

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN APPLICATION OF CITIPOWER, LLC)	
FOR APPROVAL OF THE AUTHORITY)	Case No. 2025-00106
TO REFINANCE A PROMISSORY NOTE)	

VERIFIED APPLICATION

Comes now Citipower, LLC (“Applicant” or “Citipower”), by and through counsel, pursuant to KRS 278.300, 807 KAR 5:001 Sections 4, 7, 12, 14, 18 and other applicable law, and for its Application requesting that the Kentucky Public Service Commission (“Commission”) enter an Order approving the authority to refinance a promissory note dated April 1, 2025. Citipower respectfully pleads as follows:

I. INTRODUCTION AND BACKGROUND

1. Pursuant to 807 KAR 5:001, section 14(3), Citipower is a limited liability company originally formed under the laws of Delaware on May 30, 1996. Citipower is registered as a foreign limited liability company in Kentucky, is in good standing, and is authorized to transact business in Kentucky. A Certificate of Good Standing is attached to this Application as Exhibit 1. Citipower is a public utility as that term is defined in KRS 278.010(3) and therefore is subject to the Commission’s jurisdiction. Citipower is a wholly owned subsidiary of CitiEnergy, LLC and is engaged in the business of furnishing natural gas services to customers in McCreary County, Kentucky.

2. Citipower is a small gas distribution utility with approximately 402 residential customers and 94 commercial, industrial, and institutional customers.

3. Citipower historically obtained its gas supply from gas wells in the area owned by Forexco, Inc. and from a backup supply agreement with Citizen's Gas of Tennessee.

4. With the production of the gas wells decreasing, Citipower recognized the need for a more reliable source of natural gas to serve its customers and therefore requested to purchase a natural gas pipeline owned by Champ Oil Co., Inc. giving Citipower a pipeline connection to the Delta Natural Gas, Inc. ("Delta") system.¹

5. Having the pipeline connected to Delta's system gave Citipower's customers a more reliable source of gas than its previous gas wells that had decreased production and were expected to be less expensive than the price per Mcf if the backup source of gas had to be used.

6. With the Commission's approval,² Citipower executed a promissory note dated April 1, 2020 in the face amount of \$1,500,000 with the balance of indebtedness, if not sooner paid, due and payable on April 1, 2025, with interest due monthly prior to the end of the term, with the fixed interest rate at 6.5% per annum (the "Note").

II. FILING REQUIREMENTS

2. Pursuant to 807 KAR 5:001 14(1) Applicant's mailing address is 37 Courthouse Square, Whitley City, Kentucky 42653. Applicant's electronic mail address is aforsberg@citienenergyllc.com. Applicant's telephone number is 336-379-0800 and its fax number is 336-379-0881. Citipower requests the following individuals be included on the service list:

¹ Case No. 2019-00109 *The Application of Citipower, LLC for a Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076, Approval for a Certificate of Public Convenience and Necessity to Purchase Pipeline and Approval of Financing.*

² Case No. 2019-00109 *The Application of Citipower, LLC for a Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076, Approval for a Certificate of Public Convenience and Necessity to Purchase Pipeline and Approval of Financing* (PSC September 27, 2019).

Adam Forsberg

aforsberg@cienergyllc.com

L. Allyson Honaker, Counsel for Citipower

allyson@hloky.com

Heather S. Temple, Counsel for Citipower

heather@hloky.com

Meredith L. Cave, Counsel for Citipower

meredith@hloky.com

3. Pursuant to 807 KAR 5:001, Section 14(1), the facts upon which this Application are based are as follows: Citipower seeks approval and/or ratification³ of the authority to enter into an agreement titled “Refinance Promissory Note (Refinancing of Original Promissory Note, Dated April 1, 2020⁴)” (hereinafter the “Refinance Agreement” attached hereto as Exhibit 2). The Refinance Agreement will allow Citipower to refinance the Note, voiding and extending the maturity date, avoiding a balloon payment, and therefore ensuring Citipower’s liquidity and ability to make investments that will enable it to carry on doing business and providing services for its customers.

4. Pursuant to 807 KAR 5:001, Section 18(1)(b), a description of the Applicant’s property, field of its operation, and statement of original cost of Applicant’s property are provided in Exhibit 3 of this Application.

³ Citipower has in fact already entered into the Refinance Agreement and the agreement is to become effective as of April 1, 2025. Although perhaps procedurally out of order, Citipower nevertheless acknowledges the need for Commission approval to enter into the Refinance Agreement which is the basis of this application.

⁴ The original promissory note that was approved by the Commission in Case No. 2019-00109 and is attached in Exhibit 4 to this Application.

5. Pursuant to 807 KAR 5:001, Section 18(1)(c), Applicant states that it is not proposing herein to issue any stock.

6. Pursuant to 807 KAR 5:001 Section 18(1)(d), there are not any proceeds associated with the refinancing. The proposed transaction(s) will be used to refinance the Note, approved in Case No. 2019-00109, which will allow Citipower to extend its previous pipeline loan to full maturity avoiding a balloon payment.

7. Pursuant to 807 KAR 5:001 Section 18(1)(e), there is no additional property currently planned to be specifically acquired or constructed directly by the proceeds of the transaction other than what was already approved in the Commission's September 27, 2019 Order in Case No. 2019-00109, since this is simply a refinancing of the original loan agreement to extend the maturity date and avoid the balloon payment.

8. Pursuant to 807 KAR 5:001, Section 18(1)(f), the Refinance Agreement will replace the Note rendering the Note void. The Refinance Agreement provides that the sum of \$1,157,533.31 shall be paid in 121 monthly installments as follows:

121 monthly installments with a beginning payment of \$13,066.61 based upon the original 180-month amortization schedule. Of the 180 total installments, 59 installments have been paid as of March 1, 2025, per the original Note, dated April 1, 2020. The first principal and interest installment being due and payable on April 1, 2025 and due and payable each month thereafter for a period of 120 months, with the final installment being due and payable on April 1, 2035, ("Maturity Date"). The principal balance of this Promissory Note, as the same shall exist from time to time, shall continue to earn interest at the fixed rate of six and a half percent (6.50%) per annum.

9. Pursuant to 807 KAR 5:001 Section 12(1) Citipower had \$5,000,000 or less in gross annual revenue in 2024. No material changes have occurred since the end of the twelve-month period covered by the time period in the last annual report that is on file with the Commission. The

financial statements for 2024, which is the timeframe for the latest annual report on file with the Commission are attached as Exhibit 4.

