-	-	-	9.037	-	-	0	663	1093	9.037	19253	Call Put
Mar 06	-	-	-	8.877	-	-	0	1484	1337	8.877	31464	Call Put
Apr 06	-	-	-	7.762	-	-	0	702	819	7.762	20343	Call Put
May 06	-	-	-	7.622	-	-	0	764	507	7.622	18185	Call Put
Jun 06	-	-	-	7.663	-	-	0	128	444	7.663	6939	Call Put
Jul 06	-	-	-	7.713	-	-	0	166	137	7.713	11656	Call Put
Aug 06	-	-	-	7.758	-	-	0	77	4	7.758	8306	Call Put
Sep 06	-	-	-	7.745	-	-	0	259	221	7.745	8838	Call Put
Oct 06	-	-	-	7.78	-	-	0	704	208	7.78	17109	Call Put
Nov 06	-	-	-	8.13	-	-	0	33	136	8.13	7693	Call Put
Dec 06	-	-	-	8.46	-	-	0	558	122	8.46	8278	Call Put
Jan 07	-	-	-	8.7	-	-	0	594	61	8.7	10130	Call Put
Feb 07	-	-	-	8.695	-	-	0	17	38	8.695	2890	Call Put
Mar 07	-	-	-	8.545	-	-	0	17	20	8.545	6237	Call Put
Jun 07	-	-	-	7.25	-	-	0	17	44	7.25	2317	Call Put
Dec 07	-	-	-	8.045	-	-	0	517	16	8.045	3827	Call Put

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Handwritten annotations:

Total
$23.43 { X X X

23.43/3 = 7.81

1.20 BTU Factor
———
9.37

3.00 Gas mktg Fee
———
12.37