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**APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION**

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

\_\_\_\_\_  
(Name of Utility)

\_\_\_\_\_  
(Business Mailing Address - Number and Street, or P.O. Box)

\_\_\_\_\_  
(Business Mailing Address - City, State, and Zip)

\_\_\_\_\_  
(Telephone Number)

**BASIC INFORMATION**

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Address - Number and Street or P.O. Box)

\_\_\_\_\_  
(Address - City, State, Zip)

\_\_\_\_\_  
(Telephone Number)

\_\_\_\_\_  
(Email Address)

**(For each statement below, the Applicant should check either "YES", "NO", or  
"NOT APPLICABLE" (N/A))**

YES NO N/A

1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.
- b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought.
2. a. Applicant has filed an annual report with the Public Service Commission for the past year.
- b. Applicant has filed an annual report with the Public Service Commission for the two previous years.
3. Applicant's records are kept separate from other commonly-owned enterprises.

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of \_\_\_\_\_, is authorized to operate in, and is in good standing in the state of Kentucky.
  - b. Applicant is a limited liability company that is organized under the laws of the state of \_\_\_\_\_, is authorized to operate in, and is in good standing in the state of Kentucky.
  - c. Applicant is a limited partnership that is organized under the laws of the state of \_\_\_\_\_, is authorized to operate in, and is in good standing in the state of Kentucky.
  - d. Applicant is a sole proprietorship or partnership.
  - e. Applicant is a water district organized pursuant to KRS Chapter 74.
  - f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
  - b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
  - b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
  - c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31,\_\_\_\_\_.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ \_\_\_\_\_ and total revenues from service rates of \$ \_\_\_\_\_. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had \_\_\_\_\_customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application. **(Attach a copy of returns.)**
- 17. Approximately \_\_\_\_\_ 0% (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

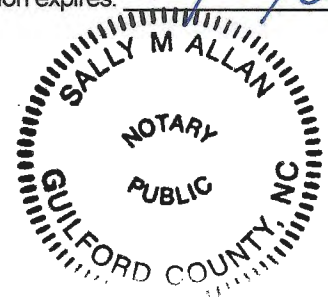
Signed *Daniel R. Forsberg*  
Officer of the Company/Authorized Representative  
 Title President  
 Date October 28, 2020

COMMONWEALTH OF KENTUCKY

COUNTY OF Guilford, NORTH CAROLINA

Before me appeared Daniel R. Forsberg, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

*Sally M. Allan*  
 Notary Public  
 My commission expires: 12/23/2022



LIST OF ATTACHMENTS  
(Indicate all documents submitted by checking box)

Customer Notice of Proposed Rate Adjustment

“Reasons for Application” Attachment”

Current and Proposed Rates” Attachment

“Statement of Adjusted Operations” Attachment

“Revenue Requirements Calculation” Attachment

Attachment Billing Analysis” Attachment

Depreciation Schedules

Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)

State Tax Return

Federal Tax Return

Statement of Disclosure of Related Party Transactions - ARF Form 3

NOTICE OF APPLICATION OF CITIPOWER, LLC TO ADJUST RATES FOR NATURAL GAS SERVICE  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY CASE NO. 2020-00342

Pursuant to the Kentucky Public Service Commission's regulation 807 KAR 5:076, Citipower, LLC gives notice that an application has been filed on or before October 30, 2020, with the Kentucky Public Service Commission seeking approval to adjust its rates for natural gas service. This rate adjustment will apply to all of Citipower, LLC's customers. The proposed increase is to be effective May 1, 2021, or sooner, if approved by the Kentucky Public Service Commission. If Citipower, LLC's application is approved, monthly natural gas bills from Citipower, LLC will increase as follows:

Customer Class	Existing Base Rate (customer charge)	Proposed Base Rates (customer charge)	Proposed Increase Amount	% of Proposed Increase
Commercial	\$19.90	\$25.80	\$5.90	29.65%
Industrial	\$19.90	\$25.80	\$5.90	29.65%
Institutional	\$26.50	\$34.35	\$7.85	29.62%
Residential	\$10.60	\$13.74	\$3.14	29.62%

Customer Class	Existing Gas Cost Rates	Proposed Gas Cost Rates	Proposed Increase Amount	% of Proposed Increase
Commercial	\$10.4620	\$13.5617	\$3.0997	29.63%
Industrial	\$10.4620	\$13.5617	\$3.0997	29.63%
Institutional	\$11.1506	\$14.4544	\$3.3038	29.63%
Residential	\$10.3958	\$13.4759	\$3.0801	29.63%

Customer Class	2019 average usage per customer	Average monthly customer usage	Average monthly cost per customer	Cost increase based on average usage
Commercial	144.15	12.01	\$202.31	\$43.13
Industrial	983.46	81.95	\$1,264.36	\$259.93
Institutional	1,334.25	111.19	\$1,791.41	\$375.19
Residential	30.95	2.58	\$49.60	\$11.09

The cost increase is if the proposed rates are approved by the Kentucky Public Service Commission. The rates contained in this notice are the rates proposed by Citipower, LLC however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

Any person may submit a timely written request to intervene to the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request and including the status and interest of the party. If the Kentucky Public Service Commission does not receive a request to intervene within thirty (30) days of the initial publication or mailing of this notice, the Kentucky Public Service Commission may take final action on the application. Any comments regarding this application may be submitted through the Commission's Web site at <http://psc.ky.gov/> or by mail to P.O. Box 615, Frankfort, Kentucky 40602.

Copies of Citipower, LLC's application may be obtained or viewed from Citipower, LLC at 37 Court Street, Whitley City, Kentucky 42653 Monday through Friday from 8:30 a.m. to 4:30 p.m., however due to the restrictions in place due to COVID-19, please call the office at (606) 376-8373 to arrange a time to pick-up a copy of the application or to have one mailed to you. The application and all documents filed with the Kentucky Public Service Commission may be viewed and downloaded at the Kentucky Public Service Commission's Web site at <http://psc.ky.gov/> or a copy can be obtained from the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602 between the hours of 8:00 a.m. to 4:30 p.m.

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>THE APPLICATION OF CITIPOWER, LLC</b>	<b>)</b>	
<b>FOR A RATE ADJUSTMENT FOR SMALL</b>	<b>)</b>	<b>CASE NO.</b>
<b>UTILITIES PURSUANT TO 807 KAR 5:076</b>	<b>)</b>	<b>2020-00342</b>

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**SUPPLEMENTAL INFORMATION**

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Citipower, LLC (“Citipower”) is a limited liability company which is a wholly owned subsidiary of CitiEnergy, LLC (“CitiEnergy”). Citipower has filed for a rate adjustment for small utilities pursuant to 807 KAR 5:076. A completed ARF Form 1 and all necessary attachments are included with this filing.

Citipower does not file state or federal tax returns. Its parent company, CitiEnergy, files tax returns which include all of CitiEnergy’s subsidiaries’ information as a whole.

Citipower’s depreciation schedule for all utility plant in service is attached to this filing on a CD and is in excel format.

Citipower received a Paycheck Protection Program loan offered during the COVID-19 pandemic. Citipower has not received information to date regarding the forgiveness of this loan, but Citipower expects that the loan will be forgiven. A copy of the note and the amortization schedule has been included with this filing.

CitiPower’s proposed rates in this case were developed by increasing both monthly and volumetric rates, in all customer classes, by the same percentage amount (approximately 29.6%);

when applied towards the test year's customer and usage data and gas cost recovery rates, the increase yielded the targeted Revenue Requirement increase of this request. Because of the way bills are computed, the impact to each customer class differs, but the percentage increase variance amongst all classes are within 1.65%. It is believed that this methodology spreads out the total increase as evenly as possible.

Citipower has also included as Exhibit A to this Supplemental Information, information regarding the division of duties between CitiEnergy, Paddock Oil and Gas and Regina Allen. In addition to the division of duties information, Citipower has also included at Exhibit B to this Supplemental Information, a breakdown of the amount of time spent by CitiEnergy employees on items that are solely on behalf of Citipower. Citipower is providing this information to aid in showing that the monthly fee paid by Citipower to CitiEnergy is a reasonable amount based on the items CitiEnergy employees complete on behalf of Citipower and the amount of time the employees spend on those items. It will also show that there is no overlapping of duties between CitiEnergy employees, Paddock Oil & Gas employees and Regina Allen.

In addition to items contained in the Application, Citipower also requests that it be allowed to recover the rate case expenses related to this filing. Citipower requests that the rate case expense be amortized over a three-year period.



Respectfully submitted,

*L. Allyson Honaker*

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L. Allyson Honaker  
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*Counsel for Citipower, LLC*

#### **CERTIFICATE OF SERVICE**

This is to certify that foregoing electronic filing is a true and accurate copy of the document being filed in paper medium; that the electronic filing was transmitted to the Commission on October 28, 2020; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that a copy of the filing in paper medium will be delivered to the Commission within thirty days of the current state of emergency being lifted. A copy of this complete filing was also sent via electronic mail to [rateintervention@ag.ky.gov](mailto:rateintervention@ag.ky.gov).

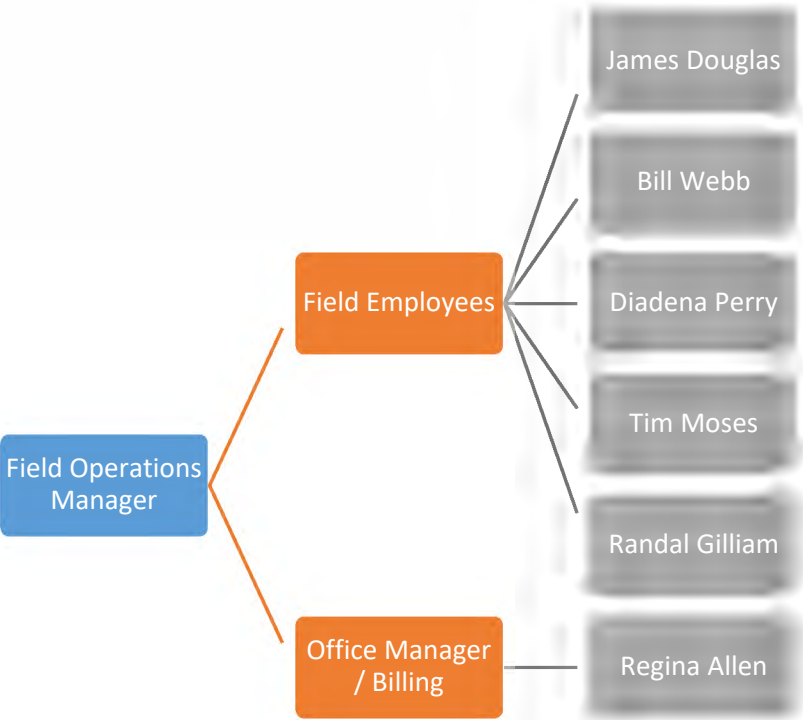
*L. Allyson Honaker*

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*Counsel for Citipower, LLC*

**CitiPower and CitiEnergy Employee Charts**

**CitiPower KY Office**



**CitiEnergy Office**



## Administrative Responsibilities

The administrative responsibilities of CitiPower are generally segregated, whereby the CitiPower office in Kentucky deals with operating matters and the CitiEnergy office deals with accounting and regulatory. Below are descriptions of each position's general responsibilities as it pertains to administrating CitiPower. Each function listed below is necessary to the ongoing operations of the utility and none overlap; further, each position has been performing the listed functions for many years.

### CitiPower Office

**Field Operations Manager (Paddock Oil & Gas):** manages all field operations; point-person for all emergencies; oversees pipeline and general maintenance program; utility's representative for PSC on-site inspections; approves invoices and codes for payment.

**Office Manager / Billing (Regina Allen):** answers phone and interfaces with customers; performs monthly customer billing processes; make deposits into bank account and pay certain bills; make record of all daily receipts for CitiEnergy Office; collects all paid and unpaid invoices to send to CitiEnergy Office; prepares and submits timesheets to payroll service.

### CitiEnergy Office (as it relates to CitiPower activities)

**Managing Member:** discuss with Field Operations Manager, on a periodic basis, material issues regarding current and prospective events of the utility; main business development contact for CitiPower; makes routine presentations to banks on prospective CitiPower activities.