10. Pursuant to 807 KAR 5:001 Section 12(2)(a)-(i) and 807 KAR 5:001 Section 18(2)(a), Citipower is filing the following information in Exhibit 4 which is incorporated herein and made a part of this Application.

<u>Exhibit #4 Page</u>	<u>Description</u>	<u>807 KAR 5:001 Section Reference</u>
1	Financial Exhibit	12(2)
1	Amount and kinds of stock authorized	12(2)(a)
1	Amount and kinds of stock issued and outstanding	12(2)(b)
1	Terms of preference of preferred stock	12(2)(c)
1	Brief description of each mortgage on property of Citipower	12(2)(d)
1	Amount of bonds authorized and issued and related information	12(2)(e)
1 7-15	Notes outstanding and related information	12(2)(f)
1	Other indebtedness and related information	12(2)(g)
1	Dividend information	12(2)(h)
2-6	Detailed Income Statement and Balance Sheet	12(2)(i)

11. Pursuant to 807 KAR 5:001, Section 18(2)(b), the Commission approved a Mortgage for Applicant in Case No. 2019-00109 and a copy of same was filed with the Commission in Case No. 2019-00109 on March 10, 2020 in a supplement to Citipower's status report. Citipower has also attached a copy to this Application in Exhibit 4. Both the original mortgage and the Refinance Agreement are between Citipower, LLC and Herbert White Gas Company.

12. Pursuant to 807 KAR 5:001, Section 18(2)(c), there is no specific proposed acquisition of property or proposed construction associated with this application other than what was already approved in the Commission's September 27, 2019 Order in Case No. 2019-00109, and therefore there are no maps and plans of proposed property and construction. The original map and property that was acquired with the original application were filed as Exhibit 2 to the Application in Case No. 2019-00109 and in this Application at Exhibit 4. It has not changed.

III. REQUEST FOR FINANCING

13. KRS 278.300(1) provides that no utility shall assume any obligation or liability until authorized by the Commission. The authorization to issue evidence of indebtedness may only be granted if the indebtedness is for a lawful object within the purpose of the utility, is necessary or appropriate for the proper performance by the utility of its service to the public, will not impair the utility's ability to perform that service, and that the issuance is reasonably necessary and appropriate for that purpose.⁵

14. The issue of the evidence of indebtedness in this Application: is for a lawful object within the purpose of Citipower; is necessary or appropriate for or consistent with the proper performance by Citipower of its service to the public; will not impair Citipower's ability to perform that service; and is reasonably necessary and appropriate for that purpose. The Financing proposed in this proceeding will enable Citipower to continue to provide safe and reliable service to its customers.

20. Citipower now seeks approval and/or ratification of the authority to enter into the Refinance Agreement. The Refinance Agreement will allow Citipower to refinance the Note, voiding and extending the maturity date, avoiding a balloon payment, and therefore ensuring

⁵ See KRS 278.300(3).

Citipower's liquidity and ability to make investments that will enable it to carry on doing business and providing services for its customers.

CONCLUSION

WHEREFORE, on the basis of the foregoing, Applicant respectfully requests that the Commission enter an Order for:

- 1) Approval of Citipower's authority to enter into the Refinance Agreement;
and
- 2) All other relief to which the Applicant may be entitled,

This 2nd day of April 2025.

VERIFICATION

The undersigned, on behalf of Citipower, LLC and pursuant to KRS 278.300(2), hereby verifies that all of the information contained in the foregoing Application is true and correct to the best of my knowledge, opinion and belief as of this 2nd day of April, 2025.

Citipower, LLC
BY: [Signature]
ITS: Controller

COMMONWEALTH OF KENTUCKY

COUNTY OF MADISON

The foregoing Verification was signed, acknowledged and sworn to before me the 2ND day of April, 2025 by Adam Forsberg, the Controller of CitiEnergy, LLC, on behalf of Citipower, LLC.

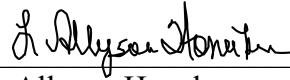
[Signature]
NOTARY PUBLIC

MY COMMISSION EXPIRES: 8/2/27

NOTARY ID. NO. KYNP70727



Respectfully submitted,



L. Allyson Honaker

Heather S. Temple

Meredith L. Cave

HONAKER LAW OFFICE, PLLC

1795 Alysheba Way, Suite 1203

Lexington, KY 40509

(859) 368-8803

allyson@hloky.com

heather@hloky.com

meredith@hloky.com

Counsel for Citipower, LLC

EXHIBIT 1
CERTIFICATE OF GOOD STANDING

Commonwealth of Kentucky
Michael G. Adams, Secretary of State

Michael G. Adams
Secretary of State
P. O. Box 718
Frankfort, KY 40602-0718
(502) 564-3490
<http://www.sos.ky.gov>

Certificate of Authorization

Authentication number: 331590
Visit <https://web.sos.ky.gov/ftshow/certvalidate.aspx> to authenticate this certificate.

I, Michael G. Adams, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

CITIPOWER, L.L.C.

, a limited liability company authorized under the laws of the state of Delaware, is authorized to transact business in the Commonwealth of Kentucky, and received the authority to transact business in Kentucky on November 7, 2002.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that an application for certificate of withdrawal has not been filed; and that the most recent annual report required by KRS 14A.6-010 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 28th day of March, 2025, in the 233rd year of the Commonwealth.



Michael G. Adams

Michael G. Adams
Secretary of State
Commonwealth of Kentucky
331590/0547727

EXHIBIT 2
REFINANCE AGREEMENT

Refinance Promissory Note
(Refinancing of Original Promissory Note, Dated April 1, 2020)

\$1,157,533.31

Corbin, Kentucky
April 1, 2025

FOR VALUE RECEIVED, **CITIPOWER L.L.C**, a Kentucky limited liability company, with principal offices at P.O. Box 39599 Greensboro, NC 27438 (hereinafter "Borrower") promises to pay **HERBERT WHITE GAS COMPANY, INC.**, located at 111 Stamford Drive, Hickory Creek, TX 76201 (hereinafter "Lender" or "Holder"), or order, the principal sum of ONE MILLION ONE HUNDRED FIFTY-SEVEN THOUSAND FIVE HUNDRED THIRTY-THREE DOLLARS AND 31/100 (\$1,157,533.31), and to pay interest (computer 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 \$1,157,533.31 shall be paid in 121 monthly installments as follows:

121 monthly installments with a beginning payment of \$13,066.61 based upon the original 180-month amortization schedule. Of the 180 total installments, 59 installments have been paid as of March 1, 2025, per the original Note, dated April 1, 2020. The first principal and interest installment being due and payable on April 1, 2025 and due and payable each month thereafter for a period of 120 months, with the final installment being due and payable on April 1, 2035, ("Maturity Date"). The principal balance of this Promissory Note, as the same shall exist from time to time, shall continue to earn interest at the fixed rate of six and a half percent (6.50%) per annum.

