◼️ Forexco Inc.

January 31, 2007

Beth O'Donnell, Executive Director
Commonwealth of Kentucky
Public Service Commission
P.O. Box 615
Frankfort, Kentucky 40602-0615   Case No. 2007-00053

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, 2007 based on the
reporting period from August 1, 2006 through October 31, 2006. 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   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:

January 31, 2007

Date Rates to be Effective:

March 1, 2007

Reporting Period is Calendar Quarter Ended:

October 31, 2006

Citipower, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Component	Unit	Amount
Expected Gas Cost (EGC)	$/Mcf	$9.17
+ Refund Adjustment (RA)	$/Mcf	
+ Actual Adjustment (AA)	$/Mcf	<2.43>
+ Balance Adjustment (BA)	$/Mcf	.06
= Gas Cost Recovery Rate (GCR)	$/Mcf	$6.80

GCR to be effective for service rendered from __3/1/07__ to __5/31/07__

A.   EXPECTED GAS COST CALCULATION

	Unit	Amount
Total Expected Gas Cost (Schedule II)	$	798,175
+ Sales for the 12 months ended _____	Mcf	87,042
Expected Gas Cost (EGC)	$/Mcf	$9.17

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

	Unit	Amount
Actual Adjustment for the Reporting Period (Schedule IV)	$/Mcf	<.3220>
+ Previous Quarter Reported Actual Adjustment	$/Mcf	<.2525>
+ Second Previous Quarter Reported Actual Adjustment	$/Mcf	<1.4623>
+ Third Previous Quarter Reported Actual Adjustment	$/Mcf	<.4000>
= Actual Adjustment (AA)	$/Mcf	<2.4367

D.   BALANCE ADJUSTMENT CALCULATION

	Unit	Amount
Balance Adjustment for the Reporting Period (Schedule V)	$/Mcf	<.0057>
+ Previous Quarter Reported Balance Adjustment	$/Mcf	.0432
+ Second Previous Quarter Reported Balance Adjustment	$/Mcf	.0188
+ Third Previous Quarter Reported Balance Adjustment	$/Mcf	.0065
= Balance Adjustment (BA)	$/Mcf	.0628

Citpower, LLC

SCHEDULE II

EXPECTED GAS COST

Actual* Mcf Purchases for 12 months ended ___October 31, 2006___

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5)** Rate	(6) (4)x(5) Cost
Citigas			87042	9.17	798,175

| Totals | | | 87,042 | | 798,175 |

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

	Unit	Amount
Total Expected Cost of Purchases (6)	$	798,175
÷ Mcf Purchases (4)	Mcf	87042
= Average Expected Cost Per Mcf Purchased	$/Mcf	9.17
x Allowable Mcf purchases (must not exceed Mcf sales + .95)	Mcf	87042
= Total Expected Gas Cost (to Schedule IA.)	$	798,175

*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

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended *October 31, 2006*
(reporting period)

Particulars	Unit	Month 1 (08/06)	Month 2 (09/06)	Month 3 (10/06)
Total Supply Volumes Purchased	Mcf	3,364	3,774	6,278
Total Cost of Volumes Purchased	$	24,417	25,458	56,782
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf	3364	3,774	6,278
= Unit Cost of Gas	$/Mcf	7.26	6.75	9.04
- EGC in effect for month	$/Mcf	9.23	10.31	10.31
= Difference [(Over-)/Under-Recovery]	$/Mcf	⟨1.97⟩	⟨3.56⟩	⟨1.27⟩
x Actual sales during month	Mcf	3364	3774	6,278
= Monthly cost difference	$	⟨6,627⟩	⟨13,435⟩	⟨7,973⟩

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	$	⟨28,035⟩
÷ Sales for 12 months ended _____	Mcf	87,042
= Actual Adjustment for the Reporting Period (to Schedule IC.)	$/Mcf	⟨.3220⟩

SCHEDULE V

BALANCE ADJUSTMENT

October 31, 2006

For the 3 month period ended _____ (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.	$	6,215
	Less: Dollar amount resulting from the AA of *.0772* $/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 *87,042* Mcf during the 12-month period the AA was in effect.	$	6719
	Equals: Balance Adjustment for the AA.	$	<504>
(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.	$	
(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.	$	

Total Balance Adjustment Amount (1) + (2) + (3) $

÷ Sales for 12 months ended *October 31, 2006*   Mcf   87,042

Balance Adjustment for the Reporting Period (to Schedule ID.) $/Mcf   <.0057>

Citipower LLC
Quarterly Report of Gas Cost
Recovery Rate Calculation
Filing 01/31/07