**Accounting:** enter and pay invoices which were not paid by CitiPower Office; bank reconciliations; cash flow management; prepare, file and pay Sales & Use and Utility & School taxes; prepare and submit quarterly and annual filings to the PSC (Purchase Gas Adjustment, Gross and Annual Reports, Tangible Property, Rate Adjustment, etc.) and is the main preparer and respondent to any subsequent data requests.

**Office Manager:** mail checks to vendors; file invoices for office records; assists Accounting in preparing PSC data requests.

**CITIENERGY COST ESTIMATES FOR TASKS PERFORMED FOR CITIPOWER**

Managing Member  
Controller  
Office Manager

\_\_\_\_\_  
\$/Hr  
\_\_\_\_\_

Frequency	Provider	Tasks	Estimated Hours / Frequency	Estimated Annual Cost
Daily	Controller	Bill Entry, Bill Pay, etc. <i>Review invoices and codes from Field Operations Manager; enter into system, transfer cash to appropriate accounts, book entries, write checks</i>	2	██████
Weekly	Office Manager	Mailing and Filing	1	██████
Bi-weekly	Controller	Payroll <i>Review CitiPower Office payroll info for accuracy; book expenses; file in office records</i>	1	██████
Monthly	Controller	Monthly Accounting Procedures, Pay Taxes, etc. <i>Review monthly billing statements received from CitiPower Office; enter data into accounting system; self-report to Dept of Revenue, pay, and enter Sales&amp;Use and School taxes; perform bank reconciliations; review accounts payable and receivable; discuss any relevant (current or upcoming) financial matters with Field Operations Manager</i>	4	██████
Quarterly	Controller	Purchased Gas Adjustment Filing <i>Collect relevant information; fill out filing forms &amp; submit; answer any questions by the Commission; review PGA Order; complete &amp; submit updated tariff sheets; relay new rates to KY Office to input in billing system; file in office records</i>	4	██████
Annually	Controller	Annual Report, Tangible Property Filings <i>Review and prepare annual financial and property data for filings (enter any year-end changes in property and financials, confirm data is complete, sort and group finalized data for entry into forms); enter data into forms and address any errors; submit filings to Commission and answer any questions the Commission has regarding the filings</i>	80	██████
Annually	Controller	ARF Filing <i>Review all historical financial data and generate pro-forma financials for upcoming 12 months along with proposed rate design; present findings to Field Manager and attorney for discussion; complete all financial forms for ARF filing; main respondent to data requests by Commission (includes gathering and generating information)</i>	160	██████
Annually	Controller	Tax Preparation <i>Review CitiPower financial data for completeness and accuracy; package data and send to CitiEnergy's tax preparer; answer questions/provide additional data to preparer as requested</i>	6	██████
Annually	Controller	Other <i>Provide to and discuss with prospective lenders to CitiPower any requested historical or prospective financial data; generate and submit DOT PHMSA report; provided bank information to obtain PPP funds (2020)</i>	40	██████
Annually	Managing Member	Strategic Management & Planning <i>Discuss important issues happening in the field with the Field Operations Manager; provides strategic planning plans and is the primary contact with third parties in utility acquisitions, contracts and financings. Routinely makes presentations to banking institutions on behalf of the utility.</i>	200	██████
Other		Pro-Rata Share of CitiEnergy's rent, utilities, postage, and office supply costs		██████
			<b>Annual Total</b>	██████
			<b>Monthly Average</b>	██████

PAYROLL TAX INFORMATION  
WAS FILED UNDER SEAL  
PURSUANT TO A MOTION FOR  
CONFIDENTIAL TREATMENT

## REASON FOR APPLICATION

### Background

In Case No. 2019-00109, CitiPower submitted a rate increase request necessary to cover existing operations plus the operating expenses and interest expense attributable to the acquisition of the Herbert White pipeline. On the Revenue Requirement form of the Application in Case No. 2019-00109, CitiPower noted \$922,037 in non-gas supply expense. However, the Commission's Order in Case No. 2019-00109 only approved \$813,133 in non-gas supply expense. The current Application seeks approval from the Commission for \$972,415 in non-gas supply expense. The increase of approximately \$160,000 is being requested due to the increase in utility operations.

Some of the pro forma adjustments made on the Schedule of Adjusted Operations made in the Case No. 2019-00109 (specifically transmission, distribution, customer accounts, and depreciation) were made as a result of the potential acquisition of the Herbert White pipeline and approved in Case 2019-00109. In April 2020, CitiPower acquired the Herbert White pipeline and since Citipower has been operating the Herbert White pipeline for several months, it now has a better understanding of how the costs relate to its system. Citipower has reduced the pipeline operating expense (largely through the elimination of several job positions) and has also reclassified some of the expenses. Because the test year used in this Application is FY2019, these changes have not yet been submitted in CitiPower's Annual Report to the Commission and are therefore handled in the Adjustment column, even though they have already been approved in Case No. 2019-00109.

### Current Rate Request Discussion

Below are the material drivers for the rate increases requested in this Application:

- 1) Employee pay rate increases – CitiPower's employees have not received a wage increase since 2014. As a result of the Herbert White pipeline acquisition in April of this year, Citipower employees have had to take on additional responsibilities. As a result, these employees were given pay increases based on this additional work and the time between rate increases. In order to arrive at the increase given to employees, Citipower's Operation Manager conducted a verbal survey of pay rates of local utilities and governmental agencies. Based on the responses he verbally received, the Operations Manager composed a sample and created a rate schedule for these employees to bring their wages to a level that would be consistent with market levels. Citipower believes that these increases were necessary in order to maintain dedicated, knowledgeable and valuable employees, most of whom have been with Citipower for many years.
- 2) Operations Manager increase – CitiPower is seeking recovery for recent cost increases as a result of Paddock Oil & Gas (Operations Manager) spending more time on managing the entirety of operations as a result of the acquisition. The Operations Manager is also spending more times on inspections, leak detections and repairs.

- 3) CitiEnergy Management Fee – CitiPower is also seeking recovery for the fees paid by Citipower to CitiEnergy as reimbursement for its services. In the past, the Commission has denied the recovery of CitiEnergy’s Management Fee through Citipower’s base rates due to a lack of clarity of what CitiEnergy does on behalf of Citipower.

CitiEnergy employees provide multiple, critical, unavoidable services to Citipower which neither the Operations Manager nor Citipower employees are appropriately qualified to perform. CitiEnergy, in preparation of this Application, created a list of duties and associated costs that it performs on behalf of CitiPower. Further, for the benefit of the Commission, CitiPower has prepared diagrams and descriptions of what its employees do compared to the duties performed by CitiEnergy employees and Paddock Oil & Gas employees. Both of these items are included as Exhibit(s) to the Supplemental Information provided with this Application.

If CitiEnergy did not perform these functions for Citipower, the duties would have to be performed by a third party knowledgeable in accounting, regulatory and executory issues for a Kentucky regulated utility. Further, the third party would require payment to perform these services on Citipower’s behalf; therefore, it is a reasonable request that CitiEnergy be reimbursed for providing those same services. Aside from the inequity of being denied reimbursement (to date) for providing valuable and necessary services, CitiEnergy is unable to continue providing those services to Citipower for free; a denial of reimbursement would require Citipower to engage a third party to provide the same services that CitiEnergy has performed for many years which could cost Citipower more in the long run for such services to be provided. Furthermore, currently CitiEnergy is able to provide both management and accounting services under one roof. If Citipower had to engage a third party, these services may have to be separated between different third parties. This could lead to increase cost to the customers.

**CURRENT AND PROPOSED RATES**  
**(List Applicant's Current and Proposed Rates)**

Customer Class	Existing Base Rates	Proposed Base Rates
Commerical	\$19.90	\$25.80
Industrial	\$19.90	\$25.80
Institutional	\$26.50	\$34.35
Residential	\$10.60	\$13.74

Customer Class	Existing Gas Cost Rates	Proposed Gas Cost Rates
Commerical	\$10.4620/mcf	\$13.5617/mcf
Industrial	\$10.4620/mcf	\$13.5617/mcf
Institutional	\$11.1506/mcf	\$14.4544/mcf
Residential	\$10.3958/mcf	\$13.4759/mcf



**SCHEDULE OF ADJUSTED OPERATIONS - GAS UTILITY**

TYE 12/31/20 19

	Test Year	Adjustment	Ref.	Pro Forma
<b>Operating Revenues</b>				
Sales of Gas				
Residential	183,590.00	85,327.00	A	268,917.00
Commercial & Industrial	768,284.00	353,216.00	A	1,121,500.00
Interdepartmental				0.00
Sales for Resale				0.00
<b>Total Sales of Gas</b>	<b>951,874.00</b>	<b>438,543.00</b>		<b>1,390,417.00</b>
Other Operating Revenues				
Forfeited Discounts				0.00
Miscellaneous Service Revenues		27,375.00	B	27,375.00
Rent from Gas Property				0.00
Other Gas Revenues	7,468.00			7,468.00
<b>Total Operating Revenues</b>	<b>959,342.00</b>	<b>465,918.00</b>		<b>1,425,260.00</b>
<b>Operating Expenses</b>				
Operation and Maintenance Expenses				
Manufactured Gas Production Expenses				0.00
Natural Gas Production Expenses				0.00
Exploration and Development Expenses				0.00
Storage Expenses				0.00
Other Gas Supply Expenses	332,100.00			332,100.00
Transmission Expenses	1,451.00	37,021.00	C	38,472.00
Distribution Expenses	60,557.00	23,186.00	C	83,743.00
Customer Accounts Expenses	153,404.00	115,925.00	C,D	269,329.00
Customer Service and Informational Expenses				0.00
Administrative and General Expenses	271,873.00	54,146.00	E	326,019.00
<b>Total Operation and Maintenance Expenses</b>	<b>819,385.00</b>	<b>230,278.00</b>		<b>1,049,663.00</b>
Depreciation Expense	85,110.00	37,500.00	F	122,610.00
Amortization Expense	13,188.00	-13,188.00	G	0.00
Taxes Other Than Income	45,291.00			45,291.00
Income Tax Expense				0.00
<b>Total Operating Expenses</b>	<b>962,974.00</b>	<b>254,590.00</b>		<b>1,217,564.00</b>
<b>Utility Operating Income</b>	<b>-3,632.00</b>	<b>211,328.00</b>		<b>207,696.00</b>

References

A: Result of proposed tariff rate increase

B: Miscellaneous Service Revenues: Gas transportation (assumed 300Mcf/d @ \$0.25/mcf): \$27,375 - accepted in Case 2019-00109

C: Transmission, Distribution & Customer Account Cost Adjustments:

- i. reclassification and reduction of Herbert White operating costs accepted in Case 2019-00109 now that we have taken over its operations and have a better understanding of the expenses;
- ii. based on historical cost data (post-Herbert White acquisition)

D: Pay rate increases for those employed prior to Herbert White acquisition.

E: Increase in management consulting and legal expenses

F: Depreciation expense accepted in Case 2019-00109

G: Amortization removed from Operating Expenses for this analysis per Case 2019-00109

**REVENUE REQUIREMENT CALCULATION - OPERATING RATIO METHOD**

(Method commonly used by investor owned utilities and/or non-profit entities that do not have long-term debt outstanding.)