Execution of this Refinance Promissory Note by parties renders the original Note, dated April 1, 2020, null and void and the holder of same shall destroy the original and waives all claims thereto.

The Refinance 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, together with 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 right 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 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 successor 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
- 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

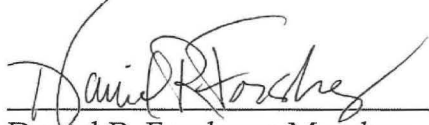
shall continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Agreement.

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.

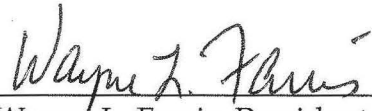
This agreement shall be governed by and construed in accordance with the laws of the State of Kentucky, not including its conflicts of law provisions.

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, Member

LENDER:
HERBERT WHITE GAS COMPANY, INC.

BY: 
Wayne L. Farris, President

MARCH 25TH 2025



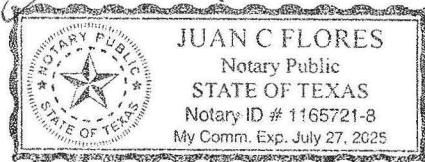


EXHIBIT 1

REFINANCE PROMISSORY NOTE PAYMENT SCHEDULE

Amortization 15 years at 6.50% per annum

(Beginning at Installment No. 60 Per Original Promissory Note Dated April 1, 2020)

\$1,157,533.31

Loan Amortization Schedule

Loan Amount	\$1,157,533.31
Annual Interest Rate	6.50%
Loan Period in Years	10.083
Start Date	25-Apr

No.	Payment Date	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	Apr-25	\$1,157,553.31	\$13,066.61	\$6,270.08	\$6,796.53	\$1,150,756.78
2	May-25	\$1,150,756.78	\$13,066.61	\$6,233.27	\$6,833.34	\$1,143,923.44
3	Jun-25	\$1,143,923.44	\$13,066.61	\$6,196.25	\$6,870.36	\$1,137,053.08
4	Jul-25	\$1,137,053.08	\$13,066.61	\$6,159.04	\$6,907.57	\$1,130,145.50
5	Aug-25	\$1,130,145.50	\$13,066.61	\$6,121.62	\$6,944.99	\$1,123,200.51
6	Sep-25	\$1,123,200.51	\$13,066.61	\$6,084.00	\$6,982.61	\$1,116,217.91
7	Oct-25	\$1,116,217.91	\$13,066.61	\$6,046.18	\$7,020.43	\$1,109,197.48
8	Nov-25	\$1,109,197.48	\$13,066.61	\$6,008.15	\$7,058.46	\$1,102,139.02
9	Dec-25	\$1,102,139.02	\$13,066.61	\$5,969.92	\$7,096.69	\$1,095,042.33
10	Jan-26	\$1,095,042.33	\$13,066.61	\$5,931.48	\$7,135.13	\$1,087,907.20
11	Feb-26	\$1,087,907.20	\$13,066.61	\$5,892.83	\$7,173.78	\$1,080,733.42
12	Mar-26	\$1,080,733.42	\$13,066.61	\$5,853.97	\$7,212.64	\$1,073,520.78
13	Apr-26	\$1,073,520.78	\$13,066.61	\$5,814.90	\$7,251.71	\$1,066,269.07
14	May-26	\$1,066,269.07	\$13,066.61	\$5,775.62	\$7,290.99	\$1,058,978.09
15	Jun-26	\$1,058,978.09	\$13,066.61	\$5,736.13	\$7,330.48	\$1,051,647.61
16	Jul-26	\$1,051,647.61	\$13,066.61	\$5,696.42	\$7,370.19	\$1,044,277.42
17	Aug-26	\$1,044,277.42	\$13,066.61	\$5,656.50	\$7,410.11	\$1,036,867.31
18	Sep-26	\$1,036,867.31	\$13,066.61	\$5,616.36	\$7,450.25	\$1,029,417.07
19	Oct-26	\$1,029,417.07	\$13,066.61	\$5,576.01	\$7,490.60	\$1,021,926.47
20	Nov-26	\$1,021,926.47	\$13,066.61	\$5,535.44	\$7,531.18	\$1,014,395.29
21	Dec-26	\$1,014,395.29	\$13,066.61	\$5,494.64	\$7,571.97	\$1,006,823.32
22	Jan-27	\$1,006,823.32	\$13,066.61	\$5,453.63	\$7,612.98	\$999,210.34
23	Feb-27	\$999,210.34	\$13,066.61	\$5,412.39	\$7,654.22	\$991,556.12
24	Mar-27	\$991,556.12	\$13,066.61	\$5,370.93	\$7,695.68	\$983,860.44
25	Apr-27	\$983,860.44	\$13,066.61	\$5,329.24	\$7,737.37	\$976,123.07
26	May-27	\$976,123.07	\$13,066.61	\$5,287.33	\$7,779.28	\$968,343.79
27	Jun-27	\$968,343.79	\$13,066.61	\$5,245.20	\$7,821.41	\$960,522.38
28	Jul-27	\$960,522.38	\$13,066.61	\$5,202.83	\$7,863.78	\$952,658.60
29	Aug-27	\$952,658.60	\$13,066.61	\$5,160.23	\$7,906.38	\$944,752.22
30	Sep-27	\$944,752.22	\$13,066.61	\$5,117.41	\$7,949.20	\$936,803.02
31	Oct-27	\$936,803.02	\$13,066.61	\$5,074.35	\$7,992.26	\$928,810.76
32	Nov-27	\$928,810.76	\$13,066.61	\$5,031.06	\$8,035.55	\$920,775.20
33	Dec-27	\$920,775.20	\$13,066.61	\$4,987.53	\$8,079.08	\$912,696.13
34	Jan-28	\$912,696.13	\$13,066.61	\$4,943.77	\$8,122.84	\$904,573.29
35	Feb-28	\$904,573.29	\$13,066.61	\$4,899.77	\$8,166.84	\$896,406.45

Loan Amortization Schedule

Loan Amount	\$1,157,533.31
Annual Interest Rate	6.50%
Loan Period in Years	10.083
Start Date	25-Apr

