

- HEATING AND COOLING PIPELINE
- WATER TRANSPORTATION COMPANIES

ANNUAL REPORT

OF 89-6012

Youngstown Thermal, LLC
 Ms. Therese A. A. Kechler
 CFO
 236 N. Champion Street
 Youngstown, OH 44503

(Address of principal business office at end of year)

TO THE
 PUBLIC UTILITIES COMMISSION OF OHIO



FOR THE
 YEAR ENDED DECEMBER 31, 2004

Name, title, address, telephone and fax numbers (including area code) of the person to be contacted concerning this report.

Therese A. Kechler CFO
236 N. Champion St. Youngstown, Ohio 44503
Phone 330-747-3800 Fax 330-747-5626

RECEIVED-DOCKETING DIV
 2005 JUL 25 AM 10:06
 PUCO

Annual Report of Youngstown Thermal, LLCYear Ended December 31, 2004

TABLE OF CONTENTS

Title	Page No.
General Instructions	1
History	2
Identity of Respondent	3-4
Corporations Controlled by Respondent (Schedule 1)	5
Type of Service Supplied (Schedule 2)	6
Important Changes During the Year	7
Voting Powers & Elections (Schedule 3)	8
Directors, Proprietors, Partners (Schedule 4)	9
Balance Sheet (Schedule 5)	10-11
Income Statement (Schedule 6)	12-13
Investments (Schedule 7)	14-15
Special Funds Accounts (Schedule 8)	16
Notes and Other Accounts Receivable & Accounts Receivable from Associated Companies (Schedule 9)	17
Capital Stock (Schedule 10)	18
Long Term Debt (Schedule 11)	19
Notes Payable (Schedule 12)	20
Accumulated Depreciation (Schedule 13)	21
Bases for Charges for Depreciation (Schedule 14)	22
Statement of Retained Earnings & Partnership Capital Statement (Schedule 15 & 16)	23
Taxes Accrued (Schedule 17)	24
Utility Plant in Service (Schedule 18)	25
Operating Revenues & Expenses (Schedule 19)	26
Statement of Intrastate Gross Earnings (Schedule 20)	27
Verification Oath	29

Annual Report of Youngstown Thermal, LLCYear Ended December 31, 2004**GENERAL INSTRUCTIONS, DEFINITIONS, ETC.**

1. The word "Respondent" in the following inquiries means the person, firm, association, or company in whose behalf the report is made.
2. The schedules and questions contained in this report were developed to be generally applicable to all heating and cooling, pipeline and water transportation companies. All instructions shall be followed and each question answered as fully and accurately as possible. Sufficient answer shall appear to show that no schedule, question, or line item has been overlooked. If a particular line item or schedule does not apply to the respondent, indicate this by answering "none", "-0-", or "not applicable", as appropriate, where it truly and completely states the fact.
3. If answers to an inquiry are given elsewhere in the report, incorporation of information by reference is sufficient.
4. Customary abbreviations may be used except that the exact name of the respondent shall be shown in full on the "Title Page" and in the "Verification" page.
5. Where the space provided is insufficient for the required data or it is necessary or desirable to insert additional statements or schedules, the insert pages shall show the number and title of the schedule to which it pertains, as well as the name of the respondent and the year covered, and shall be on 8 1/2" x 11" durable paper.
6. The information required with respect to any statement furnished is the minimum requirement. The respondent may add such further material information as is necessary to ensure that the required statements are not misleading.
7. All copies filed with the Commission must be legible and permanent. All entries shall be made in permanent ink or by a typewriter. Items of a reverse or contrary character shall be enclosed in parentheses, or indicated by a minus sign followed by the amount.
8. Amounts on any schedule (except as otherwise provided therein), may, at the option of the respondent, be rounded off to whole dollars provided that amounts are appropriately adjusted to agree with the rounded total.
9. The annual report shall be signed by a duly elected officer of the respondent and it shall be notarized.
10. The information required in this report, unless otherwise indicated, is to be reported for the entire company and not for the State of Ohio only.
10. Totals should be provided as indicated. The respondent shall ensure that schedule totals and subtotals are mathematically correct.
12. If a line item is supported by a detailed schedule elsewhere in this report, the respondent should ensure that the detailed schedule is completed and that the amounts on both schedules match.