Pro forma Operating Expenses Before Income Taxes	\$885,464.00
Operating Ratio	0.88
Sub-Total	<u>1,006,209.09</u>
Less: Pro forma Operating Expenses Before Income Taxes	<u>-885,464.00</u>
Net Income Allowable	120,745.09
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	0.00
Interest Expense	86,951.00
Pro forma Operating Expenses Before Taxes	885,464.00
Cost of Natural Gas (water utilities should leave this blank)	332,100.00
Total Revenue Requirement	<u>1,425,260.09</u>
Less: Other Operating Revenue	34,843.00
Non-operating Revenue	0.00
Interest Income	<u>0.00</u>
Total Revenue Required from Rates for Service	1,390,417.09
Less: Revenue from Sales at Present Rates	<u>1,150,790.00</u>
Required Revenue Increase	<u><u>239,627.09</u></u>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	<u><u>20.82%</u></u>
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**Provision for Income Taxes - Calculation of Tax Gross-Up Factor**

Revenue	1
Less: 5% State Tax	-0.05
Sub-Total	0.95
Less: Federal Tax, 15% of Sub-Total	-0.1425
Percent Change in NOI	0.8075
Factor (Revenue of 1 divided by change in NOI)	1.23839
Times: Allowable Net Income	120,745.09
Net Income Before Taxes	149,529.52
Difference Equals Provision for State and Federal Income Taxes	28,784.43

Notes: (1) Natural gas utilities should deduct their cost of natural gas from pro forma operating expenses before performing the operating ratio calculation. The cost of natural gas should be added back and included in pro forma operating expenses when determining the total revenue requirement. (2) A provision for state and federal income taxes should only be included in the calculation of revenue requirements for utilities that file income tax returns and are liable for the payment of state and federal income taxes. Utilities whose income flows through to its owner's income tax returns for tax purposes should not include a provision for income taxes. (3) The conversion factor above is calculated using the minimum federal tax rate. Adjustment may be warranted where the actual federal tax rate exceeds the minimum federal tax rate.

**BILLING ANALYSIS - FLAT RATES**

## Revenue from Present/Proposed Rates

## RESIDENTIAL

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	365	365
Flat Monthly Rate	\$10.60	\$13.74
Monthly Revenue	\$3,869.00	\$5,015.10
Number of Months	12	12
Annual Revenue	\$46,428.00	\$60,181.20

**BILLING ANALYSIS - FLAT RATES**

## Revenue from Present/Proposed Rates

## COMMERCIAL

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	47	47
Flat Monthly Rate	\$19.90	\$25.80
Monthly Revenue	\$935.30	\$1,212.60
Number of Months	12	12
Annual Revenue	\$11,223.60	\$14,551.20

**BILLING ANALYSIS - FLAT RATES**

Revenue from Present/Proposed Rates

INDUSTRIAL

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	7	7
Flat Monthly Rate	\$19.90	\$25.80
Monthly Revenue	\$139.30	\$180.60
Number of Months	12	12
Annual Revenue	\$1,671.60	\$2,167.20

**BILLING ANALYSIS - FLAT RATES**

## Revenue from Present/Proposed Rates

**INSTITUTIONAL**

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	32	32
Flat Monthly Rate	\$26.50	\$34.35
Monthly Revenue	\$848.00	\$1,099.20
Number of Months	12	12
Annual Revenue	\$10,176.00	\$13,190.40

Revenue from Present Proposed Rates  
 Test Period from 01-01-19 to 12-31-19

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	4,379	0						0
All Mcf	0	11,294.90						11,294.90
<b>Totals</b>	4,379	11,294.90						11,294.90

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	4,379	0	\$10.60 per bill	\$46,417.40
All Mcf	0	11,294.90	\$10.3958 per mcfg	\$117,419.52
<b>Totals</b>	4,379	11,294.90		\$163,836.92

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.



Revenue from Present/Proposed Rates  
 Test Period from 01-01-19 to 12-31-19

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Commercial

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	563	0						0
All Mcf	0	6,763.10						6,763.10
<b>Totals</b>	563	6,763.10						6,763.10

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	563	0	\$19.90 per bill	\$11,203.70
All Mcf	0	6,763.10	\$10.4620 per mcfg	\$70,755.55
<b>Totals</b>	563	6,763.10		\$81,959.25

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.  
 Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present / Proposed Rates  
 Test Period from 01-01-19 to 12-31-19

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Industrial

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	86	0						0
All Mcf	0	7,048.10						7,048.10
<b>Totals</b>	86	7,048.10						7,048.10

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	86	0	\$19.90 per bill	\$1,711.40
All Mcf	0	7,048.10	\$10.4620 per mcfg	\$73,737.22
<b>Totals</b>	86	7,048.10		\$75,448.62

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.  
 Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates  
 Test Period from 01-01-19 to 12-31-19

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Institutional

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	385	0						0
All Mcf	0	42,807.20						42,807.20
<b>Totals</b>	385	42,807.20						42,807.20

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	385	0	\$26.50 per bill	\$10,202.50
All Mcf	0	42,807.20	\$11.1506 per mcfg	\$477,325.96
<b>Totals</b>	385	42,807.20		\$487,528.46

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates  
 Test Period from 01-01-19 to 12-31-19

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	4,379	0						0
All Mcf	0	11,294.90						11,294.90
<b>Totals</b>	<b>4,379</b>	<b>11,294.90</b>						<b>11,294.90</b>

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	4,379	0	\$13.74 per bill	\$60,167.46
All Mcf	0	11,294.90	\$13.4759 per mcfg	\$152,208.94
<b>Totals</b>	<b>4,379</b>	<b>11,294.90</b>		<b>\$212,376.40</b>

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates  
 Test Period from 01-01-19 to 12-31-19

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Commercial

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	563	0						0
All Mcf	0	6,763.10						6,763.10
<b>Totals</b>	563	6,763.10						6,763.10

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	563	0	\$25.80 per bill	\$14,525.40
All Mcf	0	6,763.10	\$13.5617 per mcfg	\$91,719.13
<b>Totals</b>	563	6,763.10		\$106,244.53

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.  
 Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates  
 Test Period from 01-01-19 to 12-31-19

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Industrial

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	86	0						0
All Mcf	0	7,048.10						7,048.10
<b>Totals</b>	<b>86</b>	<b>7,048.10</b>						<b>7,048.10</b>

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	86	0	\$25.80 per bill	\$2,218.80
All Mcf	0	7,048.10	\$13.5617 per mcfg	\$95,584.22
<b>Totals</b>	<b>86</b>	<b>7,048.10</b>		<b>\$97,803.02</b>

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present Proposed Rates  
 Test Period from 01-01-19 to 12-31-19

**USAGE TABLE**  
Usage by Rate Increment

**Class:** Institutional

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
Customer Charge	385	0						0
All Mcf	0	42,807.20						42,807.20
<b>Totals</b>	385	42,807.20						42,807.20

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
Customer Charge	385	0	\$34.35 per bill	\$13,224.75
All Mcf	0	42,807.20	\$14.4544 per mcfg	\$618,752.39
<b>Totals</b>	385	42,807.20		\$631,977.14

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge.  
 Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.









**Promissory Note**  
**(Commercial - Term Note)**

\$1,500,000.00

Corbin, Kentucky  
April 1, 2020

FOR VALUE RECEIVED, **CITIPOWER L.L.C.**, a Kentucky limited liability company, with principal offices at 2309 W Cone Blvd., Suite 200, Greensboro, NC 27408 (hereinafter "Borrower") promises to pay **Herbert White Gas Company, Inc.**, located at 1204 W University Dr, Ste 400, Denton, TX 76201, (hereinafter "Lender" or "Holder"), or order, the principal sum of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS AND 00/100 (\$1,500,000.00), and to pay interest (computed on the basis of a 365-day year) from the date of this Note on the unpaid principal amount of this Note, in like money, as follows:

The sum of \$1,500,000.00 shall be paid in 60 monthly installments as follows:

60 monthly installments with a beginning payment of \$13,066.61 based upon a 180 month amortization. The first principal and interest installment being due and payable on May 1, 2020 and due and payable each month thereafter for a period of 59 months, with the final installment (along with all principal amounts outstanding) being due and payable on April 1, 2025, ("Maturity Date"). The principal balance of this Promissory Note, as the same shall exist from time to time, shall earn interest at a rate per annum equal to all accruing interest thereon at the fixed rate of six percent (6.5%) per annum.

This Promissory Note is secured by the following:

100% interest in Herbert White Gas Pipeline inclusive of all easements, surface use, and right-of-ways agreements associated with the pipeline, all metering stations associated with the pipeline, all compression equipment, meters, tools, rolling stock, and material contracts. Borrower hereby grants to Lender a mortgage security interest in and to such property to secure the loan.

Borrower has the right to prepay all or any part of the Loan, together with accrued and unpaid interest thereon, at any time without prepayment penalty or premium of any kind.

Subject to written notice of default: In the event Borrower fails to make a payment due under this Agreement within fifteen (15) days after the due date, Borrower agrees to pay to Lender a late payment fee of 2.0% of the amount then due. In the event Borrower is more than thirty (30) days late with a payment, Lender in its sole discretion may demand

that the Principal Balance and any accrued and unpaid interest be immediately due and payable in full.

Lender may enforce its rights or remedies in equity or at law, or both, whether for specific performance of any provision in this Agreement or to enforce the payment of the Loan or any other legal or equitable right or remedy. The rights and remedies of Lender now or hereafter existing at law or in equity or by statute or otherwise shall be cumulative and shall be in addition to every other such right or remedy.

Borrower shall pay to Lender all costs of collection, including reasonable attorney's fees, Lender incurs in enforcing this Agreement.

Borrower and all sureties, guarantors and endorsers hereof, waive presentment, protest and demand, notice of protest, demand and dishonor and nonpayment of this Agreement. Lender shall not be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly and in writing. Waiver by Lender of a breach or violation of any provision of this Agreement shall not constitute a waiver of any other subsequent breach or violation.

This Agreement will inure to the benefit of and be binding on the respective successors and permitted assigns of Lender and Borrower.

This Agreement may be amended or modified only by a written agreement signed by Borrower and Lender.

Any notice or communication under this Loan must be in writing to the addresses listed above and sent via one of the following options:

- Overnight Courier Service
- Certified or Registered Mail (Postage Prepaid, Return Receipt Requested)
- Electronic Email Transmission
- Facsimile

In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Agreement.


Borrower shall have the right to assign the obligations hereunder, without written consent of Lender, conditioned upon the Kentucky Public Service Commission approval of any sale of Borrower (or a substantial portion of its assets) to a third party. Lender may assign all or any portion of this Note with written notice to Borrower. Any assignee must agree to, and be bound by, the terms and conditions set forth herein.

This Agreement shall be governed by and construed in accordance with the laws of the State of Kentucky, not including its conflicts of law provisions.

Any dispute arising from this Agreement shall be resolved through binding arbitration conducted in accordance with the rules of the American Arbitration Association.

IN WITNESS WHEREOF, the parties have executed this Note as of the date first stated above.

**BORROWER:**  
**CITIPOWER L.L.C.**

BY:   
Daniel R. Forsberg, Authorized Officer

**LENDER:**  
**Herbert White Gas Company, Inc.**

BY:   
Wayne L. Farris, Authorized Officer

**EXHIBIT 1**

**NOTE PAYMENT SCHEDULE**

Amortization 15 years at 6.5% per annum

Balloon payment due 60<sup>th</sup> month

\$1,500,000.00

## Loan Amortiation Schedule

Loan amount	\$1,500,000.00
Annual interest rate	6.50%
Loan period in years	15
Start Month	May-20