No.	Payment Date	Beginning Balance	Payment	Interest	Principal	Ending Balance
36	Mar-28	\$896,406.45	\$13,066.61	\$4,855.53	\$8,211.08	\$888,195.37
37	Apr-28	\$888,195.37	\$13,066.61	\$4,811.06	\$8,255.55	\$879,939.82
38	May-28	\$879,939.82	\$13,066.61	\$4,766.34	\$8,300.27	\$871,639.55
39	Jun-28	\$871,639.55	\$13,066.61	\$4,721.38	\$8,345.23	\$863,294.32
40	Jul-28	\$863,294.32	\$13,066.61	\$4,676.18	\$8,390.43	\$854,903.89
41	Aug-28	\$854,903.89	\$13,066.61	\$4,630.73	\$8,435.88	\$846,468.01
42	Sep-28	\$846,468.01	\$13,066.61	\$4,585.04	\$8,481.58	\$837,986.43
43	Oct-28	\$837,986.43	\$13,066.61	\$4,539.09	\$8,527.52	\$829,458.91
44	Nov-28	\$829,458.91	\$13,066.61	\$4,492.90	\$8,573.71	\$820,885.21
45	Dec-28	\$820,885.21	\$13,066.61	\$4,446.46	\$8,620.15	\$812,265.06
46	Jan-29	\$812,265.06	\$13,066.61	\$4,399.77	\$8,666.84	\$803,598.22
47	Feb-29	\$803,598.22	\$13,066.61	\$4,352.82	\$8,713.79	\$794,884.43
48	Mar-29	\$794,884.43	\$13,066.61	\$4,305.62	\$8,760.99	\$786,123.44
49	Apr-29	\$786,123.44	\$13,066.61	\$4,258.17	\$8,808.44	\$777,315.00
50	May-29	\$777,315.00	\$13,066.61	\$4,210.46	\$8,856.15	\$768,458.85
51	Jun-29	\$768,458.85	\$13,066.61	\$4,162.49	\$8,904.13	\$759,554.72
52	Jul-29	\$759,554.72	\$13,066.61	\$4,114.25	\$8,952.36	\$750,602.37
53	Aug-29	\$750,602.37	\$13,066.61	\$4,065.76	\$9,000.85	\$741,601.52
54	Sep-29	\$741,601.52	\$13,066.61	\$4,017.01	\$9,049.60	\$732,551.92
55	Oct-29	\$732,551.92	\$13,066.61	\$3,967.99	\$9,098.62	\$723,453.30
56	Nov-29	\$723,453.30	\$13,066.61	\$3,918.71	\$9,147.91	\$714,305.39
57	Dec-29	\$714,305.39	\$13,066.61	\$3,869.15	\$9,197.46	\$705,107.93
58	Jan-30	\$705,107.93	\$13,066.61	\$3,819.33	\$9,247.28	\$695,860.66
59	Feb-30	\$695,860.66	\$13,066.61	\$3,769.25	\$9,297.37	\$686,563.29
60	Mar-30	\$686,563.29	\$13,066.61	\$3,718.88	\$9,347.73	\$677,215.57
61	Apr-30	\$677,215.57	\$13,066.61	\$3,668.25	\$9,398.36	\$667,817.21
62	May-30	\$667,817.21	\$13,066.61	\$3,617.34	\$9,449.27	\$658,367.94
63	Jun-30	\$658,367.94	\$13,066.61	\$3,566.16	\$9,500.45	\$648,867.49
64	Jul-30	\$648,867.49	\$13,066.61	\$3,514.70	\$9,551.91	\$639,315.58
65	Aug-30	\$639,315.58	\$13,066.61	\$3,462.96	\$9,603.65	\$629,711.93
66	Sep-30	\$629,711.93	\$13,066.61	\$3,410.94	\$9,655.67	\$620,056.26
67	Oct-30	\$620,056.26	\$13,066.61	\$3,358.64	\$9,707.97	\$610,348.28
68	Nov-30	\$610,348.28	\$13,066.61	\$3,306.05	\$9,760.56	\$600,587.73
69	Dec-30	\$600,587.73	\$13,066.61	\$3,253.18	\$9,813.43	\$590,774.30
70	Jan-31	\$590,774.30	\$13,066.61	\$3,200.03	\$9,866.58	\$580,907.72

Loan Amortization Schedule

Loan Amount	\$1,157,533.31
Annual Interest Rate	6.50%
Loan Period in Years	10.083
Start Date	25-Apr

