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ROBERT L. BROWN III  
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December 19, 2006

Beth A. O'Donnell  
Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
P.O. Box 615  
Frankfort, Kentucky 40602

RECEIVED

DEC 20 2006

PUBLIC SERVICE  
COMMISSION

**RE: APPLICATION FOR RATE ADJUSTMENT**

Dear Ms. O'Donnell:

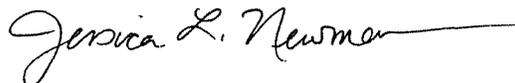
*Case No. 7006-00556*

Citipower, LLC, submits the ten (10) enclosed copies of its Application for Rate Adjustment for your review. Citipower, LLC, is a natural gas company that operates in McCreary County, Kentucky and serves four hundred and one (401) customers. Under 807 KAR 5:076, any utility with five hundred (500) or fewer customers may apply for an adjustment of rates from the Public Service Commission ("PSC"). Citipower, LLC, meets this threshold criterion, as well as the requirements that the utility have filed annual reports with the PSC for the past year and previous two years, and that the utility's records are kept separate from any other commonly-owned enterprise.

Citipower, LLC, seeks a rate increase due to the Company's financial stability. The increased cost to acquire natural gas, combined with across the board increases in expenses, has contributed to Citipower, LLC's nominal rate of return and recent losses. Citipower, LLC, needs the assistance of the PSC in order to improve the Company's financial outlook.

If you have any questions or concerns regarding Citipower, LLC's Application for Rate Adjustment, please contact me.

Sincerely,



Jessica L. Newman

Enclosures

*Case No. 7006-00556*

**CITIPOWER, LLC  
APPLICATION FOR RATE  
ADJUSTMENT  
FOR SMALL UTILITIES  
(ALTERNATIVE RATE FILING)**

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COMMISSION**

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Case No. 2006-00556

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

DEC 20 2006

For Small Utilities  
Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)

PUBLIC SERVICE  
COMMISSION

Citipower, LLC

Name of Utility

2122 Enterprise Road

Greensboro, North Carolina 27408

Business Mailing Address

Telephone Number / 1-800-246-2576

Area Code

Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: John Forsberg

Address: 2122 Enterprise Road

Greensboro, North Carolina 27408

Telephone Number: 1-800-246-2576

- |    |   |            |           |
|----|---|------------|-----------|
| 1) | Do you have 500 customers or fewer?   | <u>Yes</u> | No        |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less?  | Yes        | <u>No</u> |
| 3) | Has the Utility filed an annual report with this Commission for the past year and the two previous years? | <u>Yes</u> | No        |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise?                         | <u>Yes</u> | No        |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

## II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2005.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

<u>Item Per Annual Report</u>	<u>Amount Per Annual Report</u>	<u>Increase (Decrease)</u>	<u>Adjusted Amount</u>
<u>Revenues:</u>	\$	\$	\$
Residential Sales	147,068.00		
Commercial and Industrial Sales	1,218,172.00		
Transportation of Gas	47,542.00		
Miscellaneous Service	2,773.00		
 Total Revenues	 <u>\$ 1,415,555.00</u>	 <u>\$(335,228.00)</u>	 <u>\$ 1,080,327.00</u>
 <u>Expenses:</u>			
Operation and Maintenance	1,277,237.00 <sup>1</sup>	179,762.00	1,456,999.00
Depreciation	82,393.00		82,393.00
Amortization and Depletion	13,188.00		13,188.00
Taxes other than income	37,806.00		37,806.00
Other Deductions	103,218.00	(53,547.00) <sup>2</sup>	49,671.00
 Total Expenses	 <u>\$1,513,842.00</u>	 <u>\$ 126,215.00<sup>3</sup></u>	 <u>\$ 1,640,057.00</u>
 Revenues Less Expenses	 <u>\$ (98,287.00)</u>	 <u>\$ _____</u>	 <u>\$ (559,730.00)</u>

<sup>1</sup> An itemized listing of the operation and maintenance expenses is attached hereto as Exhibit "A."

<sup>2</sup> An explanation of this calculation is attached hereto as Exhibit "B."

<sup>3</sup> A detailed calculation is attached hereto as Exhibit "C."

- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

Decrease in Revenues- Attached hereto as Exhibit D is Citipower, LLC's revenue report through August 2006.

Increase in Operation and Maintenance Expenses- Due to increased natural gas wholesale prices in 2006, Citipower, LLC, expenses for purchasing natural gas supplies will be higher than in 2005. See Exhibit "E," 2005 Natural Gas Field Purchases, and Exhibit "F," 2006 Natural Gas Field Purchases.

Decrease in Operation and Maintenance Expenses- Citipower, LLC's accounting costs and interest fees are down in 2006 from 2005. Citipower, LLC's 2005 accounting costs were \$28,397.00. See Exhibit "G." Accounting costs have been \$4,599.95 to date in 2006, and will likely reach \$9,599.95. See Exhibit "H."

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

<u>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
1. Residential	\$16.1105/mcf	discussion needed	
2. Commercial	\$16.1105/mcf	discussion needed	
3. Industrial	\$15.1105/mcf	discussion needed	
4. Institutional	\$15.1105/mcf	discussion needed	

III. Other Information

a. Please complete the following questions:

- 1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

None

2) Total number of Customers as of the date of filing: 401 as of 10/31/06

3) Total amount of increased revenue requested: discussion needed

4) Please circle Yes or No:

a) Does the utility have any outstanding indebtedness? Yes No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

The Promissory Note is attached hereto as Exhibit "I."

b) Were all revenues and expenses listed in the Annual Report for 2005 incurred and collected from January 1 to December 31 of that year? Yes No

If no, list total revenues and total expenses incurred prior to or subsequent to this period and attach

invoices or other analysis which show how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation shown on the Annual Report for 2005 and the amount shown on this schedule.

The 2005 Annual Report and the attached depreciation schedule present the same amount of depreciation for 2005. See Exhibit "J."

- 6) If utility is a sewer utility:
- a) Attach a copy of the latest State and Federal Income Tax Returns. N/A
  - b) How much of the utility plant was recovered through the sale of lots or other contributions \_\_\_\_\_ \$ or %? (If unknown, state the reason). N/A

- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

Citipower, LLC, wishes to raise its rates in order to make the Company profitable. As evidenced by comparing the expenses and income of the Company, Citipower, LLC, needs to increase its income to counter higher supply costs and increased costs overall. The Company is currently receiving a nominal rate of return and incurring steady losses, which hurts not only the employees and equity holders of Citipower, LLC, but also the community that Citipower, LLC, serves.



- Next 3,000 gallons – remainder of water over 2,000 =  
1,388,000 gallons – record in Column 5.
- Step3: Next 10,000 gallons rate level  
1,830 Bills  
16,268,700 gallons used  
1<sup>st</sup> 2,000 minimum x 1,830 bills = 3,660,000 gallons –  
record in Column 4.  
Next 3,000 gallons x 1,830 bills = 5,490,000 gallons –  
record in Column 5.  
Next 10,000 gallons – remainder of water over 3,000  
= 7,118,700 gallons – record in Column 6.
- Step4: Next 25,000 gallons rate level  
650 Bills  
15,275,000 gallons used  
1<sup>st</sup> 2,000 minimum x 650 bills = 1,300,000 gallons –  
record in Column 4.  
Next 3,000 gallons x 650 bills = 1,950,000 gallons –  
record in Column 5.  
Next 10,000 gallons x 650 bills = 6,500,000 gallons –  
record in Column 6.  
Next 25,000 gallons – remainder of water over 10,000  
= 5,525,000 gallons – record in Column 7.
- Step5: Over 40,000 gallons rate level  
153 Bills  
9,975,600 gallons used  
1<sup>st</sup> 2,000 minimum x 153 bills = 306,000 gallons –  
record in Column 4.  
Next 3,000 gallons x 153 bills = 459,000 gallons –  
record in Column 5.  
Next 10,000 gallons x 153 bills = 1,530,000 gallons –  
record in Column 6.  
Next 25,000 gallons x 153 bills = 3,825,000 gallons –  
record in Column 7.  
Over 40,000 gallons – remainder of water over 25,000  
= 3,855,600 gallons – record in Column 8.
- Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8

of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

Since discussion is needed regarding the proposed rates, the attached Billing analysis only reflects current usage and rates. It is attached hereto as Exhibit "K."

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director  
Kentucky Public Service Commission  
211 Sower Boulevard  
Post Office Box 615  
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

c. One Copy of the completed application should also be sent at the same time to:

Public Service Litigation Branch  
Office of the Attorney General  
Post Office Box 2000  
Frankfort, Kentucky 40602-2000

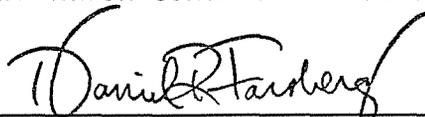
2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

The customer notice is attached hereto as Exhibit "L."