No.	Month	Beginning Balance	Payment	Principal	Interest	Ending Balance
1	May-20	\$1,500,000.00	\$13,066.61	\$4,941.61	\$8,125.00	\$1,495,058.39
2	Jun-20	\$1,495,058.39	\$13,066.61	\$4,968.38	\$8,098.23	\$1,490,090.01
3	Jul-20	\$1,490,090.01	\$13,066.61	\$4,995.29	\$8,071.32	\$1,485,094.72
4	Aug-20	\$1,485,094.72	\$13,066.61	\$5,022.35	\$8,044.26	\$1,480,072.38
5	Sep-20	\$1,480,072.38	\$13,066.61	\$5,049.55	\$8,017.06	\$1,475,022.82
6	Oct-20	\$1,475,022.82	\$13,066.61	\$5,076.90	\$7,989.71	\$1,469,945.92
7	Nov-20	\$1,469,945.92	\$13,066.61	\$5,104.40	\$7,962.21	\$1,464,841.52
8	Dec-20	\$1,464,841.52	\$13,066.61	\$5,132.05	\$7,934.56	\$1,459,709.46
9	Jan-21	\$1,459,709.46	\$13,066.61	\$5,159.85	\$7,906.76	\$1,454,549.61
10	Feb-21	\$1,454,549.61	\$13,066.61	\$5,187.80	\$7,878.81	\$1,449,361.81
11	Mar-21	\$1,449,361.81	\$13,066.61	\$5,215.90	\$7,850.71	\$1,444,145.91
12	Apr-21	\$1,444,145.91	\$13,066.61	\$5,244.15	\$7,822.46	\$1,438,901.76
13	May-21	\$1,438,901.76	\$13,066.61	\$5,272.56	\$7,794.05	\$1,433,629.20
14	Jun-21	\$1,433,629.20	\$13,066.61	\$5,301.12	\$7,765.49	\$1,428,328.08
15	Jul-21	\$1,428,328.08	\$13,066.61	\$5,329.83	\$7,736.78	\$1,422,998.25
16	Aug-21	\$1,422,998.25	\$13,066.61	\$5,358.70	\$7,707.91	\$1,417,639.54
17	Sep-21	\$1,417,639.54	\$13,066.61	\$5,387.73	\$7,678.88	\$1,412,251.81
18	Oct-21	\$1,412,251.81	\$13,066.61	\$5,416.91	\$7,649.70	\$1,406,834.90
19	Nov-21	\$1,406,834.90	\$13,066.61	\$5,446.25	\$7,620.36	\$1,401,388.65
20	Dec-21	\$1,401,388.65	\$13,066.61	\$5,475.76	\$7,590.86	\$1,395,912.89
21	Jan-22	\$1,395,912.89	\$13,066.61	\$5,505.42	\$7,561.19	\$1,390,407.48
22	Feb-22	\$1,390,407.48	\$13,066.61	\$5,535.24	\$7,531.37	\$1,384,872.24
23	Mar-22	\$1,384,872.24	\$13,066.61	\$5,565.22	\$7,501.39	\$1,379,307.02
24	Apr-22	\$1,379,307.02	\$13,066.61	\$5,595.36	\$7,471.25	\$1,373,711.66
25	May-22	\$1,373,711.66	\$13,066.61	\$5,625.67	\$7,440.94	\$1,368,085.98
26	Jun-22	\$1,368,085.98	\$13,066.61	\$5,656.14	\$7,410.47	\$1,362,429.84
27	Jul-22	\$1,362,429.84	\$13,066.61	\$5,686.78	\$7,379.83	\$1,356,743.06
28	Aug-22	\$1,356,743.06	\$13,066.61	\$5,717.59	\$7,349.02	\$1,351,025.47
29	Sep-22	\$1,351,025.47	\$13,066.61	\$5,748.56	\$7,318.05	\$1,345,276.91
30	Oct-22	\$1,345,276.91	\$13,066.61	\$5,779.69	\$7,286.92	\$1,339,497.22

## Loan Amortiation Schedule

Loan amount	\$1,500,000.00
Annual interest rate	6.50%
Loan period in years	15
Start Month	May-20

No.	Month	Beginning Balance	Payment	Principal	Interest	Ending Balance
31	Nov-22	\$1,339,497.22	\$13,066.61	\$5,811.00	\$7,255.61	\$1,333,686.22
32	Dec-22	\$1,333,686.22	\$13,066.61	\$5,842.48	\$7,224.13	\$1,327,843.74
33	Jan-23	\$1,327,843.74	\$13,066.61	\$5,874.12	\$7,192.49	\$1,321,969.62
34	Feb-23	\$1,321,969.62	\$13,066.61	\$5,905.94	\$7,160.67	\$1,316,063.68
35	Mar-23	\$1,316,063.68	\$13,066.61	\$5,937.93	\$7,128.68	\$1,310,125.75
36	Apr-23	\$1,310,125.75	\$13,066.61	\$5,970.10	\$7,096.51	\$1,304,155.65
37	May-23	\$1,304,155.65	\$13,066.61	\$6,002.43	\$7,064.18	\$1,298,153.22
38	Jun-23	\$1,298,153.22	\$13,066.61	\$6,034.95	\$7,031.66	\$1,292,118.27
39	Jul-23	\$1,292,118.27	\$13,066.61	\$6,067.64	\$6,998.97	\$1,286,050.63
40	Aug-23	\$1,286,050.63	\$13,066.61	\$6,100.50	\$6,966.11	\$1,279,950.13
41	Sep-23	\$1,279,950.13	\$13,066.61	\$6,133.55	\$6,933.06	\$1,273,816.58
42	Oct-23	\$1,273,816.58	\$13,066.61	\$6,166.77	\$6,899.84	\$1,267,649.81
43	Nov-23	\$1,267,649.81	\$13,066.61	\$6,200.17	\$6,866.44	\$1,261,449.64
44	Dec-23	\$1,261,449.64	\$13,066.61	\$6,233.76	\$6,832.85	\$1,255,215.88
45	Jan-24	\$1,255,215.88	\$13,066.61	\$6,267.52	\$6,799.09	\$1,248,948.35
46	Feb-24	\$1,248,948.35	\$13,066.61	\$6,301.47	\$6,765.14	\$1,242,646.88
47	Mar-24	\$1,242,646.88	\$13,066.61	\$6,335.61	\$6,731.00	\$1,236,311.27
48	Apr-24	\$1,236,311.27	\$13,066.61	\$6,369.92	\$6,696.69	\$1,229,941.35
49	May-24	\$1,229,941.35	\$13,066.61	\$6,404.43	\$6,662.18	\$1,223,536.92
50	Jun-24	\$1,223,536.92	\$13,066.61	\$6,439.12	\$6,627.49	\$1,217,097.80
51	Jul-24	\$1,217,097.80	\$13,066.61	\$6,474.00	\$6,592.61	\$1,210,623.81
52	Aug-24	\$1,210,623.81	\$13,066.61	\$6,509.06	\$6,557.55	\$1,204,114.74
53	Sep-24	\$1,204,114.74	\$13,066.61	\$6,544.32	\$6,522.29	\$1,197,570.42
54	Oct-24	\$1,197,570.42	\$13,066.61	\$6,579.77	\$6,486.84	\$1,190,990.65
55	Nov-24	\$1,190,990.65	\$13,066.61	\$6,615.41	\$6,451.20	\$1,184,375.24
56	Dec-24	\$1,184,375.24	\$13,066.61	\$6,651.24	\$6,415.37	\$1,177,723.99
57	Jan-25	\$1,177,723.99	\$13,066.61	\$6,687.27	\$6,379.34	\$1,171,036.72
58	Feb-25	\$1,171,036.72	\$13,066.61	\$6,723.49	\$6,343.12	\$1,164,313.23
59	Mar-25	\$1,164,313.23	\$13,066.61	\$6,759.91	\$6,306.70	\$1,157,553.31
60	Apr-25	\$1,157,553.31	\$13,066.61	\$6,796.53	\$6,270.08	\$1,150,756.78

*A balloon payment of \$1,150,756.78 is due with the 60<sup>th</sup> installment payment.*



**EXHIBIT 2**

**REAL ESTATE MORTGAGE**

**REAL ESTATE MORTGAGE**

THIS INDENTURE, made and entered into by and between **CITIPOWER L.L.C.**, a Kentucky limited liability company, with principal offices at 2309 W Cone Blvd., Suite 200, Greensboro, NC 27408, hereinafter called the "Mortgagor", and **Herbert White Gas Company, Inc.**, located at 1204 W University Dr, Ste 400, Denton, TX 76201, hereinafter called the "Mortgagee".

WITNESSETH: That for and in consideration of the indebtedness of Mortgagor to Mortgagee, which is as follows: A promissory note dated April 1, 2020, in the face amount of ONE MILLION FIVE HUNDRED THOUSAND DOLLARS AND 00/100 (\$1,500,000.00), that shall be paid as set forth therein with the balance of the indebtedness, if not sooner paid, due and payable on April 1, 2025, ("Maturity Date"), with interest due monthly prior to the end of the term, with the fixed interest rate at 6.5% per annum, and any extensions, renewals, restatements and modifications thereof; together with all fees and expenses relating to such Note; and also means all the Mortgagor's debts, liabilities, obligations, including any and all obligations under covenants, and duties to the Mortgagee, whether now or hereafter existing or incurred, whether liquidated or unliquidated, whether absolute or contingent, arising out of existing or future credit granted by the Mortgagee to Borrower under the Loan Documents or to any debtor-in-possession/successor-in-interest of any Mortgagor, and principal, interest, fees, expenses and charges relating to any of the foregoing, including, without limitation, costs and expenses of collection and enforcement of this Mortgage, attorney's fees of both inside and outside counsel and environmental assessment or remediation costs. The interest rate is as described in the documents creating

the indebtedness secured hereby. All terms not used but otherwise defined herein shall have the same meaning given to them in the Loan Agreement between Borrower, Bank, and the guarantors hereof, dated simultaneously herewith (the "Loan Agreement").

Now, therefore, to secure the payment of said note and all renewals and extensions thereof and any future advances made by Mortgagor to Mortgagee, pursuant to Paragraph (16) hereof and for the purpose of securing the fulfillment of all the covenants and conditions hereinafter contained, the Mortgagor has granted, bargained and sold, and by these presents does bargain, grant and sell to the said Mortgagee the fee simple estate to the following described property, together with the buildings and improvements erected thereon, or to be erected thereon and the rights, privileges and appurtenances thereto belonging or in any way appertaining, and all fixtures, movable and immovable, on or about the premises, including screen windows and doors, shades, awnings, blinds, and all heating, plumbing, and lighting fixtures and appliances now or hereafter on or affixed to the realty, (all of which is hereinafter referred to collectively as "the property"), together with the rents, issues and property therefrom.

See Exhibit A attached hereto.

TO HAVE AND TO HOLD the same unto the Mortgagee, its successors and assigns forever, with covenant of general warranty. The Mortgagor warrants the title to the property and covenants that they have good right to mortgage and convey the same; that the same is free from all encumbrances, liens, claims or charges prior to or on an equality with this mortgage; that the mortgagor has good title to the same and that this mortgage is and shall be the first and best lien against the property.

And the Mortgagor, in order to more fully protect the security of this mortgage, covenants and agrees as follows:

1. That Mortgagor will pay the note and interest thereon as hereby secured according to the terms thereof.

2. That the Mortgagee shall be subrogated for further security to the lien, though released, of any prior encumbrance, lien, or charge of any kind, against the property paid out of the proceeds of the loan for which the above note is executed.

3. To pay promptly all taxes or assessments, general and special, now or hereafter levied against the property.

4. To keep the improvements now existing or hereafter erected on the property in good condition and repair and to, at its own expense, procure, deliver to and maintain policies of insurance upon the property that are consistent with the Kentucky Public Service Commission's standards.

5. If part or all of a payment on any note secured by this mortgage is not paid within fifteen (15) days after its due date, the Mortgagor agrees to pay to the Mortgagee, as compensation for additional costs and labor incurred, a late charge in an amount equal to 2% of the payment that is past due; provided that there shall be only one late charge assessed as to any one scheduled payment.

6. To pay all the costs, charges and expenses, reasonably incurred or paid at any time by the Mortgagee, its legal representatives or assigns, because of the failure on the part of the Mortgagor, his heirs, executors, administrators, assigns, or successors in interest, to perform or comply with the terms of this mortgage or any legal or governmental charge or requirement regarding the property or the owner thereof, and every such payment shall bear interest from date at the rate as provided for in the note (or notes) evidencing the indebtedness secured herein, and any and all sums so paid by the Mortgagee, together with interest thereon, shall become a part of the debt hereby secured.

7. Should the Mortgagor fail to pay any installment on the said note or interest thereon within thirty days of when the same becomes due, the Mortgagee may declare the whole indebtedness secured hereby to be at once due and payable, and may forthwith proceed to collect the same to enforce this mortgage by suit or otherwise, and in any such cases the Mortgagee may enter on the property, collect the payable, and may forthwith proceed to collect the same and to enforce this mortgage by suit or otherwise, and in any of such cases the Mortgagee may enter on the property, collect the rents, issues and profits therefrom, and after paying all expenses of such collections, and a reasonable compensation for itself, shall apply the money collected to the satisfaction of the debts and demands hereby secured. In any of such events of default herein mentioned, the Mortgagee may at its option apply to any court of competent jurisdiction and be entitled to the appointment of a Receiver of the property to manage the same and to collect the rents, issues and profits therefrom and after deducting the costs and expenses of such receivership and a reasonable compensation for its services, shall apply the remainder of such rents, issues and profits so received to the payment of mortgage indebtedness. It is further agreed that the grounds for the appointment of a Receiver herein set out shall be in addition to and not in limitation of the statutory remedy of receivership and may be invoked either in aid of or without proceeding for the foreclosure and sale of the property.