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

HISTORY

1.	Exact name of company making this report. <u>Youngstown Thermal, LLC</u>
2.	Date of organization <u>September 9, 2002</u>
3.	Under the laws of what Government, State or Territory organized? If more than one, name all. <u>Ohio</u>
4.	If a consolidated or merged company, name all constituent and all merged companies. <u>N/A</u>
5.	Date and authority for each consolidation and each merger. <u>N/A</u>
6.	State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual. <u>Limited Liability Company</u>
7.	If a reorganized company, given name of original corporation, refer to laws under which it was organized, and state the occasion for the reorganization. <u>N/A</u>
8.	State whether or not, the respondent during the year conducted any part of its business under a name, or names, other than shown, in response to inquiry No. 1. If so, give full particulars. <u>N/A</u>
9.	Where are the books and records of the company kept? <u>236 N. Chandler St. Youngstown, Ohio 44503</u>
10.	Name below all classes of public service furnished by the respondent. <u>District Heating System</u>

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

IDENTITY OF RESPONDENT

1. State whether respondent is a corporation, a joint stock association, a firm or partnership, or an individual.

Limited Liability Company

2. Date when operations began.

September 9, 2002

3. If a consolidated or merged company, give names of each such incident, date, and Commission authority. If a reorganized company, give name of original corporation.

N/A

4. If incorporated specify (a) Date of filing articles of incorporation, (b) State in which incorporated,

N/A

5. Commission Case Number granting operating authority and date issued.

02-235-HT-LNC

6. State whether or not the respondent during the year conducted any part of its business under a name or names other than that shown Title Page; if so, give full particulars.

N/A

7. Description of general service territory.

City of Youngstown, Ohio

8. List all affiliated companies with whom the respondent does business and their relationship to the respondent. If respondent is a partnership, provide this information for each partner. (Use separate page(s) if needed).

State whether the affiliate is (a) a regulated public utility or, (b) a publicly held corporation.

N/A

9. Did any corporation or corporations, telephone or other, hold control over the respondent at the close of the year? Yes If control was so held, state:

a. The name and address of the controlling corporation or corporations.

Thermal Ventures II, LP
236 N. Champion St.
Youngstown, OH 44503

b. The form of control, whether sole or joint. Sole

c. The extent of control. 100%

d. Whether control was direct or indirect. Direct

e. If indirect, the name and address of the intermediary through which control was established. N/A

10. Did any individual, association, or corporation hold control, as trustee, over the respondent at the close of the year? NO If control was so held, state:

a. The name and address of the trustee.

b. The name and address of the beneficiary or beneficiaries for whom the trust was maintained, if available.

Annual Report of Youngstown Thermal LLC

Year Ended December 31, 2004

11. Did the respondent hold control over other corporations at the close of the year? NO
If so, state:

- a. The name and address of corporation or corporations controlled.
- b. The form of control, whether sole or joint.
- c. Other parties, if any, to joint agreement for control.
- d. The extent of control.
- e. Whether control is direct or indirect.
- f. If indirect, the name and address of the intermediary through which control was established.

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

IMPORTANT CHANGES DURING THE YEAR

Report important changes of the types listed. Except as otherwise indicated data furnished should apply to the same period the report covers. Answers should be numbered in accordance with the inquiries and if "none" states the fact, it should be used. If information which answers an inquiry is given elsewhere in the report, incorporation of that information by reference will be sufficient.

1. Issuances of Capital Stock or long term debt during the year: Identify the securities, date, consideration received and Commission authorization.