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed

  
\_\_\_\_\_  
Officer of the Company

Title

President  
\_\_\_\_\_

Date

12/15/06  
\_\_\_\_\_



## Exhibit A

### Itemized List of Operating and Maintenance Expenses

OTHER GAS SUPPLY EXPENSES	
Natural Gas City Gate Purchases	735,803.10 <sup>1</sup>
TRANSMISSION EXPENSES	
Compression Station Labor and Expenses	3,848.00
Rents	41,732.00
Maintenance of Compressor Station Equipment	2,412.00
DISTRIBUTION EXPENSES	
Measuring and Regulating Expenses	5,560.00
Meter and House Regulator Expenses	5,870.00
Other Expenses	18,623.00
Rents	13,864.00
Maintenance of Mains	501.00
Maintenance of Other Equipment	1,669.00
CUSTOMER ACCOUNTS EXPENSES	
Meter Reading Labor	76,747.00
Customer Records and Collection Expenses	27,742.00
ADMINISTRATIVE AND GENERAL EXPENSES	
Administrative and General Salaries	183,461.00
Office Supplies and Expenses	26,363.00
Outside Services Employed	117,832.00
Injuries and Damages	713.00
Employee Pensions and Benefits	12,412.00
Regulatory Commission Expenses	65.00
General Advertising Expenses	805.00
Miscellaneous General Expenses	429.00
Rents	361.00
Maintenance of General Plant	425.00
TOTAL OPERATION AND MAINTENANCE EXPENSES	
	1,277,237.00

---

<sup>1</sup> Citipower, LLC, paid \$735,803.00 for natural gas in 2005. The 2005 Annual Report states Citipower, LLC, paid \$602,603.00, but this incorrect figure is the result of an accounting error, where two months of purchases were not posted until the Annual Report had already been submitted to the PSC. Citipower, LLC, is currently amending its 2005 report to reflect the correct amount.



## EXHIBIT B

### **DISCREPANCY IN INTEREST AMOUNTS IN ANNUAL REPORT AND CITIPOWER'S INTERNAL RECORDS**

When Citipower, LLC, submitted its 2005 Annual Report to the Public Service Commission, it listed that \$94,334.00 in interest had been paid to two (2) creditors, RBC and Bank of McCreary County. See Page 24 of Citipower, LLC's 2005 Annual Report. After the Annual Report was submitted, Citipower, LLC's audit was completed, which found that \$67,923.00 in interest had been paid. Citipower, LLC, is currently amending its Annual Report to reflect this change.

To calculate the decrease in interest paid in 2006 compared to 2005, the following was used:

	\$67,923.00 (2005 interest paid)
-	<u>\$14,375.00</u> (interest paid in 2006 pursuant to the note)
=	\$53,547.00 (reduction in interest)

**Citipower, L. L. C.**  
**Transaction Detail By Account**  
January through December 2005

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
<b>431 - Other Interest Expense</b>										
<b>431.4 - Interest-Note Payable</b>										
Bill	1/1/2005	03 19...	*	RBC Centura Bank			232 - Account...	2,309.90		2,309.90
Bill	1/19/2005	01 24...	*	Bank of McCreary			232 - Account...	4,693.80		7,003.70
Bill	2/1/2005	marc...	*	RBC Centura Bank			232 - Account...	2,664.06		9,667.76
Bill	3/2/2005	0000...	*	RBC Centura Bank			232 - Account...	2,516.25		12,184.01
Bill	3/17/2005	note ...	*	Bank of McCreary			232 - Account...	18,214.43		30,398.44
Bill	3/24/2005	April 1...	*	RBC Centura Bank	Note # 2810...		232 - Account...	2,822.18		33,220.62
Bill	4/21/2005	Additi...	*	RBC Centura Bank	Note # 2810...		232 - Account...	2,748.38		35,969.00
Bill	5/16/2005	2005...	*	RBC Centura Bank	Note #28108...		232 - Account...	37.44		36,006.44
Bill	5/24/2005	2005...	*	RBC Centura Bank			232 - Account...	2,994.06		39,000.50
Bill	6/23/2005	2005...	*	RBC Centura Bank			232 - Account...	2,887.50		41,888.00
Bill	7/8/2005	2005...	*	RBC Centura Bank			232 - Account...	18,863.51		60,751.51
Check	8/19/2005	12568	*	Bank of McCreary	Loan # 0000...		131.5 - Centur...	8,265.11		69,016.62
Check	8/19/2005	12569	*	RBC Centura Bank	Interest on n...		131.5 - Centur...	3,925.62		72,942.24
Bill	8/31/2005	2005...	*	Bank of McCreary	Interest on n...		232 - Account...	2,427.70		75,369.94
Bill	9/22/2005	2005...	*	RBC Centura Bank	Interest on n...		232 - Account...	6,524.86		81,894.80
Check	10/4/2005	12620	*	RBC Centura Bank	Term Loan F...		131.5 - Centur...	17,500.00		99,394.80
Check	10/4/2005	12619	*	RBC Centura Bank	VOID: Term ...	X	131.5 - Centur...	0.00		99,394.80
Bill	11/4/2005	11-05	*	CitiEnergy, LLC			232 - Account...	1,839.21		101,234.01
Bill	12/2/2005		*	Citigas, LLC			232 - Account...	1,925.73		103,159.74
General Journal	12/31/2005	SA 7	*		Record amor...		175 - Amortize...		17,500.00	85,659.74
General Journal	12/31/2005	SA 11	*		Add back to ...		131.5 - Centur...		6,524.86	79,134.88
General Journal	12/31/2005	SA 14A	*	AJE-AP	Adjust AP to...		232 - Account...		15,203.79	63,931.09
General Journal	12/31/2005	SA 14B	*	AJE-AP	To adjust A/...		232 - Account...	3,050.26		66,981.35
General Journal	12/31/2005	SA 14C	*	AJE-AP	To adjust A/...		232 - Account...		2,309.90	64,671.45
General Journal	12/31/2005	SA 14E	*		To adjust A/...		232 - Account...	1,804.59		66,476.04
General Journal	12/31/2005	SA 14F	*		To adjust A/...		232 - Account...	2,629.09		69,105.13
General Journal	12/31/2005	SA 14H	*	AJE-AP	To adjust A/...		232 - Account...		1,182.00	67,923.13
Total 431.4 - Interest-Note Payable								110,643.68	42,720.55	67,923.13
Total 431 - Other Interest Expense								110,643.68	42,720.55	67,923.13
<b>TOTAL</b>								<b>110,643.68</b>	<b>42,720.55</b>	<b>67,923.13</b>

CITIPOWER, LLC

11799

RBC Centura Bank		
Date	Type	Reference
02/01/05	Bill	01 24 05

Original Amt.
2,664.06

2/1/2005	
Balance Due	Discount
2,664.06	
Check Amount	

Payment
2,664.06
2,664.06

Centura A/C 041179

2,664.06

McBEE TO REORDER 1 800 662-2331

MLT103C-1R

01032266166001

020729092891

CITIPOWER, LLC

11799

RBC Centura Bank		
Date	Type	Reference
02/01/05	Bill	01 24 05

Original Amt.
2,664.06

2/1/2005	
Balance Due	Discount
2,664.06	
Check Amount	

Payment
2,664.06
2,664.06

Centura A/C 041179

2,664.06

CITIPOWER, LLC

11760

RBC Centura Bank		
Date	Type	Reference
01/01/05	Bill	

Original Amt.
2,309.90

1/3/2005	
Balance Due	Discount
2,309.90	
Check Amount	

Payment
2,309.90
2,309.90

Centura A/C 041179

2,309.90

CITIPOWER, LLC

11831

RBC Centura Bank		
Date	Type	Reference
03/02/05	Bill	march 05

		2/22/2005	
Original Amt.	Balance Due	Discount	Payment
2,516.25	2,516.25		2,516.25
	Check Amount		2,516.25

Centura A/C 041179

2,516.25

CITIPOWER, LLC

11831

RBC Centura Bank		
Date	Type	Reference
03/02/05	Bill	march 05

		2/22/2005	
Original Amt.	Balance Due	Discount	Payment
2,516.25	2,516.25		2,516.25
	Check Amount		2,516.25

Centura A/C 041179

2,516.25

McBEE TO REORDER 1 800 662-2331

MLT103C-1R

01032266166001

020729092691



CITIPOWER, LLC

11856

RBC Centura Bank		
Date	Type	Reference
03/24/05	Bill	note 3-24-05

		3/30/2005	
Original Amt.	Balance Due	Discount	Payment
2,822.18	2,822.18		2,822.18
	Check Amount		2,822.18

04/01/05	14:29:27	PM	4920	DUP
03/31/05	04105	081-VKP	32	
1010012810632			2,822.18	

Centura A/C 041179

2,822.18

CITIPOWER, LLC

11942

RBC Centura Bank				5/4/2005		
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
04/21/05	Bill	April interest paymt	2,748.38	2,748.38		2,748.38
				Check Amount		2,748.38