8. It is expressly agreed that failure of the Mortgagee to exercise any of its options to precipitate the debt secured because of violation of this mortgage shall not constitute a waiver of the right to exercise such option. In the event of a waiver of any one of the obligations assumed by the Mortgagor hereunder it shall not at any time thereafter be held to be a waiver of any of the terms or conditions hereof, except such as are expressly waived.

9. Should the Mortgagor pay the indebtedness and perform all the covenants and stipulations hereof, the Mortgagee shall cancel the note hereby secured, and shall release this mortgage on the request and at the cost of the Mortgagor, and this indenture shall be void, else remain in full force and effect.

The covenants here contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto, and wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall include all genders.

IN TESTIMONY WHEREOF, witness the signature of the Mortgagor this 16<sup>th</sup>  
day of April 2020.

**BORROWER:**  
**CITIPOWER L.L.C.**

BY: *Daniel R. Forsberg*  
Daniel R. Forsberg, Authorized Officer

STATE OF NORTH CAROLINA  
COUNTY OF GUILFORD

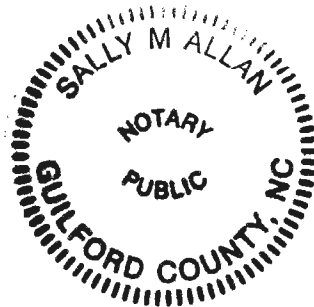
The foregoing Mortgage was acknowledged and sworn to before me, this the  
16 day of APRIL 2020, by Daniel R. Forsberg, Authorized Officer of  
CITIPOWER, L.L.C., mortgagor.

Given under my hand this the 16 day of APRIL 2020.

*Sally M. Allan*  
NOTARY PUBLIC  
My Commission Expires: 12-23-2022

THIS INSTRUMENT PREPARED BY:

*Adam Forsberg*  
Adam Forsberg, Authorized Officer  
CitiPower, LLC  
2309 W Cone Blvd, Ste 200  
Greensboro, NC 27408  
Telephone: (336) 379-0800  
Facsimile: (336) 379-0881



# Paycheck Protection Program Term Note



\$26,500.00

May 04, 2020

**FOR VALUE RECEIVED, CITIPOWER LLC** (the “**Borrower**”), with an address at 2309 WEST CONE BOULEVARD SUITE 200, GREENSBORO, NORTH CAROLINA 27408-4047, promises to pay to the order of **PNC BANK, NATIONAL ASSOCIATION** (the “**Bank**”), in lawful money of the United States of America in immediately available funds at its offices located at 222 Delaware Avenue, Wilmington, Delaware 19801, Attn: Business Banking, or at such other location as the Bank may designate from time to time, the principal sum of **\$26,500.00** (the “**Facility**”), together with interest accruing on the outstanding principal balance from the date hereof, all as provided below. This Note is being issued pursuant to the Coronavirus Aid, Relief, and Economic Security Act’s (the “**CARES Act**”) (P.L. 116-136) Paycheck Protection Program (the “**Program**”).

1. **Rate of Interest.** Amounts outstanding under this Note will bear interest at a rate per annum (“**Fixed Rate**”) which is at all times equal to 1.00%. Interest will be calculated based on the actual number of days that principal is outstanding over a year of 360 days. In no event will the rate of interest hereunder exceed the maximum rate allowed by law.

2. **Structure; Payment Terms.** During the period (the “**Deferral Period**”) beginning on the date of this Note and ending on the 6 month anniversary of the date of this Note (the “**Deferral Expiration Date**”), interest on the outstanding principal balance will accrue at the Fixed Rate, but neither principal nor interest shall be due and payable during the Deferral Period. On the Deferral Expiration Date, the outstanding principal of the Facility that is not forgiven under the Program (the “**Conversion Balance**”) shall convert to an amortizing term loan payable as set forth below.

On the 15<sup>th</sup> day of the 7<sup>th</sup> month following the date of this Note (the “**First Payment Date**”), all accrued interest that is not forgiven under the Program shall be due and payable. Additionally, on the First Payment Date, and continuing on the 15<sup>th</sup> day of each month thereafter until the 2<sup>nd</sup> anniversary of the date of this Note (the “**Maturity Date**”), equal installments of principal shall be due and payable, each in an amount determined by dividing the Conversion Balance by 18 (the “**Monthly Principal Amount**”). Interest shall be payable at the same times as the Monthly Principal Amount. Any outstanding principal and accrued interest shall be due and payable in full on the Maturity Date.

If any payment under this Note shall become due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing interest in connection with such payment. “**Business Day**” shall mean any day other than a Saturday or Sunday or a legal holiday on which commercial banks are authorized or required by law to be closed for business in the State of Delaware. The Borrower hereby authorizes the Bank to charge the Borrower’s deposit account at the Bank for any payment when due. Payments received will be applied to charges, fees and expenses (including attorneys’ fees), accrued interest and principal in any order the Bank may choose, in its sole discretion.

3. **Forgiveness of the Facility.** All or a portion of this Facility may be forgiven in accordance with the Program requirements. The amount of forgiveness shall be calculated (and may be reduced) in accordance with the requirements of the Program, including the provisions of Section 1106 of the CARES Act. Not more than 25% of the amount forgiven can be attributable to non-payroll costs.

4. **Late Payments; Default Rate.** If the Borrower fails to make any payment of principal, interest or other amount coming due pursuant to the provisions of this Note within fifteen (15) calendar days of the date due and payable, the Borrower also shall pay to the Bank a late charge equal to the lesser of five percent (5%) of the amount of such payment or \$100.00 (the “**Late Charge**”). Such fifteen (15) day period shall not be construed in

any way to extend the due date of any such payment. Upon maturity, whether by acceleration, demand or otherwise, and at the Bank's option upon the occurrence of any Event of Default (as hereinafter defined) and during the continuance thereof, each advance outstanding under this Note shall bear interest at a rate per annum (based on the actual number of days that principal is outstanding over a year of 360 days) which shall be five percentage points (5.00%) in excess of the interest rate in effect from time to time under this Note but not more than the maximum rate allowed by law (the "**Default Rate**"). The Default Rate shall continue to apply whether or not judgment shall be entered on this Note. Both the Late Charge and the Default Rate are imposed as liquidated damages for the purpose of defraying the Bank's expenses incident to the handling of delinquent payments, but are in addition to, and not in lieu of, the Bank's exercise of any rights and remedies hereunder, under the other Loan Documents (as defined below) or under applicable law, and any fees and expenses of any agents or attorneys which the Bank may employ. In addition, the Default Rate reflects the increased credit risk to the Bank of carrying a loan that is in default. The Borrower agrees that the Late Charge and Default Rate are reasonable forecasts of just compensation for anticipated and actual harm incurred by the Bank, and that the actual harm incurred by the Bank cannot be estimated with certainty and without difficulty. As used in this Note, "**Loan Documents**" means, individually and collectively, this Note, together with all other agreements and documents executed and/or delivered in connection with this Note or referred to in this Note, as amended, modified or renewed from time to time.

5. **Prepayment.** The Borrower shall have the right to prepay any amounts outstanding under this Note at any time and from time to time, in whole or in part, without penalty.

6. **Increased Costs; Yield Protection.** On written demand, together with written evidence of the justification therefor, the Borrower agrees to pay the Bank all direct costs incurred, any losses suffered or payments made by the Bank as a result of any Change in Law (hereinafter defined), imposing any reserve, deposit, allocation of capital or similar requirement (including without limitation, Regulation D of the Board of Governors of the Federal Reserve System) on the Bank, its holding company or any of their respective assets relative to the Facility. "**Change in Law**" means the occurrence, after the date of this Note, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty, (b) any change in any law, rule, regulation or treaty or in the administration, interpretation, implementation or application thereof by any governmental authority or (c) the making or issuance of any request, rule, guideline or directive (whether or not having the force of law) by any governmental authority; provided that notwithstanding anything herein to the contrary, (x) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines or directives thereunder or issued in connection therewith and (y) all requests, rules, guidelines or directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed to be a "Change in Law", regardless of the date enacted, adopted or issued.

7. **Representations, Warranties and Covenants.**

(a) The Borrower hereby represents and warrants that, if not a natural person, the Borrower is duly organized, validly existing and in good standing under the laws of the state of its incorporation or organization and has the power and authority to own and operate its assets and to conduct its business as now or proposed to be carried on, and is duly qualified, licensed and in good standing to do business in all jurisdictions where its ownership of property or the nature of its business requires such qualification or licensing.

(b) The Borrower certifies, acknowledges and agrees that the certifications contained in the Paycheck Protection Program Certification and the Program application delivered to the Bank are true and correct, which certifications are hereby incorporated herein by this reference as if set forth herein.

(c) The Borrower covenants and agrees that the Borrower will do all things necessary to (i) if not a natural person, (A) maintain, renew and keep in full force and effect its organizational existence and all rights, permits and franchises necessary to enable it to continue its business as currently conducted; and (B) continue in operation in substantially the same manner as at present, to the extent permitted by applicable law (including



without limitation any statute, ordinance, rule or regulation relating to employment practices, pension benefits or environmental, occupational and health standards and controls); and (ii) comply with all laws applicable to the Borrower and to the operation of its business (including without limitation any statute, ordinance, rule or regulation relating to employment practices, pension benefits or environmental, occupational and health standards and controls).

(d) The Borrower represents and warrants that (i) the Borrower has full power, authority and capacity to enter into the transactions provided for in this Note and the other Loan Documents; (ii) if not a natural person, all necessary action to authorize the execution and delivery of this Note and the other Loan Documents has been properly taken; (iii) this Note and the other Loan Documents, when executed and delivered by the Borrower, will constitute the legal, valid and binding obligations of the Borrower enforceable in accordance with their terms; (iv) if not a natural person, the Borrower is and will continue to be duly authorized to perform all of the terms and provisions of this Note and the other Loan Documents; (v) there does not exist, either before or after giving effect to the terms of this Note, any default or violation by the Borrower of or under any of the terms, conditions or obligations of any of its governing documents; and (vi) the Borrower does not require the consent of any party with respect to this Note, the other Loan Documents or the Facility except for such consents that have been obtained.

(e) The Borrower covenants and agrees to take all such additional actions and promptly provide to the Bank all additional documents, statements and information as the Bank may require from time to time, in its discretion, in connection with the SBA's requirements or requests under or in respect of the Program or the general standard operating procedures of the SBA.

(f) The Borrower authorizes and directs the Bank to disburse the proceeds of the Facility and to direct payments due under the Facility in accordance with the Disbursement and Payment Authorization Instructions attached to this Note as Exhibit A.

**8. Other Loan Documents.** Notwithstanding any provision to the contrary in any Loan Document or any other collateral security documents that may have been or may in the future be executed and delivered to the Bank, or an agent acting on behalf of the Bank, to secure any obligations of the Borrower to the Bank, this Note is not intended to be secured by real property, and the applicability of any lien on such real property to secure this Note is expressly disclaimed by the Bank.

**9. Events of Default.** The occurrence of any of the following events will be deemed to be an "Event of Default" under this Note: (i) the nonpayment of any principal, interest or other indebtedness under this Note when due; (ii) the occurrence of any event of default or any default and the lapse of any notice or cure period, or the Borrower's failure to observe or perform any covenant or other agreement, under or contained in any Loan Document; (iii) the filing by or against the Borrower of any proceeding in bankruptcy, receivership, insolvency, reorganization, liquidation, conservatorship or similar proceeding (and, in the case of any such proceeding instituted against the Borrower, such proceeding is not dismissed or stayed within 30 days of the commencement thereof, provided that the Bank shall not be obligated to advance additional funds hereunder during such period); (iv) any assignment by the Borrower for the benefit of creditors, or any levy, garnishment, attachment or similar proceeding is instituted against any property of the Borrower held by or deposited with the Bank; (v) the commencement of any foreclosure or forfeiture proceeding, execution or attachment against any collateral securing the obligations of the Borrower to the Bank; (vi) the entry of a final judgment against the Borrower and the failure of the Borrower to discharge the judgment within ten (10) days of the entry thereof; (vii) any change in the Borrower's equity ownership (if not a public company), or any merger, consolidation, division or other reorganization of, with or by the Borrower, or the sale or other transfer of all or any substantial part of the Borrower's property or assets, except as otherwise permitted by the Bank; (viii) any change in the Borrower's business, assets, operations, financial condition or results of operations that has or could reasonably be expected to have any material adverse effect on the Borrower; (ix) the Borrower ceases doing business as a going concern; (x) any representation or warranty made by the Borrower to the Bank in any Loan Document or any other documents now or in the future evidencing or securing the obligations of the Borrower to the Bank, is false,

erroneous or misleading in any material respect; (xi) the death, incarceration, indictment or legal incompetency of any individual Borrower or, if the Borrower is a partnership or limited liability company, the death, incarceration, indictment or legal incompetency of any individual general partner or member; or (xii) failure of the Borrower to notify the Bank within ten (10) days of any change of the Borrower's address.

