

September 16, 2016

RECEIVED

SEP 16 2016

PUBLIC SERVICE  
COMMISSION

*Via Hand-Delivery*

Ms. Talina Matthews, Ph.D.  
Executive Director  
Kentucky Public Service Commission  
P.O. Box 615  
211 Sower Boulevard  
Frankfort, KY 40602

Case No. 2016-00332

Re: In the Matter of: The Application of Martin Gas, Inc., for Rate Adjustment for  
Small Utilities Pursuant to 807 KAR 5:076

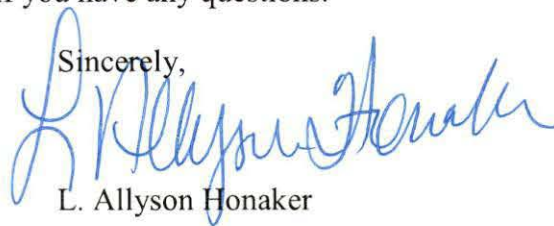
Case No.

Dear Ms. Matthews:

Enclosed please find for filing with the Commission in the above-referenced case an original and five (5) copies of Martin Gas, Inc.'s Application for a Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076. Please return a file-stamped copy to me.

Please do not hesitate to contact me if you have any questions.

Sincerely,



L. Allyson Honaker

Enclosures

**SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY**

APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION

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

MARTIN GAS, INC.  
P.O. BOX 783  
HINDMAN, KY 41822  
606-785-0761

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PUBLIC SERVICE  
COMMISSION

BASIC INFORMATION

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

L. ALLYSON HONAKER  
GOSS SAMFORD, PLLC  
2365 HARRODSBURG ROAD, SUITE B325  
LEXINGTON, KY 40504  
859-368-7740  
Allyson@gosssamfordlaw.com

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

- |   | YES                                 | NO                                  | N/A                      |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 3. Applicant's records are kept separate from other commonly-owned enterprises.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |

YES NO N/A

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

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." (Attach completed "Current and Proposed Rates" Attachment.)
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2015.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." (Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 150,016 and total revenues from service rates of \$ 503,424. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. (Attach a completed "Revenue Requirement Calculation" Attachment.)
12. As of the date of the filing of this application, Applicant had 437 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. (Attach a completed "Billing Analysis" Attachment.)
14. Applicant's depreciation schedule of utility plant in service is attached. (Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

- |   | YES                                 | NO                                  | N/A                      |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 16. a. Applicant is not required to file state and federal tax returns.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |                          |
| b. Applicant is required to file state and federal tax returns.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |                          |
| c. Applicant's most recent state and federal tax returns are attached to this Application. (Attach a copy of returns.)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> |
| 17. Approximately _____ (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |                          |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.                             | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |                          |

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

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

Signed *L. Allyson Honaker*  
 Officer of the Company/Authorized Representative

Title Attorney at Law

Date September 14, 2016

COMMONWEALTH OF KENTUCKY  
 COUNTY OF FAYETTE

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

*Andra Cannon*  
 Notary Public 10# 56 1233  
 My commission expires: 07-20-2020



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

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

NOTICE OF APPLICATION OF MARTIN GAS, INC  
TO ADJUST RATES FOR NATURAL GAS SERVICE  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY  
September 16, 2016

Pursuant to the Kentucky Public Service Commission's regulation 807 KAR 5:076, Martin Gas, Inc. gives notice that an application has been filed on September 16, 2016, with the Kentucky Public Service Commission seeking approval to adjust its rates for natural gas service. This rate adjustment will apply to all of Martin Gas, Inc.'s customers. If Martin Gas, Inc.'s application is approved, monthly natural gas bills from Martin Gas, Inc. will increase as follows:

The current rate for a single mcf or unit of natural gas is \$8.8975. The proposed rate for a single mcf or unit of natural gas is \$14.285. The current customer charge or base rate is \$9.0143. The proposed customer charge or base rate is \$15.00. The proposed rate for a single mcf or unit of natural gas is an increase of 62% over the current rate for a single mcf or unit. The proposed customer charge or base rate is an increase of 63% over the current customer charge or base rate. The Martin Gas, Inc. average customer monthly usage is 6.8 mcf's per month. In 2015 the customers of Martin Gas, Inc. used an average 2986 mcfs per month. The average cost per customer was \$67.34. Based on average usage, the cost will increase \$44.79 per month if the proposed rates are approved by the Kentucky Public Service Commission. The rates contained in this notice are the rates proposed by Martin Gas, Inc., however, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

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

Copies of Martin Gas, Inc.'s application may be obtained or viewed from Martin Gas, Inc., at 35 Kentucky River Road, Emmalena, KY, Monday through Friday from 8:30 a.m. to 4:30 p.m. or on Martin Gas, Inc.'s Web site at [www.thegascompanies.com](http://www.thegascompanies.com). The application and all documents filed with the Kentucky Public Service Commission may be viewed and downloaded at the Kentucky Public Service Commission's Web site at <http://psc.ky.gov/> or a copy can be obtained from the Kentucky Public Service Commission, 211 Sower Boulevard, P.O. Box 615, Frankfort, Kentucky 40602 between the hours of 8:00 a.m. to 4:00 p.m.

  
\_\_\_\_\_

**Jed Weinberg**  
**Martin Gas, Inc.**  
**Vice President**



## REASON FOR APPLICATION

This Alternative Rate Filing pursuant to 807 KAR 5:076 is for the purposes of establishing a rate structure that will allow Martin Gas, Inc. ("Martin") to achieve financial stability on an ongoing basis.

Martin has been operating at a loss for seven of the past nine years and is unable to pay its normal operating accounts and its gas purchases on a timely basis under its existing rate structure. Martin recently established a line of credit to borrow \$40,000.00 to pay all outstanding obligations for gas purchases.

The last rate case that Martin had before the Commission was Case No. 2006-0054, nine years ago. At that time the Commission Staff voiced its concerns about Martin's financial stability and recommended that "Martin monitor its overall financial condition and take the appropriate action to provide for financial stability" as noted in the Commission's Order dated May 31, 2007.

Martin attempted to stay the course and avoid taking actions that would raise its customers' rates. Until August 2011, Martin's major gas suppliers were Clean Gas, Inc. and Stable Branch Gas Company, both of whom were owned by the same family as Martin. This allowed Martin to delay payments in the summer months when customer usage was low and somewhat catch up with the payments in the winter months.

When Clean Gas, Inc. and Stable Branch Gas Company sold their Martin area gas wells to third parties in August 2011 that situation changed. It has now become painfully apparent that Martin cannot continue to operate under its existing rate structure, and there exist many expenses, including the line of credit mentioned above, that cannot be captured in Martin's existing rate structure.

Martin cannot implement a long-term asset up-grade and replacement program under the current rate structure. Martin has not had the excess funds available to up-grade and replace many old customer gas meters. Martin intends to begin a meter replacement program by purchasing and replacing 10 meters per month over the next 36 months. This will enable Martin to more efficiently monitor customer usage and therefore maximize the value of the gas purchased.

Martin has begun an inspection of all of its pipeline system. Much of its delivery pipelines were installed over 17 years ago, and there is beginning to be an unacceptable line loss with the Martin system which will require pipeline repair and replacement. Martin also plans to re-route several pipelines so that in the event of pipeline problems fewer customers are out of service while repairs are made.

## CURRENT AND PROPOSED RATES

### Current Rates

	Base Rate	Gas Cost Recovery	Total
Base Charge	\$4.3976	\$4.6167	\$ 9.0143
Over 1 MCF	\$4.2808	\$4.4167	\$ 8.8975

### Proposed Rates

Base Charge	\$15.00		\$15.00
All MCF	\$9.690	\$4.595	\$ 14.285

**SCHEDULE OF ADJUSTED OPERATIONS - GAS UTILITY**

TYE 12/31/20

	Test Year	Adjustment	Ref.	Pro Forma
<b>Operating Revenues</b>				
Sales of Gas				
Residential	353,408.00	150,016.00	A	503,424.00
Commercial & Industrial				0.00
Interdepartmental				0.00
Sales for Resale				0.00
<b>Total Sales of Gas</b>	<b>353,408.00</b>	<b>150,016.00</b>		<b>503,424.00</b>
Other Operating Revenues				
Forfeited Discounts				0.00
Miscellaneous Service Revenues				0.00
Rent from Gas Property				0.00
Other Gas Revenues				0.00
<b>Total Operating Revenues</b>	<b>353,408.00</b>	<b>150,016.00</b>		<b>503,424.00</b>
<b>Operating Expenses</b>				
Operation and Maintenance Expenses				
Manufactured Gas Production Expenses				0.00
Natural Gas Production Expenses				0.00
Exploration and Development Expenses				0.00
Storage Expenses				0.00
Other Gas Supply Expenses	189,124.00			189,124.00
Transmission Expenses	13,040.00	15,760.00	B	28,800.00
Distribution Expenses				0.00
Customer Accounts Expenses				0.00
Customer Service and Informational Expenses				0.00
Administrative and General Expenses	145,777.00	80,374.00	C	226,151.00
<b>Total Operation and Maintenance Expenses</b>	<b>347,941.00</b>	<b>96,134.00</b>		<b>444,075.00</b>
Depreciation Expense	11,310.00			11,310.00
Amortization Expense	-645.00			-645.00
Taxes Other Than Income	19,293.00	18,535.00	D	37,828.00
Income Tax Expense				0.00
<b>Total Operating Expenses</b>	<b>377,899.00</b>	<b>114,669.00</b>		<b>492,568.00</b>
<b>Utility Operating Income</b>	<b>-24,491.00</b>	<b>35,347.00</b>		<b>10,856.00</b>

References

A- Revenue as determined by Martin Gas, Inc. Staff.

B - Repairs and Maintenance

C - See Supplement to Schedule of Adjusted Operations which breaks down this amount into the different categories that comprise it.

D - Taxes as a result of the increase in sales revenue.

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

**In the Matter of:**

<b>The Application Of Martin Gas, Inc.</b>	)	
<b>For A Rate Increase for Small Utilities</b>	)	<b>Case No. 2016-</b> _____
<b>Pursuant to 807 KAR 5:076</b>	)	

**SUPPLEMENT TO SCHEDULE OF ADJUSTED OPERATIONS**

Martin Gas, Inc. (“Martin”) has been a family owned business for many years and has often depended upon other commonly owned entities to survive. Now that Martin is a stand-alone entity, management is addressing these issues, and certain items that are discussed and noted in the Schedule of Adjusted Operations and this Supplement herein are specifically designed to enable Martin to function and operate independently – as it must, for a variety of reasons.

Many of expense items are “lumped” together in broad expense categories within the format of the Schedule of Adjusted Operations. Martin would like to better explain and state several of the underlying expenses that are “lumped” together. This Supplement to Schedule of Adjusted Operations will explain the increases and certain additional new expenditures.

**Administrative and General Expenses**

Taxes Other Than Income Taxes: There is an \$18,535.00 increase shown. This tax increase is a result of the increase in sales revenues.