No.	Payment Date	Beginning Balance	Payment	Interest	Principal	Ending Balance
71	Feb-31	\$580,907.72	\$13,066.61	\$3,146.58	\$9,920.03	\$570,987.69
72	Mar-31	\$570,987.69	\$13,066.61	\$3,092.85	\$9,973.76	\$561,013.93
73	Apr-31	\$561,013.93	\$13,066.61	\$3,038.83	\$10,027.79	\$550,986.14
74	May-31	\$550,986.14	\$13,066.61	\$2,984.51	\$10,082.10	\$540,904.04
75	Jun-31	\$540,904.04	\$13,066.61	\$2,929.90	\$10,136.71	\$530,767.33
76	Jul-31	\$530,767.33	\$13,066.61	\$2,874.99	\$10,191.62	\$520,575.71
77	Aug-31	\$520,575.71	\$13,066.61	\$2,819.79	\$10,246.83	\$510,328.88
78	Sep-31	\$510,328.88	\$13,066.61	\$2,764.28	\$10,302.33	\$500,026.55
79	Oct-31	\$500,026.55	\$13,066.61	\$2,708.48	\$10,358.13	\$489,668.42
80	Nov-31	\$489,668.42	\$13,066.61	\$2,652.37	\$10,414.24	\$479,254.18
81	Dec-31	\$479,254.18	\$13,066.61	\$2,595.96	\$10,470.65	\$468,783.53
82	Jan-32	\$468,783.53	\$13,066.61	\$2,539.24	\$10,527.37	\$458,256.16
83	Feb-32	\$458,256.16	\$13,066.61	\$2,482.22	\$10,584.39	\$447,671.77
84	Mar-32	\$447,671.77	\$13,066.61	\$2,424.89	\$10,641.72	\$437,030.05
85	Apr-32	\$437,030.05	\$13,066.61	\$2,367.25	\$10,699.36	\$426,330.69
86	May-32	\$426,330.69	\$13,066.61	\$2,309.29	\$10,757.32	\$415,573.37
87	Jun-32	\$415,573.37	\$13,066.61	\$2,251.02	\$10,815.59	\$404,757.78
88	Jul-32	\$404,757.78	\$13,066.61	\$2,192.44	\$10,874.17	\$393,883.61
89	Aug-32	\$393,883.61	\$13,066.61	\$2,133.54	\$10,933.07	\$382,950.53
90	Sep-32	\$382,950.53	\$13,066.61	\$2,074.32	\$10,992.30	\$371,958.24
91	Oct-32	\$371,958.24	\$13,066.61	\$2,014.77	\$11,051.84	\$360,906.40
92	Nov-32	\$360,906.40	\$13,066.61	\$1,954.91	\$11,111.70	\$349,794.70
93	Dec-32	\$349,794.70	\$13,066.61	\$1,894.72	\$11,171.89	\$338,622.81
94	Jan-33	\$338,622.81	\$13,066.61	\$1,834.21	\$11,232.40	\$327,390.41
95	Feb-33	\$327,390.41	\$13,066.61	\$1,773.36	\$11,293.25	\$316,097.16
96	Mar-33	\$316,097.16	\$13,066.61	\$1,712.19	\$11,354.42	\$304,742.74
97	Apr-33	\$304,742.74	\$13,066.61	\$1,650.69	\$11,415.92	\$293,326.82
98	May-33	\$293,326.82	\$13,066.61	\$1,588.85	\$11,477.76	\$281,849.07
99	Jun-33	\$281,849.07	\$13,066.61	\$1,526.68	\$11,539.93	\$270,309.14
100	Jul-33	\$270,309.14	\$13,066.61	\$1,464.17	\$11,602.44	\$258,706.70
101	Aug-33	\$258,706.70	\$13,066.61	\$1,401.33	\$11,665.28	\$247,041.42
102	Sep-33	\$247,041.42	\$13,066.61	\$1,338.14	\$11,728.47	\$235,312.95
103	Oct-33	\$235,312.95	\$13,066.61	\$1,274.61	\$11,792.00	\$223,520.95
104	Nov-33	\$223,520.95	\$13,066.61	\$1,210.74	\$11,855.87	\$211,665.08
105	Dec-33	\$211,665.08	\$13,066.61	\$1,146.52	\$11,920.09	\$199,744.99

Loan Amortization Schedule

Loan Amount	\$1,157,533.31
Annual Interest Rate	6.50%
Loan Period in Years	10.083
Start Date	25-Apr

No.	Payment Date	Beginning Balance	Payment	Interest	Principal	Ending Balance
106	Jan-34	\$199,744.99	\$13,066.61	\$1,081.95	\$11,984.66	\$187,760.33
107	Feb-34	\$187,760.33	\$13,066.61	\$1,017.04	\$12,049.58	\$175,710.76
108	Mar-34	\$175,710.76	\$13,066.61	\$951.77	\$12,114.84	\$163,595.91
109	Apr-34	\$163,595.91	\$13,066.61	\$886.14	\$12,180.47	\$151,415.45
110	May-34	\$151,415.45	\$13,066.61	\$820.17	\$12,246.44	\$139,169.00
111	Jun-34	\$139,169.00	\$13,066.61	\$753.83	\$12,312.78	\$126,856.22
112	Jul-35	\$126,856.22	\$13,066.61	\$687.14	\$12,379.47	\$114,476.75
113	Aug-34	\$114,476.75	\$13,066.61	\$620.08	\$12,446.53	\$102,030.22
114	Sep-34	\$102,030.22	\$13,066.61	\$552.66	\$12,513.95	\$89,516.28
115	Oct-34	\$89,516.28	\$13,066.61	\$484.88	\$12,581.73	\$76,934.55
116	Nov-34	\$76,934.55	\$13,066.61	\$416.73	\$12,649.88	\$64,284.66
117	Dec-34	\$64,284.66	\$13,066.61	\$348.21	\$12,718.40	\$51,566.26
118	Jan-35	\$51,566.26	\$13,066.61	\$279.32	\$12,787.29	\$38,778.97
119	Feb-35	\$38,778.97	\$13,066.61	\$210.05	\$12,856.56	\$25,922.41
120	Mar-35	\$25,922.41	\$13,066.61	\$140.41	\$12,926.20	\$12,996.21
121	Apr-35	\$12,996.21	\$13,066.61	\$70.40	\$12,996.21	\$0.00

EXHIBIT 2

ORIGINAL NOTE PAYMENT SCHEDULE
(Schedule Null and Void - For Reference Only)
\$1,500,000.00

Original Loan Amortization Schedule (Null & Void)

Loan Amount	\$1,157,533.31
Annual Interest Rate	6.50%
Loan Period in Years	10.083
Start Date	25-Apr