Centura A/C 041179 Note # 2810832 00101 001 2,748.38

McBEE TO REORDER 1 800 662-2331

MLT103C-1R

01032266166001

020729092891

CITIPOWER, LLC

11959

RBC Centura Bank				5/27/2005		
Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
05/16/05	Bill	Additional interest	37.44	37.44		37.44
				Check Amount		37.44

Centura A/C 041179 Note # 2810832 00101 001 additional inter 37.44

McBEE TO REORDER 1 800 662-2331

MLT103C-1R

01032266166001

020729092891

Date	Type	Reference	Original Amt.	Balance Due	Discount	Payment
05/24/05	Bill	20050524	2,994.06	2,994.06		2,994.06
				Check Amount		2,994.06

Centura A/C 041179 Note #2810832 00101 001 2,994.06

McBEE TO REORDER 1 800 662-2331

MLT103C-1R

01032266166001

020729092891

RBC Centura Bank  
 Date ~~Type~~ Reference  
 06/23/05 Bill 20050623

7/7/2005  
 Original Amt. Balance Due Discount Payment  
 2,887.50 2,887.50 2,887.50  
 Check Amount 2,887.50

Centura A/C 041179

2,887.50

McBEE TO REORDER 1 800 662-2331

MLT103C-1R

01032266166001

020729092891

12569

RBC Centura Bank  
 431 · Other Interest Expense:431.4 · I

8/19/2005

3,925.62

Centura A/C 041179 Interest on note # 2810832 00101 001

3,925.62

McBEE TO REORDER 1 800 662-2331

MLT103C-1R

01032266166001

020729092891



**RBC Centura**

\*\*\* PAST DUE 16 DAYS \*\*\*

DATE OF NOTICE  
 08/22/05

PO Box 1220  
 Rocky Mount, NC 27802  
**CITIPOWER LLC**

	NOTE NUMBER	PRINCIPAL BALANCE	INTEREST RATE
	2810832 00101 001	493,985.94	7.50000
PRIN PAST DUE	493,985.94		
INTEREST DUE	1,838.85	DUE DATE	
FEEES DUE	0.00	08/05/05	
<b>TOTAL AMOUNT DUE</b>	<b>495,824.79</b>		

*John Sherry Pearson*  
 Spoke to ~~RBC~~ RBC  
 8/25/05 11:05 am  
 8/25 - Disregard  
 notice - loan matured,  
 part of refinancing  
 Agreement -



YOU FORGOTTEN TO MAKE THE PAYMENT ON YOUR ACCOUNT?  
 OUR RECORDS INDICATE THAT YOUR LOAN IS NOW PAST DUE.  
 \* 183.66 HAS BEEN ACCRUING DAILY SINCE MATURITY \*\*\*

PRIN DUE	INT DUE	LATE CHG	TOTAL DUE	DATE DUE
993,173.81	18,863.51	20.00	1,012,057.32	06-19-05



CITIPOWER LLC  
 2122 ENTERPRISE RD  
 GREENSBORO NC 27409

RECEIVED  
 JUL 08 2005

CUST-NO - 02007980  
 DEPT-NO - 1  
 LOAN-NO - 00007100  
 OFFICER - 020  
 INT-RATE - 6.7500  
 AS OF - 07-01-05  
 CURR-BALANCE - 993,173.81

TOTAL DUE SHOULD BE PAID ON OR BEFORE THE DUE DATE AS INDICATED BELOW.



PRINCIPAL DUE	INT DUE	LATE CHG	TOTAL DUE DATE DUE
92 73.81	6,265.11	20.00	1,001,458.92 08-19-05

CITIPOWER LLC  
 2122 ENTERPRISE RD  
 GREENSBORO NC 27406-1721

AUG 12 2005

CUST-NO - 02007900  
 DEPT-NO - 1  
 LOAN-NO - 00007100  
 OFFICER - 020  
 INT-RATE - 6.7500  
 AS OF - 08-09-05  
 CURR-BALANCE - 993,173.81

CITY  
OFFICE



TOTAL DUE SHOULD BE PAID ON OR BEFORE THE DUE DATE AS  
INDICATED BELOW.

AMOUNT DUE	INT DUE	LATE CHG	TOTAL DUE	DATE DUE
993,173.81	18,214.43	20.00	1,011,408.24	03-19-05

CITIPOWER LLC  
 2122 ENTERPRISE RD  
 GREENSBORO NC 27408

MAR 17 2005

CUST-NO - 02007900  
 DEPT-NO - 1  
 LOAN-NO - 00007100  
 OFFICER - 020  
 INT-RATE - 5.7500  
 AS OF - 03-09-05  
 CURR-BALANCE - 993,173.81

1ST DUE  
NOTICE



HAVE YOU FORGOTTEN TO MAKE THE PAYMENT ON YOUR ACCOUNT?  
OUR RECORDS INDICATE THAT YOUR LOAN IS NOW PAST DUE.  
\*\* \$183.66 HAS BEEN ACCRUING DAILY SINCE MATURITY \*\*

PRIN DUE	INT DUE	LATE CHG	TOTAL DUE	DATE DUE
993,173.81	2,387.70	40.00	995,601.51	08-19-05

*2427.70*

CITIPOWER LLC  
2122 ENTERPRISE RD  
GREENSBORO NC 27408

SEP 12 2005

CUST-NO - 02007500  
 DEPT-NO - 1  
 LOAN-NO - 00007100  
 OFFICER - 020  
 INT-RATE - 6.7500  
 AS OF - 08-31-05  
 CURR-BALANCE - 993,173.81

10:03 AM

12/15/06

Accrual Basis

**Citipower, L. L. C.**  
**Transaction Detail By Account**

January through December 2005

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
<b>431 - Other Interest Expense</b>										
<b>431.4 - Interest-Note Payable</b>										
Bill	1/1/2005			RBC Centura Bank			232 Account	2,309 90		2,309 90
Bill	1/19/2005	03 19		Bank of McCreary			232 Account	4,693 80		7,003 70
Bill	2/1/2005	01 24		RBC Centura Bank			232 Account	2,664 06		9,667 76
Bill	3/2/2005	marc		RBC Centura Bank			232 Account	2,516 25		12,184 01
Bill	3/17/2005	0000		Bank of McCreary			232 Account	18,214 43		30,398 44
Bill	3/24/2005	note		RBC Centura Bank			232 Account	2,822 18		33,220 62
Bill	4/21/2005	April		RBC Centura Bank	Note # 2810		232 Account	2,748 38		35,969 00
Bill	5/16/2005	Additi		RBC Centura Bank	Note # 2810		232 Account	37 44		36,006 44
Bill	5/24/2005	2005		RBC Centura Bank	Note #28108		232 Account	2,994 06		39,000 50
Bill	6/23/2005	2005		RBC Centura Bank			232 Account	2,887 50		41,888 00
Bill	7/8/2005	2005		Bank of McCreary			232 Account	18,863 51		60,751 51
Check	8/19/2005	12568		Bank of McCreary	Loan # 0000		131.5 Centur	8,265 11		69,016 62
Check	8/19/2005	12569		RBC Centura Bank	Interest on n		131 5 Centur	3,925 62		72,942 24
Bill	8/31/2005	2005		Bank of McCreary	Interest on n		232 Account	2,427 70		75,369 94
Bill	9/22/2005	2005		RBC Centura Bank	Interest on n		232 Account	6,524 86		81,894 80
Check	10/4/2005	12620		RBC Centura Bank	Term Loan F		131 5 Centur	17,500 00		99,394 80
Check	10/4/2005	12619		RBC Centura Bank	VOID: Term	X	131 5 Centur	0 00		99,394 80
Bill	11/4/2005	11-05		CitiEnergy, LLC			232 Account	1,839 21		101,234 01
Bill	12/2/2005			Citigas, LLC			232 Account	1,925 73		103,159 74
General Journal	12/31/2005	SA 7	*		Record amor		175 Amortiz		17,500 00	85,659 74
General Journal	12/31/2005	SA 11	*		Add back to		131 5 Centur		6,524 86	79,134 88
General Journal	12/31/2005	SA 14A	*	AJE-AP	Adjust A/P to		232 Account		15,203 79	63,931 09
General Journal	12/31/2005	SA 14B	*		To adjust A/		232 Account	3,050 26		66,981 35
General Journal	12/31/2005	SA 14C	*	AJE-AP	To adjust A/		232 Account		2,309 90	64,671 45
General Journal	12/31/2005	SA 14E	*		To adjust A/		232 Account	1,804 59		66,476 04
General Journal	12/31/2005	SA 14F	*		To adjust A/		232 Account	2,629 09		69,105 13
General Journal	12/31/2005	SA 14H	*	AJE-AP	To adjust A/		232 Account		1,182 00	67,923 13
Total 431.4 - Interest-Note Payable								110,643 68	42,720 55	67,923 13
Total 431 - Other Interest Expense								110,643 68	42,720 55	67,923 13
<b>TOTAL</b>								<b>110,643 68</b>	<b>42,720 55</b>	<b>67,923 13</b>



