

ROBERT L. BROWN III

ATTORNEY AT LAW

1005 SOUTH MAIN STREET
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(606) 528-3073
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November 15, 2004

RECEIVED

NOV 16 2004

**PUBLIC SERVICE
COMMISSION**

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

**RE: CITIPOWER, LLC - ALLEGED FAILURE TO COMPLY WITH KRS
289.300, KRS 278.020(1) AND THE COMMISSION'S ORDER IN CASE
NO. 1999-00225
CASE NUMBER 2004-00101**

Dear Ms. O'Donnell:

In the preparation for filing an Application for Reorganization, it has been discovered that Citipower borrowed \$150,000.00 from the Bank of McCreary County on December 11, 1997. This loan was established as a line of credit and on occasion was repaid to zero balance several times. The last time the line was at zero balance was January 17, 1999 (see Exhibit "A").

This information may be relevant to the 2004-00101 case.

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

Sincerely,



Robert L. Brown III

RLB/ca

Enclosures

EXHIBIT A

Bank of McCreary County Line of Credit History

RECEIVED

OCT 29 2004

BANKER
AB-101 REL # 4.01.00 (BRANCH 1, OPER BDB) WEDNESDAY OCT 27 2004

INQ - TRANS HISTORY

CITIPOWER LLC

CUST-NO 02007980 DEPT-NO 0 LOAN-NO EFF DATE? Y OR N (N)

LOAN-NO	P	CL	RATE	T/C	RR	DATE	PRIN AMT	TNT-AMT	LOAN BALANCE
1 00209440	0	09	8.750	801	01	11297	.00	.00	250,000.00
1 00009440	0	09	8.750	801	01	11902	.00	5,590.28-	250,000.00
1 00709440	0	09	8.750	801	01	11902	250,000.00-	.00	.00
1 06209440	0	09	8.750	801	01	11902	.00	.00	250,000.00
1 00009440	0	09	8.750	801	01	11902	250,000.00-	12,000.00-	.00
PAYOFF DESC:									
2 00104101	0	09	9.500	800	01	111297	.00	.00	.00
2 00104101	0	09	9.500	805	01	111297	125,000.00	.00	125,000.00
2 00104101	0	09	9.500	805	01	111797	20,000.00	.00	145,000.00
2 00104101	0	09	9.500	805	01	121797	50,000.00	.00	195,000.00
2 00104101	0	09	9.500	805	01	121797	5,000.00	.00	200,000.00
2 00104101	0	09	9.500	801	01	122297	50,000.00-	.00	150,000.00
2 00104101	0	09	9.500	801	01	122297	30,000.00-	.00	120,000.00

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AB-101 REL # 4.01.00

(BRANCH 1, OPER BDB)

WEDNESDAY OCT 27 2004

INQ - TRANS HISTORY

CITIPOWER LLC

CUST-NO 02007980 DEPT-NO 0 LOAN-NO EFF DATE? Y OR N (N)

D	LOAN-NO	P	CL	RATE	T/C	BR	A	DATE	PRIN-AMT	INT-AMT	LOAN BALANCE
2	00104101	0	09	9.500	805	01	01	010298	50,000.00	.00	170,000.00
2	00104101	0	09	9.500	801	01	01	012798	100,000.00-	.00	70,000.00
2	00104101	0	09	9.500	801	01	01	013098	70,000.00-	.00	.00
2	00104101	0	09	9.500	801	01	01	021198	.00	3,133.70-	.00
2	00104101	0	09	9.500	805	01	01	021798	65,000.00	.00	65,000.00
2	00104101	0	09	9.500	805	01	01	042298	65,000.00	.00	130,000.00
2	00104101	0	09	9.500	801	01	01	051298	.00	1,725.62-	130,000.00
2	00104101	0	09	9.500	801	01	01	051298	130,000.00-	.00	.00
2	00104101	0	09	9.500	805	01	01	080798	90,000.00	.00	90,000.00
2	00104101	0	09	9.500	801	01	01	082098	19,906.30-	.00	70,093.70
2	00104101	0	09	9.500	801	01	01	082098	.00	93.70-	70,093.70
2	00104101	0	09	9.500	801	01	01	082898	50,000.00-	.00	20,093.70
2	00104101	0	09	9.500	805	01	01	090198	50,000.00	.00	70,093.70

Continue, End #

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CUST-NO 02007980

DEPT-NO 0

LOAN-NO

EFF DATE?