No.	Payment Date	Beginning Balance	Payment	Interest	Principal	Ending Balance
1	May-20	\$1,500,000.00	\$13,066.61	\$8,125.00	\$4,941.61	\$1,495,058.39
2	Jun-20	\$1,495,058.39	\$13,066.61	\$8,098.23	\$4,968.38	\$1,490,090.01
3	Jul-20	\$1,490,090.01	\$13,066.61	\$8,071.32	\$4,995.29	\$1,485,094.72
4	Aug-20	\$1,485,094.72	\$13,066.61	\$8,044.26	\$5,022.35	\$1,480,072.38
5	Sep-20	\$1,480,072.38	\$13,066.61	\$8,017.06	\$5,049.55	\$1,475,022.82
6	Oct-20	\$1,475,022.82	\$13,066.61	\$7,989.71	\$5,076.90	\$1,469,945.92
7	Nov-20	\$1,469,945.92	\$13,066.61	\$7,962.21	\$5,104.40	\$1,464,841.52
8	Dec-20	\$1,464,841.52	\$13,066.61	\$7,934.56	\$5,132.05	\$1,459,709.46
9	Jan-21	\$1,459,709.46	\$13,066.61	\$7,906.76	\$5,159.85	\$1,454,549.61
10	Feb-21	\$1,454,549.61	\$13,066.61	\$7,878.81	\$5,187.80	\$1,449,361.81
11	Mar-21	\$1,449,361.81	\$13,066.61	\$7,850.71	\$5,215.90	\$1,444,145.91
12	Apr-21	\$1,444,145.91	\$13,066.61	\$7,822.46	\$5,244.15	\$1,438,901.76
13	May-21	\$1,438,901.76	\$13,066.61	\$7,794.05	\$5,272.56	\$1,433,629.20
14	Jun-21	\$1,433,629.20	\$13,066.61	\$7,765.49	\$5,301.12	\$1,428,328.08
15	Jul-21	\$1,428,328.08	\$13,066.61	\$7,736.78	\$5,329.83	\$1,422,998.25
16	Aug-21	\$1,422,998.25	\$13,066.61	\$7,707.91	\$5,358.70	\$1,417,639.54
17	Sep-21	\$1,417,639.54	\$13,066.61	\$7,678.88	\$5,387.73	\$1,412,251.81
18	Oct-21	\$1,412,251.81	\$13,066.61	\$7,649.70	\$5,416.91	\$1,406,834.90
19	Nov-21	\$1,406,834.90	\$13,066.61	\$7,620.36	\$5,446.25	\$1,401,388.65
20	Dec-21	\$1,401,388.65	\$13,066.61	\$7,590.86	\$5,475.76	\$1,395,912.89
21	Jan-22	\$1,395,912.89	\$13,066.61	\$7,561.19	\$5,505.42	\$1,390,407.48
22	Feb-22	\$1,390,407.48	\$13,066.61	\$7,531.37	\$5,535.24	\$1,384,872.24
23	Mar-22	\$1,384,872.24	\$13,066.61	\$7,501.39	\$5,565.22	\$1,379,307.02
24	Apr-22	\$1,379,307.02	\$13,066.61	\$7,471.25	\$5,595.36	\$1,373,711.66
25	May-22	\$1,373,711.66	\$13,066.61	\$7,440.94	\$5,625.67	\$1,368,085.98
26	Jun-22	\$1,368,085.98	\$13,066.61	\$7,410.47	\$5,656.14	\$1,362,429.84
27	Jul-22	\$1,362,429.84	\$13,066.61	\$7,379.83	\$5,686.78	\$1,356,743.06
28	Aug-22	\$1,356,743.06	\$13,066.61	\$7,349.02	\$5,717.59	\$1,351,025.47
29	Sep-22	\$1,351,025.47	\$13,066.61	\$7,318.05	\$5,748.56	\$1,345,276.91
30	Oct-22	\$1,345,276.91	\$13,066.61	\$7,286.92	\$5,779.69	\$1,339,497.22
31	Nov-22	\$1,339,497.22	\$13,066.61	\$7,255.61	\$5,811.00	\$1,333,686.22
32	Dec-22	\$1,333,686.22	\$13,066.61	\$7,224.13	\$5,842.48	\$1,327,843.74
33	Jan-23	\$1,327,843.74	\$13,066.61	\$7,192.49	\$5,874.12	\$1,321,969.62
34	Feb-23	\$1,321,969.62	\$13,066.61	\$7,160.67	\$5,905.94	\$1,316,063.68
35	Mar-23	\$1,316,063.68	\$13,066.61	\$7,128.68	\$5,937.93	\$1,310,125.75

Original Loan Amortization Schedule (Null & Void)

Loan Amount	\$1,157,533.31
Annual Interest Rate	6.50%
Loan Period in Years	10.083
Start Date	25-Apr

36	Apr-23	\$1,310,125.75	\$13,066.61	\$7,096.51	\$5,970.10	\$1,304,155.65
37	May-23	\$1,304,155.65	\$13,066.61	\$7,064.18	\$6,002.43	\$1,298,153.22
38	Jun-23	\$1,298,153.22	\$13,066.61	\$7,031.66	\$6,034.95	\$1,292,118.27
39	Jul-23	\$1,292,118.27	\$13,066.61	\$6,998.97	\$6,067.64	\$1,286,050.63
40	Aug-23	\$1,286,050.63	\$13,066.61	\$6,966.11	\$6,100.50	\$1,279,950.13
41	Sep-23	\$1,279,950.13	\$13,066.61	\$6,933.06	\$6,133.55	\$1,273,816.58
42	Oct-23	\$1,273,816.58	\$13,066.61	\$6,899.84	\$6,166.77	\$1,267,649.81
43	Nov-23	\$1,267,649.81	\$13,066.61	\$6,866.44	\$6,200.17	\$1,261,449.64
44	Dec-23	\$1,261,449.64	\$13,066.61	\$6,832.85	\$6,233.76	\$1,255,215.88
45	Jan-24	\$1,255,215.88	\$13,066.61	\$6,799.09	\$6,267.52	\$1,248,948.35
46	Feb-24	\$1,248,948.35	\$13,066.61	\$6,765.14	\$6,301.47	\$1,242,646.88
47	Mar-24	\$1,242,646.88	\$13,066.61	\$6,731.00	\$6,335.61	\$1,236,311.27
48	Apr-24	\$1,236,311.27	\$13,066.61	\$6,696.69	\$6,369.92	\$1,229,941.35
49	May-24	\$1,229,941.35	\$13,066.61	\$6,662.18	\$6,404.43	\$1,223,536.92
50	Jun-24	\$1,223,536.92	\$13,066.61	\$6,627.49	\$6,439.12	\$1,217,097.80
51	Jul-24	\$1,217,097.80	\$13,066.61	\$6,592.61	\$6,474.00	\$1,210,623.81
52	Aug-24	\$1,210,623.81	\$13,066.61	\$6,557.55	\$6,509.06	\$1,204,114.74
53	Sep-24	\$1,204,114.74	\$13,066.61	\$6,522.29	\$6,544.32	\$1,197,570.42
54	Oct-24	\$1,197,570.42	\$13,066.61	\$6,486.84	\$6,579.77	\$1,190,990.65
55	Nov-24	\$1,190,990.65	\$13,066.61	\$6,451.20	\$6,615.41	\$1,184,375.24
56	Dec-24	\$1,184,375.24	\$13,066.61	\$6,415.37	\$6,651.24	\$1,177,723.99
57	Jan-25	\$1,177,723.99	\$13,066.61	\$6,379.34	\$6,687.27	\$1,171,036.72
58	Feb-25	\$1,171,036.72	\$13,066.61	\$6,343.12	\$6,723.49	\$1,164,313.23
59	Mar-25	\$1,164,313.23	\$13,066.61	\$6,306.70	\$6,759.91	\$1,157,553.31
60	Apr-25	\$1,157,553.31	\$13,066.61	\$6,270.08	\$6,796.53	\$1,150,756.78

EXHIBIT 3
DESCRIPTION OF PROPERTY

CITIPOWER, LLC

DESCRIPTION OF PROPERTY

807 KAR 5:001, Section 18 (1)(b)

Citipower, LLC (“Citipower”), formed in 1996, purchased the McCreary Natural Gas System in McCreary County, Kentucky for \$859,000 the same year. The acquisition came with an office building, equipment, and a small pipeline system with 57 customers. Since then, CitiEnergy (owner of Citipower) invested an additional \$4.26 million – largely through debt finance – to enhance Citipower’s assets and customer base. Citipower has 194 miles of various-sized distribution lines, customer meters, compressor stations, vehicles, equipment, and an office building with furniture and rolling stock. Citipower currently has 496 customers.