**EXHIBIT C**

**ITEMIZED LIST OF INCREASED EXPENSES  
Increase from 2005 to 2006**

OTHER GAS SUPPLY EXPENSES		
Natural Gas City Gate Purchases	\$194,037.00	
ADMINISTRATIVE AND GENERAL EXPENSES		
Outside Services Employed	(\$14,275.00)	
<b>NET OPERATION AND MAINTENANCE INCREASE</b>		<b>\$179,762.00</b>
OTHER DEDUCTIONS		
Interest Payable	(\$53,547.00)	
<b>NET INCREASE IN EXPENSES FROM 2005 TO 2006</b>		<b>\$126,215.00</b>



1:33 PM  
 11/08/06  
 Accrual Basis

**Citipower, L. L. C.**  
**Transaction Detail By Account**  
 January 2005 through December 2006

Date	Memo	Cost	MCF	MCF By Type Cust		Gross Revenue
				Pub/Ind	Res/Com	
01/31/2005		91,356	12,044	9304	2740	186,692
02/28/2005		94,845	11,744	9163	2582	181,633
03/31/2005		119,607	13,024	10170	2854	185,376
04/29/2005	Gas purchased - April 2005	43,376	5,498	4564	934	78,198
05/31/2005	May 2005 Gas Purchase	41,015	5,358	4591	767	76,143
07/01/2005		33,353	3,981	3526	455	58,600
07/31/2005	Gas purchase - July 05	27,231	2,878	2566	312	43,515
09/30/2005	Sept 05 gas purch Citipower	69,723	4,174	3849	325	61,334
10/31/2005	Gas purch Oct 05 - Citipower	63,477	4,333	3770	563	63,153
11/09/2005	August gas purchase	43,600	3,167	2791	376	46,975
11/30/2005	November 05 gas purchase	108,220	7,165	6543	622	120,566
	Total 2005	735,803	73,366			321,408
	Revenue Reported 12/2005			10262	2,362	1,423,592
	Expense recognized 1/2006			71,099	14,892	1,423,592
	Non Gas Cost (Base Rate)			5,4592	6,4592	484,332.53
	Non Gas Revenue			388,141.48	96,191.05	939,259.47
	Gas Cost Recovery					1,423,592.00
<b>YTD 2006</b>						
01/31/2006	Jan 2006 gas purchase CP	126,484.93	11,314	9,227	2,087	
02/21/2006	Dec 2005 gas purchase	170,026.42	12,623	10,262	2,361	
03/31/2006	FEB 06 GAS PURCHASE	111,248.15	13803	11,193	2,610	
03/31/2006	March 06 gas purch Citipower	82,943.99	9589	7,910	1,679	
04/30/2006	April 2006 gas purchase	44,317.04	5634	4,968	666	
05/31/2006	May 2006 gas purchase	44,765.12	5843	5,280	563	
06/30/2006	Citipower gas purchase June 2006	32,350.71	4417	3,974	443	
07/19/2006	Gas purchases - Dec 05-Mar 06	2,549.14				
07/31/2006	July 2006 gas purchase	31,911.56	3239	2,882	357	
08/31/2006	August 2006 gas purchase - CP	24,416.74	3364	2,995	369	
09/30/2006	Citipower gas purchase Sept 2006	25,457.93	3775	3,386	389	
10/06/2006	PLUG & BARREL LOCK	158.36				
		696,630.09	73,601	62,077	11,524	1,080,327

1:33 PM  
11/08/06  
Accrual Basis

**Citipower, L. L. C.**  
**Transaction Detail By Account**  
January 2005 through December 2006

Non Gas Cost (Base Rate)	5,4592	6,4592	
Non Gas Revenue	338,891	74,436	413,327
Gas Cost Recovery			667,001
YTD Revenues (Jan-Sept)			<u>1,080,328</u>

Pub	res	Ind	com	
126,011.96	28,370.33	16,032.61	44,647.66	215,062.56
119,784.85	30,480.00	19,760.93	13,716.57	183,742.35
123,643.20	8,817.50	18,745.00	12,507.50	163,713.20
60,978.00	6,807.00	2,941.40	5,461.50	76,187.90
62,326.40	2,953.42	1,964.20	5,045.00	72,289.02
50,574.62	2,498.41	99.65	4,972.49	58,145.17
36,837.65	2,660.04	61.58	4,117.32	43,676.59
40,069.15	2,466.85	65.89	(61.22)	42,540.67
55,255.23	5,015.83	60.16	4,179.43	64,510.65
52,386.74	16,981.78	1,692.11	3,552.02	74,612.65
84,996.02	39,997.66	8,873.59	4,058.02	137,925.29
174,992.40	19.52	30,864.31	9,714.20	215,590.43
75,000.00		(16,648.00)	17,243.83	75,595.83
<u>1,062,856.22</u>	<u>147,068.34</u>	<u>84,513.43</u>	<u>129,154.32</u>	1,423,592.31



10:05 AM  
 11/08/06  
 Accrual Basis

**Citipower, L. L. C.**  
**Transaction Detail By Account**  
 January through December 2005

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
<b>401 · Operation Expense</b>										
<b>80X · Gas Supply Expense</b>										
<b>801 · Natural Gas Field Purchases</b>										
Bill	1/31/2005	jan05...		Forexco, Inc			232 · Account...	91,356.15		91,356.15
Bill	2/28/2005	feb gas		Forexco, Inc			232 · Account...	94,844.54		186,200.69
Bill	3/31/2005	mar 05		Forexco, Inc			232 · Account...	119,607.21		305,807.90
Bill	4/29/2005	2005...		Forexco, Inc	Gas purchas...		232 · Account...	43,376.45		349,184.35
Bill	5/31/2005	2005...		Forexco, Inc	May 2005 Ga...		232 · Account...	41,015.18		390,199.53
Bill	7/1/2005	2005...		Forexco, Inc			232 · Account...	33,352.98		423,552.51
Bill	7/31/2005	2005...		Forexco, Inc	Gas purchas...		232 · Account...	27,230.69		450,783.20
Bill	9/30/2005	2005...		Citigas, LLC	Sept 05 gas ...		232 · Account...	69,723.33		520,506.53
Bill	10/31/2005	2005...		Citigas, LLC	Gas purch O...		232 · Account...	63,476.99		583,983.52
Check	11/9/2005	12650		Citigas, LLC	August gas p...		131.5 · Centur...	43,599.57		627,583.09
Bill	11/30/2005	2005...		Citigas, LLC	November 0...		232 · Account...	108,220.01		735,803.10
Total 801 · Natural Gas Field Purchases								735,803.10	0.00	735,803.10
Total 80X · Gas Supply Expense								735,803.10	0.00	735,803.10
Total 401 · Operation Expense								735,803.10	0.00	735,803.10
<b>TOTAL</b>								<b>735,803.10</b>	<b>0.00</b>	<b>735,803.10</b>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

pd

## Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: November 2005

NYMEX NG Monthly Closing Price		<u>12.587</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>15.1044</u>
MCFs	x	<u>7164.8</u>
Amount Due	=	<u>108,220.01</u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Invoice date: 10-31-05

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: October 2005

NYMEX NG Monthly Closing Price		<u>12.205</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>14.65</u>
MCFs	x	<u>4332.90</u>
Amount Due	=	<u>63,476.99</u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: SEPTEMBER 2005

NYMEX NG Monthly Closing Price 13.921

BTU Adjustment x 1.2

Selling Price = 16.705

MCFs x 4173.8

Amount Due = 69,723.33

<20,000.00> P<sup>d</sup>

49,723.33

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

*Paid  
Ch # 12650  
11/9/05*

# Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: August 2005

NYMEX NG Monthly Closing Price		<u>11.472</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>13.7664</u>
MCFs	x	<u>3167.1</u>
Amount Due	=	<u>43,599.57</u>

Forexco Inc. Gas Revenue Account  
2122 Enterprise Road  
Greensboro, NC 27408

## Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: July 2005

NYMEX NG Monthly Closing Price		7.885
BTU Adjustment	x	<u>1.200</u>
Selling Price	=	9.462
MCFs	x	<u>2877.9</u>
Amount Due	=	<u><u>27,230.69</u></u>

Forexco Inc. Gas Revenue Account  
2122 Enterprise Road  
Greensboro, NC 27408

## Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: June 2005

NYMEX NG Monthly Closing Price		6.981
BTU Adjustment	x	<u>1.200</u>
Selling Price	=	8.3772
MCFs	x	<u>3,981.4</u>
Amount Due	=	<u><u>\$ 33,352.98</u></u>

Forexco Inc. Gas Revenue Account  
2122 Enterprise Road  
Greensboro, NC 27408

## Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: May 2005

NYMEX NG Monthly Closing Price		6.379
BTU Adjustment	x	<u>1.200</u>
Selling Price	=	7.6548
MCFs	x	<u>5,358.1</u>
Amount Due	=	<u><u>\$41,015.18</u></u>

