



November 25, 2008

Stephanie Stumbo, Executive Director  
Commonwealth of Kentucky  
Public Service Commission  
P.O. Box 615  
Frankfort, Kentucky 40602-0615

RECEIVED

DEC 01 2008

PUBLIC SERVICE  
COMMISSION

2008-00491

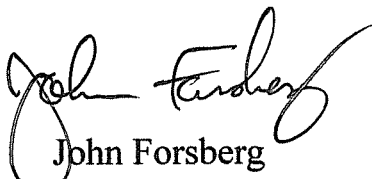
Re: Citipower L.L.C.  
Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Ms. Stumbo:

Please accept the enclosed Citipower, L.L.C. Quarterly Report of Gas Cost Recovery Rate Calculation rates to be effective January 1, 2009 based on the reporting period from July 1, 2008 through September 30, 2008. 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  
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:

November 25, 2008

---

Date Rated to be Effective:

January 1, 2009

---

Reporting Period is Calendar Quarter Ended:

September 30, 2008

---

CITIPOWER, LLC

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGA)	\$/Mcf	\$13.7089
Refund Adjustment (RA)	\$/Mcf	\$0.0000
Actual Adjustment (AA)	\$/Mcf	\$1.3895
Balance Adjustment (BA)	\$/Mcf	\$0.0965
Gas Cost Recovery Rate (GCR)	\$/Mcf	\$15.1949

to be effective for service rendered from January 1, 2009 to March 31 2009.

<u>A. EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Sch II)	\$/Mcf	\$1,115,079
/Sales for the 12 months ended Sept 30, 2008	\$/Mcf	81,340
Expected Gas Cost	\$/Mcf	\$13.7089
<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	\$0.0001
+Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.1679
+Second Previous Quarter Reported Actual Adjustment	\$/Mcf	\$1.2215
+Third Previous Quarter Reported Actual Adjustment	\$/Mcf	\$0.0000
=Actual Adjustment (AA)	\$ Mcf	\$1.3895
<u>D. BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Sch V)	\$/Mcf	\$0.1369
+Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0358)
+Second Previous Quarter Reported Balance Adjustment	\$/Mcf	(\$0.0115)
+Third Previous Quarter Reported Balance Adjustment	\$/Mcf	\$0.0069
=Balance Adjustment (BA)	\$ Mcf	\$0.0965

**CITIPOWER, LLC**  
**SCHEDULE II**  
**EXPECTED GAS COST**

Actual Mcf Purchases for 12 months ended September 30, 2008

(1) Supplier	(2) Dth	(3) Btu Conversion Factor	(4) Mcf	(5) Rate	(6) (4) x (5) Cost
Citigas			81,631	\$13.6600	\$1,115,079

Totals	81,631	\$1,115,079
--------	--------	-------------

Line loss for 12 months ended 9/30/2008 is based on purchases of 81,631  
and sales of 81,340 Mcf. 0.36%

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)		\$1,115,079
/ Mcf Purchases (4)		81,631
= Average Expected Cost Per Mcf Purchased		\$13.6600
x Allowable Mcf Purchases (must not exceed Mcf sales / .95)		81,631
= Total Expected Gas Cost (to Schedule IA)		\$1,115,079

CITIPOWER, LLC

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 12 month period ended Sept 30, 2008.

<u>Particulars</u>	<u>Unit</u>	<u>July. '08</u> <u>Month 1</u>	<u>Aug. '08</u> <u>Month 2</u>	<u>Sept. '08</u> <u>Month 3</u>
Total Supply Volumes Purchased	Mcf	2,123	2,193	2,206
Total Cost of Volumes Purchased	\$	\$29,006	\$29,951	\$30,138
/ Total Sales *	Mcf	2,123	2,193	2,206
= Unit Cost of Gas	\$/Mcf	\$13.6627	\$13.6575	\$13.6618
- EGC in Effect for Month	\$/Mcf	\$13.6600	\$13.6600	\$13.6600
= Difference	\$/Mcf	\$0.0027	(\$0.0025)	\$0.0018
x Actual Sales during Month	Mcf	2,123	2,193	2,206
= Monthly Cost Difference	\$	\$5.82	(\$5.38)	\$4.04
 Total Cost Difference			\$	\$4.48
/ Sales for 12 months ended 06/31/08			Mcf	81,340
= Actual Adjustment for the Reporting Period (to Sch IC)				\$0.0001

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

Case No. 2007-00348 Effective 9/1/07

Effective Date	Mcf Sales	Factor	Refunded	Balance
Beginning Balance				(\$16,281)
September 2007	2,674	(\$0.1724)	(\$461.00)	(\$15,820)
October 200	4,715	(\$0.1724)	(\$812.87)	(\$15,007)
Nov-07	8,320	(\$0.1724)	(\$1,434.37)	(\$13,573)
Dec-07	10,186	(\$0.1724)	(\$1,756.07)	(\$11,817)
Jan-08	12,924	(\$0.1724)	(\$2,228.10)	(\$9,589)
Feb-08	12,047	(\$0.1724)	(\$2,076.90)	(\$7,512)
Mar-08	9,178	(\$0.1724)	(\$1,582.29)	(\$5,929)
Apr-08	6,909	(\$0.1724)	(\$1,191.11)	(\$4,738)
May-08	5,983	(\$0.1724)	(\$1,031.47)	(\$3,707)
Jun-08	2,782	(\$0.1724)	(\$479.62)	(\$3,227)
Jul-08	2123	(\$0.1724)	(\$366.01)	(\$2,861)
Aug-08	2193	(\$0.1724)	(\$378.07)	(\$2,483)

---

Under/(Over) Recovery	(\$2,483)
Mcf Sales for factor	81,340
BA Factor	(\$0.0305)

**Citipower, LLC**  
**Quarterly Report of Gas Cost**  
**Filing Date: 11/25/08**  
**Schedule II - Expected Gas Cost**

<u>Month</u>	<u>Expected</u>			<u>Mcf (Sold)</u>
	<u>Mcf (Purchased)</u>	<u>Rate</u>	<u>Cost</u>	
October-07	4,715	13.66	64,407	4,715
November-07	8,320	13.66	113,651	8,320
December-07	10,186	13.66	139,141	10,186
January-08	12,924	13.66	176,542	14,698
February-08	13,181	13.66	180,052	12,047
March-08	9,956	13.66	135,999	9,178
April-08	7,391	13.66	100,961	6,909
May-08	5,654	13.66	77,234	5,983
June-08	2,782	13.66	38,002	2,782
Jul-08	2,123	13.66	29,006	2,123
Aug-08	2,193	13.66	29,951	2,193
Sep-08	2,206	13.66	30,133	2,206
	<u>81,631</u>		<u>1,115,079</u>	<u>81,340</u>



# Citigas, LLC

---

November 25, 2008

Citipower, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

Re: Gas Cost

Your gas cost for January 2009 through March 2009 will be as calculated below:

Gas cost per Mcf	\$11.38
BTU factor	<u>\$ 2.28</u>
Total	\$13.66

Sincerely,

Daniel R Forsberg  
President

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