



2007-00465

OCT 29 2007

October 30, 2007

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

RECEIVED

OCT 29 2007

PUBLIC SERVICE  
COMMISSION

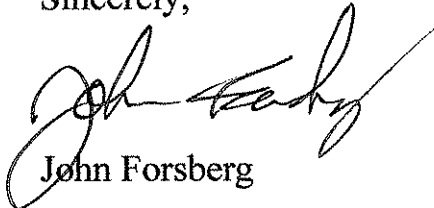
Re: Citipower L.L.C.  
Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Ms. O'Donnell:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective December 1, 2007 based on the reporting period from May 1, 2007 through July 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

**CITIPOWER, LLC**

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



Date Filed:

October 30 2007

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Date Rated to be Effective:

December 1 2007

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Reporting Period is Calendar Quarter Ended:

July 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	(\$0.7666)
Balance Adjustment (BA)	\$/Mcf	\$0.1191
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$9.7925

to be effective for service rendered from December 1, 2007 to February 28, 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	\$968,398.74
/Sales for the 12 months ended July 31, 2007	\$/Mcf	92,758.50
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	\$0.0704
+Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.1724)
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.3426)
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	(\$0.3220)
=Actual Adjustment (AA)	\$ Mcf	(\$0.7666)

<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.1317
+Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0349
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0475)
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0000
=Balance Adjustment (BA)	\$ Mcf	\$0.1191

CITIPOWER, LLC

SCHEDULE II

EXPECTED GAS COST

Actual Mcf Purchases for 12 months ended July 31, 2007

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Citigas			92,758.50	\$10.4400	\$968,399

Totals			92,759		\$968,399
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Line loss for 12 months ended 7/31/2007 is based on purchases of 92,758.50  
and sales of 92,758.50 Mcf. 0.00%

	Unit	Amount
Total Expected Cost of Purchases (6)		\$968,399
/ Mcf Purchases (4)		92,759
= Average Expected Cost Per Mcf Purchased		\$10.4400
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		92,759
= Total Expected Gas Cost (to Schedule IA)		\$968,399

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended July 31, 2007.

<u>Particulars</u>	<u>Unit</u>	<u>May. '07</u> <u>Month 1</u>	<u>June. '07</u> <u>Month 2</u>	<u>July. '07</u> <u>Month 3</u>
Total Supply Volumes Purchased	Mcf	5,142	3,590	3,088
Total Cost of Volumes Purchased	\$	\$53,682	\$37,480	\$32,234
/ Total Sales *	Mcf	5,142.0	3,590.0	3,087.5
= Unit Cost of Gas	\$/Mcf	\$10.4400	\$10.4400	\$10.4400
- EGC in Effect for Month	\$/Mcf	\$9.1700	\$10.4400	\$10.4400
= Difference	\$/Mcf	\$1.2700	\$0.0000	\$0.0000
x Actual Sales during Month	Mcf	5,142.0	3,590.0	3,087.5
= Monthly Cost Difference	\$	\$6,530.34	\$0.00	\$0.00
 Total Cost Difference			\$	\$6,530.34
/ Sales for 12 months ended 7/31/07			Mcf	92,758.5
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.0704

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

**CITIPOWER, LLC**  
**SCHEDULE V**  
**BALANCE ADJUSTMENT**

Case No. 2006-00375

Effective Date	Mcf Sales	Factor	Refunded	Balance
Beginning Balance				(\$122,811)
September 2006	3,774	(\$1.4623)	(\$5,518.72)	(\$117,293)
October 2006	6,278	(\$1.4623)	(\$9,180.32)	(\$108,112)
November 2006	10,272	(\$1.4623)	(\$15,020.75)	(\$93,091)
December 2006	11,084	(\$1.4623)	(\$16,208.13)	(\$76,883)
January 2007	13,993	(\$1.4623)	(\$20,461.96)	(\$56,421)
February 2007	15,652	(\$1.4623)	(\$22,887.92)	(\$33,533)
March 2007	8,502	(\$1.4623)	(\$12,432.47)	(\$21,101)
April 2007	8,020	(\$1.4623)	(\$11,727.65)	(\$9,373)
May 2007	5,142	(\$1.4623)	(\$7,519.15)	(\$1,854)
June 2007	3,590	(\$1.4623)	(\$5,249.73)	\$3,396
July 2007	3,088	(\$1.4623)	(\$4,514.85)	\$7,910
August 2007	2,945	(\$1.4623)	(\$4,305.89)	\$12,216
der/(Over) Recovery	\$12,216			
Mcf Sales for factor	92,759			
BA Factor	\$0.1317			

**Citipower, LLC**  
**Quarterly Report of Gas Cost**  
**Filing Date: 10/31/07**  
**Schedule II - Expected Gas Cost**

<u>Month</u>	<u>Mcf</u>	<u>Expected Rate</u>	<u>Cost</u>
August-06	3,364	10.44	35,120
September-07	3,774	10.44	39,401
October-06	6,278	10.44	65,542
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
	<u>92,759</u>		<u>968,399</u>



# Citigas, LLC

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October 30, 2007

Citipower, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for December 2007 through February 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