Forexco Inc. Gas Revenue Account  
2122 Enterprise Road  
Greensboro, NC 27408

## Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: April 2005

NYMEX NG Monthly Closing Price		6.585
BTU Adjustment	x	<u>1.200</u>
Selling Price	=	7.902
MCFs	x	<u>5489.3</u>
Amount Due	=	<u><u>43,376.45</u></u>

Forexco Inc. Gas Revenue Account  
2122 Enterprise Road  
Greensboro, NC 27408

### Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: March 05

NYMEX NG Monthly Closing Price		7.653
BTU Adjustment	x	<u>1.20</u>
Selling Price	=	9.18
MCFs	x	<u>13024</u>
Amount Due	=	<u><u>119,607.20</u></u>

Forexco Inc. Gas Revenue Account  
2122 Enterprise Road  
Greensboro, NC 27408

## Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: Feb 05

NYMEX NG Monthly Closing Price		6.730
BTU Adjustment	x	<u>1.20</u>
Selling Price	=	8.076
MCFs	x	<u>11.744</u>
Amount Due	=	<u><u>94,844.54</u></u>

Forexco Inc. Gas Revenue Account  
2122 Enterprise Road  
Greensboro, NC 27408

# Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: Jan 05

NYMEX NG Monthly Closing Price		6.321
BTU Adjustment	x	<u>1.20</u>
Selling Price	=	7.5852
MCFs	x	<u>12044</u>
Amount Due	=	<u><u>91.356.15</u></u>

**Citipower, L. L. C.**  
**Transaction Detail By Account**  
January through December 2006

Type	Date	Num	Adj	Name	Memo	Split	Debit	Balance	
<b>401 · Operation Expense</b>									
<b>80X · Gas Supply Expense</b>									
<b>801 · Natural Gas Field Purchases</b>									
Bill	01/31/2006	20060131		Citigas, LLC	Jan 2006 gas purchase CP	232 · Accounts Payable	126,484.93*	126,484.93	
Check	02/21/2006	12724		Citigas, LLC	Dec 2005 gas purchase	131.5 · Centura A/C 0411790887	170,026.42	296,511.35	
Check	03/31/2006	12758		Citigas, LLC	FEB 06 GAS PURCHASE	131.5 · Centura A/C 0411790887	111,248.15	407,759.50	
Bill	03/31/2006	20060331		Citigas, LLC	March 06 gas purch Citipower	232 · Accounts Payable	82,943.99*	490,703.49	
Bill	04/30/2006	20060430		Citigas, LLC	April 2006 gas purchase	232 · Accounts Payable	44,317.04 *	535,020.53	
Bill	05/31/2006	20060531		Citigas, LLC	May 2006 gas purchase	232 · Accounts Payable	44,765.12 *	579,785.65	
Bill	06/30/2006	20060630		Citigas, LLC	Citipower gas purchase June 2006	232 · Accounts Payable	32,350.71*	612,136.36	
Bill	07/19/2006	3982		Citizens Gas Utility District	Gas purchases - Dec 05-Mar 06	232 · Accounts Payable	2,549.14	614,685.50	
Bill	07/31/2006	20060731		Citigas, LLC	July 2006 gas purchase	232 · Accounts Payable	31,911.56 *	646,597.06	
Bill	08/31/2006	20060831		Citigas, LLC	August 2006 gas purchase - CP	232 · Accounts Payable	24,416.74 *	671,013.80	
Bill	09/30/2006	20060930cp		Citigas, LLC	Citipower gas purchase Sept 2006	232 · Accounts Payable	25,457.93	696,471.73	
Bill	10/06/2006	3410904001		McJunkin Appalachian	PLUG & BARREL LOCK	232 · Accounts Payable	158.36	696,630.09	
Total 801 · Natural Gas Field Purchases									
Total 80X · Gas Supply Expense									
Total 401 · Operation Expense									
<b>TOTAL</b>									
							<b>Total 9 months</b>	<b>696,630.09</b>	<b>696,630.09</b>
							Estimated exp Oct - Dec (based on Jan-Sept monthly average)		232,210.03
							Total Estimated Gas Cost for 2006		<u><b>928,840.12</b></u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Invoice date: Feb 28, 2006

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: February 2006

NYMEX NG Monthly Closing Price		<u>6.714</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>8.06</u>
MCFs	x	<u>13,802.5</u>
Amount Due	=	<u>111,248.15</u>

Citigas, LLC -  
2122 Enterprise Rd.  
Greensboro, NC 27408

CP A/P  
9/21/06

✓

# Invoice

Invoice date: 8-31-06

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: August 2006

NYMEX NG Monthly Closing Price		<u>6.048</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>7.2576</u>
MCFs	x	<u>3364.3</u>
Amount Due	=	<u>24,416.74</u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Invoice date: 5-31-06

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: May 2006

NYMEX NG Monthly Closing Price		<u>6.384</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>7.661</u>
MCFs	x	<u>5843.4</u>
Amount Due	=	<u>44,765.12</u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Invoice date: 4-30-06

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: April 2006

NYMEX NG Monthly Closing Price		<u>6.555</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>7.866</u>
MCFs	x	<u>5634</u>
Amount Due	=	<u>44,317.04</u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

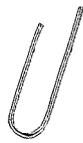
Invoice date: 3/31/06

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: March 2006

NYMEX NG Monthly Closing Price		<u>7.210</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>8.65</u>
MCFs	x	<u>9588.9</u>
Amount Due	=	<u>82,943.99</u>

*entered in CP  
A/P*



Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Invoice date: 1/31/06

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: January 2006

NYMEX NG Monthly Closing Price		<u>9.316</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>11.18</u>
MCFs	x	<u>11,313.5</u>
Amount Due	=	<u>126,484.93</u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Invoice date: July 31, 2006

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: July 2006

NYMEX NG Monthly Closing Price		<u>8.211</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>9.8532</u>
MCFs	x	<u>3238.7</u>
Amount Due	=	<u>31,911.56</u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Invoice date: 6.30.06

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: June 2006

NYMEX NG Monthly Closing Price		<u>6.104</u>
BTU Adjustment	x	<u>4416.6</u>
Selling Price	=	<u>26,958.93</u>
MCFs	x	<u>1.2</u>
Amount Due	=	<u>32,350.71</u>

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408

## Invoice

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: December 2005

NYMEX NG Monthly Closing Price		<u>11.225</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>13.47</u>
MCFs	x	<u>12622.6</u>
Amount Due	=	<u>170,026.42</u>

*Pd 2/21/06  
#12724*

Citigas, LLC  
2122 Enterprise Rd.  
Greensboro, NC 27408



## Invoice

Invoice date: 9-30-06

Sold to: Citipower, LLC  
PO Box 1309  
Whitley City, KY 42653

Month: September 2006

NYMEX NG Monthly Closing Price		<u>5.620</u>
BTU Adjustment	x	<u>1.2</u>
Selling Price	=	<u>6.744</u>
MCFs	x	<u>3774.9</u>
Amount Due	=	<u>25,457.93</u>