Upon the occurrence of an Event of Default: (a) the Bank shall be under no further obligation to make advances hereunder; (b) if an Event of Default specified in clause (iii) or (iv) above shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder shall be immediately due and payable without demand or notice of any kind; (c) if any other Event of Default shall occur, the outstanding principal balance and accrued interest hereunder together with any additional amounts payable hereunder, at the Bank's option and without demand or notice of any kind, may be accelerated and become immediately due and payable; (d) at the Bank's option, this Note will bear interest at the Default Rate from the date of the occurrence of the Event of Default; and (e) the Bank may exercise from time to time any of the rights and remedies available under the Loan Documents or under applicable law. The Borrower acknowledges that upon the occurrence of an Event of Default, SBA, as defined below, may be required to pay the Lender under the SBA guarantee, and SBA may then seek recovery on the Facility (to the extent any balance remains after loan forgiveness).

**10. Right of Setoff.** In addition to all rights of setoff against the Borrower's money, securities or other property given to the Bank by law, the Bank shall have, with respect to the Borrower's obligations to the Bank under this Note and to the extent permitted by law, a contractual right of setoff against all of the Borrower's deposits, moneys, securities and other property now or hereafter in the possession of or on deposit with, or in transit to, the Bank or any other direct or indirect subsidiary of The PNC Financial Services Group, Inc., whether held in a general or special account or deposit, whether held jointly with someone else, or whether held for safekeeping or otherwise, excluding, however, all IRA, Keogh, and trust accounts. Every such right of setoff may be exercised without demand upon or notice to the Borrower upon the occurrence of an Event of Default. Every such right of setoff shall be deemed to have been exercised immediately upon the occurrence of an Event of Default hereunder without any action of the Bank, although the Bank may enter such setoff on its books and records at a later time.

**11. Financial and Other Information.** Within forty five (45) days after the Bank's request, the Borrower agrees to deliver any financial and other business and ownership information concerning the Borrower that the Bank may request from time to time, such as annual and interim financial statements (all of which shall be prepared in accordance with generally accepted accounting principles), federal income tax returns. The Borrower also agrees to deliver to the Bank, promptly upon the Bank's request, certification(s) of beneficial owners in the form requested by the Bank (as executed and delivered to the Bank on or prior to the date of this Note and updated from time to time, the "**Certification of Beneficial Owners**"). If the Borrower was required to execute and deliver to the Bank a Certification of Beneficial Owners, (a) the Borrower represents and warrants, as of the date of this Note and as of the date each updated Certification of Beneficial Owners is provided to the Bank, that the information in the Certification of Beneficial Owners is true, complete and correct, and (b) the Borrower agrees to provide confirmation of the accuracy of the information set forth in the Certification of Beneficial Owners, or deliver a new Certification of Beneficial Owners in form and substance acceptable to the Bank, as and when requested by the Bank and/or when any individual identified on the most recent Certification of Beneficial Owners provided to the Bank as a controlling party and/or a direct or indirect individual owner has changed. The Borrower further agrees to provide such other information and documentation as may reasonably be requested by the Bank from time to time for purposes of compliance by the Bank with applicable laws (including without limitation the USA PATRIOT Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by the Bank to comply therewith. Additionally, the Borrower will keep books and records in a manner satisfactory to the Bank and allow the Bank and SBA to inspect and audit books, records and papers relating to the Borrower's financial or business condition.

**12. Anti-Money Laundering/International Trade Law Compliance.** The Borrower represents and warrants to the Bank, as of the date of this Note, the date of each advance of proceeds under the Facility, the date

of any renewal, extension or modification of the Facility, and at all times until the Facility has been terminated and all amounts thereunder have been indefeasibly paid in full, that: (a) no Covered Entity (i) is a Sanctioned Person; (ii) has any of its assets in a Sanctioned Country or in the possession, custody or control of a Sanctioned Person; or (iii) does business in or with, or derives any of its operating income from investments in or transactions with, any Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (b) the proceeds of the Facility will not be used to fund any operations in, finance any investments or activities in, or, make any payments to, a Sanctioned Country or Sanctioned Person in violation of any law, regulation, order or directive enforced by any Compliance Authority; (c) the funds used to repay the Facility are not derived from any unlawful activity; and (d) each Covered Entity is in compliance with, and no Covered Entity engages in any dealings or transactions prohibited by, any laws of the United States, including but not limited to any Anti-Terrorism Laws. Borrower covenants and agrees that it shall immediately notify the Bank in writing upon the occurrence of a Reportable Compliance Event.

As used herein: “**Anti-Terrorism Laws**” means any laws relating to terrorism, trade sanctions programs and embargoes, import/export licensing, money laundering, or bribery, all as amended, supplemented or replaced from time to time; “**Compliance Authority**” means each and all of the (a) U.S. Treasury Department/Office of Foreign Assets Control, (b) U.S. Treasury Department/Financial Crimes Enforcement Network, (c) U.S. State Department/Directorate of Defense Trade Controls, (d) U.S. Commerce Department/Bureau of Industry and Security, (e) U.S. Internal Revenue Service, (f) U.S. Justice Department, and (g) U.S. Securities and Exchange Commission; “**Covered Entity**” means the Borrower, its affiliates and subsidiaries, all guarantors, pledgors of collateral, all owners of the foregoing, and all brokers or other agents of the Borrower acting in any capacity in connection with the Facility; “**Reportable Compliance Event**” means that any Covered Entity becomes a Sanctioned Person, or is indicted, arraigned, investigated or custodially detained, or receives an inquiry from regulatory or law enforcement officials, in connection with any Anti-Terrorism Law or any predicate crime to any Anti-Terrorism Law, or self-discovers facts or circumstances implicating any aspect of its operations with the actual or possible violation of any Anti-Terrorism Law; “**Sanctioned Country**” means a country subject to a sanctions program maintained by any Compliance Authority; and “**Sanctioned Person**” means any individual person, group, regime, entity or thing listed or otherwise recognized as a specially designated, prohibited, sanctioned or debarred person or entity, or subject to any limitations or prohibitions (including but not limited to the blocking of property or rejection of transactions), under any order or directive of any Compliance Authority or otherwise subject to, or specially designated under, any sanctions program maintained by any Compliance Authority.

**13. Release and Indemnity.** The Borrower agrees to indemnify each of the Bank, each legal entity, if any, who controls, is controlled by or is under common control with the Bank, and each of their respective directors, officers and employees (the “**Indemnified Parties**”), and to defend and hold each Indemnified Party harmless from and against any and all claims, damages, losses, liabilities and expenses (including all fees and charges of internal or external counsel with whom any Indemnified Party may consult and all expenses of litigation and preparation therefor) which any Indemnified Party may incur or which may be asserted against any Indemnified Party by any person, entity or governmental authority (including the Borrower or any person or entity claiming derivatively on behalf of the Borrower), in connection with or arising out of the Program or relating to the matters referred to in this Note or in the other Loan Documents or the use of any advance hereunder, whether (a) arising from or incurred in connection with any breach of a representation, warranty or covenant by the Borrower, or (b) arising out of or resulting from any suit, action, claim, proceeding or governmental investigation, pending or threatened, whether based on statute, regulation or order, or tort, or contract or otherwise, before any court or governmental authority; provided, however, that the foregoing indemnity shall not apply to any claims, damages, losses, liabilities and expenses solely attributable to an Indemnified Party's gross negligence or willful misconduct. The release and indemnity agreements contained in this paragraph shall survive the termination of this Note, payment of any advance hereunder and the assignment of any rights hereunder. The Borrower may participate at its expense in the defense of any such action or claim.

**14. Miscellaneous.** All notices, demands, requests, consents, approvals and other communications required or permitted hereunder (“**Notices**”) must be in writing (except as may be agreed otherwise above with respect to

borrowing requests or as otherwise provided in this Note) and will be effective upon receipt. Notices may be given in any manner to which the parties may agree. Without limiting the foregoing, first-class mail, postage prepaid, facsimile transmission and commercial courier service are hereby agreed to as acceptable methods for giving Notices. In addition, the parties agree that Notices may be sent electronically to any electronic address provided by a party from time to time. Notices may be sent to a party's address as set forth above or to such other address as any party may give to the other for such purpose in accordance with this paragraph. No delay or omission on the Bank's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Bank's action or inaction impair any such right or power. The Bank's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Bank may have under other agreements, at law or in equity. No modification, amendment or waiver of, or consent to any departure by the Borrower from, any provision of this Note will be effective unless made in a writing signed by the Bank, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Notwithstanding the foregoing, the Bank may modify this Note for the purposes of completing missing content or correcting erroneous content, without the need for a written amendment, provided that the Bank shall send a copy of any such modification to the Borrower (which notice may be given by electronic mail). The Borrower agrees to pay on demand, to the extent permitted by law, all costs and expenses incurred by the Bank in the enforcement of its rights in this Note and in any security therefor, including without limitation reasonable fees and expenses of the Bank's counsel. If any provision of this Note is found to be invalid, illegal or unenforceable in any respect by a court, all the other provisions of this Note will remain in full force and effect. The Borrower and all other makers and indorsers of this Note hereby forever waive presentment, protest, notice of dishonor and notice of non-payment. The Borrower also waives all defenses based on suretyship or impairment of collateral. If this Note is executed by more than one Borrower, the obligations of such persons or entities hereunder will be joint and several. This Note shall bind the Borrower and its heirs, executors, administrators, successors and assigns, and the benefits hereof shall inure to the benefit of the Bank and its successors and assigns; provided, however, that the Borrower may not assign this Note in whole or in part without the Bank's written consent and the Bank at any time may assign this Note in whole or in part.

This Note has been delivered to and accepted by the Bank and will be deemed to be made in the State of Delaware. **THIS NOTE WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE BANK AND THE BORROWER DETERMINED IN ACCORDANCE WITH (I) FEDERAL REGULATIONS, AND (II) TO THE EXTENT NOT PREEMPTED BY FEDERAL LAWS OR REGULATIONS, THE LAWS OF THE STATE OF DELAWARE, EXCLUDING ITS CONFLICT OF LAWS RULES, INCLUDING WITHOUT LIMITATION THE ELECTRONIC TRANSACTIONS ACT (OR EQUIVALENT) IN EFFECT IN THE STATE OF DELAWARE (OR, TO THE EXTENT CONTROLLING, THE LAWS OF THE UNITED STATES OF AMERICA, INCLUDING WITHOUT LIMITATION THE ELECTRONIC SIGNATURES IN GLOBAL AND NATIONAL COMMERCE ACT).** The Borrower hereby irrevocably consents to the exclusive jurisdiction of any state or federal court in the State of Delaware; provided that nothing contained in this Note will prevent the Bank from bringing any action, enforcing any award or judgment or exercising any rights against the Borrower individually, against any security or against any property of the Borrower within any other county, state or other foreign or domestic jurisdiction. The Borrower acknowledges and agrees that the venue provided above is the most convenient forum for both the Bank and the Borrower. The Borrower waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Note.

**15. Commercial Purpose.** The Borrower represents that the indebtedness evidenced by this Note is being incurred by the Borrower solely for the purpose of acquiring or carrying on a business, professional or commercial activity, and not for personal, family or household purposes.

