

ROBERT L. BROWN III

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March 30, 2009

RECEIVED

MAR 31 2009

**PUBLIC SERVICE
COMMISSION**

VIA FACSIMILE AND MAIL

Mr. Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

**RE: CITIPOWER, LLC - PURCHASED GAS ADJUSTMENT FILING
CASE NUMBER 2009-00080**

Dear Mr. Derouen:

Enclosed please find the original and ten (10) copies of Acceptance of Commission Staff Recommendation to Citipower, LLC as it relates to the above-mentioned matter.

Your attention to this matter is appreciated, and should you have any questions or comments, please do not hesitate to contact me.

Sincerely,



Robert L. Brown III

RLB/ca

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAR 31 2009
PUBLIC SERVICE
COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT
FILING OF CITIPOWER, LLC

CASE NO. 2009-00080

ACCEPTANCE OF COMMISSION STAFF RECOMMENDATION
TO CITIPOWER, LLC

Comes now Citipower, LLC, ("Citipower") by and through the undersigned counsel, and states the following response to the recommendation of Commission Staff to Citipower, LLC, with regard to the above-referenced case number:

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING
OF CITIPOWER, LLC

CASE NUMBER 2009-00080

1. Citipower is willing to modify its Quarterly Report of Gas Cost Recovery Rate Calculation, filed February 23, 2009, based upon comments from the staff of the Public Service Commission relating to a three month price average based upon the following calculation:

Taking the "NYMEX Natural Gas 12-Month Strip" for March 26, 2009 multiplied by 1.2 (for the BTU factor); then multiplying that number by two (for 2 months) and adding it to the existing contract gas cost per Mcf (\$11.38 - April); and then dividing that sum by 3 for an average price for the quarter ending June 30, 2009.

Calculation example:

$$\begin{array}{r} [(4.63 \times 1.2) \times 2] \quad = \quad 11.112 \\ [(11.38 \times 1.2)] \quad = \quad 13.656 \\ \hline \quad \quad \quad \quad \quad \quad \quad \quad 24.768 \end{array} \quad 24.768 / 3 = \mathbf{\$8.256}$$

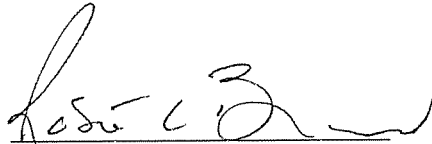
*Robert L. Brown III
1005 South Main Street
Corbin, Kentucky 40701
Attorney for Citipower, LLC*

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING
OF CITIPOWER LLC

CASE NUMBER 2009-00080



Robert L. Brown III
1005 South Main Street
Corbin, Kentucky 40701
Telephone: (606) 528-3073
Attorney for Citipower, LLC

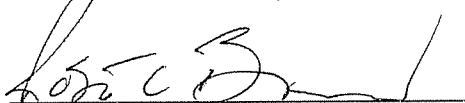
CERTIFICATE

I hereby certify that the above and foregoing was on the 30th day of March 2009, served by faxing and mailing the original and ten (10) true and exact copies of same, all postage prepaid, addressed for delivery to:

Mr. Jeff Derouen
Executive Director
COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 Sower Building
P. O. BOX 615
Frankfort, Kentucky 40602

And by mailing a true and correct copy to:

Hon. Jack Conway
Attorney General
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204



Robert L. Brown III