**Citipower, L. L. C.**  
**Transaction Detail By Account**  
January through December 2005

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
<b>401 · Operation Expense</b>										
<b>92X · Admin. and General Expenses</b>										
<b>923 · Outside Services</b>										
<b>923.2 · Accounting Fees</b>										
General Journal	1/31/2005	01-05					656.1 · Payroll ...	39.01		39.01
General Journal	1/31/2005	01-07					656.1 · Payroll ...	92.26		131.27
General Journal	2/5/2005	02-05					656.1 · Payroll ...	39.01		170.28
General Journal	2/17/2005	02-06					656.1 · Payroll ...	39.01		209.29
Bill	3/21/2005	00112...		Stivers & Associates,...			232 · Accounts ...	2,016.00		2,225.29
General Journal	3/31/2005	03-05					656.1 · Payroll ...	39.01		2,264.30
General Journal	3/31/2005	03-06					656.1 · Payroll ...	39.01		2,303.31
General Journal	3/31/2005	AJE					656.1 · Payroll ...	39.01		2,342.32
General Journal	4/29/2005	AJE 05			To record April 1 payroll which cle...		656.1 · Payroll ...	39.01		2,381.33
General Journal	4/29/2005	AJE 06			To record payroll paid 15th		656.1 · Payroll ...	39.01		2,420.34
Bill	5/1/2005	4 11 05		Garland Shaw	To record payroll paid 29th		232 · Accounts ...	750.00		3,170.34
General Journal	5/31/2005	JE05			Annual Report		656.1 · Payroll ...	39.01		3,209.35
General Journal	5/31/2005	JE06					656.1 · Payroll ...	39.01		3,248.36
Bill	6/22/2005	00113...		Stivers & Associates,...			232 · Accounts ...	921.00		4,169.36
General Journal	6/30/2005	00114...		Stivers & Associates,...	payroll 10th		656.1 · Payroll ...	11,619.00		15,788.36
General Journal	6/30/2005	JE05			payroll 23rd		656.1 · Payroll ...	39.01		15,827.37
General Journal	6/30/2005	JE06					232 · Accounts ...	3,091.64		18,958.02
Bill	7/31/2005	00114...		Stivers & Associates,...			656.1 · Payroll ...	45.97		19,003.99
General Journal	7/31/2005	JE 05			Payroll dated 7/22/05		656.1 · Payroll ...	45.97		19,049.96
General Journal	7/31/2005	JE 06			To record payroll dated 7/08/05		656.1 · Payroll ...	45.97		19,095.93
General Journal	8/31/2005	JE 05			To record payroll dated 8/05/05		656.1 · Payroll ...	45.97		19,141.90
General Journal	8/31/2005	JE 06			To record payroll dated 08/19/05		656.1 · Payroll ...	45.97		19,187.87
General Journal	9/30/2005	JE05			Record wages paid 9/2/05		656.1 · Payroll ...	45.97		19,233.84
General Journal	9/30/2005	JE06			Record wages paid 9/16/05		656.1 · Payroll ...	45.97		19,279.81
General Journal	9/30/2005	JE07			Record wages paid 9/30/05		656.1 · Payroll ...	45.97		19,325.78
General Journal	10/31/2005	JE06			Record wages paid 10/28/05		232 · Accounts ...	4,045.00		23,370.78
Bill	10/31/2005	00114...		Stivers & Associates,...	2004 Audited Financial Statements		656.1 · Payroll ...	45.97		23,416.75
General Journal	11/30/2005	JE05			To record wages paid 11/10/05		656.1 · Payroll ...	45.97		23,462.72
General Journal	11/30/2005	JE06			To record wages paid 11/25/05		131.1 · McCrea...	21.00		23,483.72
General Journal	11/30/2005	JE10			To record ADP fee		656.1 · Payroll ...	45.97		23,529.69
General Journal	12/31/2005	JE05			To record wages paid 12/08/05		656.1 · Payroll ...	45.97		23,575.66
General Journal	12/31/2005	JE06			To record wages paid 12/22/05					23,575.66
Total 923.2 · Accounting Fees										
Total 923 · Outside Services										
Total 92X · Admin. and General Expenses										
Total 401 · Operation Expense										
<b>TOTAL</b>								<b>23,575.66</b>	<b>0.00</b>	<b>23,575.66</b>

STIVERS & ASSOCIATES, PSC, CPAs  
 Stivers & Associates, PSC, CPAs  
 190 Market Street, Suite One  
 Lexington, KY 40507  
 Phone: (859)254-4427 FAX: (859)255-6198

Citipower, LLC  
 2122 Enterprise Road  
 Greenboro, NC 27408

MAR 07 2005

**Invoice Date:** February 28, 2005  
**Invoice Number:** 00112749  
**Client Number:** 2435 001

Professional Services Rendered as Follows:

*For professional services rendered for the period ending February 28, 2005*

consultations on SME documents	\$ 3,071.00
<b>Total Invoice Amount</b>	<u><u>\$ 3,071.00</u></u>

Accounts Receivable Aging					
Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
6,587.00	0.00	0.00	0.00	0.00	6,587.00

**Stivers & Associates, PSC, CPAs**

Stivers & Associates, PSC, CPAs

190 Market Street, Suite One

Lexington, KY 40507

Phone: (859)254-4427 FAX: (859)255-6198

Citipower, LLC  
2122 Enterprise Road  
Greenboro, NC 27408

MAR 07 2005

**Invoice Date:** February 28, 2005

**Invoice Number:** 00112750

**Client Number:** 2435 001

Professional Services Rendered as Follows:

*For professional services rendered for the period ending February 28, 2005*

work through February 28 on the return	\$ 3,516.00
<b>Total Invoice Amount</b>	<b>\$ 3,516.00</b>

**Accounts Receivable Aging**

<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
6,587.00	0.00	0.00	0.00	0.00	6,587.00

**Stivers & Associates, PSC, CPAs**

Stivers & Associates, PSC, CPAs

190 Market Street, Suite One

Lexington, KY 40507

Phone: (859)254-4427 FAX: (859)255-6198

V4931

Citipower, LLC  
2122 Enterprise Road  
Greenboro, NC 27408

RECEIVED  
JUN 24 2005

**Invoice Date:** June 22, 2005  
**Invoice Number:** 00113965  
**Client Number:** 2435 001

Professional Services Rendered as Follows:

*For professional services rendered for the period ending June 30, 2005*

PSC property tax returns, other consultation	\$ 921.00
<b>Total Invoice Amount</b>	<u><u>\$ 921.00</u></u>

Accounts Receivable Aging					
Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
921.00	0.00	0.00	0.00	0.00	921.00

**Stivers & Associates, PSC, CPAs**

Stivers & Associates, PSC, CPAs

190 Market Street, Suite One

Lexington, KY 40507

Phone: (859)254-4427 FAX: (859)255-6198

Citipower, LLC  
2122 Enterprise Road  
Greenboro, NC 27408

**Invoice Date:** March 31, 2005

**Invoice Number:** 00113088

**Client Number:** 2435 001

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Professional Services Rendered as Follows:

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*For professional services rendered for the period ending March 31, 2005*

preparation of PSC report	\$ 2,858.00
<b>Total Invoice Amount</b>	<u><u>\$ 2,858.00</u></u>

Accounts Receivable Aging					
<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
6,278.00	0.00	0.00	0.00	0.00	6,278.00

# Stivers & Associates, PSC, CPAs

Stivers & Associates, PSC, CPAs

190 Market Street, Suite One

Lexington, KY 40507

Phone: (859)254-4427 FAX: (859)255-6198

Citipower, LLC  
2122 Enterprise Road  
Greenboro, NC 27408

**Invoice Date:** March 31, 2005

**Invoice Number:** 00113089

**Client Number:** 2435 001

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## Professional Services Rendered as Follows:

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*For professional services rendered for the period ending March 31, 2005*

consultations on various other matters	\$ 1,404.00
<b>Total Invoice Amount</b>	<u><u>\$ 1,404.00</u></u>

### Accounts Receivable Aging

<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
6,278.00	0.00	0.00	0.00	0.00	6,278.00

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JUL 11 2005

Stivers & Associates, PSC, CPAs  
190 Market Street, Suite One  
Lexington, KY 40507  
Phone: (859)254-4427 FAX: (859)255-6198

Citipower, LLC  
2122 Enterprise Road  
Greenboro, NC 27408

**Invoice Date:** June 30, 2005  
**Invoice Number:** 00114030  
**Client Number:** 2435 001

Professional Services Rendered as Follows:

*Professional services rendered for the period ending June 30, 2005*

in progress billing on the December 31, 2004 audited financial statements	\$ 9,500.00
direct expenses incurred on the December 31, 2004 audit	2,119.00
<b>Total Invoice Amount</b>	<u><u>\$ 11,619.00</u></u>

Accounts Receivable Aging

Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
12,540.00	0.00	0.00	0.00	0.00	12,540.00

AUG 11 2005

Citipower, LLC  
 2122 Enterprise Road  
 Greenboro, NC 27408

**Invoice Date:** July 31, 2005  
**Invoice Number:** 00114223  
**Client Number:** 2435 001

Professional Services Rendered as Follows:

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*For professional services rendered for the period ending July 31, 2005*

in progress billing on the December 31, 2004 audited financial statements	\$ 2,200.00
tax consultations all inclusive through July 31, 2005	510.00
direct expenses incurred on the December 31, 2004 audit	381.64
<b>Total Invoice Amount</b>	<b>\$ 3,091.64</b>

**Accounts Receivable Aging**

Current	31 - 60 Days	61 - 90 Days	91 - 120 Days	Over 120 Days	Total
3,091.64	0.00	0.00	0.00	0.00	3,091.64

## Invoice for Consulting Services

Citipower, LLC  
Attn: Dan Forsberg  
2122 Enterprise Road  
Greensboro, NC 27408

April 11, 2005

<u>Service (Dates)</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Write Citipower Annual Report:			
March 13	1.5	\$150	\$225.00
March 14	1.0	\$150	\$75.00
March 18	1.0	\$150	\$150.00
March 30	1.5	\$150	\$225.00
April 11	0.5	\$150	\$75.00
<b>Total Amount Due</b>			<b>\$750.00</b>

Please Send Check to:

Garland R. Shaw  
P.O. Box 11684  
Spring, TX 77391

# Stivers & Associates, PSC, CPAs

Stivers & Associates, PSC, CPAs

190 Market Street, Suite One

Lexington, KY 40507

Phone: (859)254-4427 FAX: (859)255-6198

Citipower, LLC  
2122 Enterprise Road  
Greenboro, NC 27408

**Invoice Date:** April 20, 2005  
**Invoice Number:** 00113453  
**Client Number:** 2435 001

## Professional Services Rendered as Follows:

*For professional services rendered for the period ending April 30, 2005*

consultations on various matters	\$ 890.00
PSC matters	300.00
preliminary work on PSC property tax returns	420.00
<b>Total Invoice Amount</b>	<b>\$ 1,610.00</b>

### Accounts Receivable Aging

<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
1,610.00	0.00	0.00	0.00	0.00	1,610.00

Stivers & Associates, PSC, CPAs  
190 Market Street, Suite One  
Lexington, KY 40507  
Phone: (859)254-4427 FAX: (859)255-6198

Citipower, LLC  
2122 Enterprise Road  
Greenboro, SC 27408

JAN 20 2005

**Invoice Date:** January 18, 2005  
**Invoice Number:** 00112277  
**Client Number:** 2435 001

Professional Services Rendered as Follows:

For professional services rendered for the period ending January 31, 2005

review of reorganization plan, etc.