**16. USA PATRIOT Act Notice.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify and record information that identifies each Borrower that opens an account. What this means: when the Borrower opens an account, the Bank will ask for the business name, business address, taxpayer identifying number and other information that will allow the Bank to identify the Borrower, such as organizational documents. For some businesses and organizations, the Bank may also need to ask for identifying information and documentation relating to certain individuals associated with the business or organization.

17. **Authorization to Obtain Credit Reports.** By signing below, each person, who is signing in his or her individual capacity, requests and provides written authorization to the Bank or its designee (and any assignee or potential assignee hereof) to obtain such individual's personal credit profile from one or more national credit bureaus. This authorization extends to obtaining a credit profile in (i) considering an application for credit that is evidenced, guaranteed or secured by this document, (ii) assessing creditworthiness and (iii) considering extensions of credit, including on an ongoing basis, as necessary for the purposes of (a) update, renewal or extension of such credit or additional credit, (b) reviewing, administering or collecting the resulting account and (c) reporting on the repayment and satisfaction of such credit obligations. By signing below, such individual further ratifies and confirms his or her prior requests and authorizations with respect to the matters set forth herein. For the avoidance of doubt, this provision does not apply to persons signing below in their capacities as officers or other authorized representatives of entities, organizations or governmental bodies.

18. **Electronic Signatures and Records.** Notwithstanding any other provision herein, the Borrower agrees that this Note, the Loan Documents, any amendments thereto, and any other information, notice, signature card, agreement or authorization related thereto (each, a "**Communication**") may, at the Bank's option, be in the form of an electronic record. Any Communication may, at the Bank's option, be signed or executed using electronic signatures. For the avoidance of doubt, the authorization under this paragraph may include, without limitation, use or acceptance by the Bank of a manually signed paper Communication which has been converted into electronic form (such as scanned into PDF format) for transmission, delivery and/or retention.

19. **Depository.** Unless the Bank otherwise agrees, the Borrower will establish and maintain with the Bank the Borrower's primary depository accounts.

20. **Federal Law.** When the U.S. Small Business Administration ("**SBA**") is the holder, this Note will be interpreted and enforced under federal law, including SBA regulations. The Bank or SBA may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, SBA does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Note, the Borrower may not claim or assert against SBA any local or state law to deny any obligation, defeat any claim of SBA, or preempt federal law.

21. **DISPUTE RESOLUTION.**

(a) **WAIVER OF JURY TRIAL.** FOR ANY DISPUTE THAT IS NOT ARBITRATED, AND TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE BORROWER AND THE BANK IRREVOCABLY WAIVES ANY AND ALL RIGHTS THE BORROWER OR THE BANK MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS NOTE, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS NOTE OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE BORROWER ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

(b) **ARBITRATION OF DISPUTES.** The Borrower or the Bank may elect to submit any and all disputes arising out of or relating to the Loan Documents or any breach thereof (a "**Dispute**") to binding arbitration

(i) **Arbitration.** Any arbitration shall be conducted pursuant to and in accordance with the AAA Commercial Arbitration Rules and, where applicable, the Supplementary Rules for Large, Complex Commercial Disputes, and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Such arbitration shall be conducted in a mutually acceptable location. Except as expressly set forth below, the procedures specified herein shall be the sole and exclusive procedures for the resolution of Disputes; provided, however, that the Borrower or the Bank may seek provisional or ancillary remedies, such as preliminary injunctive relief, from a court having jurisdiction, before, during or after the pendency of any arbitration proceeding. The institution and maintenance of any action for such judicial relief, or pursuit of provisional or ancillary remedies, shall not constitute a

waiver of the right or obligation of any party to submit any claim or dispute to arbitration. Nothing herein shall in any way limit or modify any remedies available to the Bank under the Loan Documents or otherwise at law or in equity.

(ii) Motion Practice. In any arbitration hereunder, the arbitrator(s) shall decide any pre-hearing motions which are substantially similar to pre-hearing motions to dismiss for failure to state a claim or motions for summary adjudication.

(iii) Discovery. Discovery shall be limited to the pre-hearing exchange of all documents which the Borrower and the Bank intend to introduce at the hearing and any expert reports prepared by any expert who will testify at the hearing.

(iv) Sequential Hearing Days. At the administrative conference conducted by the AAA, the Borrower and the Bank and the AAA shall determine how to ensure that the hearing is started and completed on sequential hearing days. Potential arbitrators shall be informed of the anticipated length of the hearing and they shall not be subject to appointment unless they agree to abide by the parties' intent that, absent exigent circumstances, the hearing shall be conducted on sequential days.

(v) Award. The award of the arbitrator(s) shall be accompanied by a statement of the reasons upon which such award is based.

(vi) Fees and Expenses. The Borrower and the Bank shall each bear equally all fees and costs and expenses of the arbitration, and each shall bear its own legal fees and expenses and the costs of its experts and witnesses; provided, however, that if the arbitration panel shall award to a party substantially all relief sought by such party, then, notwithstanding any applicable governing law provisions, the other party shall pay all costs, fees and expenses incurred by the prevailing party and such costs, fees and expenses shall be included in such award.

(vii) Confidentiality of Disputes. The entire procedure shall be confidential and none of the parties nor arbitrator(s) may disclose the existence, content, or results of any arbitration hereunder without the written consent of all parties to the Dispute, except (i) to the extent disclosure is required to enforce any applicable arbitration award or may otherwise be required by law and (ii) that either party may make such disclosures to its regulators, auditors, accountants, attorneys and insurance representatives. No conduct, statements, promises, offers, views, or opinions of any party involved in an arbitration hereunder shall be discoverable or admissible for any purposes in litigation or other proceedings involving the parties to the Dispute and shall not be disclosed to anyone not an agent, employee, expert, witness, or representative for any of such parties.

(viii) **CLASS ACTION WAIVER**. **THE BORROWER HEREBY WAIVES, WITH RESPECT TO ANY DISPUTE: (I) THE RIGHT TO PARTICIPATE IN A CLASS ACTION, PRIVATE ATTORNEY GENERAL ACTION OR OTHER REPRESENTATIVE ACTION IN COURT OR IN ARBITRATION, EITHER AS A CLASS REPRESENTATIVE OR CLASS MEMBER; AND (II) THE RIGHT TO JOIN OR CONSOLIDATE CLAIMS WITH CLAIMS OF ANY OTHER PERSON.** The foregoing waiver is referred to herein as the “**class action waiver**”. The Bank and the Borrower agree that no arbitrator shall have authority to conduct any arbitration in violation of the class action waiver or to issue any relief that applies to any person or entity other than the Borrower and/or the Bank individually. The parties acknowledge that this class action waiver is material and essential to the arbitration of any claims and is non-severable from this Dispute Resolution section. If the class action waiver is voided, found unenforceable, or limited with respect to any claim for which the Borrower seeks class-wide relief, then this Dispute Resolution section (except for this sentence) shall be null and void with respect to such claim, subject to the right to appeal the limitation or invalidation of the class action waiver. However, this Dispute Resolution section shall remain valid with respect to all other

claims and Disputes. The parties acknowledge and agree that under no circumstances will a class action be arbitrated.

(ix) Applicability of Federal Arbitration Act. This Note evidences transaction(s) in interstate commerce, and thus the Federal Arbitration Act governs the interpretation and enforcement of this Dispute Resolution section.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK**

If the Borrower is a legal entity, the undersigned certifies to the Bank that the undersigned (individually and collectively if more than one, the “Authorized Representative”) is and was authorized and directed to (i) execute and deliver, including to electronically execute and deliver, in the name of and on behalf of the Borrower, this Note and any other documents executed in connection with this Note or the Facility, all in such form as may be requested by the Bank or required under the Program and any of which may contain a provision waiving the right to trial by jury; (ii) execute and deliver to or in favor of, including to electronically execute and deliver to or in favor of, the Bank any amendments, modifications, renewals or supplements of or to any of the foregoing agreements, documents or instruments; (iii) take any other action requested, required or deemed advisable by the Bank in order to effectuate the foregoing; and (iv) delegate the foregoing duties to other representatives of the Borrower. The undersigned further certifies that the Authorized Representative holds the office, title or status with the Borrower specified below the Authorized Representative’s signature.

The Borrower acknowledges that it has read and understands all the provisions of this Note, including the waiver of jury trial, arbitration and class action waiver, and has been advised by counsel as necessary or appropriate, or has elected not to seek the advice of counsel.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

**CITIPOWER LLC**

By: E-SIGNED by DANIEL FORSBERG  
on 05-04-2020 11:18:25 EDT

(SEAL)

Daniel Forsberg, Member



**EXHIBIT A**  
**TO PAYCHECK PROTECTION PROGRAM TERM NOTE**

**DISBURSEMENT AND PAYMENT AUTHORIZATION INSTRUCTIONS**

**Loan Disbursement Authorization:**

Borrower authorizes and directs the Bank to disburse the proceeds of the Facility as directed below. Each authorized representative of the Borrower is authorized to make this request, the Bank is entitled to rely conclusively on the below instructions to make disbursements in the amount and manner specified.

**Disbursements**

Disburse the proceeds of the Facility into the Borrower's demand deposit account with PNC Bank, Account No. [REDACTED]

**Automatic Payment Authorization Under Facility:**

The Borrower irrevocably authorizes and directs the Bank to charge any deposit account identified above and maintained at the Bank (or such other account at the Bank as the undersigned may designate to the Bank in writing from time to time) for all payments of principal and interest due or fees on the Facility, and to debit such account for the amount of such payments on the date each payment is due. The Borrower acknowledges and agrees that, to the extent there are insufficient funds in any such account to pay the required amounts when due, the Borrower shall immediately pay to the Bank all sums remaining unpaid. This authorization supplements, and does not limit, the Bank's rights under the promissory note(s) and other documents evidencing or securing the Facility. The Bank is entitled to rely conclusively on this authorization until this authorization is terminated by the Bank or the Borrower, and the Bank has had a reasonable time to act thereon.



## Paycheck Protection Program Certification

May 04, 2020

CITIPOWER LLC (the “**Borrower**”) has applied to PNC Bank, National Association (the “**Bank**”) for a Small Business Association (“**SBA**”) 7(a) Paycheck Protection Program loan (the “**PPP Loan**”).

The below signer understands that the statements made in this certification are part of the agreement with the Bank and that the Bank will rely on these statements when deciding whether or not to make the PPP Loan.

I certify, acknowledge and agree that (a) if the Borrower is not a natural person, I am an authorized officer of the Borrower and am authorized on behalf of the Borrower to certify to the statements provided below, and (b) if the Borrower is a natural person, the undersigned certifies to the statements below, and (c) in either case, the following are true and correct statements:

1. The Borrower was in operation on February 15, 2020 and, if Borrower is not a self-employed worker or independent contractor, had employees for whom it paid salaries and payroll taxes.
2. The uncertainty of current economic conditions makes necessary the PPP Loan request to support the ongoing operations of the Borrower.
3. The proceeds of the PPP Loan will be used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments; and at least 75 percent of the proceeds of the PPP Loan will be used for payroll expenses. If the funds are knowingly used for unauthorized purposes, the federal government may hold the undersigned and the Borrower legally liable such as for charges of fraud.
4. Documentation verifying the number of full-time equivalent employees on the Borrower's payroll as well as the dollar amounts of payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities for the eight week period following the disbursement of the PPP Loan will be provided to the Bank.
5. The Borrower understands and agrees that loan forgiveness may be provided if the Borrower uses all of the loan proceeds for documented payroll costs, covered mortgage interest payments, covered rent payments, and covered utilities. The actual amount forgiven will be determined in accordance with the requirements of the Program, including the provisions of Section 1106 of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (P.L. 116-136), and in no event may more than 25 percent of the forgiven amount be attributable to non-payroll costs.
6. The Borrower does not have any other PPP Loan applications pending and will not apply for another PPP Loan. During the period beginning on February 15, 2020 and ending on December 31, 2020 Borrower has not received and will not receive another PPP Loan.
7. The Borrower shall notify the Bank if the Borrower received an SBA Economic Injury Disaster Loan (“**EIDL**”) between January 31, 2020 and April 3, 2020 and the proceeds of such EIDL were or are used to retain workers and maintain payroll; in such circumstances the proceeds of the PPP Loan must be used to refinance any such EIDL.
8. The information provided in the PPP Loan application and the information provided in all supporting documents and forms is true and accurate in all material respects. Each of the undersigned understands that knowingly making a false statement to obtain a guaranteed loan from SBA is punishable under the law, including under 18 USC 1001 and 3571 by imprisonment of not more than five years and/or a fine of up to \$250,000; under 15 USC 645 by imprisonment of not more than two years and/or a fine of not more than \$5,000; and, if submitted to a federally insured institution, under 18 USC 1014 by imprisonment of not more than thirty years and/or a fine of not more than \$1,000,000.

