April 25, 2013

Jeff Derouen Executive Director Public Service Commission PO Box 615 Frankfort, Kentucky 40602-0615

RECEIVED

APR 2 6 2013

PUBLIC SERVICE COMMISSION

Dear Mr. Derouen:

Enclosed please find six copies of our tax returns to be attached to our rate filing application for revised rates in accordance Valley's application in Case No. 2013-00150.

Your assistance is appreciated.

Yours truly,

VALLEY GAS, INC.

Kerry R Kasey

Secretary

# RECEIVED

APR 2 6 2013
PUBLIC SERVICE
COMMISSION

Valley Gas, Inc. Form 1120S For Year Ended June 30, 2012 Ebelhar Whitehead, PLLC 100 West Third Street, Suite 200 Owensboro, KY 42303

> Valley Gas, Inc. P. O. BOX 218 Irvington, KY 40146

Valley Gas, Inc. P. O. BOX 218 Irvington, KY 40146

> Department of the Treasury Internal Revenue Service Center Cincinnati, OH 45999-0013

Valley Gas, Inc. P. O. BOX 218 Irvington, KY 40146

Kentucky Department of Revenue Frankfort, KY 40620

### Comparison Schedule of 2011 to 2010 (Form 1120S, Page 1)

Name as shown on return		Employer Ide	ntification Number
VALLEY GAS, INC.			
Description	2011	2010	Difference
Income			
Gross receipts or sales	242,029.	318, 263.	-76,234.
Less returns and allowances		619.	-619,
Net receipts or sales	242,029.	317,644.	-75,615.
Cost of goods sold	179,142.	202,318.	-23,176.
Gross profit	62,887.	115,326.	-52,439.
Net gain or (loss) from Form 4797			
Other income	101,177.	9,544.	91,633.
Total income	164,064.	124,870.	39,194
Deductions			
Compensation of officers	60,000.	67,000.	-7,000.
Salaries and wages			
Repairs and maintenance	4,150.	742.	3,408
Bad debts	3,981.	2,369.	1,612.
Rents	6,225.	12,225.	-6,000
Taxes and licenses	8,041.	10,945.	-2,904.
Interest			
Depreciation not claimed elsewhere	23, 228.	24,631.	-1,403
Depletion (Do not deduct oil and gas depletion)			
Advertising	160.	1,007.	-847.
Pension, profit-sharing, etc. plans			
Employee benefit programs			
Other deductions	70,071.	107,176.	-37,105.
Total deductions	175,856.	226,095.	-50,239
Ordinary income (loss) from trade or business activities .	-11,792.	-101,225.	89,433.
Tax:	•		
Excessive net passive income tax			
LIFO recapture tax			
Tax from Schedule D			
Other taxes			
Total taxes			
Payments: Current year estimated tax payments and			
amount applied from prior year return			
Tax deposited with Form 7004			
Credit for Federal tax paid on fuels			
Credit for Federal telephone excise tax paid			
Total payments and credits			
Estimated tax penalty			
Tax due			
Overpayment			
Overpayment credited to next year estimated tax			
Overpayment refunded			

### Comparison Schedule of 2011 to 2010 (1120S, Schedule K)

Name as shown on return		Employer Ide	entification number
VALLEY GAS, INC.			
Description	2011	2010	Difference
Income (Loss)			
Net rental real estate income (loss)	-11,792.	-101,225.	89,433.
Other gross rental income (loss)  Expenses from other rental activities			
Other net rental income (loss) Interest income	8.	201.	-193.
Ordinary dividends Qualified dividends Royalties			
Net short-term capital gain (loss)  Net long-term capital gain (loss)			
Collectibles (28%) gain (loss)			
Net section 1231 gain (loss) Other income (loss)			
Other Deductions			
Section 179 deduction  Contributions Investment interest expense	200.	250.	-50.
Section 59(e)(2) expenditures Other deductions			
Credits & Credit Recapture			
Low-income housing credit (section 42(j)(5))  Low-income housing credit (other)			
Other rental credits  Credit for alcohol used as a fuel  Other credits and credit recapture			

### Comparison Schedule of 2011 to 2010 (Form 1120S, Schedule K) (Cont.)

Name as shown on return		Employer	Identification number
VALLEY GAS, INC.			
Description	2011	2010	Difference
Foreign Transactions			
Gross income from all sources Gross income sourced at shareholder level Foreign gross income sourced at corporate level: Passive Listed categories General limitation Deductions allocated and apportioned at shareholder level: Interest expense Other Deductions allocated and apportioned at corporate level to foreign source income: Passive Listed categories General limitation Foreign taxes paid Foreign taxes accrued Reduction in taxes available for credit			
Alternative Minimum Tax (AMT) Items			
Post-1986 depreciation adjustment  Adjusted gain or loss  Depletion (other than oil and gas)  Oil, gas, and geothermal properties-gross income Oil, gas, and geothermal properties-deductions  Other AMT items	-151.	-244.	93.
Items Affecting Shareholder Basis			
Tax-exempt interest income Other tax-exempt income Nondeductible expenses Property distributions Repayment of loans from shareholders			
Other Information			
Investment income Investment expenses Dividend distributions from accumulated earnings and profits	8.	201.	-193.
Other items and amounts Income loss reconciliation.	-11,984.	-101,274.	89,290.

### Ebelhar Whitehead PLLC

CPAs & Advisors 100 West Third Street, Suite 200 P.O. Box 1824 Owensboro, KY 42302-1824 Telephone: 270-926-2922

> Valley Gas, Inc. P. O. BOX 218 Irvington, KY 40146

Enclosed are the original and one copy of the following corporate returns prepared on behalf of Valley Gas, Inc. for the year ended June 30, 2012.

2011 1120S U.S. Income Tax Return for an S Corporation 2011 Kentucky S Corporation Income Tax Return

The original of each of the above mentioned returns should be dated and signed by an authorized officer of the corporation in accordance with the filing instructions included with the copy of the return. This copy is for your use and should be retained for your files.

The enclosed return(s) were prepared primarily from data and information which you submitted. You should review the return(s) to ensure that there are no omissions or misstatements.

We sincerely appreciate this opportunity to serve you. Please contact us if you have any questions or if we may be of further assistance.

Sincerely,

Jeffrey T. Ebelhar, CPA Ebelhar Whitehead, PLLC

Enclosure(s)

### Ebelhar Whitehead PLIC

CPAs & Advisors 100 West Third Street, Suite 200 P.O. Box 1824 Owensboro, KY 42302-1824 Telephone: 270-926-2922

> Valley Gas, Inc. Instructions for Filing

\* \* \* \* \*

Form 1120S 1120S U.S. Income Tax Return for an S Corporation for the year ended June 30, 2012

\* \* \* \* \*

Signature . . .

The original return should be signed (using full name and title) and dated on page one by an authorized officer of the corporation.

Filing . . .

The signed return should be filed on or before September 17, 2012 with:

Department of the Treasury Internal Revenue Service Center Cincinnati, OH 45999-0013

To document the timely filing of your tax return(s), we suggest that you obtain and retain proof of mailing. Proof of mailing can be accomplished by sending the tax return(s) by registered or certified mail (metered by the U.S. Postal Service) or through the use of an IRS approved delivery method provided by an IRS designated private delivery service.

Payment of tax . . . No payment of tax is required.

### CARRYOVERS TO NEXT YEAR

	REGULAR	ALTERNATIVE
	TAX	MINIMUM TAX
SEC. 179 EXPENSE	NONE	

### Form 1120S

OMB No. 1545-0130

U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation.

See separate instructions. Department of the Treasury Internal Revenue Service 06/30/2012 For calendar year 2011 or tax year beginning 07/01/2011 , ending

A s	election ef	ffective date	Name	7	D Employer identification number
07	/01/	1979	VALLEY GAS, INC.	- 1	
	usiness act	tivity code TYPE	Number, street, and room or suite no. If a P.O. box, see instructions.		E (
		tions) OR	P. O. BOX 218	- 1	05/13/1962
Cc	heck if Sch		City or town, state, and ZIP code		F Total assets (see instructions)
а	ttached		TRVINGTON, KY 40146	I,	182,044.
	- 45				Form 2553 if not already filed
			g to be an e serperation seguring that the large	(acii	om 2000 ii not anosay mos
н	Check if:	, , }			
		( ) (	ended return (5) Selection termination or revocation eholders who were shareholders during any part of the tax year		> 1
Cau			or business income and expenses on lines 1a through 21. See the instructions for more information of the control of the contro	natio:	I.
			third-party payments. For 2011, enter -0- 1a 1a lales not reported on line 1a (see instructions) 1b 242, 029.		
				- I	
	c To	otal. Add lines 1a	and 1b		
9			ances plus any other adjustments (see instructions) 1d	1 e	242 020
Income			om line 1c	-	242,029.
Ξ			(attach Form 1125-A)	2	179,142.
	3 Gr	ross profit. Subtr	act line 2 from line 1e	3	62,887.
			n Form 4797, Part II, line 17 (attach Form 4797)	4	101 177
			(see instructions - attach statement) SEE. STATEMENT. 1	5	101,177.
			Add lines 3 through 5	6	164,064.
			fficers	7	60,000.
(S)	8 Sa	alaries and wage	s (less employment credits)	8	1 1 50
ation	9 Re	epairs and mainte	enance	9	4,150.
instructions for limitations)				10	3,981.
for	11 Re	ents		11	6,225.
Suc	12 Ta	axes and licenses	SEE STATEMENT 2.	12	8,041.
ucti	13 In	terest		13	
nstr	14 De	epreciation not d	aimed on Form 1125-A or elsewhere on return (attach Form 4562)	14	23,228.
ees)	15 De	epletion (Do not	deduct oil and gas depletion.)	15	
	16 A	dvertising		16	160.
Suc	17 Pe		ring, etc., plans	17	
퍙				18	
Deductions	19 0	ther deductions (	orograms	19	70,071.
ă			Add lines 7 through 19	20	175 <b>,</b> 856.
	21 0	rdinary business	income (loss). Subtract line 20 from line 6	21	-11,792.
	22 a Ex	xcess net passive	income or LIFO recapture tax (see instructions) 22a		
	ьта	ax from Schedule	D (Form 1120S) 22b		
nts	c Ad	dd lines 22a and	22b (see instructions for additional taxes)	22c	
en	23 a 20	011 estimated ta	c payments and 2010 overpayment credited to 2011 23a		
and Payme			Form 7004 23b		
ď	c C	redit for federal t	ax paid on fuels (attach Form 4136)		
ğ	1		ugh 23c · · · · · · · · · · · · · · · · · · ·	23d	
×			alty (see instructions). Check if Form 2220 is attached	24	
Tax			line 23d is smaller than the total of lines 22c and 24, enter amount owed	25	
	26 0	verpayment, If I	ine 23d is larger than the total of lines 22c and 24, enter amount overpaid	26	
	27 F	nter amount from	line 26 Credited to 2012 estimated tax	27	
_	Ur	nder penalties of peri	ury, I declare that I have examined this return, including accompanying schedules and statements, and to the	best o	f my knowledge and belief, it is true,
Sig	ın co	rrect and complete, D	eclaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.		May the IRS discuss this return with
He	re				the preparer shown below (see
	Si	ignature of officer	Date		instructions)? X Yes No
		Print/Type prep		k if se	IfPUN
Pa	iid	JEFFREY T. F	BELHAR, CPA	oyed	
_	eparer		▶EBELHAR WHITEHEAD, PLLC	Firm	n's EIN
	se Only		100 WEST THIRD STREET, SUITE 200		
		1	►OWENSBORO, KY 42303	Pho	one no 270 – 926 – 2922
		D 1 1	A et Netige, one concerte instructions		Form 1120S (2011)

		,
0		

Sc	hedu	le B Other Information (see instructions)		Yes	No							
1	Che	ck accounting method: a		erii.								
		the instructions and enter the:										
	a Bus	siness activity ► SERVICE b Product or service ► NATURAL GAS										
3		e end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting										
	corp	oration? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a)	name and employer									
	identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a qualified subchapter S subsidiary											
	election made?											
4 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide												
		mation on any reportable transaction?			X							
5		ck this box if the corporation issued publicly offered debt instruments with original issue discou										
	If ch	ecked, the corporation may have to file Form 8281, Information Return for Publicly Offered Ori	ginal Issue Discount									
		uments,										
6		e corporation: (a) was a C corporation before it elected to be an S corporation or the corp										
		t with a basis determined by reference to the basis of the asset (or the basis of any										
		hands of a C corporation and (b) has net unrealized built-in gain in excess of the net reco										
		prior years, enter the net unrealized built-in gain reduced by net recognized built-in gain fructions)										
_												
7	Are	the corporation's total receipts (see instructions) for the tax year and its total assets at the end										
Ü	than	\$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1			Х							
9		ng the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes,"			Х							
		the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see insti		X								
1	o If "Ye	es," did the corporation file or will it file all required Forms 1099?		X	<u></u>							
S	hedu	Ile K Shareholders' Pro Rata Share Items	Total amou									
	1	Ordinary business income (loss) (page 1, line 21)		1,7	92.							
	2	Net rental real estate income (loss) (attach Form 8825)	2									
		Other gross rental income (loss)										
	b	Expenses from other rental activities (attach statement) . 3b	N.   									
_	С	Other net rental income (loss). Subtract line 3b from line 3a	3c									
SS	4	Interest income	4		8.							
Ę	5	Dividends: a Ordinary dividends	5a									
Income (Loss)	_	b Qualified dividends	6									
ည	6	Royalties	7									
=	7	Net short-term capital gain (loss) (attach Schedule D (Form 1120S)).	8a									
	8 a	Net long-term capital gain (loss) (attach Schedule D (Form 1120S))	Od .									
	b c	Collectibles (28%) gain (loss)										
	9	Net section 1231 gain (loss) (attach Form 4797)	9									
	10	Other income (loss) (see instructions) Type ▶	10									

Form 1120S (2011)