Advertising: Martin plans to begin an advertising program to gain new customers. This program will be presented through the three (3) newspapers that service the counties wherein our customers reside. This will be a new \$6,000.00 annual expense.

Health Insurance: There is a \$6,466.18 increase in health insurance. During the past several years, much of the premiums for Martin employees were paid by Clean Gas, Inc. Clean Gas, Inc. is a company owned by the Weinberg family. By lumping all of the Weinberg family owned companies together, the various companies were able to provide more insurance at a better total premium dollar. The \$6,466.18 increase represents the actual amount that Martin should have paid for the health insurance coverage. The Weinberg family owns Clean Gas, Inc. and several other gas producing and related entities. However, a few years ago Clean Gas, Inc. sold many of its

producing wells, reduced its number of employees, and with the current the current natural gas wholesale market can no longer pay Martin's full health insurance premiums.

Automobile Insurance: This expense is increased by \$2,551.00.

Workers Compensation Insurance: This expense is increased by \$2,812.00 to reflect estimated current charges.

Management: Martin plans to hire additional part-time staff to implement its changes and to provide a better, more efficient internal operational monitoring system.

Clerical Expense: Martin pays Clean Gas, Inc. a monthly fee for handling all of its accounting functions. Martin has over the past few years required more accounting services from Clean Gas, Inc. as additional customers were added. The increase requested represents Clean Gas, Inc.'s cost of providing the accounting and related services to Martin. Though Clean Gas, Inc. reduced its ownership of many wells and reduced its number of employees, it has maintained its data processing capabilities.

Legal Fees: Martin has litigation involving certain claims for gas purchased. It is anticipated that the company will encounter legal fees that will be approximately \$12,000.00 per year.

Legal Fees for This Application: Martin expects the legal cost to prepare, file, monitor and complete this Alternative Rate Filing will be approximately \$25,000.00. This will be a one-time expense.

Repairs and Maintenance: Martin has for many years forgone needed repairs and maintenance due to the lack of sufficient operating revenues. The company plans to begin to replace approximately 10 customer meters per month over the next 24 to 30 months. In addition, Martin has identified several areas wherein supply pipelines need to be replaced. The last major pipeline up-grade was well over ten years ago. On-going pipeline maintenance has been on a "fix as needed" basis.

Office Supplies: Clean Gas, Inc. has for the past many years supplied Martin with the postage, envelopes and other paper material needed to mail monthly customer invoices and general correspondence. This increase of \$3,467.00 more adequately represents the cost of the supplies.

Property Insurance: This classification of "property insurance" is actually the general liability insurance category. The increase of \$1,431.00 represents a billing and payment date difference. The total 2015 cost of the general liability insurance policy was \$10,680.00.

Accounts Payable: Martin has attached its 2015 Federal and State tax returns. Martin has listed on the balance sheet of the tax return a note payable due in less than one year in the amount of \$51,245.00. This is an account payable to Heritage Gas Company, LLC, ("Heritage") for gas that Martin purchased from Heritage many years ago. A prior accountant changed this from an account payable to a note payable. Heritage is also a family owned company, and Martin has forgone

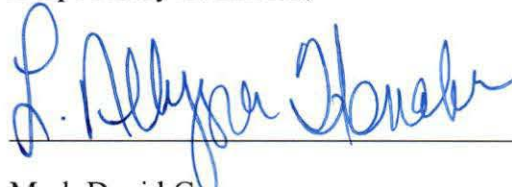
making any payments towards this account in efforts to maintain other accounts in a more up-to date status. Martin anticipates being able to begin to reduce this payable. This amount was originally listed on the balance sheet as an account payment. No promissory note exists for this account, and therefore a Note is not attached to this filing for this payable.

There is also a loan from shareholders in the amount of \$12,200.00 listed on the tax return balance sheet. This loan is from William and Lois Weinberg who were the prior majority shareholders in Martin, and it represents a payable from Martin for general operations and active repayment has been consistently postponed because Martin has never had the additional funds to repay this debt. Martin anticipates being able to reduce this payable. This payable was also switched from an Account Payable to a Note Payable by the same accountant as noted above. No promissory note exists for this account, and therefore a Note for this payable is not attached to this filing.

Clean Gas, Inc., was and is under no obligation to provide the financial, administrative and general expense support that it elected to provide to Martin. Both companies are family owned, and prior to the sale of many of the earning assets, Clean Gas, Inc., assisted Martin in an effort to maintain low prices to Martin's customers. Attached to this Supplement is a copy of the Management Agreement between Clean Gas, Inc. and Martin.

Martin is adding this Supplement so as to give the Commission a better understanding of the revenues required to properly operate and manage this multi-county utility serving nearly 500 customers without having Clean Gas Inc., subsidizing Martin.

Respectfully submitted,



Mark David Goss  
David S. Samford  
L. Allyson Honaker  
Goss Samford, PLLC  
2365 Harrodsburg Road, Suite B-325  
Lexington, KY 40504  
(859) 368-7740  
mdgoss@gosssamfordlaw.com  
david@gosssamfordlaw.com  
allyson@gosssamfordlaw.com  
*Counsel for Martin Gas, Inc.*

**MANAGEMENT SERVICES CONTRACT  
GENERAL TERMS & CONDITIONS**

This Management Services Contract (the "Contract") shall govern the provision of services by Consolidated Local Energy and Natural Gas, Inc., a Kentucky Corporation, d/b/a Clean Gas, Inc. ("CGI" or "Contractor") to Martin Gas, Inc., ("Utility"), a Kentucky Corporation, for Management Services.

**ARTICLE I – DEFINITIONS**

Except where the context otherwise indicates another meaning or intent, the term "Management Services" includes providing routine accounting and billing, compliance, messaging, training, and clerical services, as well as other day to day, 'back office' activities necessary to the ongoing operation of Utility's consumer natural gas sales and distribution. Management Services shall also include the practice of lending CGI non-management personnel to Utility on an as-needed basis. Fees paid to CGI for management services under Article III hereof shall not be deemed to include the cost of yearly tax services, costs routinely associated with AFE's or other third party or extraordinary costs incurred by CGI in fulfilling its duties hereunder.

**ARTICLE II – SCOPE OF CONTRACT**

- 2.1 CGI, in exchange for the consideration as hereinafter set forth, agrees to provide Management Services for Utility. Quantities or prices of natural gas supplied to Utility by CGI are the subject of a separate agreement and are not governed by this Agreement.

**ARTICLE III – COMPENSATION**

- 3.1 In exchange for the duties and services to be performed by CGI as otherwise set forth herein, CGI shall receive \$1,500.00 per month from Utility. CGI may, at its option, increase the monthly fee on an annual basis, provided that it may not increase more than once during the initial term of this Contract or during any successive two (2) year period following the initial term. Further, no single increase, whether made during or following the initial term, may be greater than 20% of the then-existing monthly fee.
- 3.2 In addition, CGI shall be reimbursed at actual cost for any third party expenses or for extraordinary expenses incurred in fulfilling its duties under this Contract. Any and all charges by CGI to Utility for services rendered shall be arms-length transactions at customary and reasonable rates in the oil and gas industry for said services.

**ARTICLE IV – RELATIONSHIP OF THE PARTIES**

- 4.1 CGI shall be an independent contractor and shall fulfill its responsibility under this Contract in accordance with that status. Utility shall not exercise control over the manner or method by which CGI performs its duties under this Contract, but shall have the right to inspect the work at any time throughout the term of this Contract to verify that CGI is performing in accordance with the terms herein. CGI agrees to perform its duties under this Contract in compliance with all local, state and federal government regulations applicable to the work performed hereunder.



## ARTICLE V – TERM

- 5.1 The initial term of this Contract shall be two (2) years from the effective date below. At the end of said initial term, this Contract may then be extended for successive one (1) year periods until either party gives the other party thirty (30) days written notice of Contract termination prior to the expiration of the one (1) year term.

## ARTICLE VI – INSURANCE

- 6.1 CGI and Utility shall each maintain throughout the term of this Contract individual insurance policies as follows:
- (a) Commercial General Liability Insurance with minimum limits of \$1,000,000 for each occurrence and \$2,000,000 general aggregate, for death, bodily injury and property damage, including coverage for independent contractors, products and completed operations, providing Owner with additional insured status and a waiver of subrogation on contractor's policy.
  - (b) Workers' Compensation Coverage/Insurance for payments of all benefits and claims as provided by the laws and regulations of the jurisdiction in which it maintains operations in which the Work is to be performed for all injuries (including death) and occupational diseases (including state black lung coverage) applicable to and covering Contractor's Employees (including corporate officers, partners and proprietors) engaged in the performance of the Work.
  - (c) Automobile Liability Insurance, including owned, non-owned and hired vehicle coverage with limits of liability of not less than \$1,000,000 combined single limits for death, bodily injury and property damage claims, providing Owner with additional insured status and a waiver of subrogation on contractor's policy.

## ARTICLE VII – INDEMNIFICATION

Utility hereby agrees to indemnify and hold harmless CGI, its successors, assigns, employees and agents, from any and all loss or liability for claims, demands, suits or causes of action in law or in equity for damages and injuries of every kind and nature, including without limitation, reasonable attorney's fees and expenses, arising out of or resulting from (or claimed or alleged to have been caused by or to have resulted from) the acts or omissions of Utility.

## ARTICLE VIII – NOTICES

- 9.1 Any notices, requests or demands shall be in writing and sent to the parties in this Contract to the addresses specified below.

## ARTICLE IX – MISCELLANEOUS PROVISIONS

- 10.1 The provision of services hereunder shall be deemed to have occurred within and be governed by the laws of the Commonwealth of Kentucky.
- 10.2 It is expressly agreed between the parties that this Contract embraces the entire understanding and agreement between the parties.

10.3 This Contract shall be binding upon the parties, their successors or assigns, and may not be assigned to any other person without the prior written consent of the other party.

