

ROBERT L. BROWN III

ATTORNEY AT LAW

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CORBIN, KENTUCKY 40701

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February 23, 2006

VIA FACSIMILE AND MAIL

RECEIVED

FEB 24 2006

PUBLIC SERVICE
COMMISSION

Public Service Commission
Ms. Beth O'Donnell
Executive Director
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602

**RE: SUPPLEMENTAL RESPONSE TO INFORMAL TELEPHONE
CONFERENCE
CITIPOWER, LLC.
CASE NUMBER 2005-00319**

Dear Ms. O'Donnell:

Enclosed please find an original and six (6) copies of a Supplemental Response to Informal Telephone Conference as it relates to the above-mentioned matter. Please file the same at your earliest convenience.

Should you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,

Robert L. Brown III

Robert L. Brown III

By: ca

RLB/ca

Enclosures

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

CITIPOWER, LLC

NOTICE OF GAS COST ADJUSTMENT
FILING OF CITIPOWER, LLC.

CASE NO. 2005-00319

SUPPLEMENTAL RESPONSE TO INFORMAL TELEPHONE CONFERENCE

Comes now Citipower, LLC, ("Citipower") by and through the undersigned counsel, and modifies Citipower's Application to Increase its gas cost adjustment rate to customers to the fee of \$3.00 per MCF, charged by its affiliate supplier for transportation and to guarantee supply, to be conditioned upon the event of natural gas passing through the 11 1/2 mile high pressure gas pipeline located in Tennessee and owned and controlled by the affiliate. Citipower seeks pre approval of this transportation fee in the event natural gas is purchased and transported through the referenced Citigas pipeline. Said pre approval will assist Citipower's affiliate in financing contingencies, supply guarantee and operations in the event of pipeline use.

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

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**COMMONWEALTH OF KENTUCKY
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2. Refer to the Supply Agreement, Article I, Transportation/Supply Guarantee Fee.

a. Provide the cost justification for the proposed \$3 per MMBTU transportation fee.

SUPPLEMENTAL RESPONSE: In response to question 2(a) of the Commission's First Data Request, Citipower states that the estimated \$75,000.00 is based upon the following:

Site Rent & Maintenance	\$42,000
Utilities	\$2,500
Contract Services	\$5,000
Mileage/ Vehicle	\$6,000
Insurance/Permits/Fees	\$3,500
Depreciation	\$13,500
Miscellaneous	\$2,500

Citipower would further state that the net book value of the 11 1/2 mile Tennessee high pressure pipeline as of December 31, 2005 was \$751,136 (cost of \$1,188,258 less depreciation of \$437,122 for a net book value of \$751,136.

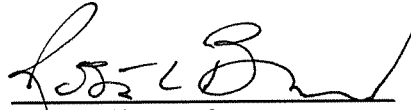
Law Offices of
Robert L. Brown III
1005 South Main Street
Corbin, Kentucky 40701
Attorney for Citipower, LLC

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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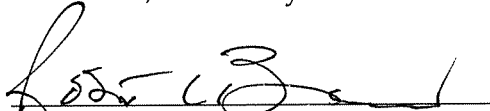
Law Offices of
Robert L. Brown III
1005 South Main Street
Corbin, Kentucky 40701
Telephone: (606) 528-3073
Attorney for Citipower, LLC

CERTIFICATE

I hereby certify that the above and foregoing was on the 23 day of February, 2006, served by mailing the original and six true and exact copies of same, all postage prepaid, addressed for delivery to:

Ms. Beth O'Donnell
Executive Director
COMMONWEALTH OF KENTUCKY
PUBLIC SERVICE COMMISSION
211 Sower Building
P. O. Box 615
Frankfort, Kentucky 40602

Gregory D. Stumbo
Attorney General
1024 Capital Center Drive
Suite 200
Frankfort, Kentucky 40601-8204



Robert L. Brown III