Form 1	1205 (2	2011)		Page 3
		Shareholders' Pro Rata Share Items (continued)		Total amount
us	11	Section 179 deduction (attach Form 4562)	11	
Deductions	12a	Contributions STMT 4	12a	200.
ğ		Investment interest expense	12b	
Ď	c	Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)	
		Other deductions (see instructions) Type ▶	12d	
	13 a	Low-income housing credit (section 42(j)(5))	13a	
ts		Low-income housing credit (other)	13b	
	ı	Qualified rehabilitation expenditures (rental real estate) (attach Form 3468)	13c	
Credits		Other rental real estate credits (see instructions) Type	13d	
ວັ		Other rental credits (see instructions) Type	13e	
	1	Alcohol and cellulosic biofuel fuels credit (attach Form 6478)	13f	
	g	Other credits (see instructions) Type	13g	
	14 a	Name of country or U.S. possession ▶	100	
	b	Gross income from all sources	14b	
	c	Gross income sourced at shareholder level	14c	
		Foreign gross income sourced at corporate level		
	d	Passive category	14d	
	e	General category	14e	
io		Other (attach statement)	14f	
act		Deductions allocated and apportioned at shareholder level	With the second	
ans	g	Interest expense	14g	
Foreign Transactions		Other.	14h	
		Deductions allocated and apportioned at corporate level to foreign source income		
For	i	Passive category	14i	
	j	General category	14j	
	k	Other (attach statement)	14k	
		Other information	With	
	1	Total foreign taxes (check one): ▶ Paid Accrued	141	
	m	Reduction in taxes available for credit (attach statement)	14m	
		Other foreign tax information (attach statement)	a telegiii	Herara (Sidan Bada)
	15 a	Post-1986 depreciation adjustment	15a	-151.
Alternative Minimum Tax (AMT) Items		Adjusted gain or loss	15b	
uati Her		Depletion (other than oil and gas)	15c	
Iteri MT)		Oil, gas, and geothermal properties - gross income	15d	
⋖⋸⋸	e	Oil, gas, and geothermal properties - deductions	15e	
	f	Other AMT items (attach statement)	15f	
g, ,	16 a	Tax-exempt interest income	16a	
ecting older s	ь	Other tax-exempt income	16b	
Items Affer Sharehol Basis	С	Nondeductible expenses	16c	
Shai		Distributions (attach statement if required) (see instructions)	16d	
	е	Repayment of loans from shareholders	16e	
Other Information	17 a	Investment income	17a	8.
her	b	Investment expenses	17b	
o j	C	Dividend distributions paid from accumulated earnings and profits	17c	
	d	Other items and amounts (attach statement)	333	
Recon- ciliation	18	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right		
Se ∷	"	column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l	18	_11 00/

-11,984. Form **1120S** (2011)

Form 1120S (2011)

Sc	hedule L Balance Sheets per Books	Begi	nning of tax y	ear	End o	of tax year
	Assets	(a)		(b)	(c)	(d)
1	1			43, 29		17,294.
	Cash Trade notes and accounts receivable	7,5	71		6,053.	
	Less allowance for bad debts	(	)	7,57		6,053.
3	Inventories		i da	95,47		92,715.
4	U.S. government obligations			30,17		32,713.
5	Tax-exempt securities (see instructions)					
6	Other current assets (attach statement)					
_						
7	Loans to shareholders					
8	Mortgage and real estate loans					
9	Other investments (attach statement)	373,8	23		417,120	. Norwana a makazaran
	Buildings and other depreciable assets .	( 327,9		45,88		
	Less accumulated depreciation	321,9	3/./	43,00	0. ( 332, 232	04,000.
	Depletable assets	1			/	The state of the s
	Less accumulated depletion					4
12	Land (net of any amortization)		14.14		A shell of Mark 1 to Mark 1 to 1	
	Intangible assets (amortizable only)					A THE CONTRACT OF A STATE OF
b	Less accumulated amortization	(				1
14	Other assets (attach statement)	STMT 5		1,09		1,094.
15	Total assets		334	193,32	0.	182,044.
Li	abilities and Shareholders' Equity					magning values of Evry a con-
16 17	Accounts payable Mortgages, notes, bonds payable in			67,04	4.	
18	less than 1 year Other current liabilities (attach statement)	STMT 5		16,56	4.	14,621.
19 20	Loans from shareholders  Mortgages, notes, bonds payable in					
24	1 year or more		육.			
21	Other liabilities (attach statement).			86,87		86,875.
22	Capital stock			497,69		552,696.
23	Additional paid-in capital					-472,148.
24 25	Retained earnings Adjustments to shareholders' equity (attach statement)			-474,85	<b>9.</b>	-472,140.
26	Less cost of treasury stock		<u> </u>	193,32		
27	Total liabilities and shareholders' equity.			182,044		
Sc	hedule M-1 Reconciliat Note: Sched	tion of Income (Lo ule M-3 required inste	oss) per Bead of Sched	ooks With Inc dule M-1 if total a	come (Loss) per Return ssets are \$10 million or more	- see instructions
1	Net income (loss) per books		2,709.	5 Income recorded	d on books this year not included	
2	Income included on Schedule K, lines 1, 2				ines 1 through 10 (itemize):	
	5a, 6, 7, 8a, 9, and 10, not recorded on boyear (itemize);	ooks this			rest \$	
	y					
3	Expenses recorded on books this ye	ear not		6 Deductions in	ncluded on Schedule K,	
	included on Schedule K, lines 1 throa	1		lines 1 throug	h 12 and 141, not charged	
	and 14I (itemize):			against book	income this year (itemize):	
а	Depreciation \$			a Depreciation \$		14,693.
	Travel and entertainment \$					
			0 700	7 Add lines 5 and	6	
4	Add lines 1 through 3		2,709.			
Sc	hedule M-2 Analysis o Undistribu	of Accumulated A Ited Taxable Inco	djustmen me Previo	ts Account, O usly Taxed (se	ther Adjustments Acco ee instructions)	unt, and Shareholders
				ccumu ated nents account	(b) Other adjustments account	(c) Shareholders' undistributed taxable income previously taxed
1	Balance at beginning of tax year .			-580,126.	TABLE AND	-17,653.
				500/1201	ta and the second	
2	Ordinary income from page 1, line 2			8.	7	
3	Other additions SEE.		1	11,792.)		
4	Loss from page 1, line 21		1	200.)		
5	Other reductions SEE.		-			-17,653.
6	Combine lines 1 through 5			<u>-592,110.</u>		<u>1,033.</u>
7	Distributions other than dividend dist			-17,653.		
12	Balance at and of tay year Subtract	IIDM / ITOM line h		592 110		-1/,033.

#### Form 1125-A

(December 2011)

Department of the Treasury Internal Revenue Service

#### Cost of Goods Sold

► Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, and 1065-B.

OMB No. 1545-2225

ame		Employer Identification number
	VALLEY GAS, INC.	
1	Inventory at beginning of year1	<i>93,</i> 478.
2	Purchases	176,379.
3	Cost of labor	
4	Additional section 263A costs (attach schedule)	
5	Other costs (attach schedule)	
6	Total. Add lines 1 through 5	271,857.
7	Inventory at end of year	92,715.
8	Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return (see instructions)	179,142.
9а	Check all methods used for valuing closing inventory:  (i) Cost  (ii) X Lower of cost or market  (iii) Other (Specify method used and attach explanation.)	
b	Check if there was a writedown of subnormal goods	▶
С	Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970)	
d	If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO	
е	If property is produced or acquired for resale, do the rules of section 263A apply to the corporation?	Yes X No
f	Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If " attach explanation	1 1

Section references are to the Internal Revenue Code unless otherwise noted.

#### **General Instructions**

Future Developments. The IRS has created a page on IRS.gov for information about Form 1125-A and its instructions at www.irs.gov/form1125a. Information about any future developments affecting Form 1125-A (such as legislation enacted after we release it) will be posted on that page.

#### Purpose of Form

Use Form 1125-A to calculate and deduct cost of goods sold for certain entities.

#### Who Must File

Filers of Form 1120, 1120-C, 1120-F, 1120S, 1065, or 1065-B, must complete and attach Form 1125-A if the applicable entity reports a deduction for cost of goods

#### Inventories

Generally, inventories are required at the beginning and end of each tax year if the production, purchase, or sale of merchandise is an income-producing factor. See Regulations section 1.471-1. If inventories are required, you generally must use an accrual method of accounting for sales and purchases of inventory items.

Exception for certain taxpayers. If you are a qualifying taxpayer or a qualifying small business taxpayer (defined below),

you can adopt or change your accounting method to account for inventoriable items in the same manner as materials and supplies that are not incidental.

Under this accounting method inventory costs for raw materials purchased for use in producing finished goods and merchandise purchased for resale are deductible in the year the finished goods or merchandise are sold (but not before the year you paid for the raw materials or merchandise, if you are also using the cash method). For additional guidance on this method of accounting, see Pub. 538, Accounting Periods and Methods. For guidance on adopting or changing to this method of accounting, see Form 3115, Application for Change in Accounting Method, and its instructions

If you account for inventoriable items in the same manner as materials and supplies that are not incidental, you can currently deduct expenditures for direct labor and all indirect costs that would otherwise be included in inventory costs.

Qualifying taxpayer. A qualifying taxpayer is a taxpayer that, (a) for each prior tax year ending after December 16, 1998, has average annual gross receipts of \$1 million or less for the 3 prior tax years and (b) its business is not a tax shelter (as defined in section 448(d)(3)). See Rev. Proc. 2001-10, 2001-2 I.R.B. 272.

Qualifying small business taxpayer. A qualifying small business taxpayer is a taxpayer that, (a) for each prior tax year

ending on or after December 31, 2000, has average annual gross receipts of \$10 million or less for the 3 prior tax years, (b) whose principal business activity is not an ineligible activity, and (c) whose business is not a tax shelter (as defined in section 448 (d)(3)). See Rev. Proc. 2002-28, 2002-18, I. R.B. 815.

Uniform capitalization rules. The uniform capitalization rules of section 263A generally require you to capitalize, or include in inventory, certain costs incurred in connection with the following.

- The production of real property and tangible personal property held in inventory or held for sale in the ordinary course of business.
- Real property or personal property (tangible and intangible) acquired for resale.
- The production of real property and tangible personal property by a corporation for use in its trade or business or in an activity engaged in for property.

See the discussion on section 263A uniform capitalization rules in the instructions for your tax return before completing Form 1125-A. Also see Regulations sections 1.263A-1 through 1.263A-3. See Regulations section 1.263A-4 for rules for property produced in a farming business.

### Form **4562**

### **Depreciation and Amortization**

(Including Information on Listed Property)

► See separate instructions. Attach to your tax return. OMB No. 1545-0172

Attachment Sequence No. 179

Department of the Treasury Internal Revenue Service Name(s) shown on return

	Y GAS, INC.								_
Business	or activity to which this form relates								
	AL DEPRECIATION AND								
Part I	Election To Expense Ce Note: If you have any list				you comp	lete Part I.			
1 Max	ximum amount (see instructions)							1	500,000.
2 Tota	al cost of section 179 property pla	ced in service (see in	structions)					2	19,578.
	eshold cost of section 179 proper							3	2,000,000.
4 Rec	duction in limitation. Subtract line	3 from line 2. If zero o	r less, enter -	)				4	
5 Dolla sepa	ar limitation for tax year. Subtract line 4 from arately, see instructions	line 1. If zero or less, enter	-0 If married filing					5	500,000.
6	(a) Description	of property		(b) Cost (bu	ısiness use onl	y) (c) Elect	ed cost		
MET	ERS				19,578		1	ONE	
	ted property. Enter the amount from							,	
8 Tot	al elec:ed cost of section 179 pro	perty. Add amounts i	n column (c),	lines 6 and	7			8	NONE
9 Ten	itative deduction. Enter the <b>smalle</b>	r of line 5 or line 8						9	NONE
	rryover of disallowed deduction fro							10	
	siness income limitation. Enter the							11	NONE
	ction 179 expense deduction, Add						<u> </u>	12	
	ryover of disallowed deduction to				. ▶ 13	3	1	ONE	
SALE OF THE OWNER, THE OWNER, THE	o not use Part II or Part III below for								
Part II								See i	instructions.)
	ecial cepreciation allowance fo								
	ing the tax year (see instructions)							14	19,578.
	perty subject to section 168(f)(1)							15	
	ner depreciation (including ACRS)		<del></del>	(Caa imat		<del></del>	• • •	16	<u> </u>
Part II	MACRS Depreciation (D	o not include liste		·	ructions.)				
				tion A				T 4 ==	1
	CRS deductions for assets placed							17	800.
	you are electing to group any a		_	-		- 1	al		
ass	et accounts, check here Section B - Assets						reciat	ion S	vetom
	(a) Classification of property	(b) Month and year placed in service	(c) Basis for (business/inv only - see in	depreciation estment use	(d) Recovery period	(e) Convention	T	ethod	(g) Depreciation deduction
19a 3-	year property								
b 5-	year property	1 110					1		
c 7-	year property								
d 10-	year property								
e 15-	year property								
f 20-	year property								
g 25-	year property				25 yrs.		S	/L	
h Res	sidential rental				27.5 yrs.	MM	S	/L	
	perty				27.5 yrs.	ММ	S	/L	
i Nor	nresidential real				39 yrs.	ММ	S	/L	
	perty					MM	S	/L	
	Section C - Assets P	laced in Service E	uring 2011	Tax Year	Using the	Alternative De	preci	ation	System
20a Cla								/L	
<b>b</b> 12-	year				12 yrs.		S	/L	
c 40-					40 yrs.	ММ	S	/L	
Part I	Summary (See instruction	ns.)							
	ted property. Enter amount from lin							21	2,850.
	tal. Add amounts from line 12, line					line 21. Enter	here		
	on the appropriate lines of your re							22	23, 228.
23 For	assets shown above and place	ed in service during	the curren	t year, ent	ter the				
por	tion of the basis attributable to sec	ction 263A costs			23	3			