EFFECTIVE DATE: March 1, 2011

CONTRACTOR: Clean Gas, Inc.  
ADDRESS: 35 Kentucky River Rd.  
Emmalena, KY 41740

UTILITY: Martin Gas, Inc.  
ADDRESS: P.O. Box 783  
Hindman, KY 41822

PHONE: (606) 785-0761  
FAX: (606) 785-0013  
TAX I.D. #: XXXXXXXXXX

PHONE: (606) 785-0761  
FAX: (606) 785-0013  
TAX I.D. # \_\_\_\_\_

BY: Jim R. Wenzel  
NAME: \_\_\_\_\_  
TITLE: President

BY: Zach West  
NAME: \_\_\_\_\_  
TITLE: Manager

DATE: 3/1/11

DATE: 3-1-11

**REVENUE REQUIREMENT CALCULATION - OPERATING RATIO METHOD**

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

Pro forma Operating Expenses Before Income Taxes	\$314,300.00
Operating Ratio	0.88
Sub-Total	357,159.09
Less: Pro forma Operating Expenses Before Income Taxes	-314,300.00
Net Income Allowable	42,859.09
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	
Interest Expense	
Pro forma Operating Expenses Before Taxes	314,300.00
Cost of Natural Gas (water utilities should leave this blank)	189,124.00
Total Revenue Requirement	546,283.09
Less: Other Operating Revenue	
Non-operating Revenue	
Interest Income	
Total Revenue Required from Rates for Service	546,283.09
Less: Revenue from Sales at Present Rates	353,408.00
Required Revenue Increase	192,875.09
Required Revenue Increase stated as a Percentage of Revenue at Present Rates	54.58%

**Provision for Income Taxes - Calculation of Tax Gross-Up Factor**

Revenue	1
Less: 5% State Tax	-0.05
Sub-Total	0.95
Less: Federal Tax, 15% of Sub-Total	-0.1425
Percent Change in NOI	0.8075
Factor (Revenue of 1 divided by change in NOI)	1.23839
Times: Allowable Net Income	42,859.09
Net Income Before Taxes	53,076.27
Difference Equals Provision for State and Federal Income Taxes	10,217.18

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

**BILLING ANALYSIS - FLAT RATES**

## Revenue from Present/Proposed Rates

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	437	437
Flat Monthly Rate	\$67.39	\$96.00
Monthly Revenue	<u>\$29,449.43</u>	<u>\$41,952.00</u>
Number of Months	12	12
Annual Revenue	<u>\$353,393.16</u>	<u>\$503,424.00</u>

## **DEPRECIATION SCHEDULE**

**Attached is the Federal Income Tax Form 4562 Depreciation for December 31, 2015**

# Depreciation and Amortization

(Including Information on Listed Property)

Department of the Treasury  
Internal Revenue Service (99)

▶ Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562)

Name(s) shown on return <b>MARTIN GAS INC</b>	Business or activity to which this form relates <b>1120C</b>	Identifying number <div style="background-color: black; width: 100px; height: 15px;"></div>
--	---	--

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29	7	
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2014 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2016. Add lines 9 and 10, less line 12	▶ 13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	847.

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2015	17	7,718.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <input type="checkbox"/>		

**Section B — Assets Placed in Service During 2015 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19 a 3-year property						
b 5-year property						
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 Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
			0.0	MM	S/L	

**Section C — Assets Placed in Service During 2015 Tax Year Using the Alternative Depreciation System**

20 a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21 Listed property. Enter amount from line 28	21	
22 Total: Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	8,565.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

**Part V Listed Property** (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

**Section A — Depreciation and Other Information** (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the busn/investment use claimed?		Yes	No	24b If "Yes," is the evidence written?		Yes	No	
(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation business/investment use only	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)							25	
26 Property used more than 50% in a qualified business use:								
		0.0%						
		0.0%						
		0.0%						
27 Property used 50% or less in a qualified business use:								
		0.0%				S/L-		
		0.0%				S/L-		
		0.0%				S/L-		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1							28	
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

**Section B-Information on Use of Vehicles**

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
30 Total business/investment miles driven during the year (do not include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use												

**Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees**

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

**Part VI Amortization**

(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 during your 2015 tax year (see instructions):						
43 Amortization of costs that began before your 2015 tax year					43	2,100.
44 Total. Add amounts in column (f). See the instructions for where to report					44	2,100.



\*006010062938100003095504012016\*

### PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$40,000.00	04-01-2016	04-01-2021		A9		906	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Martin Gas, Inc. (TIN: [REDACTED])  
P.O. Box 783  
Hindman, KY 41822

**Lender:** Community Trust Bank, Inc.  
Commercial Lending (Pikeville Main)  
346 North Mayo Trail  
PO Box 2947  
Pikeville, KY 41502-2947

**Principal Amount: \$40,000.00**

**Date of Note: April 1, 2016**

**PROMISE TO PAY.** Martin Gas, Inc. ("Borrower") promises to pay to Community Trust Bank, Inc. ("Lender"), or order, in lawful money of the United States of America, the principal amount of Forty Thousand & 00/100 Dollars (\$40,000.00), together with interest on the unpaid principal balance from April 1, 2016, until paid in full.

**PAYMENT.** Subject to any payment changes resulting from changes in any Index for this loan, Borrower will pay this loan in accordance with the following payment schedule, which calculates interest on the unpaid principal balances as described in the "INTEREST CALCULATION METHOD" paragraph using the interest rates described in this paragraph: 36 monthly consecutive principal and interest payments of \$733.14 each, beginning May 1, 2016, with interest calculated on the unpaid principal balances using an interest rate of 3.750% per annum based on a year of 360 days ("Payment Stream 1"); 23 monthly consecutive principal and interest payments in the initial amount of \$733.15 each, beginning May 1, 2019, with interest calculated on the unpaid principal balances using an interest rate based on the Index described below (currently 3.500%), adjusted if necessary for the minimum and maximum rate limitations for this loan, resulting in an initial interest rate of 3.750% per annum based on a year of 360 days ("Payment Stream 2"); and one principal and interest payment of \$733.25 on April 1, 2021, with interest calculated on the unpaid principal balances using an interest rate based on the Index described below (currently 3.500%), adjusted if necessary for the minimum and maximum rate limitations for this loan, resulting in an initial interest rate of 3.750% per annum based on a year of 360 days ("Payment Stream 3"). This estimated final payment is based on the assumption that all payments will be made exactly as scheduled and that there are no changes in any Index for this loan; the actual final payment will be for all principal and accrued interest not yet paid, together with any other unpaid amounts under this Note. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**VARIABLE INTEREST RATE.** This Note shall be subject to more than one interest rate, as described herein. The current rate for any Index for this loan is not necessarily the lowest rate charged by Lender on its loans. If any Index for this loan becomes unavailable during the term of a particular payment stream, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current rate for any Index for this loan upon Borrower's request. Borrower understands that Lender may make loans based on other rates as well. Notwithstanding any other provision of this Note, after the first payment stream, the interest rate for each subsequent payment stream will be effective as of the due date of the last payment in the just-ending payment stream. **NOTICE:** Under no circumstances will the interest rate on this Note be less than 3.750% per annum or more than the maximum rate allowed by applicable law. Whenever increases occur in the interest rate, Lender, at its option, may do one or more of the following: (A) increase Borrower's payments to ensure Borrower's loan will pay off by its original final maturity date, (B) increase Borrower's payments to cover accruing interest, (C) increase the number of Borrower's payments, and (D) continue Borrower's payments at the same amount and increase Borrower's final payment.

**Payment Stream 1.** The interest rate on this payment stream is 3.750% per annum based on a year of 360 days.

**Payment Streams 2-3.** The interest rate on these payment streams is subject to change from time to time based on changes in an independent index which is the Highest Prime Rate most recently published in "The Wall Street Journal's money rates column" as the base rate on corporate loans at large U.S. money center commercial banks. (the "Index"). The interest rate change will not occur more often than each day. [Any change in the Prime Rate shall be effective as of the day on which the change is announced to become effective]. The Index currently is 3.500% per annum. The interest rate or rates to be applied to the unpaid principal balance during these payment streams will be the rate or rates set forth herein in the "Payment" section.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/360 basis; that is, by applying the ratio of the interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT PENALTY.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Upon prepayment of this Note, Lender is entitled to the following prepayment penalty: The borrower may not prepay without penalty during the first three years, unless prepaid from internally generated funds. If the loan is prepaid during the first three years a prepayment penalty will be assessed as follows: a penalty of 3% of the outstanding principal balance will be assessed if prepaid before April 1, 2017, a prepayment of 2% of the outstanding principal balance will be assessed if prepaid after April 1, 2017, but before April 1, 2018; a prepayment of 1% of the outstanding principal balance will be assessed if prepaid after April 1, 2018, but before April 1, 2019. After April 1, 2019 borrower will not be required to pay a prepayment penalty. Except for the foregoing, Borrower may pay all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: Community Trust Bank, Inc., P.O. Box 2947 Pikeville, KY 41502-2947.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the interest rate on this Note shall be increased by adding an additional 2.000 percentage point margin ("Default Rate Margin"). The Default Rate Margin shall also apply to each succeeding



**PROMISSORY NOTE  
(Continued)**

Loan No: [REDACTED]

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interest rate change that would have applied had there been no default. After maturity, or after this Note would have matured had there been no default, the Default Rate Margin will continue to apply to the final interest rate described in this Note. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Change in Ownership.** Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**Cure Provisions.** If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within ten (10) days; or (2) if the cure requires more than ten (10) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**JURY WAIVER.** Lender and Borrower hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either Lender or Borrower against the other.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Kentucky.

**CHOICE OF VENUE.** If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Pike County, Commonwealth of Kentucky.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$20.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts.

**INTEREST INCREASE.** This note's interest rate will be increased by 2.0% per annum if any payment is not received within 30 days of its due date.

**SUCCESSOR INTERESTS.** The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

**GENERAL PROVISIONS.** If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take

**PROMISSORY NOTE  
(Continued)**

Loan No: [REDACTED]

Page 3

any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

**PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.**

**BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.**

**BORROWER:**

**MARTIN GAS, INC.**

By:   
Zachary C Weinberg , President of Martin Gas, Inc.

**LENDER:**

**COMMUNITY TRUST BANK, INC.**

X   
Authorized Signer

## **AMORTIZATION SCHEDULE**

The Amortization Schedule for the Community Trust Note is included in the body of the Note.

720

41A720
Department of Revenue
See instructions.

Kentucky
UNBROKEN SPRT



A
Kentucky Corp./LLET Account Number

KENTUCKY CORPORATION
INCOME TAX AND LLET RETURN 2015

Taxable period beginning Jan 01, 2015, and ending Dec 31, 2015

Form header section containing: B Check applicable box(es); D Federal Identification Number; Taxable Year Ending 12/2015; Name of Corporation MARTIN GAS INC; Number and Street PO BOX 783; City HINDMAN; State KY; ZIP Code 41822; Telephone Number; Kentucky Secretary of State Organization Number; State and Date of Incorporation KY 01/01/1977; E Name of Common Parent; F Check if applicable; G Check if applicable; Provide explanation of changes in Part V.

Table with 2 main columns: PART I - LLET COMPUTATION and PART II - INCOME TAX COMPUTATION. Rows 1-22 detailing various tax credits, liabilities, and payments.

TAX PAYMENT SUMMARY (Round to nearest dollar) and OFFICIAL USE ONLY section. Includes LLET due, Interest, Penalty, Subtotal, and TOTAL PAYMENT (Add Subtotals) \$ 175.



PART III-TAXABLE INCOME COMPUTATION			
1. Federal taxable income (Form 1120, line 28)	1	-24490	
<b>ADDITIONS:</b>			
2. Interest income (state and local obligations)	2		
3. State taxes based on net/gross income	3		
4. Depreciation adjustment	4	8565	
5. Deductions attributable to nontaxable income	5		
6. Related party expenses (attach Schedule RPC)	6		
7. Dividend paid deduction (REIT)	7		
8. Domestic production activities deduction	8		
9. Other (attach Schedule O-720)	9		
10. Revenue Agent Report (RAR)	10		
11. Total (add lines 1 through 10)	11	-15925	
<b>SUBTRACTIONS:</b>			
12. Interest income (U.S. obligations)	12		
13. Dividend income	13		
14. Federal work opportunity credit	14		
15. Depreciation adjustment	15	8565	
16. Other (attach Schedule O-720)	16		
17. Revenue Agent Report (RAR)	17		
18. Net income (line 11 less lines 12 through 17)	18	-24490	
19. Current net operating loss adjustment (mandatory nexus only)	19		
20. Kentucky net income (add lines 18 and 19)	20	-24490	
21. Taxable net income (attach Schedule A if applicable)	21	-24490	
22. Net operating loss deduction (NOLD)	22		
23. Taxable net income after NOLD (line 21 less line 22)	23		
24. Kentucky domestic production activities deduction (KDPAD)	24		
25. Taxable net income after KDPAD (line 23 less line 24)	25		

**PART IV- EXPLANATION OF FINAL RETURN AND/OR SHORT- PERIOD RETURN**

<input type="checkbox"/> Ceased Operations in Kentucky	<input type="checkbox"/> Change in filing status
<input type="checkbox"/> Change of Ownership	<input type="checkbox"/> Merger
<input type="checkbox"/> Successor to previous business	<input type="checkbox"/> Other

**PART V- EXPLANATION OF AMENDED RETURN CHANGES**

**OFFICER INFORMATION (Failure to Provide Requested Information May Result in a Penalty)**

Attach a schedule listing the name, home address and Social Security number of the vice president, secretary and treasurer.

Has the attached officer information changed from the last return filed?  Yes  No

President's Name ZACHARY WEINBERG President's Home Address [REDACTED]

President's Social Security Number [REDACTED] EMMALENA KY

Date Became President 01/01/2013

I, the undersigned, declare under the penalties of perjury, that I have examined 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 <u>ZACHARY C WEINBERG</u>	Date <u>[REDACTED]</u>
Printed name of principal officer or chief accounting officer <u>Kevin Jacobs CPA PSC</u>	SSN, PTIN or FEIN <u>[REDACTED]</u>
Name of person or firm preparing return	

Federal Form 1120, all pages and any supporting schedules must be attached.

May the DOR discuss this return with the preparer?  
 Yes  No

Email Address:  
Telephone No.: 606-216-1959

Make check payable to:  
Kentucky State Treasurer

Mail to: **REFUNDS OR NO TAX DUE** Kentucky Department of Revenue, Frankfort, KY 40618-0010

**PAYMENTS** Kentucky Department of Revenue, Frankfort, KY 40620-0020

[www.revenue.ky.gov](http://www.revenue.ky.gov)



Commonwealth of Kentucky  
DEPARTMENT OF REVENUE

**SCHEDULE Q - KENTUCKY CORPORATION/LLET QUESTIONNAIRE**

**IMPORTANT:** Questions 4 - 15 must be completed by all corporations. If this is the corporation's initial return or if the corporation did not file a return 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 for a delinquent return.

1. Indicate whether: (a)  new business; (b)  successor to previously existing business which was organized as:  
 (1)  corporation; (2)  partnership; (3)  sole proprietorship; or (4)  other \_\_\_\_\_  
 If successor to previously existing business, give name, address and federal I.D. number of the previous business organization.  
 \_\_\_\_\_

2. List the following *Kentucky* account numbers. Enter N/A for any number not applicable.  
 Employer Withholding \_\_\_\_\_  
 Sales and Use Tax Permit \_\_\_\_\_  
 Consumer Use Tax \_\_\_\_\_  
 Unemployment Insurance \_\_\_\_\_  
 Coal Severance and/or Processing Tax \_\_\_\_\_

3. If a foreign corporation, enter the date qualified to do business in Kentucky. \_\_\_\_\_

4. The corporation's books are in care of: (name and address)  
 KEVIN JACOBS CPA  
 PO BOX 454  
 HINDMAN KY 41822

5. Are disregarded entities included in this return?  
 Yes  No. If yes, list name, address and federal I.D. number of each entity.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

6. (a) Was the corporation a partner or member in a pass-through entity doing business in Kentucky?  Yes  No.  
 If yes, list name and federal I.D. number of the pass-through entity(ies).  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

6. (b) Was the corporation doing business in Kentucky other than through its interest held in a pass-through entity doing business in Kentucky?  Yes  No

7. Are related party costs as defined in KRS 141.205(1)(l) included in this return?  Yes  No. If yes, attach Schedule RPC, Related Party Costs Disclosure Statement, and enter any related party cost additions on Part III, Line 6.

8. Did the corporation at any time during the taxable year do business in Kentucky and own 80 percent or more of the voting stock of another corporation doing business in Kentucky?  
 Yes  No. If yes, list name, address and federal I.D. number of each entity.  
 \_\_\_\_\_  
 \_\_\_\_\_

9. Was 80 percent or more of the corporation's voting stock owned by any corporation doing business in Kentucky at any time of the year?  
 Yes  No. If yes, list name, address and federal I.D. number of the entity.  
 \_\_\_\_\_  
 \_\_\_\_\_

10. The federal tax return attached to this Kentucky tax return is:  
 a pro forma federal tax return  a copy of the federal tax return filed with the Internal Revenue Service

11. Is the entity filing this Kentucky tax return or any entity included in the tax return organized as a limited cooperative association as provided by KRS Chapter 272A?  Yes  No. If yes, and this is a nexus consolidated return, enter each limited cooperative association's name, address and federal I.D. number included in the return:  
 \_\_\_\_\_  
 \_\_\_\_\_

12. Is the entity filing this Kentucky tax return or any entity included in this tax return organized as a statutory trust or a series statutory trust as provided by KRS Chapter 386A?  Yes  No  
 If yes, is the entity filing this Kentucky tax return or any entity included in this tax return a series within a statutory trust?  
 Yes  No  
 If yes, for each series within a statutory trust, enter the name, address and federal I.D. number of the statutory trust registered with the Kentucky Secretary of State:  
 \_\_\_\_\_  
 \_\_\_\_\_

13. Was this return prepared on: (a)  cash basis, (b)  accrual basis, (c)  other \_\_\_\_\_

14. Did the corporation file a Kentucky tangible personal property tax return for January 1, 2016?  Yes  No  
 If yes, list name and federal I.D. number of entity(ies) filing returns:  
 \_\_\_\_\_

MARTIN GAS COMPANY INC  
PUBLIC SERVICE COMPANY PROPERTY  
TAX RETURN

15. Is the corporation currently under audit by the Internal Revenue Service?  Yes  No  
 If yes, enter years under audit \_\_\_\_\_  
 If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to the department, check here  and file an amended return. See 2015 Kentucky Corporation Income Tax and LLET Return instructions for information regarding amended returns. Attach a copy of the final determination to each amended return.

**SCHEDULE LLET**

41A720LLET (10-15)

Commonwealth of Kentucky  
DEPARTMENT OF REVENUE



**Taxable Year Ending**

Dec 2015

Mo. Yr.

**LIMITED LIABILITY ENTITY TAX**  
KRS 141.0401

Member of a Combined Group

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

Reason Code

Name of Corporation or Limited Liability Pass-through Entity <b>MARTIN GAS INC</b>	Federal Identification Number <div style="background-color: black; width: 100px; height: 15px; margin: 5px 0;"></div>	Kentucky Corporation/LLET Account Number
---	--	--

Check this box and complete Schedule LLET-C, Limited Liability Entity Tax - Continuation Sheet, if the corporation or limited liability pass-through entity filing this tax return is a partner or member of a limited liability pass-through entity or general partnership (organized or formed as a general partnership after January 1, 2006) doing business in Kentucky.  
Enter the total amounts from Schedule LLET-C in Section A of this schedule.

**Section A - Computation of Gross Receipts and Gross Profits**

		Column A Kentucky	Column B Total
1. Gross receipts .....	1	353408	353408
2. Returns and allowances .....	2		
3. Gross receipts after returns and allowances (line 1 less line 2 or amount from Schedule LLET-C) .....	3	353408	353408
4. Cost of goods sold (attach Schedule COGS) .....	4		189124
5. Gross profits (line 3 less line 4 or amount from Schedule LLET-C) .....	5	353408	164284

**Section B - Computation of Gross Receipts LLET**

1. If gross receipts from all sources (Column B, line 3) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1 .....	1		
2. If gross receipts from all sources (Column B, line 3) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 3 x 0.00095) - $\left[ \frac{\$2,850 \times (\$6,000,000 - \text{Column A, line 3})}{\$3,000,000} \right]$ but in no case shall the result be less than zero .....	2		
3. If gross receipts from all sources (Column B, line 3) are \$6,000,000 or greater, enter the following: Column A, line 3 x 0.00095 .....	3		
4. Enter the amount from line 2 or line 3 .....	4		

**Section C - Computation of Gross Profits LLET**

1. If gross profits from all sources (Column B, line 5) are \$3,000,000 or less, STOP and enter \$175 on Section D, line 1 .....	1		
2. If gross profits from all sources (Column B, line 5) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) - $\left[ \frac{\$22,500 \times (\$6,000,000 - \text{Column A, line 5})}{\$3,000,000} \right]$ but in no case shall the result be less than zero .....	2		
3. If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075 .....	3		
4. Enter the amount from line 2 or line 3 .....	4		

**Section D - Computation of LLET**

1. Enter the lesser of Section B, line 4 or Section C, line 4, or a minimum of \$175 on this line and on Form 720 or 720S, Part I, line 1; or Form 725 or 765, Part II, line 1 .....	1	175	
--	---	-----	--

**STOP** Mark the applicable Receipts Method box on Form 720, 720S, 725 or 765, page 1, Item B.

# U.S. Corporation Income Tax Return

For calendar year 2015 or tax year beginning \_\_\_\_\_, 2015, end. \_\_\_\_\_, 20\_\_\_\_

OMB No. 1545-0123

**2015**

Information about Form 1120 and its separate instructions is at [www.irs.gov/form1120](http://www.irs.gov/form1120).

**A Check if:**

- 1a Consolidated return (attach Form 851)
- b Live/nonlife consolidated return
- 2 Personal holding co. (attach Sch. PH)
- 3 Personal service corp (see instructions)
- 4 Schedule M-3 attached

**TYPE OR PRINT**

Name Number, street, room/suite no. City/town, state/province & ZIP/foreign postal code  
 MARTIN GAS INC  
 PO BOX 783  
 HINDMAN KY 41822

**B Employer identification number**

**C Date incorporated**

01/01/1977

**D Total assets (see instructions)**

\$ 217,153.

**E Check if:** (1) Initial return (2) Final return (3) Name change (4) Address change

<b>Income</b>	1a Gross receipts or sales	1a	353,408.
	b Returns and allowances	1b	
	c Balance. Subtract line 1b from line 1a	1c	353,408.
	2 Cost of goods sold (attach Form 1125-A)	2	189,124.
	3 Gross profit. Subtract line 2 from line 1c	3	164,284.
	4 Dividends (Schedule C, line 19)	4	
	5 Interest	5	1.
	6 Gross rents	6	
	7 Gross royalties	7	
	8 Capital gain net income (attach Schedule D (Form 1120))	8	
	9 Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	9	
10 Other income (see instructions - attach statement)	10		
11 Total income. Add lines 3 through 10	11	164,285.	
<b>Deductions (See instructions for limitations on deductions.)</b>	12 Compensation of officers (see instructions - attach Form 1125-E)	12	
	13 Salaries and wages (less employment credits)	13	51,119.
	14 Repairs and maintenance	14	13,040.
	15 Bad debts	15	
	16 Rents	16	
	17 Taxes and licenses	17	19,293.
	18 Interest	18	1,397.
	19 Charitable contributions	19	
	20 Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	20	8,565.
	21 Depletion	21	
	22 Advertising	22	
23 Pension, profit-sharing, etc., plans	23		
24 Employee benefit programs	24		
25 Domestic production activities deduction (attach Form 8903)	25		
26 Other deductions (attach statement)	26	95,361.	
27 Total deductions. Add lines 12 through 26	27	188,775.	
28 Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11.	28	(24,490.)	
29a Net operating loss deduction (see instructions)	29a		
b Special deductions (Schedule C, line 20)	29b		
c Add lines 29a and 29b	29c		
<b>Tax, Refundable Credits, and Payments</b>	30 Taxable income. Subtract line 29c from line 28 (see instructions)	30	(24,490.)
	31 Total tax (Schedule J, Part I, line 11)	31	
	32 Total payments and refundable credits (Schedule J, Part II, line 21)	32	
	33 Estimated tax penalty (see instructions). Check if Form 2220 is attached <input type="checkbox"/>	33	
	34 Amount owed. If line 32 is smaller than the total of lines 31 and 33, enter amount owed	34	
	35 Overpayment. If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	35	
	36 Enter amount from line 35 you want: Credited to 2016 estimated tax <input type="checkbox"/> Refunded <input type="checkbox"/>	36	

**Sign Here**

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.

Signature of officer: \_\_\_\_\_ Date: \_\_\_\_\_ Title: **PRESIDENT**

May the IRS discuss this return with the preparer shown below (see instructions)?  Yes  No

**Paid Preparer Use Only**

Print/Type preparer's name: Kevin Jacobs CPA  
 Preparer's signature: Kevin Jacobs CPA  
 Date: 03/01/2016  
 Check  if self-employed PTIN: \_\_\_\_\_  
 Firm's name: Kevin Jacobs CPA PSC  
 Firm's EIN: \_\_\_\_\_  
 Firm's address: PO Box 2215  
 HAZARD KY 41702  
 Phone no.: 606-216-1959



Schedule C	Dividends and Special Deductions (see instructions)	(a) Dividends received	(b) %	(c) Special deductions (a) x (b)
1	Dividends from less-than-20%-owned domestic corporations (other than debt-financed stock) . . . . .		70	
2	Dividends from 20%-or-more-owned domestic corporations (other than debt-financed stock) . . . . .		80	
3	Dividends on debt-financed stock of domestic and foreign corporations . . .		see instructions	
4	Dividends on certain preferred stock of less-than-20%-owned public utilities .		42	
5	Dividends on certain preferred stock of 20%-or-more-owned public utilities . .		48	
6	Dividends from less-than-20%-owned foreign corporations and certain FSCs .		70	
7	Dividends from 20%-or-more-owned foreign corporations and certain FSCs .		80	
8	Dividends from wholly owned foreign subsidiaries . . . . .		100	
9	<b>Total.</b> Add lines 1 through 8. See instructions for limitation . . . . .			
10	Dividends from domestic corporations received by a small business investment company operating under the Small Business Investment Act of 1958 . . . . .		100	
11	Dividends from affiliated group members . . . . .		100	
12	Dividends from certain FSCs . . . . .		100	
13	Dividends from foreign corporations not included on lines 3, 6, 7, 8, 11, or 12			
14	Income from controlled foreign corporations under subpart F (attach Form(s) 5471)			
15	Foreign dividend gross-up . . . . .			
16	IC-DISC and former DISC dividends not included on lines 1, 2, or 3 . . . . .			
17	Other dividends . . . . .			
18	Deduction for dividends paid on certain preferred stock of public utilities . . . .			
19	<b>Total dividends.</b> Add lines 1 through 17. Enter here and on page 1, line 4. ▶			
20	<b>Total special deductions.</b> Add lines 9, 10, 11, 12, and 18. Enter here and on page 1, line 29b . . . . . ▶			

**Schedule J Tax Computation and Payment (see instructions)**

**Part I-Tax Computation**

1	Check if the corporation is a member of a controlled group (attach Schedule O (Form 1120))	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation (see instructions)	<input type="checkbox"/>	2
3	Alternative minimum tax (attach Form 4626)		3
4	Add lines 2 and 3		4
5a	Foreign tax credit (attach Form 1118)	5a	
b	Credits from Form 8834 (see instructions)	5b	
c	General business credit (attach Form 3800)	5c	
d	Credit for prior year minimum tax (attach Form 8827)	5d	
e	Bond credits from Form 8912	5e	
6	Total credits. Add lines 5a through 5e		6
7	Subtract line 6 from line 4		7
8	Personal holding company tax (attach Schedule PH (Form 1120))		8
9a	Recapture of investment credit (attach Form 4255)	9a	
b	Recapture of low-income housing credit (attach Form 8611)	9b	
c	Interest due under the look-back method-completed long-term contracts (attach Form 8697)	9c	
d	Interest due under the look-back method-income forecast method (attach form 8866)	9d	
e	Alternative tax on qualifying shipping activities (attach Form 8902)	9e	
f	Other (see instructions-attach statement)	9f	
10	Total. Add lines 9a through 9f		10
11	Total tax. Add lines 7, 8, and 10. Enter here and on page 1, line 31		11

**Part II-Payments and Refundable Credits**

12	2014 overpayment credited to 2015		12
13	2015 estimated tax payments		13
14	2015 refund applied for on Form 4466		14 ( )
15	Combine lines 12, 13, and 14		15
16	Tax deposited with Form 7004		16
17	Withholding (see instructions)		17
18	Total payments. Add lines 15, 16, and 17		18
19	Refundable credits from:		
a	Form 2439	19a	
b	Form 4136	19b	
c	Form 8827, line 8c	19c	
d	Other (attach statement-see instructions)	19d	
20	Total credits. Add lines 19a through 19d		20
21	Total payments and credits. Add lines 18 and 20. Enter here and on page 1, line 32		21

**Schedule K Other Information (see instructions)**

1	Check accounting method: a <input type="checkbox"/> Cash b <input checked="" type="checkbox"/> Accrual c <input type="checkbox"/> Other (specify) ▶		Yes	No
2	See the instructions and enter the:			
a	Business activity code no. ▶ 221210			
b	Business activity ▶ PUBLIC GAS UTILITY			
c	Product or service ▶ NATURAL GAS			
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? . . . . . If "Yes," enter name and EIN of the parent corporation ▶			X
4	At the end of the tax year:			
a	Did any foreign or domestic corporation, partnership (including any entity treated as a partnership), trust, or tax-exempt organization own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part I of Schedule G (Form 1120) (attach Schedule G) . . . . .			X
b	Did any individual or estate own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of the corporation's stock entitled to vote? If "Yes," complete Part II of Schedule G (Form 1120) (attach Schedule G) . . . . .			X

**Schedule K Other Information** *continued* (see instructions)

<b>5</b> At the end of the tax year, did the corporation:	Yes	No
<b>a</b> Own directly 20% or more, or own, directly or indirectly, 50% or more of the total voting power of all classes of stock entitled to vote of any foreign or domestic corporation not included on Form 851, Affiliations Schedule? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.		X

(i) Name of Corporation	(ii) Employer Identification Number (if any)	(iii) Country of Incorporation	(iv) Percentage Owned in Voting Stock
			0.000
			0.000
			0.000

<b>b</b> Own directly an interest of 20% or more, or own, directly or indirectly, an interest of 50% or more in any foreign or domestic partnership (including an entity treated as a partnership) or in the beneficial interest of a trust? For rules of constructive ownership, see instructions. If "Yes," complete (i) through (iv) below.		X
---	--	---

(i) Name of Entity	(ii) Employer Identification Number (if any)	(iii) Country of Organization	(iv) Maximum Percentage Owned in Profit, Loss, or Capital
			0.000
			0.000
			0.000

<b>6</b> During this tax year, did the corporation pay dividends (other than stock dividends and distributions in exchange for stock) in excess of the corporation's current and accumulated earnings and profits? (See sections 301 and 316.) . . . . . If "Yes," file Form 5452, Corporate Report of Nondividend Distributions. If this is a consolidated return, answer here for the parent corporation and on Form 851 for each subsidiary.		X
<b>7</b> At any time during the tax year, did one foreign person own, directly or indirectly, at least 25% of (a) the total voting power of all classes of the corporation's stock entitled to vote or (b) the total value of all classes of the corporation's stock? . . . . . For rules of attribution, see section 318. If "Yes," enter: (i) Percentage owned ▶ <u>0.000</u> and (ii) Owner's country ▶ _____ (c) The corporation may have to file Form 5472, Information Return of a 25% Foreign-Owned U.S. Corporation or a Foreign Corporation Engaged in a U.S. Trade or Business. Enter the number of Forms 5472 attached ▶ _____		X
<b>8</b> Check this box if the corporation issued publicly offered debt instruments with original issue discount . . . . . ▶ <input type="checkbox"/> If checked, the corporation may have to file Form 8281, Information Return for Publicly Offered Original Issue Discount Instruments.		
<b>9</b> Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ <u>645.</u>		
<b>10</b> Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ _____		
<b>11</b> If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here . . . . . ▶ <input type="checkbox"/> If the corporation is filing a consolidated return, the statement required by Regulations section 1.1502-21(b)(3) must be attached or the election will not be valid.		
<b>12</b> Enter the available NOL carryover from prior tax years (do not reduce it by any deduction on line 29a.) ▶ \$ <u>84,645.</u>		
<b>13</b> Are the corporation's total receipts (page 1, line 1a, plus lines 4 through 10) 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, M-1, and M-2. Instead, enter the total amount of cash distributions and the book value of property distributions (other than cash) made during the tax year ▶ \$ _____		X
<b>14</b> Is the corporation required to file Schedule UTP (Form 1120), Uncertain Tax Position Statement (see instructions)? . . . . . If "Yes," complete and attach Schedule UTP.		X
<b>15a</b> Did the corporation make any payments in 2015 that would require it to file Form(s) 1099? . . . . .	X	
<b>b</b> If "Yes," did or will the corporation file required Forms 1099? . . . . .	X	
<b>16</b> During this tax year, did the corporation have an 80% or more change in ownership, including a change due to redemption of its own stock? . . . . .		X
<b>17</b> During or subsequent to this tax year, but before the filing of this return, did the corporation dispose of more than 65% (by value) of its assets in a taxable, non-taxable, or tax deferred transaction? . . . . .		X
<b>18</b> Did the corporation receive assets in a section 351 transfer in which any of the transferred assets had a fair market basis or fair market value of more than \$1 million? . . . . .		X

Schedule L Balance Sheets per Books	Beginning of tax year		End of tax year	
	(a)	(b)	(c)	(d)
<b>Assets</b>				
1 Cash		24,849.		13,182.
2a Trade notes and accounts receivable	93,482.		131,448.	
b Less allowance for bad debts	( )	93,482.	( )	131,448.
3 Inventories				
4 U.S. government obligations				
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)				
10a Buildings and other depreciable assets	596,940.		596,940.	
b Less accumulated depreciation	( 516,767. )	80,173.	( 527,432. )	69,508.
11a Depletable assets				
b Less accumulated depletion	( )		( )	
12 Land (net of any amortization)				
13a Intangible assets (amortizable only)	7,828.		7,828.	
b Less accumulated amortization	( 2,713. )	5,115.	( 4,813. )	3,015.
14 Other assets (attach statement)				
15 Total assets		203,619.		217,153.
<b>Liabilities and Shareholders' Equity</b>				
16 Accounts payable		123,445.		162,570.
17 Mortgages, notes, bonds payable in less than 1 year		51,245.		51,245.
18 Other current liabilities (attach statement)	SEE STMT	18,765.		28,270.
19 Loans from shareholders		12,200.		12,200.
20 Mortgages, notes, bonds payable in 1 year or more		23,611.		17,605.
21 Other liabilities (attach statement)	SEE STMT	11,999.		11,354.
22 Capital stock: a Preferred stock				
b Common stock	10,000.	10,000.	10,000.	10,000.
23 Additional paid-in capital		131,217.		131,217.
24 Retained earnings-Appropriated (attach statement)				
25 Retained earnings-Unappropriated		(178,863.)		(207,308.)
26 Adjustments to shareholders' equity (attach statement)				
27 Less cost of treasury stock		( )		( )
28 Total liabilities and shareholders' equity		203,619.		217,153.

**Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return**

Note: The corporation may be required to file Schedule M-3 (see instructions).

1 Net income (loss) per books	(28,445.)	7 Income recorded on books this year not included on this return (itemize):	
2 Federal income tax per books		Tax-exempt interest \$	645.
3 Excess of capital losses over capital gains			
4 Income subject to tax not recorded on books this year (itemize):			645.
5 Expenses recorded on books this year not deducted on this return (itemize):		8 Deductions on this return not charged against book income this year (itemize):	
a Depreciation . . . . \$	2,100.	a Depreciation . . . . \$	
b Charitable contributions . . . . \$	2,500.	b Charitable contributions . . . . \$	
c Travel and entertainment . . . . \$			
	4,600.	9 Add lines 7 and 8	645.
6 Add lines 1 through 5	(23,845.)	10 Income (page 1, line 28)-line 6 less line 9	(24,490.)

**Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)**

1 Balance at beginning of year	(178,863.)	5 Distributions: a Cash	
2 Net income (loss) per books	(28,445.)	b Stock	
3 Other increases (itemize):		c Property	
		6 Other decreases (itemize):	
		7 Add lines 5 and 6	
4 Add lines 1, 2, and 3	(207,308.)	8 Balance at end of year (line 4 less line 7)	(207,308.)

**Cost of Goods Sold**

(Rev. December 2012)

OMB No. 1545-2225

Department of the Treasury  
Internal Revenue Service

▶ Attach to Form 1120, 1120-C, 1120-F, 1120S, 1065, and 1065-B.  
▶ Information about Form 1125-A and its instructions is at [www.irs.gov/form1125a](http://www.irs.gov/form1125a).

Name <b>MARTIN GAS INC</b>		Employer identification number [REDACTED]
1	Inventory at beginning of year	1
2	Purchases	2
3	Cost of labor	3
4	Additional section 263A costs (attach schedule)	4
5	Other costs (attach schedule)	5
6	Total. Add lines 1 through 5	6
7	Inventory at end of year	7
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)	8
		189,124.
		189,124.
9a Check all methods used for valuing closing inventory:		
(i) <input type="checkbox"/> Cost		
(ii) <input type="checkbox"/> Lower of cost or market		
(iii) <input type="checkbox"/> Other (Specify method used and attach explanation.) ▶ _____		
b Check if there was a writedown of subnormal goods ▶ <input type="checkbox"/>		
c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). ▶ <input type="checkbox"/>		
d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO		9d
e If property is produced or acquired for resale, do the rules of section 263A apply to the entity (see instructions)?		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

For Paperwork Reduction Act Notice, see separate instructions.

Form **1125-A** (Rev. 12-2012)

BCA

**Depreciation and Amortization**  
 (Including Information on Listed Property)  
 Attach to your tax return.

Information about Form 4562 and its separate instructions is at [www.irs.gov/form4562](http://www.irs.gov/form4562)

Name(s) shown on return <b>MARTIN GAS INC</b>	Business or activity to which this form relates <b>1120C</b>	Identifying number <b>[REDACTED]</b>
--	---	---

**Part I Election To Expense Certain Property Under Section 179**

**Note:** If you have any listed property, complete Part V before you complete Part I.

1 Maximum amount (see instructions)	1	500,000.
2 Total cost of section 179 property placed in service (see instructions)	2	
3 Threshold cost of section 179 property before reduction in limitation (see instructions)	3	2,000,000.
4 Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5 Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0-. If married filing separately, see instructions	5	
6 (a) Description of property (b) Cost (business use only) (c) Elected cost		
7 Listed property. Enter the amount from line 29 <span style="float: right;">7</span>		
8 Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9 Tentative deduction. Enter the smaller of line 5 or line 8	9	
10 Carryover of disallowed deduction from line 13 of your 2014 Form 4562	10	
11 Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12 Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13 Carryover of disallowed deduction to 2016. Add lines 9 and 10, less line 12 <span style="float: right;">▶ 13</span>	13	

**Note:** Do not use Part II or Part III below for listed property. Instead, use Part V.

**Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)**

14 Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15 Property subject to section 168(f)(1) election	15	
16 Other depreciation (including ACRS)	16	847.

**Part III MACRS Depreciation (Do not include listed property.) (See instructions.)**

**Section A**

17 MACRS deductions for assets placed in service in tax years beginning before 2015	17	7,718.
18 If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here <span style="float: right;">▶ <input type="checkbox"/></span>		

**Section B — Assets Placed in Service During 2015 Tax Year Using the General Depreciation System**

(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a 3-year property						
b 5-year property						
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 Residential rental property			27.5 yrs.	MM	S/L	
i Nonresidential real property			39 yrs.	MM	S/L	
			0.0	MM	S/L	

**Section C — Assets Placed in Service During 2015 Tax Year Using the Alternative Depreciation System**

20a Class life					S/L	
b 12-year			12 yrs.		S/L	
c 40-year			40 yrs.	MM	S/L	

**Part IV Summary (See instructions.)**

21 Listed property. Enter amount from line 28	21	
22 Total: Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	8,565.
23 For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs <span style="float: right;">▶ 23</span>	23	

Part V Listed Property (Include automobiles, certain other vehicles, certain aircraft, certain computers, and property used for entertainment, recreation, or amusement.)

Note: For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete only 24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.

Section A — Depreciation and Other Information (Caution: See the instructions for limits for passenger automobiles)

24a Do you have evidence to support the busn/investment use claimed? Yes No 24b If "Yes," is the evidence written? Yes No
(a) Type of property (list vehicles first) (b) Date placed in service (c) Business/investment use percentage (d) Cost or other basis (e) Basis for depreciation business/investment use only (f) Recovery period (g) Method/Convention (h) Depreciation deduction (i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions) 25
26 Property used more than 50% in a qualified business use: 0.0%
27 Property used 50% or less in a qualified business use: 0.0% S/L-
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1. 28
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1. 29

Section B-Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

30 Total business/investment miles driven during the year (do not include commuting miles) (a) Vehicle 1 (b) Vehicle 2 (c) Vehicle 3 (d) Vehicle 4 (e) Vehicle 5 (f) Vehicle 6
31 Total commuting miles driven during the year
32 Total other personal (noncommuting) miles driven
33 Total miles driven during the year. Add lines 30 through 32
34 Was the vehicle available for personal use during off-duty hours? Yes No Yes No Yes No Yes No Yes No Yes No
35 Was the vehicle used primarily by a more than 5% owner or related person?
36 Is another vehicle available for personal use

Section C — Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who are not more than 5% owners or related persons (see instructions).

37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees? Yes No
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners
39 Do you treat all use of vehicles by employees as personal use?
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)
Note: If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.

Part VI Amortization

(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 during your 2015 tax year (see instructions):
43 Amortization of costs that began before your 2015 tax year 43 2,100.
44 Total. Add amounts in column (f). See the instructions for where to report 44 2,100.

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation
Spradlin Gas Company	Supplied Natural Gas	\$59,331.98
JZT Construction, LLC	Employee Assistance	\$3,739.35
JZT Production, LLC	Supplied Natural Gas	\$66,488.55
Clean Gas, Inc.	Accounting Services, Gen. and Admin. Services	\$77,200.84

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

Zachary C. Weinberg  
(Print Name)

  
(Signed)

President  
(Position/Office)

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




COMMONWEALTH OF KENTUCKY

COUNTY OF KROTT

Subscribed and sworn to before me by Zachary Weinberg  
(Name)

this 14<sup>th</sup> day of September, 2016.

  
NOTARY PUBLIC  
State-at-Large

## STATEMENT OF DISCLOSURE OR RELATED PARTY TRANSACTIONS

### (SUPPLEMENT SHEET)

The Weinberg family, William and Lois Weinberg and their three sons, Jed, Zachary and Tomas, in varying percentages owned, hold the entire ownership in Clean Gas, Inc., Martin Gas, Inc., JZT Construction, LLC, and JZT Production, LLC. The ownership in Spradlin Gas Company is held in varying percentages by the Weinberg family and others outside the Weinberg family.

Attached is a list of Martin Gas, Inc. payments to each of the above listed companies. There were no payments made to any of the individual owners except for wages.

#### SPRADLIN GAS COMPANY

Martin Gas, Inc. has purchased natural gas from Spradlin Gas Company for many years. Martin Gas, Inc. last purchased natural gas from Spradlin Gas Company in December 2015. The dates and amounts of the gas purchases are listed in the attachment.

#### JZT CONSTRUCTION, LLC

In January of 2015 an employee of Martin Gas, Inc. gave notice to leave the employ of Martin Gas, Inc. JZT Construction, LLC was laying off employees, and one of its employees filled the vacant Martin Gas, Inc. position. Martin Gas, Inc. reimbursed JZT Construction, LLC, half of an employee's wages for two months while the employee was training to transition to Martin Gas, Inc. The dates and amounts of the payments are listed in the attachment.

#### JZT PRODUCTION, LLC

Martin Gas, Inc. purchased natural gas from JZT Production, LLC from September 2014 through December 2015. Martin Gas, Inc. no longer purchases natural gas from JZT Production, LLC. The dates and amounts of natural gas purchases are listed in the attachment.

#### CLEAN GAS, INC.

Martin Gas, Inc. has paid Clean Gas, Inc., when Martin Gas, Inc. could afford to do so. Martin Gas, Inc. has reimbursed Clean Gas, Inc., again when funds were available, for health and dental insurance; management/accounting fees and natural gas purchases,

The management fees paid by Martin Gas, Inc. are for accounting services provided by Clean Gas, Inc. However, Clean Gas, Inc. has paid, and continues to pay for all envelopes and monthly invoice mailers, postage, and all paper and stationary supplies. The postage alone is slightly over \$200.00 per month. In effect, the management fee for accounting services is totally

offset by the expenses Clean Gas, Inc. pays on behalf of Martin Gas, Inc. The dates and amounts paid to Clean Gas, Inc. are attached.

MARTIN GAS, INC.  
Vendor QuickReport  
September 1, 2014 through September 7, 2016

	Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
SPRADLIN GAS COMPANY									
	Bill	09/30/2014	AUGUST GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		598.77
	Bill	09/30/2014	sept gas		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		2,661.20
	Bill	10/31/2014	OCT GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		3,368.76
	Bill	11/30/2014	NOV GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		5,228.26
	Bill	12/31/2014	DEC GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		4,804.24
	Bill	01/31/2015	JAN 2015 GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		7,405.78
	Bill	02/28/2015	FEB 2015 GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		3,094.14
	Bill	03/31/2015	MARCH GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		2,344.86
	Bill	04/30/2015	APRIL GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		1,917.80
	Bill	05/31/2015	MAY GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		1,339.38
	Bill	06/30/2015	JUNE GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		1,618.65
	Bill	07/31/2015	JULY GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		2,355.33
	Bill	03/31/2015	1ST QUARTER ADJ		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		3,800.66
	Bill	08/31/2015	AUG GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		2,995.58
	Bill	09/30/2015	SEPT GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		3,155.70
	Bill	10/31/2015	OCT 2015		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		4,399.85
	Bill	11/30/2015	NOV 2015		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		4,664.73
	Bill	12/31/2015	DEC GAS		232 · ACCOUNTS PAYABLE		730.2 · SPRADLIN GAS		3,578.29
									59,331.98

TOTAL

MARTIN GAS, INC.  
Vendor QuickReport  
September 1, 2014 through September 7, 2016

	Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
JZT CONSTRUCTION, LLC.									
	Check	01/15/2015	9313	HALF OF MOSLEY'S PAY	131 - CASH AND WORKING FUND	√	760 - MANAGMENT		529.33
	Check	01/16/2015	9326	HALF OF MOSLEY'S PAY	131 - CASH AND WORKING FUND	√	-SPLIT-		1,000.00
	Check	02/13/2015	9339	HALF OF MOSLEY'S PAY	131 - CASH AND WORKING FUND	√	-SPLIT-		939.07
	Check	02/26/2015	9352	HALF OF MOSLEY'S PAY	131 - CASH AND WORKING FUND	√	-SPLIT-		1,270.95
									3,739.35

TOTAL

MARTIN GAS, INC.  
Vendor QuickReport  
September 1, 2014 through September 7, 2016

	Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit	
JZT PRODUCTION, LLC.										
	Bill	09/30/2014	AUGUST GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		598.77	
	Bill	09/30/2014	sept gas		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		2,661.20	
	Bill	10/31/2014	OCT GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		3,368.76	
	Bill	11/30/2014	NOV GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		5,228.26	
	Bill	12/31/2014	DEC GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		4,804.24	
	Bill	01/31/2015	JAN 2015 GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		7,405.78	
	Bill	02/28/2015	FEB 2015 GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		3,094.14	
	Bill	03/31/2015	MARCH GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		2,344.86	
	Bill	04/30/2015	APRIL GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		1,917.80	
	Bill	05/31/2015	MAY GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		1,339.38	
	Bill	06/30/2015	JUNEGAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		1,618.65	
	Bill	07/31/2015	JULY GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		2,355.33	
	Bill	03/31/2015	1ST QUARTER ADJ		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		3,800.66	
	Bill	08/31/2015	AUG GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		2,995.58	
	Bill	09/30/2015	SEPT GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		3,155.70	
	Bill	12/18/2015	OCT 2015		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		4,399.85	
	Bill	11/30/2015	NOV 2015		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC		4,664.73	
	Bill	12/31/2015	DEC GAS		232 - ACCOUNTS PAYABLE		730.6 - JZT PRODUCTION, LLC	10,734.86	66,488.55	TOTAL

### Vendor QuickReport

September 1, 2014 through September 13, 2016

	Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
CLEAN GAS, INC.									
	Bill	10/31/2014	OCT '14		232 - ACCOUNTS PAYABLE	607 - Health Insurance		907.38	
	Bill	12/04/2014	NOV '14		232 - ACCOUNTS PAYABLE	607 - Health Insurance		907.38	
	Bill	12/04/2014	DEC '14		232 - ACCOUNTS PAYABLE	607 - Health Insurance		907.38	
	Bill	02/03/2015	JAN '15 DENTAL		232 - ACCOUNTS PAYABLE	607 - Health Insurance		37.99	
	Bill	02/03/2015	JAN '15 HEALTH		232 - ACCOUNTS PAYABLE	607 - Health Insurance		510.64	
	Bill	03/31/2015	FEB '15 HEALTH		232 - ACCOUNTS PAYABLE	607 - Health Insurance		510.64	
	Bill	03/31/2015	FEB '15 DENTAL		232 - ACCOUNTS PAYABLE	607 - Health Insurance		37.99	
	Bill	04/01/2016	April 16 Health		232 - ACCOUNTS PAYABLE	607 - Health Insurance		450.42	
	Bill	05/01/2016			232 - ACCOUNTS PAYABLE	607 - Health Insurance		450.42	
	Bill	06/01/2016			232 - ACCOUNTS PAYABLE	607 - Health Insurance		450.42	
	Bill	07/01/2016			232 - ACCOUNTS PAYABLE	607 - Health Insurance		450.42	
	Bill	06/11/2015	MAY '15 HEALTH		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		923.74	
	Bill	03/31/2015	MAR '15 HEALTH		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		923.74	
	Bill	04/15/2015	APR '15 HEALTH		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		923.74	
	Bill	04/01/2016	Health Ins. 2015		232 - ACCOUNTS PAYABLE	-SPLIT-		6,466.18	
	Bill	04/01/2016	JAN - MAR HEALTH INS		232 - ACCOUNTS PAYABLE	-SPLIT-		2,786.98	
	Bill	08/01/2016			232 - ACCOUNTS PAYABLE	607 - Health Insurance		450.42	
	Bill	09/01/2016			232 - ACCOUNTS PAYABLE	607 - Health Insurance		450.42	18,546.30
	Bill	01/31/2016	JAN '15 GAS		232 - ACCOUNTS PAYABLE	730 - NATURAL GAS PURCHASES		12,905.00	
	Bill	02/29/2016	FEB '16 MARTIN#2		232 - ACCOUNTS PAYABLE	730 - NATURAL GAS PURCHASES		17,010.00	
	Bill	03/31/2016	march '16 MARTIN#2		232 - ACCOUNTS PAYABLE	730 - NATURAL GAS PURCHASES		9,535.00	
	Bill	05/31/2016	CUSTOMERS MAY 16		232 - ACCOUNTS PAYABLE	730.1 - CLEAN GAS, INC.		5,815.00	
	Bill	06/30/2016	JUN CUSTOMERS		232 - ACCOUNTS PAYABLE	730.1 - CLEAN GAS, INC.		3,550.00	48,815.00
	Bill	10/08/2014	ADMIN - JUN		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		100.00	
	Bill	11/04/2014	JUL '14		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		100.00	
	Bill	11/19/2014	AUG '14		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		100.00	
	Bill	01/15/2015	ADMIN - SEP 14		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		100.00	
	Bill	01/29/2015	ADMIN - OCT '14		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		100.00	
	Bill	02/27/2015	ADMIN - NOV '14		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		100.00	
	Bill	03/31/2015	ADMIN - DEC '14		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		100.00	
	Bill	04/28/2015	APRIL '15		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	05/29/2015	MAY '15		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	11/02/2015	JUN '15		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	11/02/2015	AUG '15		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	11/02/2015	SEP '15		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	11/02/2015	OCT '15		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	11/11/2015	NOV '15		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	12/02/2015	DEC		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	04/19/2016	JAN '16		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	04/19/2016	FEB '16		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	04/19/2016	MAR '16		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	04/19/2016	APR '16		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	
	Bill	05/17/2016	MAY '16		232 - ACCOUNTS PAYABLE	760 - MANAGMENT		500.00	

GAS Purchases

MARTIN GAS, INC.  
 Vendor QuickReport  
 September 1, 2014 through September 13, 2016

CLEAN GAS INC (CONTINUED)

Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
Bill	06/01/2016			232 - ACCOUNTS PAYABLE		760 - MANAGMENT	500.00	
Bill	07/01/2016			232 - ACCOUNTS PAYABLE		760 - MANAGMENT	500.00	
Bill	08/01/2016			232 - ACCOUNTS PAYABLE		760 - MANAGMENT	500.00	
Bill	09/01/2016			232 - ACCOUNTS PAYABLE		760 - MANAGMENT	500.00	9,200.00
Bill	12/04/2014	JUN '14 DENTAL		232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	75.98	
Bill	12/04/2014	JUL '14 DENTAL		232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	75.98	
Bill	12/04/2014	AUG '14 DENTAL		232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	75.98	
Bill	12/04/2014	SEP '14 DENTAL		232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	75.98	
Bill	12/04/2014	OCT '14 DENTAL		232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	75.98	
Bill	12/04/2014	NOV '14 DENTAL		232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	75.98	
Bill	12/04/2014	DEC '14 DENTAL		232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	75.98	
Bill	05/01/2015	REIMB. FOR PROMART		232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	68.96	
Bill	01/11/2016			232 - ACCOUNTS PAYABLE		767 - REPAIRS AND MAINT.	38.72	639.54

\$ 77,200.84



**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation
Spradlin Gas Company	Supplied Natural Gas	\$59,331.98
JZT Construction, LLC	Employee Assistance	\$3,739.35
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Clean Gas, Inc.	Accounting Services, Gen and Admin Services	\$77,200.84

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

Jed Weinberg  
(Print Name)

  
(Signed)

Vice President  
(Position/Office)

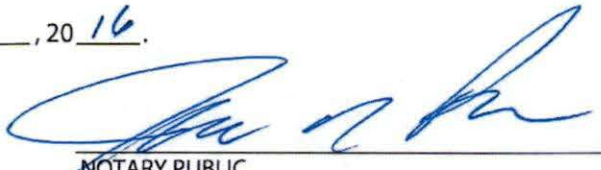
\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is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

COMMONWEALTH OF KENTUCKY

COUNTY OF Knott

Subscribed and sworn to before me by Red Weinberg  
(Name)

this 14th day of Sept., 20 16.