9. The Borrower acknowledges that the Bank will confirm the eligible PPP Loan amount using the Borrower's information that it has submitted, including without limitation, tax returns and tax transcripts (collectively, the "**Tax Information**"). The Borrower affirms that the Tax Information is identical to that submitted to the Internal Revenue Service. The Borrower also understands, acknowledges, and agrees that the Bank can share the Borrower's Tax Information with (i) the SBA's authorized representatives, including authorized representatives of the SBA Office of Inspector General, (ii) the Bank's affiliates, and its and their respective directors, officers, employees, agents and advisors (the "**Representatives**"), and (iii) any actual or potential owners of a credit facility extended by the Bank or its Representatives to the Borrower, any acquirers of any beneficial or other interest in such credit facility, guarantor, servicers or service providers for such parties, and their successors and/or assigns (the "**Other Loan Participants**") for the purpose of (w) compliance with SBA loan program requirements and all SBA reviews, (x) originating, maintaining, managing, monitoring, servicing, selling, insuring, and securitizing a credit facility; (y) enforcing any of its rights or remedies under the loan documents applicable to such credit facility (including, without limitation, in connection with any collection action related thereto) or (z) as otherwise permitted by applicable laws, including state and federal privacy and data security laws, or if required to do so by legal process, regulation or law, or in defense of any claims or causes of action against the Bank or any of its Representatives.

**CITIPOWER LLC**

By:  E-SIGNED by DANIEL FORSBERG  
on 05-04-2020 11:18:42 EDT

(SEAL)

Daniel Forsberg, Member

### CitiPower PPP Loan Amortization Schedule

(assumes 100% of loan is not forgiven)

PPP Loan Amount            26,500  
Interest Rate                1.00%

	Beginning Balance	Principal Repayment	Ending Balance	Interest Expense	Total PPP Debt Service Payments
May-20	26,500.00	0.00	26,522.08	22.08	Payment Deferral Period
Jun-20	26,522.08	0.00	26,544.19	22.10	
Jul-20	26,544.19	0.00	26,566.31	22.12	
Aug-20	26,566.31	0.00	26,588.44	22.14	
Sep-20	26,588.44	0.00	26,610.60	22.16	
Oct-20	26,610.60	0.00	26,632.78	22.18	
Nov-20	26,632.78	1,605.00	25,027.78	22.19	1,627.19
Dec-20	25,027.78	1,472.22	23,555.56	20.86	1,493.08
Jan-21	23,555.56	1,472.22	22,083.33	19.63	1,491.85
Feb-21	22,083.33	1,472.22	20,611.11	18.40	1,490.63
Mar-21	20,611.11	1,472.22	19,138.89	17.18	1,489.40
Apr-21	19,138.89	1,472.22	17,666.67	15.95	1,488.17
May-21	17,666.67	1,472.22	16,194.44	14.72	1,486.94
Jun-21	16,194.44	1,472.22	14,722.22	13.50	1,485.72
Jul-21	14,722.22	1,472.22	13,250.00	12.27	1,484.49
Aug-21	13,250.00	1,472.22	11,777.78	11.04	1,483.26
Sep-21	11,777.78	1,472.22	10,305.56	9.81	1,482.04
Oct-21	10,305.56	1,472.22	8,833.33	8.59	1,480.81
Nov-21	8,833.33	1,472.22	7,361.11	7.36	1,479.58
Dec-21	7,361.11	1,472.22	5,888.89	6.13	1,478.36
Jan-22	5,888.89	1,472.22	4,416.67	4.91	1,477.13
Feb-22	4,416.67	1,472.22	2,944.44	3.68	1,475.90
Mar-22	2,944.44	1,472.22	1,472.22	2.45	1,474.68
Apr-22	1,472.22	1,472.22	0.00	1.23	1,473.45
<b>Totals</b>		<b>26,632.78</b>		<b>209.90</b>	<b>26,842.68</b>


**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between CitiPower, LLC ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation
Daniel R. Forsberg	President, 10%+ Owner	\$0.00
Citigas, LLC	Natural Gas Supply	\$332,100.00
CitiEnergy, LLC	Accounting and Regulatory	\$72,000.00

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Daniel R. Forsberg  
(Print Name)

  
(Signed)

President  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF GUILFORD, NORTH CAROLINA

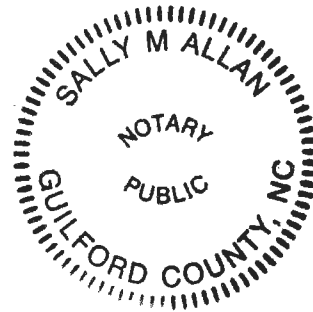
Subscribed and sworn to before me by DANIEL R. FORSBERG  
(Name)

this 26 day of OCTOBER, 2020.

Sally M. Allan

NOTARY PUBLIC  
State-at-Large

Commission expires 12/23/2022





CITIPOWER, L.L.C.  
(NAME OF UTILITY)

FOR Entire Area Served  
(COMMUNITY OR COUNTY)

P.S.C. KY. NO. 1

75th Revised SHEET NO. 18

CANCELING P.S.C. KY. NO. 1

74th Revised SHEET NO. 18

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Classification of Service

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**RESIDENTIAL**

Availability of Service: Residential Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>	
Customer Charge	\$13.74		\$ 13.74	(l)
All Mcf	\$13.4759	\$4.7227	\$18.1986	(l)

**Budget Plan**

Citipower, L.L.C. offers to all residential customers a yearly budget plan. The plan is based on the volume of gas used at the service point for the year ending June 30<sup>th</sup>. The budget amount will be recalculated once a year after the June service period and revised up or down as necessary. In the case of a consumer moving during the budget year, all gas used to date will become immediately payable or in the case of a credit, a refund check will be issued.

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DATE OF ISSUE October 28, 2020  
MONTH DAY YEAR

DATE EFFECTIVE May 1, 2021  
MONTH DAY YEAR

ISSUED BY Ann Fey  
NC 27408

SIGNATURE OF OFFICER

Controller 2309 W Cone Blvd Suite 200, Greensboro,

TITLE

ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2020-00342 dated \_\_\_\_\_.



CITIPOWER, L.L.C.  
(NAME OF UTILITY)

FOR Entire Area Served

(COMMUNITY OR COUNTY)

P.S.C. KY. NO. 1

75th Revised SHEET NO. 19

CANCELING P.S.C. KY. NO. 1

74th Revised SHEET NO. 19

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Classification of Service

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**COMMERCIAL**

Availability of Service: Commercial Customers

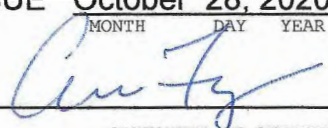
Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>	
Customer Charge	\$25.80		\$25.80	(l)
All Mcf	\$13.5617	\$4.7227	\$18.2844	(l)

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DATE OF ISSUE October 28, 2020  
MONTH DAY YEAR

DATE EFFECTIVE May 1, 2021  
MONTH DAY YEAR

ISSUED BY   
NC 27408

SIGNATURE OF OFFICER

Controller 2309 W Cone Blvd Suite 200, Greensboro,

TITLE

ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2020-00342 dated \_\_\_\_\_.



CITIPOWER, L.L.C.  
(NAME OF UTILITY)

FOR Entire Area Served  
(COMMUNITY OR COUNTY)

P.S.C. KY. NO. 1

71st Revised SHEET NO. 20.1

CANCELING P.S.C. KY. NO. 1

70th Revised SHEET NO. 20.1

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Classification of Service

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**INSTITUTIONAL**

Availability of Service: Institutional Customers

Rates: Monthly

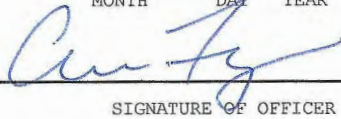
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>	
Customer Charge	\$34.35		\$34.35	(l)
All Mcf	\$14.4544	\$4.7227	\$19.1771	(l)

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DATE OF ISSUE October 28, 2020  
MONTH DAY YEAR

DATE EFFECTIVE May 1, 2021  
MONTH DAY YEAR

ISSUED BY  
NC 27408

  
SIGNATURE OF OFFICER

Controller 2309 W Cone Blvd Suite 200, Greensboro,  
TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2020-00342 dated \_\_\_\_\_.

CITIPOWER, L.L.C.  
(NAME OF UTILITY)

FOR Entire Area Served  
(COMMUNITY OR COUNTY)

P.S.C. KY. NO. 1

75th Revised SHEET NO. 18

CANCELING P.S.C. KY. NO. 1

74th Revised SHEET NO. 18

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Classification of Service

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**RESIDENTIAL**

Availability of Service: Residential Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>	
Customer Charge	\$10.60\$13.74		\$10.60\$13.74	(I)
All Mcf	\$10.3958\$13.4759	\$4.7227	\$15.1185\$18.1986	(I)

**Budget Plan**

Citipower, L.L.C. offers to all residential customers a yearly budget plan. The plan is based on the volume of gas used at the service point for the year ending June 30<sup>th</sup>. The budget amount will be recalculated once a year after the June service period and revised up or down as necessary. In the case of a consumer moving during the budget year, all gas used to date will become immediately payable or in the case of a credit, a refund check will be issued.

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DATE OF ISSUE October 28, 2020  
MONTH DAY YEAR

DATE EFFECTIVE May 1, 2021  
MONTH DAY YEAR

ISSUED BY Adam Forsberg Controller 2309 W Cone Blvd Suite 200, Greensboro,  
NC 27408  
SIGNATURE OF OFFICER TITLE ADDRESS

Issued by authority of an Order of the Public Service Commission of Kentucky in Case No. 2020-00342 dated \_\_\_\_\_.

CITIPOWER, L.L.C.  
(NAME OF UTILITY)

FOR Entire Area Served  
(COMMUNITY OR COUNTY)

P.S.C. KY. NO. 1

75th Revised SHEET NO. 19

CANCELING P.S.C. KY. NO. 1

74th Revised SHEET NO. 19

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Classification of Service

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**COMMERCIAL**

Availability of Service: Commercial Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>	
Customer Charge	<del>\$19.90</del> \$25.80		<del>\$19.90</del> \$25.80	(I)
All Mcf	\$10.4620\$13.5617	\$4.7227	\$15.1847\$18.2844	(I)

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DATE OF ISSUE October 28, 2020  
MONTH DAY YEAR

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CITIPOWER, L.L.C.  
(NAME OF UTILITY)

FOR Entire Area Served  
(COMMUNITY OR COUNTY)

P.S.C. KY. NO. 1

72nd Revised SHEET NO. 20

CANCELING P.S.C. KY. NO. 1

71st Revised SHEET NO. 20

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Classification of Service

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**INDUSTRIAL**

Availability of Service: Industrial Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>	
Customer Charge	<del>\$19.90</del> \$25.80		<del>\$19.90</del> \$25.80	(l)
All Mcf	\$10.4620\$13.5617	\$4.7227	\$15.1847\$18.2844	(l)

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DATE OF ISSUE October 28, 2020  
MONTH DAY YEAR

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CITIPOWER, L.L.C.  
(NAME OF UTILITY)

FOR Entire Area Served  
(COMMUNITY OR COUNTY)

P.S.C. KY. NO. 1

71st Revised SHEET NO. 20.1

CANCELING P.S.C. KY. NO. 1

70th Revised SHEET NO. 20.1

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Classification of Service

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**INSTITUTIONAL**

Availability of Service: Institutional Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>	
Customer Charge	<del>\$26.50</del> \$34.35		<del>\$26.50</del> \$34.35	(I)
All Mcf	\$11.1506\$14.4544	\$4.7227	<del>\$15.8733</del> \$19.1771	(I)

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DATE OF ISSUE October 28, 2020  
MONTH DAY YEAR

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MONTH DAY YEAR

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