VA	LLEY GAS, INC n 4562 (2011)														
	rt V Listed Pro	perty (Include			certain	othe	r vehi	cles,	certair	comp	outers,	and	prope	rty use	ed for
		ent, recreation, o													
	Note: For a	any vehicle for wh as (a) through (c) of	ich you ar Section A.	e using all of S	g the st ection B	andard and S	i mileag ection C	ge ra Difan	te or de Inlicable	ducting	lease (	expense	, comp	lete <b>on</b>	l <b>y</b> 24a,
		- Depreciation and							·	limits for	passer	nger aut	omobile	s.)	
24a	Do you have evidend							No	24b If "					Yes	No
	(a)	(b)	(c)	T	(d)		(e)		(f)	(	g)	(i	n)	(i	)
	Type of property (list vehicles first)	Date placed in service	Business/ investment us percentage	se Cost	(d) or other ba		sis for depressiness/inve use only	stment	Recovery period		hod/ ention	Depre dedu	ciation ction	Elected 179	
25	Special depreciation														
	year and used more t				instructio	ns)		• • •			. 25	1		E PARELLA	
26	Property used more	T							T	T		Τ .		T	
HO	NDA CRV	08/21/2009	100	%	23,71	9.	12,7	59.	5.0	200 D	B-HY	<del>2,</del>	850.	ļ	
				%					ļ	-					
27	Dranady was d 50%	y loop in a gualified by		70					1		·				
27	Property used 50% of	less in a qualified bu		%					Т	S/L -		T		B	
				%					-	S/L -		<del> </del>			
				%					-	S/L -		1			
20	Add amounts in colu	mn (h) linns 25 thro			nd on line	21 02	ao 1		1		28		850.		
28	Add amounts in colu										•				
	/ lad amounto m colo	mi (i); mio zo. zmoi			Informa					<del></del>		••••	. 1 25	<u></u>	
Con	mplete this section for	vehicles used by a								r related	person.	If you c	rovided	vehicles	to your
	oloyees, first answer th	,									•				, ,
				(	a)	(	b)		(c)	(	d)	(4	e)	(1	f)
20	Total business/inus	stmont miles drive	an during		icle 1	Veh	icle 2	V	ehicle 3	Veh	icle 4	Vehi	icle 5	Vehi	cle 6
30	Total business/inve the year (do not inclu											]			
31	Total commuting mi											T	***************************************		
	Total other person							<u> </u>							
	driven	•													
33	Total miles driven	during the year.	Add lines												
	30 through 32														
34				Yes	No	Yes	No	Yes	s No	Yes	No	Yes	No	Yes	No
	during off-duty hours'	,													
35	Was the vehicle														
	than 5% owner or rel	ated person?													
36		le available for													
	use?		<del></del>								<u> </u>				
		ction C - Questic													
Ans	swer these question	s to determine if	you meet a	an exce	eption to	comp	leting S	Section	on B for	vehicles	used b	y empl	oyees v	who <b>are</b>	not
mo	re than 5% owners o	or related persons	(see instruc	tions).											
	Do you maintain													Yes	No
	your employees? Do you maintain a														
38															
	See the instructions f														
39	Do you treat all use of Do you provide	of venicles by employe	es as person	al use?											
40													i tile		
	use of the vehicles, a	nd retain the informa	tion received					2 (60		ione \					
41	Note: If your answer to														
1-2	Mote. If your answer		7113 163, 0	0 7701 00	mpiete C		3707 1710		ou vemoio.					1	
a at	MANUAL MINORITAGE	1011			T			$\neg \tau$			(e	<u>.)</u>			
	(a) Description o	of costs	(b) Date amor begin		Am	( <b>c</b> ) ortizable	amount		(d Code s		Amorti perio	ization od or	Amortiza	(f) ation for th	ıis year
42	Amortization of cost	s that begins durin	g your 201	1 tax y	ear (see	instruc	tions):								
					Ī										
43	Amortization of costs	that began before y	our 2011 tax	year .								43			
44	Total. Add amounts i	n column (f). See the	e instructions	for whe	ere to rep	ort .	<u></u>	<u>.</u>				44			
JSA													Fo	m 4562	(2011)

#### FORM 1120S, PAGE 1 DETAIL

\_\_\_\_\_\_\_

LINE 5 - O'	THER 1	NCOME
-------------	--------	-------

REFUND OF MANAGEMENT FEES OTHER INCOME INSURANCE REIMBURSEMENT

TOTAL

77,044. 17,095.

7,038.

101,177. \_\_\_\_\_\_

#### FORM 1120S, PAGE 1 DETAIL

\_\_\_\_\_\_

### LINE 12 - TAXES

TOTAL

4,854. 3,187.
8,041.
7,650. 523. 18,091. 9,480. 3,631. 20,000. 394. 2,308. 1,728. 3,480. 1,491. 1,295.

70,071.

FORM 1120S, PA	AGE 2 DETAIL	
SCH K, LINE 4	- INTEREST INCOME	
SCH K: OTHE	R INTEREST INCOME	8.
TOTAL		8.

#### FORM 1120S, PAGE 3 DETAIL \_\_\_\_\_\_\_\_ SCH K, LINE 12A - CONTRIBUTIONS CONTRIBUTIONS SUBJECT TO 50% LIMITATION \_\_\_\_\_\_ 200. VARIOUS CHARITABLE DONATIONS \_\_\_\_\_\_ 200. SUBTOTAL 200. TOTAL

\_\_\_\_\_\_

#### FORM 1120S, PAGE 4 DETAIL - SCH L

\_\_\_\_\_\_

	BEGI NNI NG	ENDING
LINE 14 - OTHER ASSETS		
EASEMENTS	1 004	1 004
EASEMEN15	1,094.	1,094.
TOTAL	1,094.	1,094.
LINE 18 - OTHER CURRENT LIABILITIES		
CUSTOMER DEPOSITS	16,564.	14,621.
TOTAL	16,564.	14,621.

#### FORM 1120S, PAGE 4 DETAIL \_\_\_\_\_\_ SCH M-2, LINE 3 - OTHER ADDITIONS - AAA 8. INTEREST INCOME \_\_\_\_\_\_ TOTAL \_\_\_\_\_\_\_\_\_\_ SCH M-2, LINE 5 - OTHER REDUCTIONS - AAA 200. CHARITABLE CONTRIBUTIONS 200. TOTAL \_\_\_\_\_\_

#### RECONCILIATION OF SCH M-2 ACCOUNTS TO SCH L RETAINED EARNINGS

	AAA	OAA	SUTIPT
M-2 ENDING BALANCES	-592,110.		-17,653.
TOTAL SCHEDULE M-2 ENDING BALANC	CES		-609,763.
C-CORPORATION RETAINED EARNINGS BOOK TAX DEPRECIATON DIFFERENCE			78,887. 58,728.
TOTAL RECONCILED ENDING M-2 BALF	ANCES		-472,148.
SCHEDULE L ENDING RETAINED EARNI	NGS		-472,148.

VALLEY GAS, INC.

#### SHAREHOLDER SUMMARY

SH. #	SHAREHOLDER NAME	OWNERSHIP BEGINNING SHARES PERCENTAGE
1	L. KENNETH KASEY	100.000000

			Final K-1	An	nended	K-1 OME
Schedule K-1 (Form 1120S)	2011	Pa	Deductions	, Cred		of Current Year Income, nd Other Items
Department of the Treasury Internal Revenue Service	For calendar year 2011, or tax year beginning07/01/2011	1	Ordinary business income (		13	Credits
	ending 06/30/2012	2	Net rental real estate incon			
- III /	of Income, Deductions,  ➤ See back of form and separate instructions.	3	Other net rental income (lo	ss)		
Part I Information	About the Corporation	4	Interest income	8.		
A Corporation's employer iden	atification number	5a	Ordinary dividends			
	, city, state, and ZIP code	5b	Qualified dividends		14	Foreign transactions
VALLEY GAS, INC. P. O. BOX 218 IRVINGTON, KY 401	46	6	Royalties			
		7	Net short-term capital gain	(loss)		
C IRS Center where corporation	on filed return	8a	Net long-term capital gain	(loss)		
Part II Information	About the Shareholder	8b	Collectibles (28%) gain (los	s)		
D Shareholder's identifying nur	mber	8c	Unrecaptured section 125	0 gain		
Shareholder's name, address	s, city, state, and ZtP code	9	Net section 1231 gain (los	s)		
L. KENNETH KASEY P. O. BOX 218		10	Other income (loss)		15	Alternative minimum tax (AMT) items
IRVINGTON, KY 401	46				A	-151.
F Shareholder's percentage of ownership for tax year	stock					
		11	Section 179 deduction		16	Items affecting shareholder basis
		12 A	Other deductions	200.		·
			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
For IRS Use Only			The state of the s			
S Use						
For					17	Other information
					_ A_	8.
				Management of the second		
		_			-	
		-	* See attached sta	temen	t for a	dditional information.

This list identifies the codes used on Schedule K-1 for all shareholders and provides summarized reporting information for shareholders who file Form 1040. For detailed reporting and filing information, see the separate Shareholder's Instructions for Schedule K-1 and the instructions for your income tax return.

Ordinary business income (loss). Determine whether the income (loss) is passive or nonpassive and enter on your return as follows:

Passive loss Passive income Nonpassive loss Nonpassive income

2. Net rental real estate income (loss)

Other net rental income (loss) Net income Net loss

4. Interest income

5a, Ordinary dividends

5b. Qualified dividends

6. Royalties

7. Net short-term capital gain (loss)

8a. Net long-term capital gain (loss)

8b. Collectibles (28%) gain (loss)

8c. Unrecaptured section 1250 gain

9. Net section 1231 gain (loss)

Other income (loss) Code

Other portfolio income (loss)

В Involuntary conversions

Sec. 1256 contracts & straddles

Mining exploration costs recapture

E Other income (loss)

11. Section 179 deduction

12. Other deductions

A Cash contributions (50%)

Cash contributions (30%) Noncash contributions (50%) С

Noncash contributions (30%)

Capital gain property to a 50%

organization (30%) Capital gain property (20%)

Contributions (100%)

Investment interest expense

Deductions - royalty income Section 59(e)(2) expenditures

Deductions - portfolio (2% floor)

Deductions - portfolio (other)

Preproductive period expenses

Commercial revitalization deduction from rental real estate activities

Reforestation expense deduction

Domestic production activities information

Q Qualified production activities income

Employer's Form W-2 wages

S Other deductions

13. Credits

A Low-income housing credit (section 42(j)(5)) from pre-2008 buildings

В Low-income housing credit (other) from pre-2008 buildings Low-income housing credit (section

42(j)(5)) from post-2007 buildings

Low-income housing credit (other) from post-2007 buildings Qualified rehabilitation expenditures

(rental real estate) Other rental real estate credits

Other rental credits

Undistributed capital gains credit

Alcohol and cellulosic biofuel fuels credit

Work opportunity credit

Disabled access credit

Empowerment zone and renewal community employment credit

See the Shareholder's Instructions Schedule E. line 28, column (a)

Schedule E. line 28, column (h) Schedule E. line 28, column (i)

See the Shareholder's Instructions

Schedule E, line 28, column (g) See the Shareholder's Instructions

Form 1040, line 8a

Form 1040, line 9a Form 1040, line 9b

Schedule E, line 3b Schedule D. line 5

Schedule D, line 12

28% Rate Gain Worksheet, line 4 (Schedule D instructions)

See the Shareholder's Instructions See the Shareholder's Instructions

See the Shareholder's Instructions See the Shareholder's Instructions Form 6781, line 1

See Pub. 535

See the Shareholder's Instructions

See the Shareholder's Instructions

See the Shareholder's Instructions

Form 4952, line 1 Schedule E, line 19

See the Shareholder's Instructions

Schedule A, line 23 Schedule A, line 28

See the Shareholder's Instructions

See Form 8582 instructions See the Shareholder's Instructions

See Form 8903 instructions

Form 8903, line 7b Form 8903, line 17

See the Shareholder's Instructions

See the Shareholder's Instructions

Form 1040, line 71, box a

See the Shareholder's Instructions

Code

Credit for increasing research

Credit for employer social security and Medicare taxes Backup withholding

Other credits

14. Foreign transactions

Name of country or U.S. possession

Gross income from all sources

Gross income sourced at shareholder level

Foreign gross income sourced at corporate level

Passive category

General category

Other

Deductions allocated and apportioned at shareholder level

Interest expense

Deductions allocated and apportioned at corporate level to foreign source income

Passive category

General category

Other

Other information

Total foreign taxes paid Total foreign taxes accrued

Reduction in taxes available for

credit Foreign trading gross receipts

Extraterritorial income exclusion

Other foreign transactions

15. Alternative minimum tax (AMT) items

Post-1986 depreciation adjustment

В Adjusted gain or loss

Depletion (other than oil & gas) Oil, gas, & geothermal - gross income

Oil, gas, & geothermal - deductions

Other AMT items

16. Items affecting shareholder basis

Tax-exempt interest income Other tax-exempt income

C Nondeductible expenses

Distributions

Repayment of loans from shareholders

17. Other information

Investment income В

Investment expenses C Qualified rehabilitation expenditures (other than rental real estate)

Basis of energy property

Recapture of low-income housing credit (section 42(j)(5))

Recapture of low-income housing credit (other)

Recapture of investment credit

Recapture of other credits Look-back interest - completed

long-term contracts

Look-back interest - income forecast method

Dispositions of property with

section 179 deductions Recapture of section 179

deduction

Section 453(I)(3) information

N Section 453A(c) information 0 Section 1260(b) information

Interest allocable to production expenditures

Q CCF nonqualified withdrawals

Depletion information - oil and gas

Amortization of reforestation costs

Section 108(i) information U Other information

Report on

See the Shareholder's Instructions

See the Shareholder's Instructions Form 1040, line 62

See the Shareholder's Instructions

Form 1116, Part I

Form 1116, Part II

Form 1116, Part II Form 1116, line 12

Form 8873

Form 8873 See the Shareholder's Instructions

See the Shareholder's Instructions and the Instructions for Form 6251

Form 1040, line 8b

See the Shareholder's Instructions

Form 4952, line 4a Form 4952, line 5

See the Shareholder's Instructions See the Shareholder's Instructions

See the Shareholder's Instructions

Form 8611, line 8

Form 8611, line 8 See Form 4255

See Form 8697 See Form 8866

> See the Shareholder's Instructions

#### Shareholder Basis Schedule

For calendar year 2011 or tax year beginning 07/01/2011 and ending 06/30/2012

Shareholder Number: 1

Shareholder Name: L. KENNETH KASEY

	Stock Basis	Loan Basis	Suspended Loss
Beginning balances	40,241.		
Increases			
Separately computed items:			
Tax-exempt income			
Net income from rental real estate activities · · · · · ·			
Net income from other rental activities			
Net portfolio income · · · · · · · · · · · · · · · · · · ·	8.		
Net section 1231 gain · · · · · · · · · · · · · · · · · · ·			
Other income			
Nonseparately computed income			
New Loans to corporation • • • • • • • • • • • • • • • • • • •	ALERGA EL COMPANIO DE CONTRA		
Other increases	55,000.		
	a rajece je va ila na ili kal		
Total increases	55,008.		
	No saith tan Nealiteath		
Decreases			
Distributions not included on Form 1099-DIV			
Separately computed items:			
Net loss from rental real estate activities · · · · · · · · · · · · · · · · · · ·			
Net loss from other rental activities • • • • • • • • • • • • • • • • • • •			
Net portfolio loss • • • • • • • • • • • • • • • • • •			
Net section 1231 loss · · · · · · · · · · · · · · · · · ·			
Other loss • • • • • • • • • • • • • • • • • •			
Charitable contributions · · · · · · · · · · · · · · · · · · ·	200.		
Section 179 expense deduction			
Deductions related to portfolio income (loss)			
Other deductions			
Interest expense on investment debts			
Foreign taxes · · · · · · · · · · · · · · · · · · ·			
Section 59(e)(2) expenditures · · · · · · · · · · · · · · · · · · ·			
Nonseparately computed loss	11,792.		
Nondeductible expenses			
Oil and gas depletion not exceeding basis			
Loans repaid by corporation			
Other decreases			
T. 4.1.1			
Total decreases · · · · · · · · · · · · · · · · · ·	11,992.		
A DE LES AND L	40.045		
Application of net increase/decrease · · · · · · · · · · · · · · · · · · ·	43,016.		
Ending balances · · · · · · · · · · · · · · · · · · ·	83,257.		1

VALLEY GAS, INC.