EXHIBIT 4
FINANCIAL DOCUMENT

**Financial Exhibit Pursuant to 807 KAR 5:001 Section 12(2)(a)-(i) and 807 KAR 5:001
Section 18(2)(a):**

Citipower had \$5,000,000 or less in gross annual revenue in 2024. No material changes have occurred since the end of the twelve-month period. The financial statements for 2024 are attached.

Amount and kinds of stock authorized (807 KAR 5:001 Section 12(2)(a)):

- Citipower has 10,000,000 shares of class A stock, 10,000,000 shares of class B stock, and 10,000,000 shares of class C stock authorized.

Amount and kinds of stock issued and outstanding (807 KAR 5:001 Section 12(2)(b)):

- Citipower has issued 1,072,333 shares of class A stock, 6,329,840 shares of class B stock, 155,521 shares of class C stock and is entirely owned by CitiEnergy.

Terms of preference or preferred stock, cumulative or participating, or on dividends or assets or otherwise (807 KAR 5:001 Section 12(2)(c)):

- There has been no preferred stock issued for Citipower.

A brief description of each mortgage on property of applicant (807 KAR 5:001 Section 12(2)(d)):

- There exists a Real Estate Mortgage between Citipower and Herbert White Gas Company dated April 16, 2020 attached hereto.

Amount of bonds authorized and amounts issued and related information (807 KAR 5:001 Section 12(2)(e))

- There have been no bonds authorized or issued

Notes outstanding and related information (807 KAR 5:001 Section 12(2)(g))

- Citipower does not have any indebtedness other than as discussed in the Application.

Dividend information (807 KAR 5:001 Section 12(2)(h))

- Citipower does not pay dividends.

Detailed Income Statement and Balance sheet (807 KAR 5:001 Section 12(2)(i))

- See the financial documents attached to this Exhibit.

Citipower, L. L. C.
Profit & Loss
January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
400 · Operating Revenues	
480 · Sales of Gas	
Total 480 · Sales of Gas	1,339,290.12
Total 400 · Operating Revenues	1,339,290.12
414 · Other Operating Income	
488.1 · Misc Service Revenues	2,254.28
488.2 · Late Charges Collected	0.00
488.3 · Hook up fees collected	1,300.00
489.2 · Other Gas Rev. -Transportation	20,745.87
414 · Other Operating Income - Other	32.35
Total 414 · Other Operating Income	24,332.50
Total Income	1,363,622.62
Expense	
401 · Operation Expense	
80X · Gas Supply Expense	
801 · Natural Gas Field Purchases	366,663.82
803 · Pipeline Relocation Costs	49.14
Total 80X · Gas Supply Expense	366,712.96
85X · Transmission Expenses	
853 · Trans. Compressor Labor & Exp.	16,865.11
855 · Trans. Compressor Fuel & Power	5,701.76
861 · Trans Compressor Station Rent	4,315.93
864 · Trans. Compressor Maintenance	1,335.14
Total 85X · Transmission Expenses	28,217.94
87X · Distribution Expenses	
872 · Dist. Compressor Labor & Exp	680.00
874 · Maintenance of Mains	41.25
875 · Measuring & Reg. Station Exp.	
875.5 · Electricity - Prison Meter	2,971.00
Total 875 · Measuring & Reg. Station Exp.	2,971.00
876 · Sales Mtr Measuring Station Ren	300.00
878 · Meter & House Regulator Expense	
878.3 · Meters & Regulators	13,017.27
Total 878 · Meter & House Regulator Expense	13,017.27
881 · Rents - Distribution Expenses	
881.4 · Rent - Shop & Storage	9,600.00
881.5 · Easements	4,978.01
881 · Rents - Distribution Expenses - Other	680.00
Total 881 · Rents - Distribution Expenses	15,258.01
894 · Maintenance of Equipment	
894.1 · Equipment Repairs	2,478.29
894.2 · Ditchwitch Maintenance	514.00
Total 894 · Maintenance of Equipment	2,992.29
Total 87X · Distribution Expenses	35,259.82
90X · Customer Accounts Expenses	
902 · Meter Reading Labor & Exp.	1,116.93
903 · Cust. Records & Collection Cost	
903.5 · Postage - Customer Billing	4,451.53
Total 903 · Cust. Records & Collection Cost	4,451.53
Total 90X · Customer Accounts Expenses	5,568.46
92X · Admin. and General Expenses	
920 · Admin & General Salaries (920)	
920.2 · Mgt. Consulting Expense	57,071.80
920.4 · Management fees	117,020.00
Total 920 · Admin & General Salaries (920)	174,091.80
921 · Office Supplies/Expense	
921.10 · Postage/FedEx (G&A)	2,521.31
921.11 · Meals/Entertainment	9,040.36
921.12 · Travel	1,025.04
921.2 · Bank Svce Chgs (G&A)	83.31
921.29 · Uniforms	2,292.91