\$ 2,958.00

**Total Invoice Amount**

\$ 2,958.00

Accounts Receivable Aging

<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
2,958.00	0.00	0.00	0.00	0.00	2,958.00

**STIVERS & ASSOCIATES, PSC, CPAS**

Stivers & Associates, PSC, CPAs

190 Market Street, Suite One

Lexington, KY 40507

Phone: (859)254-4427 FAX: (859)255-6198

PAID  
FEB 07 2005

**Invoice Date:** January 31, 2005

**Invoice Number:** 00112395

**Client Number:** 2435 001

Citipower, LLC  
2122 Enterprise Road  
Greenboro, SC 27408

Professional Services Rendered as Follows:

*or professional services rendered for the period ending January 31, 2005*

final billing on the December 31, 2003 audited financial statements	\$ 2,500.00
<b>Total Invoice Amount</b>	<u><u>\$ 2,500.00</u></u>

**Accounts Receivable Aging**

<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
2,500.00	0.00	0.00	0.00	0.00	2,500.00

# Stivers & Associates, PSC, CPAs

Stivers & Associates, PSC, CPAs

190 Market Street, Suite One

Lexington, KY 40507

Phone: (859)254-4427 FAX: (859)255-6198

RECEIVED

MAR 23 2005

Invoice Date: March 21, 2005

Invoice Number: 00112931

Client Number: 2435 001

Citipower, LLC  
2122 Enterprise Road  
Greenboro, NC 27408

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## Professional Services Rendered as Follows:

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*For professional services rendered for the period ending March 31, 2005*

consulting regarding various issues	\$ 1,116.00
work through March 21 on tax returns	900.00
<b>Total Invoice Amount</b>	<b>\$ 2,016.00</b>

### Accounts Receivable Aging

<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
2,016.00	0.00	0.00	0.00	0.00	2,016.00



**Citipower, L. L. C.**  
**Transaction Detail By Account**  
January through December 2006

Type	Date	Num	Adj	Name	Memo	Clr	Split	Debit	Credit	Balance
<b>401 · Operation Expense</b>										
<b>92X · Admin. and General Expenses</b>										
<b>923 · Outside Services</b>										
<b>923.2 · Accounting Fees</b>										
General Journal	1/31/2006	JE05	*		To record payroll Jan 06		656.1 · Payroll...	45.97		45.97
General Journal	1/31/2006	JE06	*		To record payroll Jan 06		656.1 · Payroll...	45.97		91.94
General Journal	1/31/2006	JE09	*		To record qtrly processing fees ...		131.1 · McCre...	187.64		279.58
Bill	2/28/2006	00115...	*	Silvers & Associate...			232 · Account...	2,480.10		2,759.68
General Journal	2/28/2006	JE 05	*		To record payroll Feb 06		656.1 · Payroll...	49.37		2,809.05
General Journal	2/28/2006	JE 06	*		Record payroll Feb 06		656.1 · Payroll...	47.67		2,856.72
General Journal	3/31/2006	JE 04	*		To record payroll dated 3/16/06		656.1 · Payroll...	47.67		2,904.39
General Journal	3/31/2006	JE 05	*		To record payroll dated 3/30/06		656.1 · Payroll...	49.37		2,953.76
General Journal	3/31/2006	JE 06	*		To record payroll dated 3/2/06		656.1 · Payroll...	47.67		3,001.43
General Journal	4/30/2006	JE04	*		To record wages paid 4/13/06		656.1 · Payroll...	47.67		3,049.10
Bill	5/13/2006	20060...	*	Garland Shaw	ANNUAL REPORT		232 · Account...	750.00		3,799.10
General Journal	5/31/2006	JE04	*		To record wages paid 5/11/06		656.1 · Payroll...	47.67		3,846.77
General Journal	5/31/2006	JE05	*		To record wages paid 5/25/06		656.1 · Payroll...	47.67		3,894.44
General Journal	6/30/2006	JE04	*		To record payroll June 8, 2006		656.1 · Payroll...	47.67		3,942.11
General Journal	6/30/2006	JE05	*		To record payroll June 22, 2006		656.1 · Payroll...	47.67		3,989.78
General Journal	6/30/2006	JE06	*		Payroll processing fee		131.1 · McCre...	47.67		4,037.45
General Journal	7/31/2006	JE04	*		Record payroll 7/6/06		656.1 · Payroll...	51.18		4,088.63
General Journal	7/31/2006	JE05	*		Record payroll 7/20/06		656.1 · Payroll...	49.48		4,138.11
General Journal	8/2/2006	JE20	*		ADP stop payment/void ck fee		131.1 · McCre...	10.00		4,148.11
Bill	8/29/2006	2006-...	*	Garland Shaw	COMPLETE ANNUAL REPORT		232 · Account...	300.00		4,448.11
General Journal	8/31/2006	JE04	*		Payroll dated 8/3/06		656.1 · Payroll...	51.18		4,499.29
General Journal	8/31/2006	JE05	*		Record payroll 8/17/06		656.1 · Payroll...	49.48		4,548.77
General Journal	9/30/2006	AJE05	*		Payroll dated 9/28/06		656.1 · Payroll...	51.18		4,599.95
Total 923.2 · Accounting Fees										
Total 923 · Outside Services										
Total 92X · Admin. and General Expenses										
Total 401 · Operation Expense										
<b>TOTAL</b>								<b>4,599.95</b>	<b>0.00</b>	<b>4,599.95</b>



## Invoice for Consulting Services

Citipower, LLC  
Attn: Dan Forsberg  
2122 Enterprise Road  
Greensboro, NC 27408

May 13, 2006

<u>Service (Dates)</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Write Citipower Annual Report	5	\$150	750.00

---

**Total Amount Due** **\$750.00**

Please Send Check to:

Garland R. Shaw  
P.O. Box 11684  
Spring, TX 77391

## Invoice for Consulting Services

Citipower, LLC  
Attn: Dan Forsberg  
2122 Enterprise Road  
Greensboro, NC 27408

August 29, 2006

RECEIVED  
AUG 30 2006

<u>Date</u>	<u>Service</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
July 2, 2006	Complete Annual Report	2.0	\$150	\$300.00

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<b>Total Amount Due</b>	<b>\$300.00</b>
-------------------------	-----------------

Please Send Check to:

Garland R. Shaw  
P.O. Box 11684  
Spring, TX 77391

# Stivers & Associates, PSC, CPAs

Stivers & Associates, PSC, CPAs

190 Market Street, Suite One

Lexington, KY 40507

Phone: (859)254-4427 FAX: (859)255-6198

Invoice Date: February 28, 2006

Invoice Number: 00115735

Client Number: 2435 001

RECEIVED

MAR 10 2006

Citienergy, LLC  
2122 Enterprise Road  
Greenboro, NC 27408

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## Professional Services Rendered as Follows:

*for professional services rendered for the period ending February 28, 2006*

audit preliminaries	\$	376.10
progress on tax work		2,104.00
<b>Total Invoice Amount</b>	<b>\$</b>	<b><u>2,480.10</u></b>

### Accounts Receivable Aging

<u>Current</u>	<u>31 - 60 Days</u>	<u>61 - 90 Days</u>	<u>91 - 120 Days</u>	<u>Over 120 Days</u>	<u>Total</u>
2,480.10	0.00	0.00	0.00	0.00	2,480.10



**PROMISSORY NOTE**

\$250,000.00

Date: October 4, 2005  
Greensboro, NC

FOR VALUE RECEIVED, the undersigned, CITIPOWER, LLC, with an address of 2122 Enterprise Road, Greensboro, NC 27408, (hereinafter referred to as "Debtors"), does hereby promise to pay the principal sum of TWO HUNDRED FIFTY THOUSAND DOLLARS (\$250,000.00) together with interest thereon as hereinafter provided, to the order of CITI ENERGY, LLC (sometimes hereinafter referred to as "Lender"), at Lender's general premises located at 2122 Enterprise Road, Greensboro, NC 27408, or at such other place or places as Lender may hereinafter designate.