S/H	BASIS	SCHE	DULE,	S/H	# 1		L.	KENNETH	KASEY	
====			======			====				 
OTHE	ER INCE	REASE								
II	NCREASE	E IN	ADDIT:	IONAI	_ PAI	DIN	CA:	PITAL		55,000.
	TOTAL									55,000.
										==========

### Ebelhar Whitehead PLIC

CPAs & Advisors 100 West Third Street, Suite 200 P.O. Box 1824 Owensboro, KY 42302-1824 Telephone: 270-926-2922

\* \* \* \* \*

Valley Gas, Inc.
Instructions for filing
Form 720S
Kentucky S Corporation Income Tax Return
for the year ended June 30, 2012

\* \* \* \* \*

Signature . . .

The original return should be signed and dated on page two by an authorized officer of the corporation.

Balance due . . .

A check payable to "Kentucky State Treasurer" in the amount of \$ 175. should be included with the return.

The amount payable includes:

Limited Liability Entity Tax...... 175.
Total ...... \$ 175.

Filing . . .

The original return should be filed on or before October 15, 2012 with the following:

Kentucky Department of Revenue Frankfort, KY 40620

To document the timely filing of your tax return(s), we suggest that you obtain and retain proof of mailing. Proof of mailing can be accomplished by sending the tax return(s) by registered or certified mail (metered by the U.S. Postal Service).

The corporation's employer identification number should be included on the check.

Kentucky UNBRIDLED SPIRIT



A Account Number

Department of Revenue

➤ See instructions.

## KENTUCKY S CORPORATION INCOME TAX AND LLET RETURN 2011

Taxable period beginning	g 07/01,20 <u>11</u> ,ander	nding 06/3	0 .2012 .			0.6 1.0
B Check applicable box(es):	D Federal Identification Number			Taxable Year	-	06 / 12 Mo. Yr.
LLET	Name of S Corporation				State and	Date of Incorporation
Receipts Method  Gross Receipts	VALLEY GAS, INC.		<del></del>		KENTUCKY Principal E	05/13/1962 Jusiness Activity in KY
Gross Profits	Number and Street				SERVI	
X \$175 minimum	P. O. BOX 218				NAICS Co	ie Number o Kentucky Activity) .census.gov)
Nonfiling Status Code	City	State ZIF	Code	Telephone Number	(See www	.census.gov)
		L	1 1 1	E00 E45 04		
Enter Code	IRVINGTON	KA 40	146	502-547-24	22	
C Income Tax Return	E Check if applicable: Quali	ified investment pass-through		e of name Chang		n (attach explanation) Change of accounting period
Nonfiling Status Code		_	1			
Enter Code	F Number of Shareholders (Attac Number of QSSSs Included in		edule) 🕨		_	
PART I - ORD	INARY INCOME (LOSS) COM	PUTATION	9. Film industry	tax credit		
<ol> <li>Federal ordinary inc</li> </ol>	1998292			yment	1239490252	
instructions)		-11,792	<ol><li>Prior year's t</li></ol>	ax credit		
ADDITIONS			12. Income tax o		12	
	on net/gross income 2			1		
3. Federal depreciation			13. LLET due (lin		13	175
	se deduction) 3	23,228				1/3
	ises 4		14. LLET overpa		14	
,	lule O-PTE)	11 400	_	ess line 6)	9420238	
•	hrough 5) 6	11,436		2011 income tax		
SUBTRACTIONS 7 Federal work oppo	rtunity credit			012 LLET	47	
Kentucky deprecia	S282555			e refunded PART III - INCOME	ICE ALDOVA	ITATION
• .	se deduction) 8	2,288		PART III - INCOME	TAX CONIP	JIANON
•	dule O-PTE)9	2,200	Excess net n	assive income tax	1	
10. Kentucky ordinary	1988251			stax	25/20/4570.55241	
	through 9) 10	9,148		ent on LIFO recapture	-	
	ART II - LLET COMPUTATION	J, 140		nes 1 through 3)	00.000000000000000000000000000000000000	
P/	AKI II - LLEI COMPUTATION		5. Estimated ta			
1. Schedule LLET, Se	ection D, line 1	175	Check	k if Form 2220-K attac		
2. Recycling/compos	33232		6. Extension pa	ayment		
, .	2		7. Prior year's	tax credit	7	
3. Total (add lines 1 a	and 2)	175		yment from Part II,		
4. Nonrefundable LLE	T credit from					
Kentucky Schedule	(s) K-1 4		9. Income tax	due (line 4 less lines	5	
<ol><li>Nonrefundable tax</li></ol>	4578020					
,				overpayment (lines 5	1007234	
<ol><li>LLET liability (grea</li></ol>	\$50000 Per			ess line 4)		
	175 minimum) 6	175		2011 LLET		
	ments		1	2012 corporation inc	1,990,07,03,5	
<ol><li>Certified rehabilita</li></ol>	tion tax credit		113. Amount to I	be refunded		20S, all pages and
ШЕТ	TAX PAYMENT SUMMARY (Ro	ME		any atta	eral Form 11. supporting ched.	schedules must be
1. LLET due (Part II, Line 1	,	come tax due (Part III, L		I Mak	e check payal	le to:
2. Penalty	\$ 2. Pe	•	\$	Ken	tucky State Tr	
3. Interest	\$ 3. Int		\$	Mai	l return with p	ayment to:
4. Subtotal	\$ <u>175</u> 4. su		\$	Ken	tucky Departn	ent of Revenue
TOTAL PAYMENT (Add S	Subtotals),,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	· · · · · · · • · • · • · • · • · • · •	§	Fra	nkfort, Kentuc	Ky 40620

Form 720S (2011) Commonwealth of Kentucky DEPARTMENT OF REVENUE



#### SCHEDULE Q - KENTUCKY S CORPORATION QUESTIONNAIRE

is the S corporation's initial return or if the S corporation did not file a return	New Year End:
under the same name and same federal I.D. number for the preceding year, questions 1, 2 and 3 must be answered. Failure to do so may result in a request	Month and day of week If a 52/53 week filer: (Choose one of the options below.)
for a delinquent return.	i. Option A: Ends on the same day of the week and whatever
Indicate whether: (a) new business; (b) successor to previously	date this same day of the week last occurs in a calendar month,
existing business which was organized as:	ii. Option B: Ends on the same day of the week and whatever
(1) corporation; (2) partnership; (3) sole proprietorship;	date this same day of the week occurs that is the nearest to
or (4) other	the last day of the calendar month.
If successor to previously existing business, give name, address and federal	The S corporation's books are in care of: (name and address)
I.D. number of the previous business organization.	COMPANY
	COMPANY ADDRESS
	6. Are disregarded entities included in this return?
	<ol> <li>Are disregarded entities included in this return?         list name, address and federal I.D. number of each entity.         Yes X No. If yes,     </li> </ol>
<ol> <li>List the following Kentucky account numbers. Enter N/A for any number not applicable.</li> </ol>	
Employer Withholding	
Sales and Use Tax Permit	
Consumer Use Tax	7. Was the S corporation a partner or member in a pass-through entity doing
Unemployment Insurance	business in Kentucky? Yes $X$ No. If yes, list name and federal I.D.
Coal Severance and/or	number of each pass-through entity.
Processing Tax	
3. If a foreign S corporation, enter the date qualified to do business in	
Kentucky.	Was the S corporation doing business in Kentucky other than
4. If change of accounting period, Item E on page 1, is checked, complete	through its interest held in a pass-through entity doing business in
the following information:	Kentucky? X Yes No
Year End before the change:	8. Was this return prepared on: (a) cash basis, (b) X accrual basis,
Monthand Day	(c) other
a. Change from a Fiscal Year to a Calendar Year (NOT a 52/53	9. Did the S corporation file a Kentucky tangible personal property
week filer):	tax return for January 1, 2012? Yes X No
<ul> <li>b Change from a Calendar Year to a Fiscal Year (NOT a 52/53 week filer):</li> <li>New Year End:</li> </ul>	10. Is the S corporation currently under audit by the Internal Revenue Service? Yes X No
Month and Day (50.50.50.50.50.50.50.50.50.50.50.50.50.5	If yes, enter years under audit  If the Internal Revenue Service has made final and unappealable
c. Change from a Fiscal Year to a Calendar Year (52/53	adjustments to the corporation's taxable income which have not been reported to the department, check here and file an amended Form
week filer):	720S for each year adjusted. Altach a copy of the final determination to
New Year End: December and day of week	each amended retun.
OFFICER INFORMATION (Failure to Provide Requested Information May R	esult in a Penalty)
Has the officer information entered below changed from the last return filed?	Yes X No
President's Name: KASEY, L. KENNETH	Treasurer's Name:
President's Home Address: IRVINGTON, KENTUCKY	Treasurer's Home Address:
Described to Occide Occupation Numbers	Transcript Capital Capital Alumban
President's Social Security Number:	Treasurer's Social Security Number:
Date Became President Vice President's Name: KASEY, KEVIN	Secretary's Name: KASEY, KERRY
	Secretary's Home Address:IRVINGTON, KENTUCKY
Vice President's Home Address:IRVINGTON, KENTUCKY	Secretary's nome Address
Vice President's Social Security Number:	Secretary's Social Security Number:
	amined this return, including all accompanying schedules and statements, and
to the best of my knowledge and belief, it is true, correct and complete.	
Signature of principal officer or chief accounting officer	Date Table 1
EBELHAR WHITEHEAD, PLLC	
Name of person or firm preparing return	SSN, Participation Date
	May the DOR discuss this return with the preparer?
	X Yes No
www.revenue.ky.gov	Email Address:



#### SCHEDULE K - SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

SECTION I	(a) Pro Rata Share Items		(b) Total Amount
Income (Loss) and Deduction	S		
	(loss) from trade or business activities		
(page 1, Part I, line 10) .		1	9,148
2. Net income (loss) from re	ntal real estate activities (attach federal Form 8825)	2	
3. (a) Gross income from ot	her rental activities		
(b) Less expenses from o	other rental activities (attach schedule) (b)		
(c) Net income (loss) fror	n other rental activities (line 3a less line 3b)	3(c)	
<ol><li>Portfolio income (loss):</li></ol>			
(a) Interest income		4(a)	8
		(b)	
		(c)	
(d) Net short-term capital	gain (loss) (attach federal Schedule D and Kentucky		
	ole)	(d)	
(e) Net long-term capital	gain (loss) (attach federal Schedule D and Kentucky		
	ble)	(e)	
(f) Other portfolio income	e (loss) (attach schedule)	(f)	
5. Section 1231 net gain (lo	ss) (other than due to casualty or theft) (attach federal		
	7)	5	
6. Other income (loss) (attac	ch schedule)	6	
7. Charitable contributions (	attach schedule) and housing for homeless deduction		
		7	200
	deduction (attach federal Form 4562 and Kentucky		
		8	9,148
9 Deductions related to por	tfolio income (loss) (attach schedule)	9	
	schedule)	10	
Investment Interest		And Control of the Control	
	vestment debts	11(a)	
(b) (1) Investment incom	e included on lines 4(a), 4(b), 4(c) and 4(f) above		8
	ises included on line 9 above	market have market or horses have	
Tax Credits	note more desired and the second seco	Towness (/o)	
	Investment Tax Credit (attach KEDFA notification)	1.2	
-	Tax Credit (attach copy of certification(s))	Visual Vi	W
	ax Credit (attach copy of certification(s))	20-01-01-01-01-01-01-01-01-01-01-01-01-01	
	Tax Credit (attach Schedule UTC)		
	uipment Tax Credit (attach Schedule RC)		
	d Tax Credit (attach KEDFA notification)	17	
	(attach Schedule CI)		
19 Qualified Passarch Escille	y Tax Credit (attach Schedule QR)	19	
	(attach Form DAEL-31)	20	
21. Voluntary Environmental		20	
		21	
(attach Schedule VERB)	ob Sebadula BIO	22	
	ch Schedule BIO)		
23. Environmental Stewardsh	ip Tax Credit (attach Schedule KESA)	23	

Form 720S (2011)
Schedule K
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



SCHEDULE K - SHAREHOLDERS' SHARES OF INCOME, CREDITS, DEDUCTIONS, ETC.