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LOAN-NO	P	CL	RATE	T/C	BR	A	DATE	PRIN-AMT	INT-AMT	LOAN BALANCE
00104101	0	09	9.500	805	01	090998		30,000.00	.00	100,093.70
00104101	0	09	9.500	805	01	102998		20,000.00	.00	120,093.70
00104101	0	09	9.500	801	01	110298		20,000.00-	.00	100,093.70
00104101	0	09	9.500	801	01	110998		100,093.70-	1,977.31-	.00
00104101	0	09	9.000	825	01	112098		RATE CHANGE		.00
00104101	0	09	9.000	805	01	121098		30,000.00	.00	30,000.00
00104101	0	09	9.000	805	01	121598		68,000.00	.00	98,000.00
00104101	0	09	9.000	815	01	121698		68,000.00-	.00	30,000.00
00104101	0	09	9.000	801	01	123098		30,000.00-	.00	.00
00104101	0	09	8.750	825	01	010199		RATE CHANGE		.00
00104101	0	09	8.750	805	01	010799		150,000.00	.00	150,000.00
00104101	0	09	8.750	805	01	011399		6,500.00	.00	156,500.00
00104101	0	09	8.750	805	01	012899		10,000.00	.00	166,500.00

Continue, End

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CUST-NO 02007980 DEPT-NO 0 LOAN-NO EFF DATE? Y OR N (N)

LOAN-NO	P	CL	RATE	T/C	BR	A	DATE	PRIN-AMT	INT-AMT	LOAN BALANCE
00104101	0	09	8.750	801	01	020899		.00	1,468.49-	166,500.00
00104101	0	09	8.750	801	01	020899	6,500.00-	.00	.00	160,000.00
00104101	0	09	8.750	805	01	021199	15,000.00	.00	.00	175,000.00
00104101	0	09	8.750	801	01	022699	50,000.00-	.00	.00	125,000.00
00104101	0	09	8.750	801	01	022699		.00	288.99-	125,000.00
00104101	0	09	8.750	805	01	030499	15,000.00	.00	.00	140,000.00
00104101	0	09	8.750	805	01	031199	8,000.00	.00	.00	148,000.00
00104101	0	09	8.750	801	01	032599	100,000.00-	.00	.00	48,000.00
00104101	0	09	8.750	805	01	040899	5,000.00	.00	.00	53,000.00
00104101	0	09	8.750	805	01	042999	21,000.00	.00	.00	74,000.00
00104101	0	09	8.750	805	01	050699	15,000.00	.00	.00	89,000.00
00104101	0	09	8.750	801	01	051099		.00	1,892.87-	89,000.00
00104101	0	09	8.750	805	01	051299	8,650.00	.00	.00	97,650.00

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CUST-NO 02007980 DEPT-NO 0 LOAN-NO EFF DATE? Y OR N (N)

LOAN-NO	P	CL	RATE	T/C	BR	A	DATE	PRIN-AMT	INT-AMT	LOAN BALANCE
00104101	0	09	8.750	805	01	051499		30,000.00	.00	127,650.00
00104101	0	09	8.750	805	01	051799		13,000.00	.00	140,650.00
00104101	0	09	8.750	805	01	052099		3,000.00	.00	143,650.00
00104101	0	09	8.750	805	01	052799		31,600.00	.00	175,250.00
00104101	0	09	8.750	801	01	060399		30,000.00-	.00	145,250.00
00104101	0	09	8.750	805	01	060799		2,500.00	.00	147,750.00
00104101	0	09	8.750	805	01	061099		19,000.00	.00	166,750.00
00104101	0	09	8.750	805	01	061799		12,000.00	.00	178,750.00
00104101	0	09	8.750	805	01	062599		15,000.00	.00	193,750.00
00104101	0	09	8.750	805	01	070199		14,000.00	.00	207,750.00
00104101	0	09	8.750	805	01	070899		14,000.00	.00	221,750.00
00104101	0	09	8.750	805	01	071999		12,000.00	.00	233,750.00
00104101	0	09	8.750	805	01	072999		13,000.00	.00	246,750.00