N/A

2. Changes in franchise rights.

N/A

3. Changes in ownership or control (shareholders holding 5% or more of outstanding stock).

N/A

4. Other important changes: Give brief particulars of each other important change which is not disclosed elsewhere in this report.

N/A

Annual Report of Youngstown Thermal LLC

Year Ended December 31, 2004

SCHEDULE: 3

VOTING POWERS AND ELECTIONS				
1. In the schedule below, show the particulars called for concerning the stockholders of respondent who, at the date of the latest closing of the stock-book of respondent prior to the actual filing of this report, had the twenty highest voting powers of the respondent. If any such holder held in trust, attach a statement showing the beneficial owners. If the stock-book was not closed within the year, show twenty such stockholders as of the close of the year. In the space provided, show total shares and notes of all stockholders.				
Line No.	Name and Address of Stockholders	No. of Shares Held	No. of Voting Shares	Other Vote Empowered Securities
1.	N/A			
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
	Total listed above			
	Total all stockholders			

SCHEDULE: 4

DIRECTORS, PROPRIETORS, PARTNERS

1. Give the name of director or proprietor. (For partnerships identify each partner, identify which are general or limited partners, and show each partner's percent of interest)

Line No.	Name and Address (City and State) (a)	Served Continuously From (b)	Term Expired or Current Term Will Expire (c)
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Thermal Ventures II, LP 236 N. Champion St. Youngstown, Ohio 44503 Sole member - 100%		

(For corporations, show the data requested; for other forms of business organizations, show names of individuals holding comparable positions.)

- | | | | |
|----|-------------------------------|-----|------------|
| 16 | Name of Chairman of the Board | 21. | Treasurer |
| 17 | Name of Secretary of Board | 22. | Controller |
| 18 | President | | |
| 19 | Vice-President | | |
| 20 | Secretary | | |

9

Annual Report of Youngtown Thermal, LLC

Year Ended December 31, 2004

SCHEDULE: 5

BALANCE SHEET				
Description	Page No.	Beginning Balance	Ending Balance	Increase or (Decrease)
Current Assets				
Cash and Equivalents		577,586	125,807	(451,779)
Accounts Receivable-Net		1,844,541	1,929,788	85,247
Notes Receivable-Net		—	—	—
Other Current Assets		34,549	57,152	22,602
Totals		2,456,676	2,112,747	(343,929)
Noncurrent Assets				
Investments		—	—	—
Other Noncurrent Assets		147,630	2,383	(145,247)
Totals		147,630	2,383	(145,247)
Property, Plant and Equipment				
Property, Plant, and Equipment		345,361	345,791	430
Accumulated Depreciation & Amortization		(124,039)	(142,549)	(18,511)
Net Plant		221,322	203,242	(18,081)
TOTAL ASSETS		2,825,629	2,318,372	(507,257)
Current Liabilities				
Accounts and Notes Payable		2,890,403	3,015,413	128,509
Other Current & Accrued Liabilities		638,412	683,936	45,524
Totals		3,528,815	3,702,349	174,033
Total Long-Term Debt		1,167,423	584,703	(642,719)
Other Deferred Credits		—	—	—
Stockholders' Equity				
Capital Stock		—	—	—
Retained Earnings		—	—	—
Proprietary Capital - Proprietorship and Partnership		(1,871,109)	(1,909,680)	(38,571)
Totals		(1,871,109)	(1,909,680)	(38,571)
TOTAL LIABILITIES & OTHER CREDITS		2,825,629	2,318,372	(507,257)

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

SCHEDULE: 5A

NOTES TO BALANCE SHEET

N/A

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

SCHEDULE: 6A

NOTES TO INCOME STATEMENT

N/A

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

SCHEDULE: 7

INVESTMENTS

Name of Affiliate (a)	PLEGGED		UNPLEGGED	
	Par Value (b)	Book Value (c)	Par Value (d)	Book Value (e)
Investment in Associated Companies:				
<i>N/A</i>				
Other Investments:				
<i>N/A</i>				
Total				