SECTION I - continued	(a) Pro Rata Share Items		(b) Total Amount
ax Credits - continued			
4. Clean Coal Incentive Tax Cr	edit (attach Schedule CCI)	. 24	
5. Ethanol Tax Credit (attach Schedule ETH)			
6. Cellulosic Ethanol Tax Cred	t (attach Schedule CELL)	. 26	
orm 5695-K Pass-through Am	ounts (attach Form 5695-K)		
7. Energy Efficiency Products	Tax Credit from Form 5695-K, line 6	. 27	
8. Energy Efficiency Products	Tax Credit from Form 5695-K, line 12		
9. Energy Efficiency Products	Tax Credit from Form 5695-K, line 18	. 29	
0. Energy Efficiency Products	Tax Credit from Form 5695-K, line 36	. 30	
1. Energy Efficiency Products	Tax Credit from Form 5695-K, line 36	. 31	
	Tax Credit from Form 5695-K, line 51		
	Tax Credit from Form 5695-K, line 51		
	Tax Credit from Form 5695-K, line 57		
	Tax Credit from Form 5695-K, line 63		
6. Railroad Maintenance and Improvement Tax Credit (attach Schedule RR-I)			
	(attach Schedule ENDOW)		
ther Items			
8. (a) Type of Section 59(e)(	2) expenditures ▶	38(a)	
	e)(2) expenditures	4 1	
		1 1	
		1	
12. Total property distributions	(including cash) other than dividends reported on	1.4.4	
		42	
3. Other items and amounts r	equired to be reported separately to shareholders	Sec. 189	
	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	43	
4 Total dividend distributions	paid from accumulated earnings and profits	. 44	
ECTION II - Pass-through Item	S		
. S corporation's Kentucky s	ales from Schedule A, Section I, line 1		
	from Schedule A, Section I, line 2		Y
	roperty from Schedule A, Section I, line 5		
	ty from Schedule A, Section I, line 6	• •	
	ayroll from Schedule A, Section I, line 8		
	I from Schedule A, Section I, line 9		
	ross profits from Schedule LLET, Section A,	• • • • • • • • • • • • • • • • • • • •	
		7	164,0
Column A, line 5	profits from all sources from Schedule LLET, Section	• •	
		8	164,0
A, Column B, line 5	LET) nonrefundable credit from page 1, Part II, the	•	101/0
		9	
	\$175		

1025



#### SCHEDULE LLET

41A720LLET (10-11)
Commonwealth of Kentucky
DEPARTMENT OF REVENUE



Taxable Year Ending

06/12 Mo. Yr.

### LIMITED LIABILITY ENTITY TAX

See instructions.	KRS 141.0401	Mem	ber of a Combined Group	
Attach to Form 720, 720S, 725 or 765.		***************************************	Reason Code	
Name of Corporation or Limited Liability	Federal Identification		Corporation/LLET	
Pass-through Entity	Number	Acco	Account Number	
VALLEY GAS, INC.			_	
Check this box and complete Schedule liability pass-through entity filing this ta partnership (organized or formed as a ge amounts from Schedule LLET-C in Section	x return is a partner or member of a li eneral partnership after January 1, 2000	mited liability pass-throu	igh entity or general	
Section A - Computation of Gross Receipt	s and Gross Profits			
		Column A Kentucky	Column B Total	
Gross receipts     Patures and alloweness	1	343,214	343,214	
Returns and allowances     Gross receipts after returns and allowances		242 014	242 214	
(line 1 less line 2 or amount from Schedule Li 4. Cost of goods sold	N.	343,214 179,142	343,214 179,142	
5. Gross profits (line 3 less line 4 or amount from	20159	164,072	164,072	
Section B - Computation of Gross Receipts				
If gross receipts from all sources (Column B or less, STOP and enter \$175 on Section D,	Carrier Land			
2. If gross receipts from all sources (Column B \$3,000,000 but less than \$6,000,000, ente (Column A, line 3 x 0.00095) - \$\begin{align*} \begin{align*} \beg	r the following:			
but in no case shall the result be less than zero.  If gross receipts from all sources (Column B or greater, enter the following: Column A, line	3, line 3) are \$6,000,000			
4. Enter the amount from line 2 or line 3				
Section C - Computation of Gross Profits L				
If gross profits from all sources (Column B, or less, STOP and enter \$175 on Section D,	100 100 100 100 100 100 100 100 100 100			
<ol> <li>If gross profits from all sources (Column B, I \$3,000,000 but less than \$6,000,000, ente (Column A, line 5 x 0.0075)</li> </ol>	er the following:			
but in no case shall the result be less than zero.  3. If gross profits from all sources (Column B, or greater, enter the following: Column A, lire.)	line 5) are \$6,000,000			
4. Enter the amount from line 2 or line 3	4			
Section D - Computation of LLET				
Enter the lesser of Section B, line 4 or Section	159381	: 75		

#### SCHEDULE A

41A720A (10-11)

Taxable Year Ending

Commonwealth of Kentucky DEPARTMENT OF REVENUE

#### APPORTIONMENT AND ALLOCATION

See instructions.
 Attach to Form 720, 720S, 725, 765 or 765-GP.

(For corporations and pass-through entities taxable both within and without Kentucky.)

765 or 765-GP.	Regulations 103 KAR 16:090, 103 KA	R 16:270, 103 KAR 16:290
Name of Corporation or Pass-through Entity	Federal Identification Number Kei	ntucky Corporation/LLET Account Number
		Account Number
VALLEY GAS, INC.		
Check this box and complete Schedule A-C, Apportionment and Allocation member of a limited liability pass-through entity or general partnership (or in Kentucky; or (ii) if the pass-through entity filing this tax return is a partner or	ganized or formed as a general partnership after Jan	uary 1, 2006) doing business
Check this box and complete Schedule A-N, Apportionment Factor Schedule nexus consolidated tax return as provided by KRS 141.200(11).	e (For a Nexus Consolidated Tax Return), if the corporation	n is filing a mandatory
If apportionment method other than statutory formula is used:		
Check this box: (i) if the department has granted written approval to use an and attach a copy of the approval letter to the tax return; or (ii) if the comparement of the provided by KRS 141.120(9)(b), and attach a copy of the election	any has made an irrevocable five year election to use a	rovided by KRS 141.120(9)(a), n allocation and apportionment
SECTION I. COMPUTATION OF APPORTIONMENT FRACTION	SECTION II. APPORTIONMENT AND ALLO	CATION OF INCOME
Convert lines 3, 4, 7, 10, 11 and 12 to a percentage carried to four decimal places.	Net income (from Form 720, Part III, line 20)	1
1. Kentucky sales 1 2.	Deduct nonbusiness income (if applicable):	
	(a) Interest 2(a)	
2. Total sales 2	(b) Rents 2(b)	
	(c) Royalties 2(c)	
3. Sales factor (line 1 divided by line 2) . 3 %	(-,,	
	(d) Net gain or loss on sale or exchange of capital assets 2(d)	
4. Double-weighted Sales factor (line 3 multiplied by 2)	(e) Total (lines (a)	
5. Average value of		
Kentucky real/tangible property (SactionIII) 5	(f) Less related expenses (all schedule) (2(f) (	
	(21121111111111111111111111111111111111	3
6. Average value of total real/tangible property 6 4.	Net nonbusiness income	4
	,	
7. Property factor (line 5 divided by line 6)	Business income apportioned to Kentucky (line 4 multiplied by line 12, Section I)	5
	Add Kentucky nonbusiness income (if applicable):	
8. Kentucky payrolls .	(e) Interest	
	(b) Rents 6(b) (c) Royalties 6(c)	
9. Total payrolls , [9]		
10 Payroll factor (line 8 divided by line 9)	(d) Net gain or loss on sale or exchange of capital assets	
10. Payroll factor (line 8 divided by line 9)	(e) Total (lines (a)	
11 Total (add lines 4.7 and 10)		
11. Total (add lines 4, 7 and 10)	(f) Less Kontucky rolated expenses (attach schedule) • (6(f) (	
7	Kentucky net nonbusiness income	7
12. Apportionment fraction - line 11 divided by 4		
or number of factors present (sales representing 2 factors)	Taxable net income (line 5 plus line 7) (enter here and on Form 720, Part III, line 21)	8
SECTION III. KENTUCKY REAL/TANGIBLE PROPERTY	SECTION IV. TOTAL REAL/TANG	
PROFERTY A. Beginning of Year B. End of Year	PROPERTY A. Beginning of Yes	
1. Inventories 1	1. Inventories1	
2. Buildings	2. Buildings 2	
Buildings	3. Machinery and equipment . 3	
	4. Land 4	
4 Land	5. Other tangible assets 5	
1 1	6. Total (lines 1 through 5) 6	
6. Total (lines 1 through 5) 6	o. Total (ands 1 (mough 5) O ]	
Average value of real/tangible property owned in Kentucky, total of line 6, columns A and B divided by 2	Average value of real/tangible property owned everywhere, total of line 6, columns A and B divided by 2	7
8. Leased property (Eight times the annual rental rate less subrentals)	Leased property (Eight times the annual rental rate less subrentals)	8
9. Total (lines 7 and 8) (enter on line 5, Section I) 9	9. Total (lines 7 and 8) (enter on line 6, Section I)	. 9



KENTUCKY FORM 720S, PAGE 3 DETAIL	
LINE 7 - CHARITABLE CONTRIBUTIONS	
50% CASH CHARITABLE CONTRIBUTIONS	200
TOTAL	200

## Form 1120S

### U.S. Income Tax Return for an S Corporation

Do not file this form unless the corporation has filed or is attaching Form 2553 to elect to be an S corporation. OMB No. 1545-0130

Department of the Treasury Internal Revenue Service ► See separate instructions. For calendar year 2011 or tax year beginning 07/01/2011 06/30/2012 endina A S election effective date D Employer identification number 07/01/1979 VALLEY GAS, INC. Number, street, and room or suite no. If a P.O. box, see instructions. B Business activity code 05/13/1962 BOX 218 City or town, state, and ZIP code F Total assets (see instructions) attached IRVINGTON. 40146 182,044. Yes X No If "Yes," attach Form 2553 if not already filed G Is the corporation electing to be an S corporation beginning with this tax year? Final return (2) Name change (3) H Check if: (1) Address change Amended return (5) S election termination or revocation (4) Caution. Include only trade or business income and expenses on lines 1a through 21. See the instructions for more information. 1 a Merchant card and third-party payments. For 2011, enter -0-1a b Gross receipts or sales not reported on line 1a (see instructions) 242,029 1 b 242,029. c Total. Add lines 1a and 1b 1 c d Returns and allowances plus any other adjustments (see instructions) 1 d e Subtract line 1d from line 1c 242,029. 2 Cost of goods sold (attach Form 1125-A) 179,142. 62,887. 3 Gross profit. Subtract line 2 from line 1e 4 Net gain (loss) from Form 4797, Part II, line 17 (attach Form 4797) 101,177. Other income (loss) (see instructions - attach statement) 5 5 6 164,064. 60,000. Salaries and wages (less employment credits) 8 for limitations) 4,150. Repairs and maintenance q 3,981. 10 Bad debts 6,225. 11 instructions 12 Taxes and licenses 8,041. 13 Interest 23,228. 14 Depreciation not claimed on Form 1125-A or elsewhere on return (attach Form 4562) 15 15 Depletion (Do not deduct oil and gas depletion.) 160. 16 16 Advertising Deductions 17 Pension, profit-sharing, etc., plans 17 18 Employee benefit programs 18 70.071 19 19 Total deductions. Add lines 7 through 19 20 75,856. 20 -11,79221 Ordinary business income (loss). Subtract line 20 from line 6 . . . . . 22 a Excess net passive income or LIFO recapture tax (see instructions) . . . 22a b Tax from Schedule D (Form 1120S) c Add lines 22a and 22b (see instructions for additional taxes) . . . . . Payments 23 a 2011 estimated tax payments and 2010 overpayment credited to 2011 23a b Tax deposited with Form 7004 23b c Credit for federal tax paid on fuels (attach Form 4136)...... 23c and 24 Estimated tax penalty (see instructions). Check if Form 2220 is attached 24 25 Amount owed. If line 23d is smaller than the total of lines 22c and 24, enter amount owed. . . . . . 25 26 Overpayment. If line 23d is larger than the total of lines 22c and 24, enter amount overpaid . . . . . . . 26 Enter amount from line 26 Credited to 2012 estimated tax 27 Refunded > 27 Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge Sign May the IRS discuss this return with Here the preparer shown below (see Title Signature of officer Date Instructions)? X Yes Date Print/Type preparer's name Preparer's signature Check if selfemployed JEFFREY T. EBELHAR, CPA Paid Firm's name ► EBELHAR WHITEHEAD, PLLC Firm's EIN Preparer 100 WEST THIRD STREET, SUITE 200 Use Only Phone no 270-926-2922 Firm's address > OWENSBORO, 42303 ΚY

VALLEY GAS, I	NC.
---------------	-----

b Collectibles (28%) gain (loss) c Unrecaptured section 1250 gain (attach statement) . . . . . Net section 1231 gain (loss) (attach Form 4797)

Other income (loss) (see instructions) . . . . . . . Type ▶

Page 2 Form 1120S (2011) Yes Νo Other Information (see instructions) Schedule B 2 See the instructions and enter the: a Business activity ► SERVICE b Product or service ► NATURAL GAS 3 At the end of the tax year, did the corporation own, directly or indirectly, 50% or more of the voting stock of a domestic corporation? (For rules of attribution, see section 267(c).) If "Yes," attach a statement showing: (a) name and employer identification number (EIN), (b) percentage owned, and (c) if 100% owned, was a qualified subchapter S subsidiary Χ election made? 4 Has this corporation filed, or is it required to file, Form 8918, Material Advisor Disclosure Statement, to provide Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . . . If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments. 6 If the corporation: (a) was a C corporation before it elected to be an S corporation or the corporation acquired an asset with a basis determined by reference to the basis of the asset (or the basis of any other property) in the hands of a C corporation and (b) has net unrealized built-in gain in excess of the net recognized built-in gain from pricr years, enter the net unrealized built-in gain reduced by net recognized built-in gain from prior years (see 7 Enter the accumulated earnings and profits of the corporation at the end of the tax year. Are the corporation's total receipts (see instructions) for the tax year and its total assets at the end of the tax year less than \$250,000? If "Yes," the corporation is not required to complete Schedules L and M-1......... 9 During the tax year, was a qualified subchapter S subsidiary election terminated or revoked? If "Yes," see instructions . . Χ 10a Did the corporation make any payments in 2011 that would require it to file Form(s) 1099 (see instructions)?...... Schedule K Shareholders' Pro Rata Share Items -11,792. 1 Ordinary business income (loss) (page 1, line 21) 1 2 3 a Other gross rental income (loss) 3 a Expenses from other rental activities (attach statement) . 3b 3с 8. 4 Income (Loss) b Qualified dividends . . . . . . . . . . . . 5b 6 6 7 8a

8 b

9

10

9

10

1   Section 179 deduction (stach Form 4562)   11   1   1   1   1   1   1   1   1	Form 1	1208 (2	VALLEY GAS, INC.			Page 3
12a Contributions   12a   200.			Shareholders' Pro Rata Share Items (continued)		Total amount	
12a Contributions   12a   200.	us	11	Section 179 deduction (attach Form 4562)	11		
1   1   1   1   1   1   1   1   1   1	cţe	12a		12a		200.
1   1   1   1   1   1   1   1   1   1	Ď	b	Investment interest expense	12b		
13a   Low-income housing credit (section 42(f)(5))   13a   Low-income housing credit (section 42(f)(5))   13b	De	С	Section 59(e)(2) expenditures (1) Type ▶ (2) Amount ▶	12c(2)		
December		d	Other deductions (see instructions) Type ▶	12d		
Box   Down-income housing credit (other)   13b   13c   13d   13		13 a	Low-income housing credit (section 42(i)(5))	13a		
Comparison   13c   13		ı		13b		
d Other rental real estate credits (see instructions) . Type ▶ 13d	50	l	• • • • • • • • • • • • • • • • • • • •	13c		
For Alcohol and cellulosic biofuel fuels credit (attach Form 6476).   13f   3g   13g	edit	1		13d		
137   138   139	ວັ		, , , , , , , , , , , , , , , , , , , ,	13e		
14a Name of country or U.S. possession   14b   14c				13f		
14 a Name of country or U.S. possession				13g		
B Gross income from all sources   14b				273.5.		
Gross income sourced at shareholder level    14c		b	Gross income from all sources	14b		
Foreign gross income sourced at corporate level  d Passive category  1 Other (attach statement) Deductions allocated and apportioned at shareholder level Interest expense h Other Deductions allocated and apportioned at corporate level to foreign source income   14th		c	Gross income sourced at shareholder level	14c		
e General category f Other (attach statement) Deductions allocated and apportioned at shareholder level g Interest expense h Other Deductions allocated and apportioned at corporate level to foreign source income i Passive category j General category k Other (attach statement) Other information i Total foreign taxes (check one): Paid Accrued Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement) 15a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income Oil, gas, and geothermal properties - deductions f Other AMT Items (attach statement) 15d Other tax-exempt interest income b Other tax-exempt income 16a C Nondeductible expenses c Dividend distributions paid from accumulated earnings and profits d Other laxes reconciliation. Combine the amounts on lines 1 through 10 in the far right			Foreign gross income sourced at corporate level	ile-ja		
e General category f Other (attach statement) Deductions allocated and apportioned at shareholder level g Interest expense h Other Deductions allocated and apportioned at corporate level to foreign source income i Passive category j General category k Other (attach statement) Other information i Total foreign taxes (check one): Paid Accrued Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement) 15a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income Oil, gas, and geothermal properties - deductions f Other AMT Items (attach statement) 15d Other tax-exempt interest income b Other tax-exempt income 16a C Nondeductible expenses c Dividend distributions paid from accumulated earnings and profits d Other laxes reconciliation. Combine the amounts on lines 1 through 10 in the far right		d	Passive category	14d		
Form   Other (altach statement)   Deductions allocated and apportioned at shareholder level   14g   14h		e	General category	14e		
j General category k Other (attach statement) Other information l Total foreign taxes (check one): ▶□ Paid □ Accrued m Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement) 15a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income e Oil, gas, and geothermal properties - deductions f Other AMT items (attach statement)  15d Other tax-exempt interest income b Other tax-exempt income c Nondeductible expenses d Distributions (attach statement ir required) (see instructions). 15e 17a Investment expenses c Dividend distributions paid from accumulated earnings and profits d Other items and amounts (attach statement)  18a Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	ons	f	Other (attach statement)	14f		
j General category k Other (attach statement) Other information l Total foreign taxes (check one): ▶□ Paid □ Accrued m Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement) 15a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income e Oil, gas, and geothermal properties - deductions f Other AMT items (attach statement)  15d Other tax-exempt interest income b Other tax-exempt income c Nondeductible expenses d Distributions (attach statement ir required) (see instructions). 15e 17a Investment expenses c Dividend distributions paid from accumulated earnings and profits d Other items and amounts (attach statement)  18a Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	acti			111111		
j General category k Other (attach statement) Other information l Total foreign taxes (check one): ▶□ Paid □ Accrued m Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement) 15a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income e Oil, gas, and geothermal properties - deductions f Other AMT items (attach statement)  15d Other tax-exempt interest income b Other tax-exempt income c Nondeductible expenses d Distributions (attach statement ir required) (see instructions). 15e 17a Investment expenses c Dividend distributions paid from accumulated earnings and profits d Other items and amounts (attach statement)  18a Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	ans	g	• • • • • • • • • • • • • • • • • • • •	14g		
j General category k Other (attach statement) Other information l Total foreign taxes (check one): ▶□ Paid □ Accrued m Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement) 15a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income e Oil, gas, and geothermal properties - deductions f Other AMT items (attach statement)  15d Other tax-exempt interest income b Other tax-exempt income c Nondeductible expenses d Distributions (attach statement ir required) (see instructions). 15e 17a Investment expenses c Dividend distributions paid from accumulated earnings and profits d Other items and amounts (attach statement)  18a Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	Ë			14h		
j General category k Other (attach statement) Other information l Total foreign taxes (check one): ▶□ Paid □ Accrued m Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement) 15a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income e Oil, gas, and geothermal properties - deductions f Other AMT items (attach statement)  15d Other tax-exempt interest income b Other tax-exempt income c Nondeductible expenses d Distributions (attach statement ir required) (see instructions). 15e 17a Investment expenses c Dividend distributions paid from accumulated earnings and profits d Other items and amounts (attach statement)  18a Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	ig			4404		
j General category k Other (attach statement) Other information l Total foreign taxes (check one): ▶□ Paid □ Accrued m Reduction in taxes available for credit (attach statement) n Other foreign tax information (attach statement) 15a Post-1986 depreciation adjustment b Adjusted gain or loss c Depletion (other than oil and gas) d Oil, gas, and geothermal properties - gross income e Oil, gas, and geothermal properties - deductions f Other AMT items (attach statement)  15d Other tax-exempt interest income b Other tax-exempt income c Nondeductible expenses d Distributions (attach statement if required) (see instructions). 15e 17a Investment expenses c Dividend distributions paid from accumulated earnings and profits d Other items and amounts (attach statement)  18a Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	ore	ı	.,	14i		
K Other (attach statement) Other information   1 Total foreign taxes (check one): ▶ Paid Accrued   141	ш.	ı		14j		
Other information  I Total foreign taxes (check one): Paid Accrued  m Reduction in taxes available for credit (attach statement)  14m  n Other foreign tax information (attach statement)  15a Post-1986 depreciation adjustment  b Adjusted gain or loss  c Depletion (other than oil and gas)  d Oil, gas, and geothermal properties - gross income  Oil, gas, and geothermal properties - deductions  f Other AMT items (attach statement)  16a Tax-exempt interest income  b Other tax-exempt income  16b  Other tax-exempt income  16c  Distributions (attach statement if required) (see instructions),  e Repayment of loans from shareholders  17a Investment expenses  c Dividend distributions paid from accumulated earnings and profits  d Other items and amounts (attach statement)  18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right		k		14k		
1 Total foreign taxes (check one): Paid Accrued   141     m Reduction in taxes available for credit (attach statement)   14m     n Other foreign tax information (attach statement)   15a   -151.     15a   Post-1986 depreciation adjustment   15a   -151.     b Adjusted gain or loss   15b     c Depletion (other than oil and gas)   15c     d Oil, gas, and geothermal properties - gross income   0 Oil, gas, and geothermal properties - deductions   15f     o Other AMT items (attach statement)   15f     16a   Tax-exempt income   16b     b Other tax-exempt income   16b     c Nondeductible expenses   16c     d Distributions (attach statement if required) (see instructions)   16d     e Repayment of loans from shareholders   17a     Investment expenses   17b     c Dividend distributions paid from accumulated earnings and profits   17c     d Other items and amounts (attach statement)   1 in the far right				. 115		
m Reduction in taxes available for credit (attach statement)  n Other foreign tax information (attach statement)  15a Post-1986 depreciation adjustment		1	produced Control of the Control of t	141		
n Other foreign tax information (attach statement)  15a Post-1986 depreciation adjustment		m	Reduction in taxes available for credit (attach statement)			
15a   -151.				19894		i in carri
b Adjusted gain or loss				15a		-151.
f Other AMT items (attach statement). 15f    Day 16	ax s			15b		
f Other AMT items (attach statement). 15f    Day 16	ativ m T Iten		•	15c		
f Other AMT items (attach statement). 15f    Date of the content o	tern imu (T)			15d		
f Other AMT items (attach statement). 15f    Date of the content o	<u>A</u>			15e		
16a   Tax-exempt interest income   16b   16c				15f		
b Investment income				16a		
b Investment income	ctin			16b		
b Investment income	Affe shol			16c		
b Investment income	ms/ hare B:			16d		
b Investment income	S			16e		
18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right						8.
18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	atic			-		
18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	O E		Dividend distributions paid from accumulated earnings and profits			
18 Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right	Infe			9410	Processing the second	
Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l 18 -11,984.						- Circumstan
column. From the result, subtract the sum of the amounts on lines 11 through 12d and 14l 18 -11,984.	con	18	Income/loss reconciliation. Combine the amounts on lines 1 through 10 in the far right			
	Re		•	18	-11	,984.

Form 1120S (2011)

Assets	Scl	neclule L Balance Sheets per Books	Beginn	ing of tax ye	ear	End o	of tax year
28 Times released accountable of the programment of		Assets	(a)		(b)	(c)	
2. Trace rows and account recorded.	1	Cash		3	43,291		
Less et lowance for but donks,			7,57	1.	Seek on that is	6,053	
1.			(	)	7,571	(	
4. U.S. government obligations ( ) 5. Tax-example score (see instructions ( ) 6. Other convert sees instructions ( ) 7. Monthings are other expressible seets, ( ) 8. Monthings are other expressible seets, ( ) 9. Less accumulated depreciation ( ) 12. Land (rise of any amortization ) 13. Interruption seets (seminorization ) 13. Interruption seets (seminorization ) 14. Other assets (circles) statement) 15. Land (rise of any amortization ) 15. Land (rise of any amortization ) 16. Land (rise of any amortization ) 16. Land (rise of any amortization ) 17. Total assets (seminorization ) 18. Land (rise of any amortization ) 19. Land (rise of					95,478		92,715.
Tax-animal securities (see instructional), C Loans to shareholders	4						
1	5						
1	6						
Mortigage and real estate facilities as alternated (1)   1.00	7						
3	8	Mortgage and real estate loans					
10	9						
b Less accumulated depletion	10a	Buildings and other depreciable assets .	373,82	3.		417,120	. Perovsta Albanilla selkit
1.a Land (net of any amortization)	ь	Less accumulated depreciation	( 327,93	7.)	45,886	5. ( 352,232	.) 64,888.
b Less accumulated depletion		• • •					The state of the section of the sect
12   Land (fine of any amortization )			(	)		(	)
13.a Interplicia seates (semicrabele only)							
1, 0.94.   1, 0.94.				venile.		*	Parista de la companio del companio del companio de la companio del companio de la companio de la companio del companio de la companio del companio de la companio del companio de la comp
1, 0.94.   1, 0.94.	ь	Less accumulated amortization	(	)		(	)
193,320.   182,044.					1,094		1,094.
Liabilities and Shareholders Equity 19 Accounts populate 19 Mortgages, notes, broad populate in loss than 1 year of more an anteriodiscillation of the state of t	15	• •			193,320	).	182,044.
1 Not income (locus) per books 1 Schedule M-1 Reconciliation of Income (Loss) per Books With Income (Loss) per Return Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions  1 Not income (loss) per books 1 S. S., 6, 7, 8, and 10, not recorded on books this year not included on books this year not included on Schedule K, lines 1 through 1.2 and 141 ((lemize):  2 Depreciation 5 Travel and entertainment \$ 2, 709	Li			M was			For the second research has
Secretary   Secr	16 17	Accounts payable Mortgages, notes, bonds payable in			67,044	<u>l.                                    </u>	
19 Loans from shareholders 20 Montgages, notes, bounds payable in Montgages, notes, bounds and payable in Montgages, notes, and payable in Montgages, notes, and payable in Montgages, notes, notes, and payable in Montgages, notes, n		less than 1 year			16 56/		14 621
1   Other labilities (attach statement),   86, 875,   875,	19	Loans from shareholders			10,505		11,021.
22 Capital stock,		1 year or more					
23 Additional paid-in capital					86,875	5.	
24 Retained earnings	23				497,696	5.	
25 Adjustments to shareholders' equity clarach statement)		Poteined comings			-474,859	).	-472,148.
Schedule M-1   Reconciliation of Income (Loss) per Books With Income (Loss) per Return Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions		Adjustments to shareholders'					
Total liabilities and shareholders' equity.   Technology   Technolog	26			(			( )
Note: Schedule M-3 required instead of Schedule M-1 if total assets are \$10 million or more - see instructions  1		Total liabilities and shareholders' equity •			193,320	).	182,044.
1 Net income (loss) per books	Sc	hedule M-1 Reconcilia	ition of Income (Los	s) per B	ooks With Inco	ome (Loss) per Return ssets are \$10 million or more	e - see instructions
2 Income included on Schedule K, lines 1, 2, 3c, 4, 5a, 6, 7, 8a, 9, and 10, not recorded on books this year (included on Schedule K, lines 1 through 10 (itemize):  a Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize):  a Depreciation \$  b Travel and entertainment \$  7 Add lines 5 and 6.  14, 693.  4 Add lines 1 through 3.  2, 709. 8 Income (loss) (Schedule K, line 18), Line 4 less line 7.  -11, 984.  Schedule M-2  Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)  (a) Accumulated adjustments account  (b) Other adjustments account  1 Balance at beginning of tax year  -580, 126.  (b) Other adjustments account  (c) Shareholders' undistributed taxable income previously taxed  1 Cordinary income from page 1, line 21  3 Other additions  4 Loss from page 1, line 21  5 Other reductions  (c) Shareholders' undistributed account  (d) Accumulated account  (e) Shareholders' undistributed taxable income previously taxed  -580, 126.  -17, 653.  5 Other reductions  (e) Shareholders' undistributed taxable income previously taxed  (e) Shareholders' undistributed taxable income previously taxed  (e) Shareholders' undistributed account  (e) Shareholders' undistributed taxable income previously taxed  (e) Shareholders' undistributed account  1 Depreciation \$  2 Depreciation \$  2 Depreciation \$  2 Depreciation \$  3 Income (loss) (Schedule K, line 18), Line 4 less line 7  1 Depreciation \$  4 Depreciation \$  5 Depreciation \$  1 Depreciation \$  1 Depreciation \$  2 Depreciation \$  3 Depreciation \$  4 Depreciation \$  5 Depreciation \$  5 Depreciation \$  6 Deductions included on Schedule K, lines 18, Line 4 less line 7  1 Depreciation \$  1 Depreciation \$  1 Depreciation \$  2 Depreciation \$  3 Depreciation \$  4 Depreciation \$  5 Depreciation \$  5 Depreciation \$  6 Depreciat					1		
Sa. 6, 7, 8a. 9, and 10, not recorded on books this year (itemize):  a Tax-exempt interest \$  a Defection in though 12 and 14I, not charged interest in tax exempt interest in text in the part in the part in the part in th	2			2, 100.	7	•	
Expenses recorded on books this year not included on Schedule K, lines 1 through 12 and 14I (itemize):  a Depreciation \$	-		pooks this		1		-
included on Schedule K, lines 1 through 12 and 14I, not charged against book income this year (itemize):  a Depreciation \$	_				6 Deductions in	cluded on Schedule K.	
against book income this year (itemize):  a Depreciation \$	3	•			-		
a Depreciation \$			ough 12				
b Travel and entertainment \$							14-693
7 Add lines 5 and 6							
Add lines 1 through 3	b						
Analysis of Accumulated Adjustments Account, Other Adjustments Account, and Shareholders' Undistributed Taxable Income Previously Taxed (see instructions)  (a) Accumulated adjustments account account (c) Shareholders' undistributed taxable income previously taxed (see instructions)  1 Balance at beginning of tax year -580, 12617, 653.  2 Ordinary income from page 1, line 21 (11, 792.)  4 Loss from page 1, line 21 (11, 792.)  5 Other reductions (200.) (1)  6 Combine lines 1 through 5592, 11017, 653.  7 Distributions other than dividend distributions Balance at end of tax year. Subtract line 7 from line 6 -592, 11017, 653.				2 700	8 Income (loss) (S	chedule K. line 18), Line 4 less line 7	-11.984
Combine   Comb		had lines i through 5	of Accumulated Ad	iustmen	ts Account Of	ther Adjustments Acco	ount, and Shareholders'
(a) Accumulated adjustments account (b) Other adjustments account taxable income previously taxed taxable income previously taxed — 580, 126. — 17, 653.  2 Ordinary income from page 1, line 21	0	Undistrib	uted Taxable Incom	e Previo	usly Taxed (se	ee instructions)	
adjustments account account taxable income previously taxed  1 Balance at beginning of tax year  2 Ordinary income from page 1, line 21  3 Other additions  4 Loss from page 1, line 21  5 Other reductions  6 Combine lines 1 through 5  7 Distributions other than dividend distributions  8 Balance at end of tax year. Subtract line 7 from line 6  -580, 126  -17, 653  -17, 653							(c) Shareholders' undistributed
2 Ordinary income from page 1, line 21							
2 Ordinary income from page 1, line 21		Dalance at beginning of the your			-580, 126,		-17,653.
3 Other additions			1		300,120.	on one called the price the	
4 Loss from page 1, line 21		•	1		8 -		
5 Other reductions			1				
6 Combine lines 1 through 5592, 11017, 653. 7 Distributions other than dividend distributions592, 11017, 653. 8 Balance at end of tax year. Subtract line 7 from line 6592, 11017, 653.				!		(	
7 Distributions other than dividend distributions				<u></u>			-17,653.
8 Balance at end of tax year. Subtract line 7 from line 6			I		U) L   11U.		
d database at entre of tax year. Captures 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1, 1,				-	-592,110		-17,653.
			Zune / Hommieo		JJ21110.1		Form 1120S (2011)

# Form 4562

# **Depreciation and Amortization**

(Including Information on Listed Property)

2011

OMB No. 1545-0172

Attachment Sequence No. 179

Department of the Treasury Internal Revenue Service (99) Name(s) shown on return

► See separate instructions.

► Attach to your tax return.

Identifying number

	LEY GAS, INC.							
Busi	ness or activity to which this form relates							
4	NERAL DEPRECIATION AND							
ŀε	Ttl Election To Expense C Note: If you have any li				vou compli	ate Part I		
1	Maximum amount (see instructions)			<del></del>			1	500,000.
2	Total cost of section 179 property p							19,578.
3	Threshold cost of section 179 prop	erty before reduction in	n limitation (se	e instruction	 ns)		3	2,000,000.
4	Reduction in limitation, Subtract line				· · · · · ·		4	
5	Dollar limitation for tax year. Subtract line 4 fro separately, see instructions						. 5	500,000.
6	(a) Descriptio				siness use only		d cost	
	METERS				19,578.		NONE	
7	Listed property. Enter the amount fr	rom line 29			7	<u> </u>		
8	Total elected cost of section 179 pr	roperty. Add amounts i	n column (c),	lines 6 and	<sup>7</sup>			NONE
9	Tentative deduction. Enter the small	ler of line 5 or line 8					9	NONE
10	Carryover of disallowed deduction f	from line 13 of your 20	10 Form 4562	2			. 10	
11	Business income limitation. Enter t							NONE
12	Section 179 expense deduction, Ad					<del>,</del>	12	
13	Carryover of disallowed deduction t				. 13		NONE	
_	e: Do not use Part II or Part III below fo							1
Le	rt							instructions.)
14	Special depreciation allowance		, ,				1	
	during the tax year (see instructions							19,578.
	Property subject to section 168(f)(1	) election					15	
16	Other depreciation (including ACRS MACRS Depreciation	(Do not include lieto	d property \	(See instr	ructions )	<del></del>	16	
	MACKS Depreciation	(DO HOL INCIDATE HISTORIA		tion A	uctions.)			
47	MACRS deductions for assets place	and in appuise in tax yes			,		17	800.
17 18	If you are electing to group any							
10	asset accounts, check here	•					ור ור	
***************************************		s Placed in Service					eciation S	System
	***************************************	(b) Month and year	(c) Basis for	depreciation	(d) Recovery			
	(a) Classification of property	placed in service	(business/inv only - see in		period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property							
b	5-year property							
C	7-year property							
C	10-year property							
e	15-year property							
f	20-year property							
g	25-year property				25 yrs.		S/L	
ł	Residential rental				27.5 yrs.	ММ	S/L	
	property				27.5 yrs.	MM	S/L	
i	Nonresidential real				39 yrs.	ММ	S/L	
	property					MM	S/L	
	Section C - Assets	Placed in Service D	Ouring 2011	Tax Year	Using the A	Alternative Dep		System
20a	Class life						S/L	
	12-year				12 yrs.		S/L	
	40-year		<u> </u>		40 yrs.	MM	S/L	<u> </u>
	rt IV Summary (See instruct							0.050
21	Listed property. Enter amount from						21	2,850.
22	Total. Add amounts from line 12,							22 222
	and on the appropriate lines of your	•				<del>,,,,,,,</del>	22	23,228.
23	For assets shown above and pla		g the curren	t year, ent	ei tile			

roin	n 4562	(2011)															rage Z
Pa	rt V	entertainme	perty (Include ent, recreation, o	r amusem	ent.)												
			ny vehicle for wh is (a) through (c) of									ducting	lease l	expense	, comp	nete <b>on</b>	<b>iy</b> 24a,
			Depreciation and									imits for	nasser	nger aut	omobile	25.)	
24a	Do vo		e to support the busi				7	Yes				Yes," is t				Yes	No
	20 ,0		T	(c)	T dde	- Continue	-		(e)	T	(f)	T	g)		h)	(1	
	Type of	(a) f property (list	(b) Date placed	Business/	1.	(d)		Basis for		ation	Recovery	1	9) hod/	1 '	ciation	Elected	-
		icles first)	in service	investment u percentage		or other ba	asıs	(busines use	s/investr e only)	ment '	period		ention	dedu		179	cost
26	Cassi	al depresietion	allowerse for such			. pleased	in o			a tha	tov					5,75,24.5	-4
25			allowance for qual han 50% in a qualifie							_			25				
26			than 50% in a qualified			iiisti uotic	113)	• • •	• • •	<u></u>	• • • •	<u></u>	. 25	L			
				T	%	00.71	T					100 5	D 1331	1	0.50	Γ	
HO	NDA_	CRV	08/21/2009	100	%	23,71	19.	1.4	2,75	9.	5.0	200 D	B-HI	- 4,	850.	<del> </del>	
					%							-					
		1 500/			70							L		L			
27	Prope	erty used 50% o	r less in a qualified bu	siness use:	2/1							T		т		T	
					%							S/L ~					
					%							S/L ~				1	
					%							S/L -		ļ		1	
28			mn (h), lines 25 thro												850.		
29	Add a	mounts in colu	mn (i), line 26. Enter										<u></u>	<u></u>	. 29		
						Inform											
			vehicles used by a												rovided	vehicles	to your
emp	oloyees	, first answer th	e questions in Section	n C to see if	you mee	et an exc	eption	n to cor	mpleti	ng this	section	for those	e venicle	es,			
						a)	١,	(b)	.		(c)		d) icle 4		e) icle 5		f) icle 6
30	Total	business/inve	stment miles drive	en during	Ven	icle 1	\	/ehicle 2		ver	icle 3	Ven	IGIE 4	Ven	icle 5	Veni	CIE U
	the ye	ear ( <b>do not</b> inclu	ide commuting miles)														
31	Total	commuting mil	les driven during the	year													
			onal (noncommutir											ĺ			
	driver	1 . <i>.</i>			<u> </u>											<u> </u>	
33			during the year.														
	30 th	rough 32							- 1								
34			available for pers		Yes	No	Ye	s N	lo	Yes	No	Yes	No	Yes	No	Yes	No
			?								1						
35			used primarily by			1											
••			ated person?												1		
36			le available for			1					1						
••	_			,													
			ction C - Questio		nlove	re Who	Pro	ovide	Vehi	cles	for Us	e hy Th	eir Fm	nlove	98	-	
۸۵۰	owar t		s to determine if													who are	not
			or related persons (			spuon u	0 001	iiibietii	ng Se	SCHOIL	D IOI	/GIIICIGS	useu i	y cinpi	Oyees 1	wiio aic	. 1101
																Yes	No
37	-		a written policy		-										ig, by		110
20	youre	employees?	written policy state	oment that	nrohibit			co of	· · ·		cent co	mmuting	by yo		0.0002	-	<del> </del>
30			, ,														
20	See tr	ne instructions i	for vehicles used by c	orporate off	cers, uii	ectors, o	1 170 0	or more	OWITE					· · · ·			
39	Do yo	ou treat all use t	of vehicles by employe more than five ve	es as persor	iai use?										t the		
40																	ļ
	use of	r the vehicles, a	nd retain the informa	tion received											• • • •		-
41	Do yo	ou meet the re	quirements concern	ing qualified	autom	obile de	mons	tration	user	(See	instruct	ions.)		• • • •		-	
			to 37, 38, 39, 40, or	41 IS "Yes," (	io not co	mpiete	sectio	on B tor	trie co	overea	veriicies	·					
126	art VI	Amortizat	ion			<del></del>											
		(a)		(b)				(c)		ĺ	(d)	1	Amorti			(f)	
		Description (	of costs	Date amor		An		able amo	ount		Code s		perio	od or	Amortiz	ation for th	nis year
													perce	ntage			
42	Amor	tization of cost	ts that begins durin	g your 201	1 tax y	ear (see	instr	uctions	;):				T				
						1											
43	Amor	tization of costs	s that began before y	our 2011 ta	year .									43			
44	Total.	. Add amounts i	in column (f). See the	e instruction	s for wh	ere to rep	ort .	<u> </u>			<u></u>			44			

Form 4562

### **Depreciation and Amortization**

(Including Information on Listed Property)

OMB No. 1545-0172

Attachment Sequence No. 179

Department of the Treasury Internal Revenue Service (99)

▶ See separate instructions.

Attach to your tax return.

Name(s) shown on return

VALLEY GAS, INC.

Business or activity to which this form relates

GENERAL DEPRECIATION AND AMORTIZATION

Œ	Election To Expense Ce Note: If you have any list				you com	olet	e Part I.			
1								]	1	25,000.
2	Total cost of section 179 property pla	ced in service (see in	structions)						2	19,578.
3	Threshold cost of section 179 proper	ty before reduction in	n limitation (see	e instructior	ns),			[	3	200,000.
4	Reduction in limitation. Subtract line	3 from line 2. If zero o	r less, enter -0					ا ا	4	
5	Dollar limitation for tax year. Subtract line 4 from separately, see instructions	line 1. If zero or less, enter-	0 If married filing		<i></i> .				5	25,000.
6	(a) Description			(b) Cost (bu	siness use o	nty)	(c) Electe	ed cost		
	METERS				19,57	8.		19,5	78.	
7	Listed property. Enter the amount from	m line 29				7				
8	Total elected cost of section 179 pro	perty. Add amounts i	n column (c), li	ines 6 and 7	7			]	8	19,578.
9	Tentative deduction. Enter the smalle								9	19,578.
10	Carryover of disallowed deduction from	om line 13 of your 20	10 Form 4562						10	
11	Business income limitation. Enter the								11	9,148.
12									12	9,148.
13	Carryover of disallowed deduction to					3		10,4		
	e: Do not use Part II or Part III below for								<u> </u>	
-	rt I Special Depreciation A				o not incl	ude	listed prope	rtv.) (	See in	nstructions.)
14										
14									14	xxxxxxxx
	during the tax year (see instructions)								15	
15	Property subject to section 168(f)(1)								16	
16	Other depreciation (including ACRS)  Tt   MACRS Depreciation (I	No not include liete	d proporty \	(Soo instr	uctions \	• • •		• • • •	16	
	MACKS Depreciation (L	o not include liste			uctions.)					
				tion A					47	
17	MACRS deductions for assets placed								17	
18	If you are electing to group any a							<u>al</u>		
	asset accounts, check here									
	Section B - Assets						eneral Dep	reciat	on S	ystem
	(a) Classification of property	(b) Month and year placed in service	(c) Basis for d (business/inve only - see ins	estment use	(d) Recover	y (	a) Convention	(f) Me	thod	(g) Depreciation deduction
19a	3-year property									
_ k	5-year property					_				
•	7-year property									
(	d 10-year property							1		
•	15-year property	]								
f	20 mar property									
	20-year property					+				
	25-year property				25 yrs.			Si	'L	
1	g 25-year property				25 yrs. 27.5 yrs.		ММ	Si		
ì	g 25-year property n Residential rental				27.5 yrs.		M M M M		L	
	g 25-year property n Residential rental property							S	L L	
	g 25-year property n Residential rental property Nonresidential real				27.5 yrs. 27.5 yrs.		M M M M	S	L L	
	g 25-year property n Residential rental property Nonresidential real property	laced in Service C	Ouring 2011	Tax Year	27.5 yrs. 27.5 yrs. 39 yrs.		M M M M M M	Si Si	L L L	System
i	g 25-year property  Residential rental property  Nonresidential real property  Section C - Assets F	laced in Service D	During 2011	Tax Year	27.5 yrs. 27.5 yrs. 39 yrs.		M M M M M M	S S S precia	L L L ation	System
i 20a	g 25-year property  n Residential rental property  Nonresidential real property  Section C - Assets F	laced in Service D	During 2011	Tax Year	27.5 yrs. 27.5 yrs. 39 yrs. Using the		M M M M M M	Si Si Si precia	L L L L ation	System
20a	25-year property  Residential rental property  Nonresidential real property  Section C - Assets F  Class life 12-year	laced in Service D	During 2011	Tax Year	27.5 yrs. 27.5 yrs. 39 yrs. Using the		MM MM MM ernative De	Si Si Si precia	L L L ation	System
20a	25-year property Residential rental property Nonresidential real property Section C - Assets F a Class life 2 12-year 2 40-year		During 2011	Tax Year	27.5 yrs. 27.5 yrs. 39 yrs. Using the		M M M M M M	Si Si Si precia	L L L ation	System
20a	Residential rental property  Nonresidential real property  Section C - Assets F  Class life 12-year 40-year  Summary (See instruction	ons.)			27.5 yrs. 27.5 yrs. 39 yrs. Using the 12 yrs. 40 yrs.	e Alt	MM MM MM ernative De	Si Si Si precia	L L L Ation	
20a	Residential rental property  Nonresidential real property  Section C - Assets F  Class life 12-year 40-year Summary (See instruction Listed property.	ons.)			27.5 yrs. 27.5 yrs. 39 yrs. Using the 12 yrs. 40 yrs.	e Alt	M M M M M M ernative De	Si Si Si precia Si Si	L L L ation	System 2, 288.
20a	Residential rental property  Nonresidential real property  Section C - Assets For Class life 12-year 140-year  Summary (See instruction Listed property. Enter amount from ling Total. Add amounts from line 12, li	ons.) ne 28 nes 14 through 17,	lines 19 and		27.5 yrs. 27.5 yrs. 39 yrs.  Using the 12 yrs. 40 yrs.	e Alt	MM MM ernative De	Silver Si	L L L ation	2,288.
20a	Residential rental property  Nonresidential real property  Section C - Assets For Class life 12-year 140-year 15t IV Summary (See instruction Listed property. Enter amount from lift Total. Add amounts from line 12, lift and on the appropriate lines of your re-	ons.) ne 28 nes 14 through 17, eturn. Partnerships ar	lines 19 and	20 in colu	27.5 yrs. 27.5 yrs. 39 yrs. Using the 12 yrs. 40 yrs.	e Alt	MM MM ernative De	Silver Si	L L L Ation	
20a	Residential rental property  Nonresidential real property  Section C - Assets For Class life 12-year 140-year 15t V Summary (See instruction Listed property. Enter amount from line Total. Add amounts from line 12, li	ons.) ne 28 nes 14 through 17, eturn. Partnerships ar	lines 19 and od S corporation the current	20 in colu	27.5 yrs. 27.5 yrs. 39 yrs.  Using the 12 yrs. 40 yrs.	e Alt	MM MM ernative De	Silver Si	L L L ation	2,288.

VA	LLEY GAS, INC.									KEN	rucky				
	entertainme Note: For a	operty (Include ent, recreation, o ny vehicle for wh s (a) through (c) of	r amuseme ich vou are	nt.) <i>using</i>	the st	andar	d mileag	ne ra	ate or de	·				•	
		Depreciation and								limits for	passer	ger auto	omobile	s.)	
24a	Do you have evidence					1			24b If "					Yes	No
	(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	Cost	(d) or other ba		(e) asis for depre usiness/inve use only	stment	I Kecovery	(g Meth Conve	od/	Depre- dedu		(i Elected 179	section
25	Special depreciation										1				
26	year and used more the Property used more to				nstructio	ns)	• • • •	• • •	• • • • • •	• • • • •	25	XXXX	(XX		
		08/21/2009		T	23,71	0	23,7	1.0	T 5 0	200 DI	2_UV	2	288.		
HO	NDA CRV	08/21/2009	100 %		23, 11	9.	23,1	19.	1 3.0	TOO DI	2-UI		200.		
			%						<del> </del>	<b></b>					
27	Property used 50% or	r less in a qualified bu	siness use:	1										L	
			%	6		T				S/L -					11114
			%							S/L -					
			%	0						S/L -					
	Add amounts in colur												288.		
29	Add amounts in colur	mn (i), line 26. Enter	here and on li	ne 7, p	age 1 .						<i>.</i> .	<u></u>	. 29		
	mplete this section for ployees, first answer the			r, part	ner, or c	ther "r	more than	5%	owner," or				rovided	vehicles	to your
30	Total business/inve			(a Vehi	a) icle 1		(b) hicle 2	V	(c) /ehicle 3	(d Vehic		Vehi	e) cle 5	(1 Vehi	
31	Total commuting mile	es driven during the	year												
32	Total other perso	onal (noncommutir	g) miles												
	driven							-		<del> </del>					
33	Total miles driven	- ,													
	30 through 32			Yes	No	Yes	No	Ye	s No	Yes	No	Yes	No	Yes	No
34	Was the vehicle	•	-	165	No	162	No	16	5 140	162	NU	165	NO	165	140
25	during off-duty hours? Was the vehicle		i			L	1	-		1		-			
33	than 5% owner or rela	, , ,	1				1					Ì			
36	ls another vehicle						1	l							
	use?		. 1												
Λn		ction C - Questic	ns for Emp											who are	not
	re than 5% owners o				puon te		picting c							· · · · · · · · · · · · · · · · · · ·	
37	Do you maintain										ding co	ommutin	g, by	Yes	No
38	your employees? Do you maintain a	written policy state	ment that p	rohibits	s persor	al use	of vehic	des,	except co	mmuting,					
	See the instructions for														
39	Do you treat all use o	of vehicles by employe	es as personal	l use?											
40	Do you provide n				mployee	s, obt	taın info	rmati	ion from	your e	mployee	s abou	t the		
	use of the vehicles, ar				 			2/0-		ions \	<i>.</i>				
41	Do you meet the red Note: If your answer to											• • • •	· · · ·	1 1 1 1	
	art VI Amortizat		r i io 160, 00	701 00	inplote C	, collon	Dioi die	20761	04 V01110160						
ككلية	HEATE MINUTUZAL	1011			l			Т			(e	)			
	(a)		(b)		I	(c)	)	- 1	(4)	. 1	Amorti	zation		(f)	

(a) Description of costs	(b)  Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins durin	g your 2011 tax ye	ear (see instructions):			
					***************************************
43 Amortization of costs that began before y	our 2011 tax year			43	
44 Total. Add amounts in column (f). See th	e instructions for whe	ere to report	<u> </u>	44	

Form 4562 (2011)





2011

SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

► See instructions.

For	alendar year 2011 or fiscal year beginning	07/01 , 2011, and ending 06/30	_,20 <u>12</u> .	
			entucky Corporat	
num	ber >		ccount Number	
		S corporation's name, address and ZIP co	nde .	
	eholder's name, accress and zir code 1	1 '	estment pass-throug	h entity
	KENNETH KASEY	Crieck if applicable.	odinoni pada amaag	in only
	O. BOX 218	VALLEY GAS, INC.		
TK	INGTON, KY 40146	P. O. BOX 218		
		IRVINGTON, KY 40146		
A. 8	hareholder's percentage of stock ownership for tax year	ar , , , , , , , , , , , , , , , , , , ,	., ▶	100.000000 %
В. (	<ol> <li>Resident shareholder's taxable percentage of pro ra</li> </ol>	ıta share items	<b>&gt;</b>	100%
(	<ol><li>Nonresident shareholder's taxable percentage of p</li></ol>	ro rata share items (see Schedule A, Section I, line 12)	▶	%
		al Estate Trust Single Member LLC	;	
D. (	check the box if nonresident shareholder's income is re			
	Kentucky Nonresident Income Tax Withholding			
	and Composite Income Tax Return (Form 740NP-	MH and Form PTE-WH) Amended K-1		
E (	Check if applicable: (1) Final K-1 (2)	Amended K-1		
	THE CONTROL OF THE CO	ns for Schedule K-1 before entering information fr	om Schadula K-1	on vour tay return
	IMPORTANT: Refer to Shareholder's Instruction	ns for Schedule K-1 before entering information in	Off Schedule N-1	
		ro Rata Share Items		(b) Amount
Inco	me (Loss)		120 240 040 041	0.110
1.		es <sub></sub>	A 100 CONTRACTOR (100 CONTRACTOR)	9,148
2.			3/17/27/2017	
3.			3	
4.	Portfolio income (loss):		4(0)	8
			100 EU 100 E	ō
			22252-92312824	
			287781704	
			GRANDERM	
			557504.000	
-		alty or theft)	ACE # 27 FAGE LOSS	
5. 6.		any of thory		
	uctions			
7.		sing for homeless deduction (attach Schedule HH) S	TMT 1 7	200
8.		Form 4562 and Kentucky Form 4562)		9,148
9.		schedule)	\$27.77 \$270 £300	
10.	Other deductions (attach schedule)		10	
	estment Interest			
11.	(a) Interest expense on investment debts		11(a)	
		4(b), 4(c) and 4(f) above		8
	(2) Investment expenses included on line 9 at	oove	(2)	
Tax	Credits		Loomekras	
12.			247,70,404,700,4	
13.				
14.				
15.				
16.	Recycling/Composting Equipment Tax Credit		16	

DEPARTMENT OF REVENUE



SHAREHOLDER'S SHARE OF INCOME, CREDITS, DEDUCTIONS, ETC.

18. 19.	Credits - continued Coal Incentive Tax Credit	18	
19.	Coal Incentive Tax Credit	18	
19.			
	Qualified Research Facility Tax Credit		
20.	GED Incentive Tax Credit		
21.	Voluntary Environmental Remediation Tax Credit	. 21	
	Biodiesel Tax Credit		
	Environmental Stewardship Tax Credit		
	Clean Coal Incentive Tax Credit		
	Ethanol Tax Credit	\$2500 MODE	
26.	Cellulosic Ethanol Tax Credit	. 26	
	5695-K Pass-through Amounts		
27.	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 3)	. 27	
28.	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 9)	. 28	
	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 15)		
	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 29)		
	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 32)		
	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 44)		
	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 47)		
	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 54)		
	Energy Efficiency Products Tax Credit (Enter on Form 5695-K, line 60)	0.0000000000000000000000000000000000000	
	Railroad Maintenance and Improvement Tax Credit		
	Endow Kentucky Tax Credit	OR SERVICE SAY	
	r Items		
38.	(a) Type of Section 59(e)(2) expenditures ▶	38(a)	
	(b) Amount of Section 59(e)(2) expenditures	. (b)	
39.	Tax-exempt interest income		
	Other tax-exempt income		
	Nondeductible expenses	70.000	
42.	Property distributions (including cash) other than dividend distributions reported to you on Form 1099-DIV		
	Supplemental information required to be reported to each shareholder (attach schedules)	and a service of the second	
	Total dividend distributions paid from accumulated earnings and profits	1000 A 500 A 5	
LLET	Pass-through Items		
45.	Shareholder's share of S corporation's Kentucky sales from Schedule K, Section II, line 1	. 45	
	Shareholder's share of S corporation's total sales from Schedule K, Section II, line 2	San and San Street	
	Shareholder's share of S corporation's Kentucky property from Schedule K, Section II, line 3	20000000000000	
	Shareholder's share of S corporation's total property from Schedule K, Section II, line 4	707222334023	
	Shareholder's share of S corporation's Kentucky payroll from Schedule K, Section II, line 5	\$15,665,4505,7505	
	Shareholder's share of S corporation's total payroll from Schedule K, Section II, line 6	Currenció	
	Shareholder's share of Kentucky gross profits from Schedule K, Section II, line 7	1,578334532503	164,072
52.	Shareholder's share of total gross profits from all sources from Schedule K, Section II, line 8	10000000000000000000000000000000000000	164,072
	Shareholder's share of limited liability entity tax (LLET) nonrefundable credit		
00.	from Schedule K, Section II, line 9	, 53	
Resi	dent Shareholder Adjustment		
	Combination of Kentucky Schedule K-1, lines 1 through 5, 8 and portions of lines 6 and 10.		
	Add income amounts and subtract (loss) and deduction amounts (see instructions)	54	8
	Combination of federal Schedule K-1, lines 1 through 9, 11 and portions of lines 10 and 12.		
55		1	I
55.		55	-11,784
	Add income amounts and subtract (loss) and deduction amounts (see instructions)	. 55	-11,784

### KENTUCKY FORM 720S SCHEDULE K-1 DETAIL FOR L. KENNETH KASEY LINE 7 - CHARITABLE CONTRIBUTIONS 50% CASH CHARITABLE CONTRIBUTIONS 200 TOTAL 200