Continue, End #

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INQ - TRANS HISTORY

CITIPOWER LLC

CUST-NO 02007980 DEPT-NO 0 LOAN-NO EFF DATE? Y OR N (N)

LOAN-NO	P	CL	RATE	T/C	BR	A	DATE	PRIN-AMT	INT-AMT	LOAN BALANCE
00104101	0	09	8.750	801	01	080599		.00	4,223.80-	246,750.00
00104101	0	09	9.250	825	01	100199	RATE CHANGE			246,750.00
00104101	0	09	9.250	830	01	111999	LT CHRG	.00	10.00	246,750.00
00104101	0	09	9.250	801	01	112299		.00	5,580.60-	246,750.00
00104101	0	09	9.250	823	01	112399		.00	10.00-	246,750.00
00104101	0	09	9.500	825	01	010100	RATE CHANGE			246,750.00
00104101	0	09	9.500	801	01	021100		.00	5,822.29-	246,750.00
00104101	0	09	10.000	825	01	033100	RATE CHANGE			246,750.00
00104101	0	09	10.000	801	01	050900		.00	5,915.23-	246,750.00
00104101	0	09	10.000	801	01	061200		100,000.00-	.00	146,750.00
00104101	0	09	10.500	825	01	063000	RATE CHANGE			146,750.00
00104101	0	09	10.500	801	01	080900		.00	4,658.04-	146,750.00
00104101	0	09	10.500	805	01	102500		100,000.00	.00	246,750.00

Continue, End

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CUST-NO 02007980

DEPT-NO 0

LOAN-NO

EFF DATE?

Y OR N (N)

LOAN-NO	P	CL	RATE	T/C	BR	A	DATE	PRIN-AMT	INT-AMT	LOAN BALANCE
00104101	0	09	10.500	801	01		111600	.00	4,372.90-	246,750.00
00104101	0	09LT	CHRG	830	01		112100	.00	10.00	246,750.00
00104101	0	09	10.500	802	01		120600	246,750.00-	.00	.00
00104101	0	09	10.500	810	01		120600	246,750.00	.00	246,750.00
00104101	0	09	10.500	801	01		021201	.00	6,530.42-	246,750.00
00104101	0	09	9.000	825	01		033001	RATE CHANGE		246,750.00
00104101	0	09	9.000	823	01		051401	.00	10.00-	246,750.00
00104101	0	09	9.000	801	01		051601	.00	5,911.86-	246,750.00
00104101	0	09	8.000	825	01		062901	RATE CHANGE		246,750.00
00104101	0	09	8.000	801	01		081701	.00	5,320.34-	246,750.00
00104101	0	09	7.000	825	01		100101	RATE CHANGE		246,750.00
00104101	0	09	7.000	801	01		111601	.00	4,698.39-	246,750.00
00104101	0	09LT	CHRG	830	01		112101	.00	10.00	246,750.00

Continue, End

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INQ - TRANS HISTORY

CITIPOWER LLC

CUST-NO 02007980 DEPT-NO 0 LOAN-NO EFF DATE? Y OR N (N)

LOAN-NO	P	CL	RATE	T/C	BR	A	DATE	PRIN-AMT	INT-AMT	LOAN BALANCE
00104101	0	09	7.000	802	01		112301	246,750.00-	.00	.00
00104101	0	09	6.500	810	01		112301	246,750.00	.00	246,750.00
00104101	0	09	5.750	825	01		010102	RATE CHANGE		246,750.00
00104101	0	09	5.750	801	01		021802	.00	3,834.76-	246,750.00
00104101	0	09	5.750	801	01		051502	.00	3,459.58-	246,750.00
00104101	0	09	5.750	801	01		081502	.00	.00	246,750.00
00104101	0	09	ESC/LC	835	01		081502	.00	10.00-	246,750.00
00104101	0	09	5.750	801	01		081502	.00	3,576.18-	246,750.00
00104101	0	09	5.750	802	01		111802	3,576.19-	.00	243,173.81
00104101	0	09	5.750	812	01		111902	3,576.19	.00	246,750.00
00104101	0	09	5.750	801	01		111902	.00	3,576.19-	246,750.00
00104101	0	09	LT CHRG	830	01		112102	.00	10.00	246,750.00
00104101	0	09	PAYOFF	807	01		121202	246,750.00-	684.05-	.00

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