14

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2007

SCHEDULE 8

SPECIAL FUNDS ACCOUNTS 125 & 128 (125)					
Name of Fund (a)	Balance First of Year (b)	Principal (c)	Additions Income (d)	Deductions	Balance End of Year
N/A					
TOTALS	\$	\$	\$	\$	\$

SCHEDULE: 10

CAPITAL STOCK

1. Respondent shall enter the class of stock and a description of any pertinent details such as differences in voting rights, preferences as to dividends or assets, pledges, etc.
2. Respondent shall provide the information specified in column headings (b) through (h) and note any other pertinent information at the bottom of this schedule.

Class and Description of Capital Stock (a)	Par or Stated Value Amount (b)	Number of Shares Authorized (c)	Amount of Stock Issued and Outstanding (d)	Additional Paid In Capital (e)	Total (Col. (d) & (e)) (f)	Number of Shares of Treasury Stock (g)	Amount in Treasury Stock Account (h)
N/A	\$		\$	\$	\$		\$
TOTALS	\$		\$	\$	\$		\$

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

SCHEDULE 11

LONG-TERM DEBT

1. List in account number order in column (a) a description of the long-term obligation, including those maturing in the coming year.
2. In the remaining columns (b) - (i) respond shall furnish the appropriate data.

Description of Obligation (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Interest Rate (d)	Original Amount of Debt (e)
<i>National City Bank</i>	<i>1-25-01</i>	<i>2/24/05</i>	<i>8.51%</i>	<i>1,440,000</i>

BASES OF CHARGES FOR DEPRECIATION

1. Provide separate schedules for each jurisdiction in which the respondent operates and for the overall operations of the respondent.
2. Under column (a) provide all subclasses of plant for which a separate depreciation rate is determined and a subtotal for each primary account.
3. Under columns (b) thru (d) provide the life, net salvage, and rate prescribed by the Commission.

Jurisdiction _____

Overall Operations

Classes and Subclasses of Depreciable Plant

	Account Number and Title of Plant Accounts and its Subclasses (a)	Life (Years) (b)	*Net Salvage (%) (c)	Depreciation	
				*Rate (%) (d)	*Reserve (%) (e)
1	Production Equipment and Buildings	10	10%		
2					
3	Distribution Equipment	10	10%		
4	Furnitures and Fixtures	3	3%		
5	Computers and Vehicles	3	3%		
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25					
26					
27					
28					
29	*Composite rate for all depreciable accounts				
30	*Composite rate for all plant accounts				
31					
32	Ratio to all depreciable accounts				
33	Ratio to all plant accounts				

Annual Report of Youngstown Thermal, LLCYear Ended December 31, 2004

SCHEDULE: 15

STATEMENT OF RETAINED EARNINGS			
Account No.	Item	Page No.	Amount
	Balances-First of Year		
	Changes:		
	Balance Transferred from Income		
	Dividends Declared		
	Miscellaneous Debits to Retained Earnings		
	Miscellaneous Credits to Retained Earnings		
	Balance-End of Year		
	Notes to Statement of Retained Earnings:		

SCHEDULE: 16

PARTNERSHIP CAPITAL STATEMENT ⁽¹⁾			
Account No.	Item	Page No.	Amount
	Partnership Capital-Beginning of Year		(1,871,109)
	Net Income (Loss) for Year		(38,571)
	Partners' Capital Contributions		--
	Miscellaneous Credits		--
	Total Credits		(1,909,680)
	Partners' Drawings		--
	Prior Period Adjustment(s)		--
	Miscellaneous Debits		--
	Total Debits		--
	Partnership Capital-End of Year		(1,909,680)

(1) This statement should also be used by sole proprietors.