Schedule II
Expected Gas Cost

Month	Mcf	Expected Rate	Cost
November-06	7,164	9.1700	65,694
December-06	12,624	9.1700	115,762
January-06	11,314	9.1700	103,749
February-06	13,803	9.1700	126,574
March-06	9,589	9.1700	87,931
April-06	5,634	9.1700	51,664
May-06	5,843	9.1700	53,580
June-06	4,417	9.1700	40,504
July-06	3,238	9.1700	29,692
August-06	3,364	9.1700	30,848
September-06	3,774	9.1700	34,608
October-06	6,278	9.1700	57,569
	87,042		798,175

Citipower LLC
Schedule V
Balance Adjustment
Filing 01/31/07

Month	Mcf
December-05	12,624
January-06	11,314
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-07	6,278
November-07	10,272
	90,150

Corn to Hit New Record Highs!

Click Here For the Full Report & Podcast

SLIPKA FINANCIAL PARTNERS, LLC.

Commodity Futures Price Quotes For

NYMEX Henry Hub Natural Gas

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

Click here to refresh data

$22.92/3
= 7.64
BTU X 1.2 = $9.168

$22.92

Month Click for chart	Open	High	Low	Last	Time	Sett	Chg	Vol	Sett	OpInt	Options
Mar 07	7.290	7.720	7.230	7.720	Jan 30, 13:27	-	0.783	45807	6.937	180134	Call Put
Apr 07	7.340	7.600	7.280	7.600	Jan 30, 13:15	-	0.588	13536	7.012	115494	Call Put
May 07	7.380	7.600	7.370	7.600	Jan 30, 12:05	-	0.516	6105	7.084	51602	Call Put
Jun 07	7.460	7.645	7.420	7.645	Jan 30, 12:33	-	0.466	2239	7.179	17632	Call Put
Jul 07	7.560	7.725	7.505	7.725	Jan 30, 12:33	-	0.451	1935	7.274	17236	Call Put
Aug 07	7.640	7.640	7.640	7.640	Jan 30, 13:07	-	0.271	1186	7.369	24429	Call Put
Sep 07	7.700	7.700	7.665	7.670	Jan 30, 11:05	-	0.241	808	7.429	18991	Call Put
Oct 07	7.840	8.040	7.840	8.040	Jan 30, 12:16	-	0.471	2505	7.569	44941	Call Put
Nov 07	8.320	8.510	8.320	8.510	Jan 30, 13:19	-	0.386	299	8.124	22460	Call Put
Dec 07	8.970	8.970	8.970	8.970	Jan 30, 12:49	-	0.301	154	8.669	36426	Call Put
Jan 08	9.260	9.260	9.220	9.220	Jan 30, 12:58	-	0.261	771	8.959	33204	Call Put
Feb 08	-	-	-	8.954 *	Jan 29, 17:56	-	-	324	8.954	16851	Call Put
Mar 08	8.930	9.050	8.930	9.030	Jan 30, 12:15	-	0.281	791	8.749	40116	Call Put
Apr 08	7.680	7.680	7.650	7.650	Jan 30, 13:04	-	0.166	701	7.484	27481	Call Put
May 08	7.450	7.430	7.450	7.430	Jan 30, 12:16	-	0.056	311	7.374	13517	Call Put
Jun 08	-	-	-	7.496 *	Jan 30, 12:20	-	-	214	7.424	8241	Call Put
Jul 08	-	-	-	7.509 *	Jan 30, 12:27	-	-	-	7.509	5110	Call Put
Aug 08	-	-	-	7.574 *	Jan 30, 10:09	-	-	-	7.574	5669	Call Put
Sep 08	-	-	-	7.624 *	Jan 30, 12:09	-	-	-	7.624	5152	Call Put
Oct 08	-	-	-	7.714 *	Jan 30, 13:07	-	-	-	7.714	18895	Call Put
Nov 08	-	-	-	8.149 *	Jan 30, 13:07	-	-	-	8.149	11672	Call Put
Dec 08	-	-	-	8.589 *	Jan 30, 12:09	-	-	-	8.589	11762	Call Put
Jan 09	-	-	-	8.799 *	Jan 30, 11:51	-	-	-	8.799	17866	Call Put
Feb 09	-	-	-	-	Jan 30, 11:58	-	-	194	0.08794	3523	Call Put
Mar 09	-	-	-	8.564 *	Jan 29, 17:57	-	-	-	8.564	14060	Call Put
Apr 09	-	-	-	7.199 *	Jan 29, 17:57	-	-	-	7.199	15567	Call Put