Citipower, L. L. C.
Profit & Loss
January through December 2024

	Jan - Dec 24
921.3 · Dues and Subscriptions	526.11
921.5 · Telephone	11,681.62
921.6 · Computer Expense	2,860.00
921.7 · Utilities (G&A)	7,037.03
921.8 · Office Supplies & Expenses	9,876.79
921 · Office Supplies/Expense - Other	380.39
Total 921 · Office Supplies/Expense	47,324.87
922 · Admin. Expense Transferred	545.19
923 · Outside Services	
923.2 · Accounting Fees	1,509.75
923.6 · Legal & Professional Fees	284.00
Total 923 · Outside Services	1,793.75
924 · Property Insurance	20,811.83
925 · Injuries & Damages	
925.2 · Insurance - Liability	5,005.96
925.3 · Employee Medical Expense	90.00
925.5 · Employee Drug Testing Service	350.00
Total 925 · Injuries & Damages	5,445.96
926 · Employee Pension/Benefit (926)	
926.1 · Insurance - Life	1,092.63
926.4 · Insurance - Medical	61,419.18
926.7 · Insurance - Workmans' Comp	3,178.33
926.9 · Flower Fund	161.00
Total 926 · Employee Pension/Benefit (926)	65,851.14
928 · Regulatory Commission Expenses	0.00
930.1 · General Advertising Expenses	5,313.75
930.2 · Misc. General Expenses	
930.3 · Tools and Supplies	28,269.61
930.2 · Misc. General Expenses - Other	1,008.00
Total 930.2 · Misc. General Expenses	29,277.61
932 · Maintenance of General Plant	
932.6 · Termite Control - Office	302.01
Total 932 · Maintenance of General Plant	302.01
Total 92X · Admin. and General Expenses	350,757.91
Total 401 · Operation Expense	786,517.09
408.1 · Taxes Other Than Income Taxes	
408.1.1 · Payroll Taxes	20,374.36
408.1.4 · Property Taxes	20,846.31
408.1.6 · Licenses	20.00
408.1 · Taxes Other Than Income Taxes - Other	13,943.36
Total 408.1 · Taxes Other Than Income Taxes	55,184.03
600 · Clearing Accounts	
656 · Employee Clearing Accounts	
656.1 · Payroll Expenses	257,937.77
656.3 · Training & Education	2,919.92
Total 656 · Employee Clearing Accounts	260,857.69
667 · Transportation Expenses	
667.1 · Vehicle Expenses	43,626.51
667.3 · Vehicle Taxes	1,369.66
667.4 · Vehicle Repair & Maint.	12,277.99
667.5 · Vehicle Insurance/Title/Fees	2,460.20
667 · Transportation Expenses - Other	322.61
Total 667 · Transportation Expenses	60,056.97
Total 600 · Clearing Accounts	320,914.66
Total Expense	1,162,615.78
Net Ordinary Income	201,006.84
Other Income/Expense	
Other Expense	
431 · Other Interest Expense	
431.6 · Finance charges	62.32
431.3 · Interest - Vehicle Loans	423.74
431.4 · Interest-Note Payable	78,887.70
Total 431 · Other Interest Expense	79,373.76
Total Other Expense	79,373.76

Citipower, L. L. C.
Profit & Loss
January through December 2024

	<u>Jan - Dec 24</u>
Net Other Income	(79,373.76)
Net Income	<u>121,633.08</u>

Citipower, L. L. C.
Balance Sheet
As of December 31, 2024

Dec 31, 24

ASSETS

Current Assets

Checking/Savings

131 · Cash

131.3 · McCreary - Special A/C	3,375.57
131.1 · McCreary - Operating A/C	28,378.55
131.2 · McCreary - Business A/C	6,727.87
131.5 · PNC A/C 53-22396792	(5,606.11)
131.7 · First Horizon Operating	784.86
131.9 · Petty Cash	1,168.10
131 · Cash - Other	144.43

Total 131 · Cash 34,973.27

Total Checking/Savings 34,973.27

Accounts Receivable

142 · Customer Accounts Receivable

142.1 · A/R - Residential/Commercial	247,109.58
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Total 142 · Customer Accounts Receivable 247,109.58

144 · Allow for Uncollectible Accts. (6,000.00)

Total Accounts Receivable 241,109.58

Other Current Assets

134 · Other Special Deposits

134.5 · Utility Deposits	1,958.13
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Total 134 · Other Special Deposits 1,958.13

146 · I/C from Associated Companies

146.2 · I/C - Citigas, LLC	(276,926.30)
146.3 · I/C - Forexco, Inc.	8,482.27
146.4 · I/C- CitiEnergy, Inc.	570,236.12

Total 146 · I/C from Associated Companies 301,792.09

165 · Prepayments

165.2 · Deposits	1,000.00
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Total 165 · Prepayments 1,000.00

Total Other Current Assets 304,750.22

Total Current Assets 580,833.07

Fixed Assets

101 · Gas Plant in Service (365-399)

369.1 · Heater-Prison Meter	846.36
368.N · Compressor Station & Equip. - N	69.34
369 · Prison Pipeline	2,025.51
374 · Land & Land Rights	1,400,000.00
376.1 · Pipeline - 1" & 2"	447,298.90
376.3 · Pipeline - 3"	456,479.96
376.4 · Pipeline - 4"	1,008,793.48
376.6 · Pipeline - 6"	592,615.37
377 · Compressor Station & Equipment	7,160.77
378 · Meas & Reg Station Equip	7,502.47
378.1 · Reg/Odorant Station	13,318.36
382 · Equipment - Meters/Setup	777,333.15
385 · Leasehold Improvements	854.76
390 · Office Building	125,346.83
391.1 · Office Furniture & Equipment	32,839.25
391.2 · Office Software	17,551.32
392 · Automobiles/Vehicles	120,746.48
396 · Equipment - DW/Other	107,705.43

Citipower, L. L. C.
Balance Sheet
As of December 31, 2024

	<u>Dec 31, 24</u>
Total 101 · Gas Plant in Service (365-399)	5,118,487.74
108 · Accumulated Depreciation	<u>(5,048,704.43)</u>
Total Fixed Assets	69,783.31
Other Assets	
175 · Amortized Loan Fees	<u>347.00</u>
Total Other Assets	347.00
TOTAL ASSETS	<u>650,963.38</u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
232 · Accounts Payable	<u>225,765.13</u>
Total Accounts Payable	225,765.13
Other Current Liabilities	
231 · Notes Payable	
231.10 · Note Payable - Herbert White	<u>1,171,036.76</u>
Total 231 · Notes Payable	1,171,036.76
235 · Customer Deposits	26,903.00
236 · Taxes Accrued	
236.2 · Sales Tax Payable	13,551.87
236.4 · School Tax Payable	<u>11,834.50</u>
Total 236 · Taxes Accrued	<u>25,386.37</u>
Total Other Current Liabilities	<u>1,223,326.13</u>
Total Current Liabilities	<u>1,449,091.26</u>
Total Liabilities	1,449,091.26
Equity	
216 · Retained Earnings	(919,760.96)
Net Income	<u>121,633.08</u>
Total Equity	<u>(798,127.88)</u>
TOTAL LIABILITIES & EQUITY	<u>650,963.38</u>

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 16th
day of April 2020.

BORROWER:
CITIPOWER L.L.C.

BY: 
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.


NOTARY PUBLIC
My Commission Expires: 12-23-2022

THIS INSTRUMENT PREPARED BY:



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



EXHIBIT A
LEGAL DESCRIPTION:

ALL PIPELINE EASEMENTS AND FIXTURES AS FOLLOWS

8,242 feet, more or less, from the Whitley County Fiscal Court easements dated April 25, 1990, and 978 feet more or less, from Morris Shelley easements dated June 26, 1990; together with all pipeline rights as depicted below:

