

# FAX

For: Jeff Derouen

Fax number: 502-564-3460

From: Johnson County Gas

Fax number: 606 478-5266

Date: 10-24-12

Regarding: CASE No 2012-00140

Number of pages: 27

Comments:

**RECEIVED**

OCT 24 2012

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALTERNATIVE RATE FILING ADJUSTMENT	)	CASE NO.
APPLICATION OF JOHNSON COUNTY GAS	)	2012-00140
COMPANY	)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO  
JOHNSON COUNTY GAS COMPANY, INC.

Johnson County Gas Company, Inc. ("Johnson County"), pursuant to 807 KAR 5:001, is to file with the Commission the *original and six copies* of the following information, with a copy to all parties of record. The information requested herein is due on or before October 24, 2012. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Johnson County shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Johnson County fails or refuses to furnish all or part of the requested information, it shall

provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to the Billing Analysis of Johnson County filed August 10, 2012. Explain the discrepancy between the number of bills and usage volumes shown for residential and commercial customers (3,470 residential bills with 15,165 residential sales, and 189 commercial bills with 1,151 commercial sales) compared to the average number of customers and sales volumes shown in Johnson County's 2011 Annual Report. (The Annual Report shows an average number of residential customers of 330, which should equate to 3,960 bills, and residential sales volumes of 15,517 Mcf; and an average number of commercial and industrial customers of 15, equating to 180 bills, with commercial/industrial sales volumes of 854 Mcf.)

2. Many gas distribution companies regulated by the Commission have rate designs consisting of a monthly customer charge, which covers zero Mcf usage, and a single volumetric rate for all volumes purchased.

a. Explain whether Johnson County has considered or would be amenable to this type of rate design, as opposed to a minimum bill containing a charge for 2 Mcf with a lower rate for all over 2 Mcf sold.

b. If the answer to part a. of this request is yes, provide the customer charge and volumetric rate that Johnson County would propose to achieve its required revenue requirement.

c. If the answer to part a. of this request is no, explain why Johnson County believes its proposed rate design to be superior in terms of revenue collection and customer understanding.

3. Explain the source of Other Gas Revenues of \$475.00 shown on ARF FORM-1 of Johnson County's August 10, 2012 filing with the Commission, which is headed "Schedule of Adjusted Operations – Gas Utility" ("ARF FORM-1"), and why Johnson County expects to receive the same level of such revenues going forward.

4. The evidentiary records in other Commission cases involving Johnson County<sup>1</sup> have shown that its president and sole shareholder, Mr. Bud Rife, also owns Bud Rife Construction Company, Inc., B & H Gas Company, B & S Oil and Gas Company, and that he owns a 29 percent interest in Hall, Stephens & Hall, which has been identified as a production company.

a. Explain whether Johnson County currently does business with any of these other companies or has entered into business transactions with them during the period from January 1, 2010 to the present.

b. If they exist, identify any other entities in which Mr. Rife has an ownership interest and that do business with Johnson County or have transacted business with Johnson County since January 1, 2010.

5. Refer to ARF FORM-1. For the test year ended December 31, 2011, Other Gas Supply Expenses are listed at \$134,687, which matches the amount reported in Johnson County's 2011 Annual Report as Natural Gas City Gate Purchases. However, the amount of Gas Purchases shown on the income statement in Johnson

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<sup>1</sup> Case No. 99-155, Application of Johnson County Gas Company, Inc. for a Rate Adjustment Pursuant to the Alternative Rate Filing Procedure for Small Utilities (Ky. PSC, Sept. 1, 1999) and Case No. 2012-00227, Purchased Gas Adjustment Filing of Johnson County Gas Company (filed June 4, 2012).

County's 2011 tax return is less than one-half this amount. Explain why the amount reported in the annual report is more than twice the amount shown in the tax return.

6. Refer to ARF FORM-1. \$28,698 is the amount listed as Distribution Expenses, which matches the amount in Johnson County's 2011 Annual Report. In the Annual Report, \$20,576 of the total for Distribution Expenses is identified as Rents – Account 881.

a. Clarify whether or not this rent expense was for office space.

b. If this was rent for office space, identify the owner of the property. If the owner is Mr. Rife, a relative of Mr. Rife, or one of the other entities owned by Mr. Rife, explain in detail how the amount of rent charged to Johnson County is determined.

c. Exhibit 2 of what were identified as the "Bankruptcy Documents" in Johnson County's original application is headed "Johnson County Gas Company, Inc." with a sub-heading of "Overhead Expense Budget for the Year Ending 12/31/12" ("Exhibit 2 – Bankruptcy Documents"). The monthly budget for office rental is \$1,000, or \$12,000, for calendar year 2012. Explain whether this budgeted amount indicates that Johnson County's office rent expense was reduced beginning in 2012.

7. Refer to ARF FORM-1. \$141,296 is the amount listed as Administrative and General Expenses, which matches the amount shown in Johnson County's 2011 Annual Report. In the Annual Report, \$117,745 of the total for Administrative and General Expenses is identified as Outside Services Employed – Account 923.

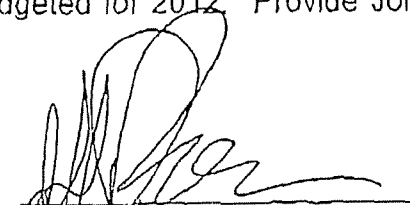
a. Provide a breakdown of the \$117,745 which lists each individual or firm that provided services to Johnson County in 2011, the nature of the services provided, and the amount charged to Johnson County by each individual or firm.

b. Exhibit 2 - Bankruptcy Documents shows \$84,000 being budgeted, a monthly amount of \$7,000, for calendar year 2012 for "Bud Rife Management Fee." Provide the amount of compensation Mr. Rife received for managing Johnson County for each of the years 2010 and 2011.

c. Explain whether Mr. Rife has been compensated \$7,000 per month by Johnson County in 2012. If his compensation has not been this amount, provide his total 2012 compensation from Johnson County, through September 2012.

d. An earlier item in this request listed four other entities in which Mr. Rife has previously been identified as either sole- or part-owner. Provide the amount of compensation Mr. Rife received from each of those entities -- Bud Rife Construction Company, Inc., B & H Gas Company, B & S Oil and Gas Company, and Hall, Stephens & Hall, in 2011.

8. Exhibit 2 – Bankruptcy Documents shows \$5,976 as the amount budgeted for calendar year 2012 for "Telephone." While the income statement in the 2011 Annual Report does not reflect a specific "Telephone" expense, the income statement in Johnson County's 2011 tax return includes an amount for "Telephone Expense" that is only a few hundred dollars less than the \$5,976 budgeted for 2012. Provide Johnson County's 2011 expense for telephone service.



Jeff Derouen  
 Executive Director  
 Public Service Commission  
 P.O. Box 615  
 Frankfort, KY 40602

OCT 10 2012  
 DATED \_\_\_\_\_

cc: Parties of Record

Edward  
Dinsmore & Shovel, LLC  
101 South Fifth Street  
Suite 2500  
Louisville, KENTUCKY 40202

No. 0066 P. 7

Johnson County Gas  
P.O. Box 447  
Betsy Layne, Kentucky 41605  
606-789-5481  
Fax: 606-478-5266

October 24, 2012

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
PO Box 615  
Frankfort, Ky. 40602

In the matter of Alternative Rate Filing Adjustment  
Application of Johnson County Gas Company

Case No. 2012-00140

Dear Mr. Derouen:

Pursuant to that certain Order of the Public Service Commission dated September 26, 2012, the following is in response to the "Commission Staff's First Request for Information to Johnson County Gas Company, Inc." dated October 10, 2012 in Case No. 2012-00140:

**Question No. 1:**

Refer to the Billing Analysis of Johnson County filed August 10, 2012. Explain the discrepancy between the number of bills and usage volumes shown for residential and commercial customers (3,470 residential bills with 15,165 residential sales, and 189 commercial bills with 1,151 commercial sales) compared to the average number of customers and sales volumes shown in Johnson County's 2011 Annual Report. (The Annual Report shows an average number of residential customers of 330, which should equate to 3,960 bills, and residential sales volumes of 15,517 Mcf; and an average number of commercial and industrial customers of 15, equating to 180 bills, with commercial/industrial sales volumes of 854 Mcf.)

**Response to question no. 1**

The 2011 PSC reports as originally filed was in error and has been amended to properly reflect the number of bills and usage volumes shown for residential and commercial customers. These numbers are now in agreement.

**Question No. 2:**



Many gas distribution companies regulated by the Commission have rate designs consisting of a monthly customer charge, which covers zero Mcf usage, and a single volumetric rate for all volumes purchased.

a. Explain whether Johnson County has considered or would be amenable to this type of rate design, as opposed to a minimum bill containing a charge for 2 Mcf with a lower rate for all over 2 Mcf sold.

b. If the answer to part a. of this request is yes, provide the customer charge and volumetric rate that Johnson County would propose to achieve its required revenue requirement.

c. If the answer to part a. of this request is no, explain why Johnson County believes its proposed rate design to be superior in terms of revenue collection and customer understanding.

### Response to question no. 2

At existing rates, Johnson County Gas does not receive sufficient revenue to pay for the costs of its overhead. Johnson County Gas is amenable to ANY rate design that is sufficient to (a) balance the expense budget and (b) provide for payments to its creditors, all in accordance with the confirmed Chapter 11 plan. A minimum monthly charge must raise at least \$18,100 during a calendar year to replace the proposed minimum monthly charge of 1 Mcf to 2 Mcf per customer per month - reference is made to the attached "Exhibit 2" to the Disclosure Statement. If anticipated costs of operation are \$182,417 per calendar year, Johnson County Gas must recover a combination of a minimum charge plus a cost per Mcf that will pay \$182,417, PLUS five years' debt service of \$39,000 per year for the creditors in the Plan of Reorganization (which probably should be treated as a separate, line-item surcharge). The PSC can terminate the surcharge at the end of the five years.

Notwithstanding the foregoing, Johnson County Gas believes that the proposed rate design is superior AND beneficial to customers because customers are only affected during the summer months when there is little or no use of gas. Customers generally understand this minimum bill because we rarely receive questions from customers about the minimum bill. The proposed rate design of a 2 Mcf minimum bill also allows Johnson County Gas to receive additional operating revenue during the summer months when it really needs the revenue to pay for fixed costs.

### Question No. 3

Explain the source of Other Gas Revenues of \$475.00 shown on ARF FORM-1 of Johnson County's August 10, 2012 filing with the Commission, which is headed "Schedule of Adjusted Operations - Gas Utility" ("ARF FORM-1"), and why Johnson County expects to receive the same level of such revenues going forward.

### Response to question no. 3

This was from checks written for gas related expenditures that were written in prior years but never cleared the bank; thus, those checks were voided and shown as revenue in 2011.

**Question No. 4**

The evidentiary records in other Commission cases involving Johnson County' have shown that its president and sole shareholder, Mr. Bud Rife, also owns Bud Rife Construction Company, Inc., B & H Gas Company, B & S Oil and Gas Company, and that he owns a 29 percent interest in Hall, Stephens & Hall, which has been identified as a production company.

**Response to question no. 4**

You will find an attached list of all expenditures to all entities in which Bud Rife has an interest from 1/1/10 through 12/31/11. Neither B & H Gas Company nor Hall, Stephens, & Hall have done any business with Johnson County Gas during this period (other than the fact that B & H Gas shares the same office space and the rent).

**Question No. 5**

Refer to ARF Form-1. For the test year ended December 31, 2011, Other Gas Supply Expenses are listed at \$134,687, which matches the amount reported in Johnson County's 2011 Annual Report as Natural Gas City Gate Purchases. However, the amount of Gas Purchases shown on the income statement in Johnson County's 2011 tax return is less than one-half this amount. Explain why the amount reported in the annual report is more than twice the amount shown in the tax return.

**Response to question no. 5**

The purchase of natural gas for which checks were paid amounted to \$52,954.94. A copy of the 2011 general ledger reflecting this amount is attached along with a list of the schedule of purchases by vendor. These are summarized below:

Bradco Oil Company	- \$36,992.00
EQT	- \$10,565.94
Columbia Gas	- <u>\$5,433.53</u>
Total	- \$52,954.94

This amount reflects the amount deducted of the 2011 income tax return. The remainder of \$81,732 is gas purchases from Columbia Gas that was not paid for by year end but is included in the PSC report in accounts payable.

**Question No. 6**

Refer to ARF FORM-1. \$28,698 is the amount listed as Distribution Expenses, which matches the amount in Johnson County's 2011 Annual Report. In the Annual Report, \$20,576 of the total for Distribution Expenses is identified as Rents – Account 881.

- a. Clarify whether or not this rent expense was for office space.
- b. If this was rent for office space, identify the owner of the property. If the owner is Mr. Rife, a relative of Mr. Rife, or one of the other entities owned by Mr. Rife, explain in detail how the amount of rent charged to Johnson County is determined.
- c. Exhibit 2 of what were identified as the "Bankruptcy Documents" in Johnson County's original application is headed "Johnson County Gas Company, Inc." with a sub-heading of "Overhead Expense Budget for the Year Ending 12/31/12" ("Exhibit 2 – Bankruptcy Documents"). The monthly budget for office rental is \$1,000, or \$12,000, for calendar year 2012. Explain whether this budgeted amount indicates that Johnson County's office rent expense was reduced beginning in 2012.

#### Response to question no. 6

- a. This was paid to Bud Rife for leases of trucks and rent.
- b. Bud Rife owns the office and building where Johnson County Gas maintains its office. B & H Gas and Johnson County Gas each pay \$1,000 per month, or a total of \$2,000 per month for the entire building. The building is a lot more space than the old location that it had previously leased for \$800 per month. The old location was in a flood zone and caused damage to business records and personal property in past years. The amount of the rent is reasonable based upon the size of the office space utilized by Johnson County Gas and the location of the building in a business district. Mr. Rife purchased the present location for approximately \$175,000 and paid more than \$25,000 to "fit-up" the premises for B & H Gas and Johnson County Gas. Thus, the monthly rent of \$2,000 (\$1,000 times 2 tenants), is reasonable based upon Mr. Rife's costs.
- c. It was not reduced. See above.

#### Question No. 7

Refer to ARF FORM-1. \$141,296 is the amount listed as Administrative and General Expenses, which matches the amount shown in Johnson County's 2011 Annual Report. In the Annual Report, \$117,745 of the total for Administrative and General Expenses is identified as Outside Services Employed – Account 923.

- a. Provide a breakdown of the \$117,745 which lists each individual or firm that provided services to Johnson County in 2011, the nature of the services provided, and the amount charged to Johnson County by each individual or firm
- b. Exhibit 2 - Bankruptcy Documents shows \$84,000 being budgeted, a monthly amount of \$7,000, for calendar year 2012 for "Bud Rife Management Fee." Provide the amount of compensation Mr. Rife received for managing Johnson County for each of the years 2010 and 2011.
- c. Explain whether Mr. Rife has been compensated \$7,000 per month by

Johnson County in 2012. If his compensation has not been this amount, provide his total 2012 compensation from Johnson County, through September 2012.

d. An earlier item in this request listed four other entities in which Mr. Rife has previously been identified as either sole- or part-owner. Provide the amount of compensation Mr. Rife received from each of those entities -- Bud Rife Construction Company, Inc., B & H Gas Company, B & S Oil and Gas Company, and Hall, Stephens & Half, in 2011.

**Response to question no. 7**

a. A copy of the ledger showing this amount is attached. Below is the breakdown

Bud Rife (Management Fees)	\$ 81,000.00
Darrell Madden, CPA PSC (Accounting)	1,365.00
Attorney Fees (Bunch & Brock -- Dinsmore & Shohl)	35,014.00
Kimberlain IT Services (Computer Technician)	365.70
Total	\$ 117,744.70

Also, the ARF Form should be an easy filing however it has been a drawn out process for Johnson County Gas. Johnson County Gas to date has paid Dinsmore & Shohl to file the ARF however due to lack of funds we still owe them \$11,712.68. But date Johnson County has paid them \$11,480.75.

b. A copy of the general ledger showing these payments for 2010 and 2011 is attached. The amounts are listed below:

2010 - \$84,000

2011 - 81,000

c. No compensation from Hall, Stephens, & Hall. Mr. Rife has been paid a total of \$49,000.00 from January 2012 to present. There are a couple of months he has not been compensated due to lack of funds.

d. As previously stated, no business was done with B & H Gas Company or Hall, Stephens & Hall. B & S oil and Gas is a sole proprietorship so no wages were derived by Bud Rife from this entity. The W-2 from Bud Rife Construction paid to Bud Rife was in the amount of \$40,800 for 2011. A copy is attached

**Question No. 8**

Exhibit 2 – Bankruptcy Documents shows \$5,976 as the amount budgeted for calendar year 2012 for “Telephone”. While the income statement in the 2011 Annual Report does not reflect a specific “Telephone” expense, the income statement in Johnson County’s 2011 tax return includes an amount for “Telephone Expenses” that



Johnson County Gas Company, Inc.  
 Overhead Expense Budget for the Year Ending 12/31/2012

February	March	April	May	June	July	August	September	October	November	December	Total
\$498	\$498	\$498	\$498	\$498	\$498	\$498	\$498	\$498	\$498	\$498	\$5,976
1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	1,046	12,553
1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
245	245	245	245	245	245	245	245	245	245	245	2,940
0	0	2,607	712	712	712	712	712	712	712	712	9,015
26	26	26	26	26	26	26	26	26	26	26	312
275	275	275	275	275	275	275	275	275	275	275	3,300
		300			300			300	0		1,200
0	975	0	0	975	0	0	975	0	0	975	3,900
1,928	1,928	1,928	1,928	1,928	1,928	1,928	1,928	1,928	1,928	1,928	23,136
397	397	397	397	397	397	397	397	397	397	397	4,764
928	928	928	928	928	928	928	928	928	928	928	11,136
149	149	149	149	149	149	149	149	149	149	149	1,788
7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	7,000	84,000
0	0	0	0	0	0	0	0	0	0	5,797	5,797
50	50	50	50	50	50	50	50	50	50	50	600
<u>\$13,542</u>	<u>\$14,517</u>	<u>\$16,449</u>	<u>\$14,254</u>	<u>\$15,229</u>	<u>\$14,554</u>	<u>\$14,254</u>	<u>\$15,229</u>	<u>\$14,554</u>	<u>\$14,254</u>	<u>\$21,026</u>	<u>\$182,417</u>

al costs and assumptions as to future costs.  
 rately from customers at actual cost, and therefore, not shown herein.

ill sell 19,000 Mcf to its customers each year, the cost recovery required, before debt service to Creditors, is \$9.60 per Mcf.  
 f the Plan is approx. \$90,000.00 to Classes 1, 2-A and 2-B plus \$105,000 to Class 3 for a total of \$195,000.00 over 5 years.  
 urcharge required to pay \$39,000/yr based upon 19,000 Mcf sold per year is \$2.05 per Mcf.  
 ntucky PSC of the minimum monthly charge from 1 Mcf to 2 Mcf per customer per month will be sufficient to recover \$18,100 (\$0.95 per Mcf).  
 of \$1.10 per Mcf) will total \$39,000 per year or \$2.05 per Mcf based upon \$19,000 Mcf sold to customers per year.

## JOHNSON COUNTY GAS Vendor Ledgers

For the Period From Jan 1, 2010 to Dec 31, 2011

Filter Criteria includes: 1) IDs from Bud Rife Const. to BUD RIFE-DBA B & S O. Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
Bud Rife Const	1/1/10	1269	CDJ		946.00	946.00	0.00
Bud Rife Construction	1/14/10	1293	CDJ		1,868.00	1,868.00	0.00
	3/1/10	1316	CDJ		1,090.00	1,090.00	0.00
	4/2/10	3588	CDJ		1,290.00	1,290.00	0.00
	5/14/10	3611	CDJ		2,918.00	2,918.00	0.00
	7/1/10	3635	CDJ		602.00	602.00	0.00
	9/22/10	3678	CDJ		2,295.00	2,295.00	0.00
	12/1/10	3694	CDJ		3,000.00	3,000.00	0.00
	3/16/11	3741	CDJ		3,053.00	3,053.00	0.00
	5/5/11	3763	CDJ		4,601.00	4,601.00	0.00
	5/5/11	3764	CDJ		1,376.00	1,376.00	0.00
	6/3/11	3779	CDJ		4,418.00	4,418.00	0.00
	8/12/11	1025	CDJ		840.00	840.00	0.00
Bud Rife Management	1/14/10	1283	CDJ		7,000.00	7,000.00	0.00
Bud Rife	2/1/10	1305	CDJ		7,000.00	7,000.00	0.00
	3/1/10	1317	CDJ		7,000.00	7,000.00	0.00
	4/2/10	3578	CDJ		7,000.00	7,000.00	0.00
	4/27/10	3597	CDJ		7,000.00	7,000.00	0.00
	6/1/10	3616	CDJ		7,000.00	7,000.00	0.00
	6/15/10	3631	CDJ		7,000.00	7,000.00	0.00
	7/30/10	3651	CDJ		7,000.00	7,000.00	0.00
	8/30/10	3689	CDJ		7,000.00	7,000.00	0.00
	10/1/10	3083	CDJ		7,000.00	7,000.00	0.00
	11/1/10	3077	CDJ		7,000.00	7,000.00	0.00
	12/1/10	3085	CDJ		7,000.00	7,000.00	0.00
	1/19/11	3707	CDJ		7,000.00	7,000.00	0.00
	1/31/11	3716	CDJ		7,000.00	7,000.00	0.00
	2/26/11	3729	CDJ		7,000.00	7,000.00	0.00
	4/1/11	3742	CDJ		7,000.00	7,000.00	0.00
	5/3/11	3762	CDJ		7,000.00	7,000.00	0.00
	5/27/11	3773	CDJ		7,000.00	7,000.00	0.00
	7/11/11	1001	CDJ		7,000.00	7,000.00	0.00
	8/2/11	1019	CDJ		7,000.00	7,000.00	0.00
	9/1/11	1039	CDJ		7,000.00	7,000.00	0.00
	10/11/11	1060	CDJ		3,000.00	3,000.00	0.00
	11/23/11	1080	CDJ		3,000.00	3,000.00	0.00
	12/8/11	1096	CDJ		5,000.00	5,000.00	0.00
	12/15/11	1103	CDJ		7,000.00	7,000.00	0.00
Bud Rife Rent	2/1/10	1304	CDJ		1,531.55	1,531.55	0.00
Bud Rife	3/1/10	1318	CDJ		1,531.55	1,531.55	0.00
	4/2/10	3579	CDJ		1,531.55	1,531.55	0.00
	4/27/10	3598	CDJ		1,531.55	1,531.55	0.00
	6/1/10	3617	CDJ		1,531.55	1,531.55	0.00
	7/30/10	3654	CDJ		1,531.55	1,531.55	0.00
	8/17/10	3664	CDJ		134.06	134.06	0.00
	8/30/10	3670	CDJ		1,531.55	1,531.55	0.00
	10/1/10	3062	CDJ		1,531.55	1,531.55	0.00
	11/1/10	3078	CDJ		1,531.55	1,531.55	0.00
	12/1/10	3084	CDJ		1,531.55	1,531.55	0.00
	1/19/11	3708	CDJ		1,531.55	1,531.55	0.00
	1/31/11	3717	CDJ		1,531.55	1,531.55	0.00
	2/28/11	3728	CDJ		1,531.55	1,531.55	0.00
	4/1/11	3743	CDJ		1,531.55	1,531.55	0.00
	5/3/11	3761	CDJ		1,531.55	1,531.55	0.00
	5/27/11	3772	CDJ		1,531.55	1,531.55	0.00
	7/11/11	1002	CDJ		1,927.72	1,927.72	0.00
	8/2/11	1020	CDJ		1,927.72	1,927.72	0.00
	9/1/11	1040	CDJ		1,927.72	1,927.72	0.00
	10/11/11	1059	CDJ		1,927.72	1,927.72	0.00
	11/1/11	1069	CDJ		1,927.72	1,927.72	0.00

### JOHNSON COUNTY GAS

#### Vendor Ledgers

For the Period From Jan 1, 2010 to Dec 31, 2011

Filter Criteria Includes: 1) IDs from Bud Rife Const. to BUD RIFE-DBA B & S O. Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
	12/5/11	1089	CDJ		1,531.55	1,531.55	0.00
	12/9/11	1097	CDJ		396.17	396.17	0.00
BUD RIFE-DBA B & S O	1/14/10	1282	CDJ		1,531.55	1,531.55	0.00
Bud Rife-DBA B & S Oil &	3/19/10	1332	CDJ		9,000.00	9,000.00	0.00
<b>Report Total</b>					<b>240,033.73</b>	<b>240,033.73</b>	<b>0.00</b>



#5

10/11/12 at 14:28:02.63

Page: 1

**JOHNSON COUNTY GAS  
General Ledger**

**For the Period From Jan 1, 2011 to Dec 31, 2011**

Filter Criteria Includes: 1) IDs from 5000 to 5000 Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
5000	1/1/11			Beginning Balance			
Gas Purchases	1/1/11	3702	CDJ	Bradco Oil Compa	3,187.50		
	1/16/11	3704	CDJ	Bradco Oil Compa	4,683.50		
				Current Period Cha	7,871.00		7,871.00
	2/1/11			Beginning Balance			7,871.00
	2/8/11	3722	CDJ	Bradco Oil Compa	4,224.50		
	2/26/11	3727	CDJ	EQT - Gas Purcha	10,565.94		
	2/28/11	DEBIT 1	CDJ	Bradco Oil Compa	3,561.50		
				Current Period Cha	18,351.94		18,351.94
	3/1/11			Beginning Balance			26,222.94
	3/31/11	DEBIT 2	CDJ	Bradco Oil Compa	4,233.00		
				Current Period Cha	4,233.00		4,233.00
	4/1/11			Beginning Balance			30,455.94
	4/8/11	3746	CDJ	Bradco Oil Compa	3,663.50		
				Current Period Cha	3,663.50		3,863.50
	5/1/11			Beginning Balance			34,119.44
	5/4/11	3756	CDJ	Bradco Oil Compa	4,020.50		
				Current Period Cha	4,020.50		4,020.50
	6/1/11			Beginning Balance			38,139.94
	6/2/11	3774	CDJ	Bradco Oil Compa	3,145.00		
				Current Period Cha	3,145.00		3,145.00
	7/1/11			Beginning Balance			41,284.94
	7/18/11	1007	CDJ	Bradco Oil Compa	1,751.00		
				Current Period Cha	1,751.00		1,751.00
	8/1/11			Beginning Balance			43,035.94
	8/15/11	1023	CDJ	Bradco Oil Compa	977.50		
				Current Period Cha	977.50		977.50
	9/1/11			Beginning Balance			44,013.44
	9/15/11	1043	CDJ	Bradco Oil Compa	1,173.00		
				Current Period Cha	1,173.00		1,173.00
	10/1/11			Beginning Balance			45,186.44
	10/11/11	1054	CDJ	Bradco Oil Compa	1,249.50		
				Current Period Cha	1,249.50		1,249.50
	11/1/11			Beginning Balance			46,435.94
	11/2/11	1071	CDJ	Bradco Oil Compa	1,122.00		
	11/15/11	1078	CDJ	Columbia Gas of K	5,397.00		
				Current Period Cha	6,519.00		6,519.00
	12/1/11			Beginning Balance			52,954.94
	12/31/11			Ending Balance			52,954.84

**JOHNSON COUNTY GAS.**

**Vendor Ledgers**

**For the Period From Jan 1, 2011 to Dec 31, 2011**

Filter Criteria includes 1) IDs from Bradco Oil Co. to Bradco Oil Co.. Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
Bradco Oil Co.	1/1/11	3702	CDJ		3,187.50	3,187.50	0.00
Bradco Oil Company	1/16/11	3704	CDJ		4,683.50	4,683.50	0.00
	2/8/11	3722	CDJ		4,224.50	4,224.50	0.00
	2/28/11	DEBIT 1	CDJ		3,561.50	3,561.50	0.00
	3/31/11	DEBIT 2	CDJ		4,233.00	4,233.00	0.00
	4/8/11	3746	CDJ		3,663.50	3,663.50	0.00
	5/4/11	3756	CDJ		4,020.50	4,020.50	0.00
	6/2/11	3774	CDJ		3,145.00	3,145.00	0.00
	7/18/11	1007	CDJ		1,751.00	1,751.00	0.00
	8/15/11	1023	CDJ		977.50	977.50	0.00
	9/15/11	1043	CDJ		1,173.00	1,173.00	0.00
	10/11/11	1054	CDJ		1,249.50	1,249.50	0.00
	11/2/11	1071	CDJ		1,122.00	1,122.00	0.00
<b>Report Total</b>					<b>36,992.00</b>	<b>36,992.00</b>	<b>0.00</b>

10/11/12 at 14:29:00.64

**JOHNSON COUNTY GAS  
Vendor Ledgers**

**For the Period From Jan 1, 2011 to Dec 31, 2011**

Filter Criteria includes: 1) IDs from EQT to EQT. Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
EQT EQT	2/26/11	3727	CDJ		10,565.94	10,565.94	0.00
<b>Report Total</b>					<b>10,565.94</b>	<b>10,565.94</b>	<b>0.00</b>

**JOHNSON COUNTY GAS**

**Vendor Ledgers**

**For the Period From Jan 1, 2011 to Dec 31, 2011**

Filter Criteria includes. 1) IDs from Columbia Gas to Columbia Gas. Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	PaId	Debit Amt	Credit Amt	Balance
Columbia Gas	6/27/11	3783	CDJ		36.53	36.53	0.00
Columbia Gas of KY	11/15/11	1078	CDJ		5,397.00	5,397.00	0.00
<b>Report Total</b>					<b>5,433.53</b>	<b>5,433.53</b>	<b>0.00</b>

## JOHNSON COUNTY GAS

## General Ledger

For the Period From Jan 1, 2011 to Dec 31, 2011

Filter Criteria includes: 1) IDs from 6001 to 6001. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
6001	1/1/11			Beginning Balance			
Management Fees	1/19/11	3707	CDJ	Bud Rife - Manage	7,000.00		
	1/31/11	3716	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	14,000.00		14,000.00
	2/1/11			Beginning Balance			14,000.00
	2/26/11	3729	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	3/1/11			Beginning Balance			21,000.00
	4/1/11			Beginning Balance			21,000.00
	4/1/11	3742	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	5/1/11			Beginning Balance			28,000.00
	5/3/11	3762	CDJ	Bud Rife - Manage	7,000.00		
	5/27/11	3773	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	14,000.00		14,000.00
	6/1/11			Beginning Balance			42,000.00
	7/1/11			Beginning Balance			42,000.00
	7/11/11	1001	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	8/1/11			Beginning Balance			49,000.00
	8/2/11	1019	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	9/1/11			Beginning Balance			56,000.00
	9/1/11	1039	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	10/1/11			Beginning Balance			63,000.00
	10/11/11	1060	CDJ	Bud Rife - Manage	3,000.00		
				Current Period Cha	3,000.00		3,000.00
	11/1/11			Beginning Balance			66,000.00
	11/23/11	1080	CDJ	Bud Rife - Manage	3,000.00		
				Current Period Cha	3,000.00		3,000.00
	12/1/11			Beginning Balance			69,000.00
	12/8/11	1096	CDJ	Bud Rife - Manage	5,000.00		
	12/15/11	1103	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	12,000.00		12,000.00
	12/31/11			Ending Balance			81,000.00

**JOHNSON COUNTY GAS  
General Ledger  
For the Period From Jan 1, 2011 to Dec 31, 2011**

Filter Criteria includes: 1) IDs from 6651 to 6654 Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
6651	1/1/11			Beginning Balance			
Accounting Services	2/1/11			Beginning Balance			
	3/1/11			Beginning Balance			
	4/1/11			Beginning Balance			
	5/1/11			Beginning Balance			
	6/1/11			Beginning Balance			
	7/1/11			Beginning Balance			
	8/1/11			Beginning Balance			
	8/22/11	1027	CDJ	Darrell Madden, C	265.00		
	8/22/11	1029	CDJ	Darrell Madden, C	275.00		
				Current Period Cha	540.00		540.00
	9/1/11			Beginning Balance			540.00
	10/1/11			Beginning Balance			540.00
	10/11/11	1058	CDJ	Darrell Madden, C	275.00		
				Current Period Cha	275.00		275.00
	11/1/11			Beginning Balance			815.00
	11/2/11	1072	CDJ	Darrell Madden, C	275.00		
				Current Period Cha	275.00		275.00
	12/1/11			Beginning Balance			1,090.00
	12/7/11	1093	CDJ	Darrell Madden, C	275.00		
				Current Period Cha	275.00		275.00
	12/31/11			Ending Balance			1,365.00
6652	1/1/11			Beginning Balance			
Legal Services	2/1/11			Beginning Balance			
	2/1/11	3714	CDJ	Bunch & Brock Att	25,000.00		
	2/1/11	3715	CDJ	Bunch & Brock Att	1,039.00		
				Current Period Cha	26,039.00		26,039.00
	3/1/11			Beginning Balance			26,039.00
	4/1/11			Beginning Balance			26,039.00
	5/1/11			Beginning Balance			26,039.00
	5/18/11	3739	CDJ	J.D. Johnson, Esq.	500.00		
				Current Period Cha	500.00		500.00
	6/1/11			Beginning Balance			26,539.00
	7/1/11			Beginning Balance			26,539.00
	7/14/11	1004	CDJ	Dinsmore & Shohl	7,500.00		
	7/20/11	1015	CDJ	U S Trustee - Legal	325.00		
				Current Period Cha	7,825.00		7,825.00
	8/1/11			Beginning Balance			34,364.00
	9/1/11			Beginning Balance			34,364.00
	10/1/11			Beginning Balance			34,364.00
	10/17/11	1063	CDJ	U S Trustee - Legal	650.00		
				Current Period Cha	650.00		650.00
	11/1/11			Beginning Balance			35,014.00
	12/1/11			Beginning Balance			35,014.00
	12/31/11			Ending Balance			35,014.00
6654	1/1/11			Beginning Balance			
Professional Fees	2/1/11			Beginning Balance			
	2/8/11	3720	CDJ	Kimberlain IT Servi	365.70		
				Current Period Cha	365.70		365.70
	3/1/11			Beginning Balance			365.70
	4/1/11			Beginning Balance			365.70
	5/1/11			Beginning Balance			365.70
	6/1/11			Beginning Balance			365.70
	7/1/11			Beginning Balance			365.70
	8/1/11			Beginning Balance			365.70
	9/1/11			Beginning Balance			365.70
	10/1/11			Beginning Balance			365.70

10/11/12 at 14:45:21.59

**JOHNSON COUNTY GAS  
General Ledger**

**For the Period From Jan 1, 2011 to Dec 31, 2011**

Filter Criteria Includes: 1) IDs from 6651 to 6654. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
Account Description							
	11/1/11			Beginning Balance			365.70
	12/1/11			Beginning Balance			365.70
	12/31/11			Ending Balance			365.70

7b.

10/11/12 at 14:51:09.66

**JOHNSON COUNTY GAS ,  
General Ledger**

**For the Period From Jan 1, 2010 to Dec 31, 2010**

Filter Criteria Includes: 1) IDs from 6001 to 6001. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
6001	1/1/10			Beginning Balance			
Management Fees	1/14/10	1283	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	2/1/10			Beginning Balance			7,000.00
	2/1/10	1305	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	3/1/10			Beginning Balance			14,000.00
	3/1/10	1317	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	4/1/10			Beginning Balance			21,000.00
	4/2/10	3578	CDJ	Bud Rife - Manage	7,000.00		
	4/27/10	3597	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	14,000.00		14,000.00
	5/1/10			Beginning Balance			35,000.00
	6/1/10			Beginning Balance			35,000.00
	6/1/10	3616	CDJ	Bud Rife - Manage	7,000.00		
	6/15/10	3631	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	14,000.00		14,000.00
	7/1/10			Beginning Balance			49,000.00
	7/30/10	3651	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	8/1/10			Beginning Balance			56,000.00
	8/30/10	3669	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	9/1/10			Beginning Balance			63,000.00
	10/1/10			Beginning Balance			63,000.00
	10/1/10	3063	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	11/1/10			Beginning Balance			70,000.00
	11/1/10	3077	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	12/1/10			Beginning Balance			77,000.00
	12/1/10	3085	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	12/31/10			Ending Balance			84,000.00



**JOHNSON COUNTY GAS**  
**General Ledger**  
**For the Period From Jan 1, 2011 to Dec 31, 2011**

Filter Criteria includes 1) IDs from 6001 to 8001. Report order is by ID. Report is printed with shortened descriptions and in Detail Format.

Account ID	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
Account Description							
6001	1/1/11			Beginning Balance			
Management Fees	1/19/11	3707	CDJ	Bud Rife - Manage	7,000.00		
	1/31/11	3716	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	14,000.00		14,000.00
	2/1/11			Beginning Balance			14,000.00
	2/26/11	3729	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	3/1/11			Beginning Balance			21,000.00
	4/1/11			Beginning Balance			21,000.00
	4/1/11	3742	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	5/1/11			Beginning Balance			28,000.00
	5/3/11	3762	CDJ	Bud Rife - Manage	7,000.00		
	5/27/11	3773	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	14,000.00		14,000.00
	6/1/11			Beginning Balance			42,000.00
	7/1/11			Beginning Balance			42,000.00
	7/11/11	1001	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	8/1/11			Beginning Balance			49,000.00
	8/2/11	1019	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	9/1/11			Beginning Balance			56,000.00
	9/1/11	1039	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	7,000.00		7,000.00
	10/1/11			Beginning Balance			63,000.00
	10/11/11	1060	CDJ	Bud Rife - Manage	3,000.00		
				Current Period Cha	3,000.00		3,000.00
	11/1/11			Beginning Balance			66,000.00
	11/23/11	1080	CDJ	Bud Rife - Manage	3,000.00		
				Current Period Cha	3,000.00		3,000.00
	12/1/11			Beginning Balance			69,000.00
	12/8/11	1096	CDJ	Bud Rife - Manage	5,000.00		
	12/15/11	1103	CDJ	Bud Rife - Manage	7,000.00		
				Current Period Cha	12,000.00		12,000.00
	12/31/11			Ending Balance			81,000.00

10/11/12 at 16:17:44.78

**JOHNSON COUNTY GAS  
General Ledger**

**For the Period From Jan 1, 2011 to Dec 31, 2011**

Filter Criteria Includes: 1) IDs from 6500 to 6500. Report order is by ID. Report is printed with shortened descriptions and In Detail Format.

Account ID Account Description	Date	Reference	Jrnl	Trans Description	Debit Amt	Credit Amt	Balance
	12/5/11	1086	CDJ	AT & T - Telephon	272.34		
	12/5/11	1088	CDJ	Appalachian Wirel	130.15		
	12/7/11	1092	CDJ	AT & T - Telephon	35.50		
				Current Period Cha	584.09		584.09
	12/31/11			Ending Balance			5,595.04