The principal amount of said Note, \$250,000.00, together with interest that shall accrue at the rate of 9.25% percent per annum on the outstanding balance. The first installment in the amount of \$50,090.07 shall be due and payable on October 18, 2006, and all subsequent installments shall be paid on the 18<sup>th</sup> day of October each year for a total of 7 payments until paid in full (October 18, 2013). There shall be no penalty for pre-payment.

If any yearly installment of interest is not paid in full within five (5) days of its due date, or if default be made in the performance of any obligation or agreement contained herein, then the entire principal sum and accrued interest shall at the option of the holder hereof become at once due and collectible without notice, it being expressly understood that time is of the essence. Upon default, said principal and interest shall both bear interest from such time at the highest rate allowable under the

laws of the Commonwealth of Kentucky. Failure to exercise this option shall not constitute a waiver of the right to exercise same in the event of any other or subsequent default.

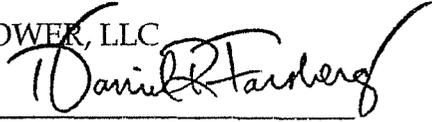
In the event of a default by the undersigned on this note, the undersigned agree that the holder may:

- (a) accelerate the due date of note total, making all sums immediately due;
- (b) demand security or parties obligated to pay this note (or both) as a condition of waiving, for any period of time, any other remedy the Holder may have under the law;
- (c) exercise any remedy the holder may have under state or federal law for collection of this note;
- (d) exercise any additional right given to the holder under any agreement securing payment of this note.

By electing any one or more of these remedies above the holder does not waive its right to later elect any other remedy until this note is paid in full. If the holder does not elect any remedy upon an event of default it does not thereby waive its right to later consider the event as a default if it continues or recurs.

The undersigned expressly waives demand, presentment, protest, notice of protest and notice of dishonor and agree to pay all costs, whether suit be brought or not, if, after maturity of this Note or default hereunder.

IN TESTIMONY WHEREOF, individually and in their own right, as makers herein, have executed this Note on the date first herein written.

CITIPower, LLC  
BY:   
DANIEL FORSBERG  
MEMBER



## 2005 Depreciation and Amortization

## Citipower

			Depreciation
365 PP&E - Other	37		2,702,702.03
Acq 1996		(487,952.00)	(13,187.89)
Total		Accumulated: (135,420.53)	(13,187.89)
369 Prison Pipeline	40		2.5
Acq 2001		352,456.88	8,811.42
Acq 2002		12,008.95	300.22
Acq 2003			
Acq 2004			
Total		Accumulated: 49,813.83	9,111.65
367.1 Pipeline - 3"	40		2.5
Acq 1996			0.00
Acq 1997		179,180.92	4,479.52
Acq 1998		66,972.71	1,674.32
Acq 1999		43,640.44	1,091.01
Acq 2000			0.00
Acq 2001		166,685.89	4,167.15
Acq 2002			0.00
Acq 2003			
Acq 2004			
Total		Accumulated: 87,889.06	11,412.00
367.2 Pipeline - 4"	40		2.5
Acq 1996		316,800.00	7,920.00
Acq 1997		37,667.04	941.68
Acq 1998		232,987.59	5,824.69
Acq 1999		132,645.50	3,316.14
Acq 2000		92,585.54	2,314.64
Acq 2001		152,459.69	3,811.49
Acq 2002		42,688.12	1,067.20
Acq 2003		960.00	24.00
Acq 2004			
Total		Accumulated: 207,381.59	25,219.84
376.1 Pipeline - 1" & 2"	40		2.5
Acq 1996		295,680.00	7,392.00
Acq 1997		(21,747.42)	(543.69)
Acq 1998		55,028.39	1,375.71
Acq 1999		22,844.75	571.12
Acq 2000		33,796.23	844.91
Acq 2001		1,061.00	26.53
Acq 2002			0.00
Acq 2003			
Acq 2004			
Total		Accumulated: 94,065.69	9,666.57
376.2 Pipeline - 6"	40		2.5
Acq 1996			0.00
Acq 1997		297,020.55	7,425.51
Acq 1998		191,944.82	4,798.62
Acq 1999		280.00	7.00
Acq 2000		3,370.00	84.25
Acq 2001			0.00

2005 Depreciation and Amortization  
 Citipower

			Depreciation
	Acq 2002		0.00
	Acq 2003		
	Acq 2004		
	Accumulated:		
Total	111,930.78		12,315.38
377 Compressor Site	30		3.333333333
	Acq 2003	7,160.77	238.69
	Acq 2004		
	Accumulated:		
Total	835.42		238.69
382 Equipment - Meters/Setup	30		3.333333333
	Acq 1996	102,798.00	3,426.60
	Acq 1997	39,533.85	1,317.79
	Acq 1998	61,305.14	2,043.50
	Acq 1999	204,650.03	6,821.67
	Acq 2000	315,571.27	10,519.04
	Acq 2001	16,782.07	559.40
	Acq 2002	16,898.48	563.28
	Acq 2003	5,308.94	176.96
	Acq 2004	4,732.00	157.73
	Acq 2005	616.00	20.53
	Accumulated:		
Meter Installations (PSC 382)	192,149.55		25,606.53
385 Reg/Odorant Station	30		3.333333333
	Acq 1996		0.00
	Acq 1997		0.00
	Acq 1998	10,587.26	352.91
	Acq 1999	1,471.30	49.04
	Acq 2000	415.50	13.85
	Accumulated:		
Measuring and Regulating Equip (PSC)	3,457.57		415.80
390 Office Building	40		2.5
	Acq 1996	125,000.00	3,125.00
	Accumulated:		
Total	32,812.50		3,125.00
391 Office Furn. & Equipment	10		10
	Acq 1996	9,176.88	917.69
	Acq 1997		0.00
	Acq 1998		0.00
	Acq 1999	1,834.92	183.49
	Acq 2000		0.00
	Acq 2001	14,301.32	1,430.13
	Acq 2002		0.00
	Acq 2003		
	Acq 2004		
	Accumulated:		
Total	18,418.80		2,531.31
391.1 Software	5		
	Acq 1999	2,500.00	0.00
	Accumulated:		
Total	2,500.00		0.00

2005 Depreciation and Amortization  
 Citipower

		Depreciation	
Automobiles/Vehicles	5		
Acq 1996		44,574.33	0.00
Acq 1997		3,400.76	0.00
Acq 1998		26,500.00	0.00
Acq 1999			0.00
Acq 2000			0.00
Acq 2001		743.53	148.71
Transportation		Accumulated:	
392 Equipment (PSC 392)		75,218.62	148.71
396 Equipment - DW/Other	5		
Acq 1996		25,000.00	0.00
Acq 1997		24,969.69	0.00
Acq 1998			0.00
Acq 1999		3,000.00	0.00
Acq 2000			0.00
Acq 2001		23,000.00	4,600.00
Acq 2002			0.00
Acq 2003		1,323.89	264.78
Acq 2004			
Power Operated		Accumulated:	
Equipment (PSC 396)		76,896.41	4,864.78
399 Contrib. For Construction	40		2.5
Acq 2001		(363,000.00)	(9,075.00)
		Accumulated:	
Total		(49,912.50)	(9,075.00)
Total Fixed Assets			Depreciation
Acq 1996		431,077.21	9,593.40
Acq 1997		560,025.39	13,620.82
Acq 1998		645,325.91	16,069.75
Acq 1999		412,866.94	12,039.47
Acq 2000		445,738.54	13,776.69
Acq 2001		364,490.38	14,479.83
Acq 2002		71,595.55	1,930.71
Acq 2003		14,753.60	704.43
Acq 2004		4,732.00	157.73
Acq 2005		616.00	20.53
		Accumulated:	
Gas Plant in Service		2,951,221.52	82,393.36
Cumulative Total		768,036.79	684,602.62
			Amortization
Gas Plant Acquisition Adj.		487,952.00	13,187.89
Cumulative Total		135,420.53	122,232.64
Grand Total		3,439,173.52	806,835.26



## CUSTOMER NOTICE

Citipower, LLC has proposed to the Public Service Commission new rates for natural gas. The rates are currently \$16.1105/MCF for Residential and Commercial customers and \$15.1105/MCF for Industrial and Public customers, and, upon approval by the Commission, will be \$\_\_\_\_\_ for Residential and Commercial customers and \$\_\_\_\_\_ for Industrial and Public customers.

The rates contained in this notice are the rates proposed by Citipower, LLC. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice. Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in written, shall be submitted to the Executive Director, public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from Citipower, LLC at 2122 Enterprise Road, Greensboro, North Carolina 27408. Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.



## BILLING ANALYSIS

### Revenue Earned Under 2005 Usage and Rates

	Rate per MCF	MCFs Sold	Total Gas Revenue
Residential and Commercial Sales	\$16.1105	14,892	\$239,917.56
Industrial and Public Sales	\$15.1105	71,099	\$1,074,341.40
Total Sales		85,991	\$1,314,258.96