Annual Report of Youngstown Thermal, LLC
 SCHEDULE: 17

Year Ended December 31, 2004

TAXES ACCRUED

Explain items recorded in column (e). Any amounts included for other than current taxes should be explained by footnote.

Kind of Tax (a)	Balance First of Year (b)	Amount Accrued During Year (c)	Payments During Year (d)	Other Items Dr. or (Cr.) (e)	Balance End of Year (f)
Public Utility Excise Tax	525,686	120,573	(59,434)		586,825
Total	\$525,686	\$120,573	\$(59,434)	\$	\$586,825

Annual Report of Youngstown Thermal, LLCYear Ended December 31, 2004

SCHEDULE: 20

STATEMENT OF INTRASTATE-GROSS EARNINGS (1)				
Line No.	Item	Amount		
		Total Company	Other Than Ohio Intrastate	Ohio Intrastate
1	Operating and Miscellaneous Revenue (Rent Revenue, Special Billings (revenue from work performed for others, rent revenue-nonoperating, return on regulated investment used to provide nonregulated products and services, etc.)	3,218,304	-	3,218,304
2	Other Revenue, Dividend and Interest Income, Gains From Disposition of Property -Operating and Nonoperating, Other Operating or Nonoperating Gains (foreign currency exchange or transfer, extinguishment of debt, company's share of earnings of affiliated company accounted for on equity method, income from sinking and other funds, etc.)	-	-	-
3	SUBTOTAL (1) + (2)	3,218,304		3,218,304
4	Earnings or receipts from sales to other public utilities for resale	(-)	(-)	(-)
5	TOTAL (3) + (4)	3,218,304	-	3,218,304
<p>(1) Intrastate means from one point in Ohio to another point in Ohio, or wholly within Ohio.</p>				

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

SCHEDULE: 21

IN ORDER TO ENSURE THAT PUCO CORRESPONDENCE IS DIRECTED TO THE APPROPRIATE PERSON AT THE CORRECT ADDRESS, PLEASE COMPLETE THE FOLLOWING.

Name, Title, Address, and Phone Number of the Company's Contact Persons to Receive Entries and Orders from the Docketing Division

Therese A. Keckler CFO
Name Title
236 N. Champion St, Youngstown, OH 44502
Address
330-747-3800
Phone Number (Including Area Code)

Name, Title, Address, and Phone Number of Person to whom Invoice should be Directed

Carol Osikiewicz Accounting
Name Title
205 North Ave., Youngstown, Ohio 44502
Address
330-743-7712
Phone Number (Including Area Code)

Name and Address of the President

Jeffrey P. Bees President
Name President
236 N. Champion St., Youngstown, Ohio 44502
Address

Annual Report of Youngstown Thermal, LLC

Year Ended December 31, 2004

VERIFICATION

The foregoing report must be verified by the President or Chief Officer of the company. The oath required may be taken before any person authorized to administer an oath by the laws of the State in which the same is taken.

OATH

State of Ohio
County of Marion

Jeffrey P. Bee's makes oath and says that
(Insert here the name of the affiant.)

he is CEO
(Insert here the official title of deponent)

of Youngstown Thermal, LLC
(Insert here the exact legal title or name of the respondent.)

that he has examined the foregoing report; that to the best of his knowledge, information, and belief, all statements of fact contained in the said report are true and the said report is a correct statement of the business and affairs of the above-named respondent in respect to each and every matter set forth therein during the period from and including JAN 1, 2004 to and including DEC 31, 2004.

Jeffrey P. Bee's
(Signature of affiant.)

Subscribed and sworn to before me, a Notary Public in and for the State and county named, this 20th day of July, 2005. My commission expires DEC 1, 2005.

L.C. Osikiewicz
(Signature of officer authorized to administer oaths.)

L.C. OSIKIEWICZ, Notary Public
STATE OF OHIO
My Commission Expires Dec. 1, 2005