  
NOTARY PUBLIC  
State-at-Large

STATEMENT OF DISCLOSURE OR RELATED PARTY TRANSACTIONS  
(SUPPLEMENT SHEET)

The Weinberg family, William and Lois Weinberg and their three sons, Jed, Zachary and Tomas, in varying percentages owned, hold the entire ownership in Clean Gas, Inc., Martin Gas, Inc., JZT Construction, LLC, and JZT Production, LLC. The ownership in Spradlin Gas Company is held in varying percentages by the Weinberg family and others outside the Weinberg family.

Attached is a list of Martin Gas, Inc. payments to each of the above listed companies. There were no payments made to any of the individual owners except for wages.

SPRADLIN GAS COMPANY

Martin Gas, Inc. has purchased natural gas from Spradlin Gas Company for many years. Martin Gas, Inc. last purchased natural gas from Spradlin Gas Company in December 2015. The dates and amounts of the gas purchases are listed in the attachment.

JZT CONSTRUCTION, LLC

In January of 2015 an employee of Martin Gas, Inc. gave notice to leave the employ of Martin Gas, Inc. JZT Construction, LLC was laying off employees, and one of its employees filled the vacant Martin Gas, Inc. position. Martin Gas, Inc. reimbursed JZT Construction, LLC, half of an employee's wages for two months while the employee was training to transition to Martin Gas, Inc. The dates and amounts of the payments are listed in the attachment.

JZT PRODUCTION, LLC

Martin Gas, Inc. purchased natural gas from JZT Production, LLC from September 2014 through December 2015. Martin Gas, Inc. no longer purchases natural gas from JZT Production, LLC. The dates and amounts of natural gas purchases are listed in the attachment.

CLEAN GAS, INC.

Martin Gas, Inc. has paid Clean Gas, Inc., when Martin Gas, Inc. could afford to do so. Martin Gas, Inc. has reimbursed Clean Gas, Inc., again when funds were available, for health and dental insurance; management/accounting fees and natural gas purchases,

The management fees paid by Martin Gas, Inc. are for accounting services provided by Clean Gas, Inc. However, Clean Gas, Inc. has paid, and continues to pay for all envelopes and monthly invoice mailers, postage, and all paper and stationary supplies. The postage alone is slightly over \$200.00 per month. In effect, the management fee for accounting services is totally

offset by the expenses Clean Gas, Inc. pays on behalf of Martin Gas, Inc. The dates and amounts paid to Clean Gas, Inc. are attached.

**Vendor QuickReport**  
September 1, 2014 through September 7, 2016

	Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
<b>SPRADLIN GAS COMPANY</b>									
	BIII	09/30/2014	AUGUST GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	598.77	
	BIII	09/30/2014	sept gas		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	2,661.20	
	BIII	10/31/2014	OCT GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	3,368.76	
	BIII	11/30/2014	NOV GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	5,228.26	
	BIII	12/31/2014	DEC GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	4,804.24	
	BIII	01/31/2015	JAN 2015 GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	7,405.78	
	BIII	02/28/2015	FEB 2015 GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	3,094.14	
	BIII	03/31/2015	MARCH GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	2,344.86	
	BIII	04/30/2015	APRIL GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	1,917.80	
	BIII	05/31/2015	MAY GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	1,339.38	
	BIII	06/30/2015	JUNE GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	1,618.65	
	BIII	07/31/2015	JULY GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	2,355.33	
	BIII	03/31/2015	1ST QUARTER ADJ		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	3,800.66	
	BIII	08/31/2015	AUG GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	2,995.58	
	BIII	09/30/2015	SEPT GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	3,155.70	
	BIII	10/31/2015	OCT 2015		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	4,399.85	
	BIII	11/30/2015	NOV 2015		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	4,664.73	
	BIII	12/31/2015	DEC GAS		232 - ACCOUNTS PAYABLE	730.2	SPRADLIN GAS	3,578.29	59,331.98

TOTAL

MARTIN, INC.  
**Vendor QuickReport**

September 1, 2014 through September 7, 2016

	Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
<b>JZT CONSTRUCTION, LLC.</b>									
	Check	01/15/2015	9313	HALF OF MOSLEY'S PAY	131 · CASH AND WORKING FUND	√	760 · MANAGMENT	529.33	
	Check	01/16/2015	9326	HALF OF MOSLEY'S PAY	131 · CASH AND WORKING FUND	√	-SPLIT-	1,000.00	
	Check	02/13/2015	9339	HALF OF MOSLEY'S PAY	131 · CASH AND WORKING FUND	√	-SPLIT-	939.07	
	Check	02/26/2015	9352	HALF OF MOSLEY'S PAY	131 · CASH AND WORKING FUND	√	-SPLIT-	1,270.95	3,739.35

TOTAL

**Vendor QuickReport**  
September 1, 2014 through September 7, 2016

Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
JZT PRODUCTION, LLC.								
BIII	09/30/2014	AUGUST GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	598.77	
BIII	09/30/2014	sept gas		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	2,661.20	
BIII	10/31/2014	OCT GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	3,368.76	
BIII	11/30/2014	NOV GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	5,228.26	
BIII	12/31/2014	DEC GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	4,804.24	
BIII	01/31/2015	JAN 2015 GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	7,405.78	
BIII	02/28/2015	FEB 2015 GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	3,094.14	
BIII	03/31/2015	MARCH GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	2,344.86	
BIII	04/30/2015	APRIL GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	1,917.80	
BIII	05/31/2015	MAY GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	1,339.38	
BIII	06/30/2015	JUNEGAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	1,618.65	
BIII	07/31/2015	JULY GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	2,355.33	
BIII	03/31/2015	1ST QUARTER ADJ		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	3,800.66	
BIII	08/31/2015	AUG GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	2,995.58	
BIII	09/30/2015	SEPT GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	3,155.70	
BIII	12/18/2015	OCT 2015		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	4,399.85	
BIII	11/30/2015	NOV 2015		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	4,864.73	
BIII	12/31/2015	DEC GAS		232 - ACCOUNTS PAYABLE	730.6	JZT PRODUCTION, LLC	10,734.88	66,488.55

Total

### Vendor QuickReport

September 1, 2014 through September 13, 2016

Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
CLEAN GAS, INC.								
Bill	10/31/2014	OCT '14		232 - ACCOUNTS PAYABLE	607	Health Insurance		907.38
Bill	12/04/2014	NOV '14		232 - ACCOUNTS PAYABLE	607	Health Insurance		907.38
Bill	12/04/2014	DEC '14		232 - ACCOUNTS PAYABLE	607	Health Insurance		907.38
Bill	02/03/2015	JAN '15	DENTAL	232 - ACCOUNTS PAYABLE	607	Health Insurance		37.99
Bill	02/03/2015	JAN '15	HEALTH	232 - ACCOUNTS PAYABLE	607	Health Insurance		510.64
Bill	03/31/2015	FEB '15	HEALTH	232 - ACCOUNTS PAYABLE	607	Health Insurance		510.64
Bill	03/31/2015	FEB '15	DENTAL	232 - ACCOUNTS PAYABLE	607	Health Insurance		37.99
Bill	04/01/2016	April 16	Health	232 - ACCOUNTS PAYABLE	607	Health Insurance		450.42
Bill	05/01/2016			232 - ACCOUNTS PAYABLE	607	Health Insurance		450.42
Bill	06/01/2016			232 - ACCOUNTS PAYABLE	607	Health Insurance		450.42
Bill	07/01/2016			232 - ACCOUNTS PAYABLE	607	Health Insurance		450.42
Bill	06/11/2015	MAY '15	HEALTH	232 - ACCOUNTS PAYABLE	760	MANAGMENT		923.74
Bill	03/31/2015	MAR '15	HEALTH	232 - ACCOUNTS PAYABLE	760	MANAGMENT		923.74
Bill	04/15/2015	APR '15	HEALTH	232 - ACCOUNTS PAYABLE	760	MANAGMENT		923.74
Bill	04/01/2016	Health Ins. 2015		232 - ACCOUNTS PAYABLE	-SPLIT-		6,466.18	
Bill	04/01/2016	JAN - MAR HEALTH INS		232 - ACCOUNTS PAYABLE	-SPLIT-		2,786.98	
Bill	08/01/2016			232 - ACCOUNTS PAYABLE	607	Health Insurance		450.42
Bill	09/01/2016			232 - ACCOUNTS PAYABLE	607	Health Insurance	450.42	18,546.30
Bill	01/31/2016	JAN '16	GAS	232 - ACCOUNTS PAYABLE	730	NATURAL GAS PURCHASES	12,905.00	
Bill	02/29/2016	FEB '16	MARTIN#2	232 - ACCOUNTS PAYABLE	730	NATURAL GAS PURCHASES	17,010.00	
Bill	03/31/2016	March '16	MARTIN#2	232 - ACCOUNTS PAYABLE	730	NATURAL GAS PURCHASES	9,535.00	
Bill	05/31/2016	CUSTOMERS	MAY 16	232 - ACCOUNTS PAYABLE	730.1	CLEAN GAS, INC.	5,815.00	
Bill	06/30/2016	JUN	CUSTOMERS	232 - ACCOUNTS PAYABLE	730.1	CLEAN GAS, INC.	3,550.00	48,815.00
Bill	10/08/2014	ADMIN - JUN		232 - ACCOUNTS PAYABLE	760	MANAGMENT	100.00	
Bill	11/04/2014	JUL '14		232 - ACCOUNTS PAYABLE	760	MANAGMENT	100.00	
Bill	11/19/2014	AUG '14		232 - ACCOUNTS PAYABLE	760	MANAGMENT	100.00	
Bill	01/15/2015	ADMIN - SEP 14		232 - ACCOUNTS PAYABLE	760	MANAGMENT	100.00	
Bill	01/29/2015	ADMIN - OCT '14		232 - ACCOUNTS PAYABLE	760	MANAGMENT	100.00	
Bill	02/27/2015	ADMIN - NOV '14		232 - ACCOUNTS PAYABLE	760	MANAGMENT	100.00	
Bill	03/31/2015	ADMIN - DEC '14		232 - ACCOUNTS PAYABLE	760	MANAGMENT	100.00	
Bill	04/28/2015	APRIL '15		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	05/29/2015	MAY '15		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	11/02/2015	JUN '15		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	11/02/2015	AUG '15		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	11/02/2015	SEP '15		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	11/02/2015	OCT '15		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	11/11/2015	NOV '15		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	12/02/2015	DEC		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	04/19/2016	JAN '16		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	04/19/2016	FEB '16		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	04/19/2016	MAR '16		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	04/19/2016	APR '16		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
Bill	05/17/2016	MAY '16		232 - ACCOUNTS PAYABLE	760	MANAGMENT	500.00	

*GAS Purchases*



**Vendor QuickReport**  
September 1, 2014 through September 13, 2016

*CLEAN GAS INC (CONTINUED)*

Type	Date	Num	Memo	Account	Clr	Split	Debit	Credit
BIII	06/01/2016			232 ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
BIII	07/01/2016			232 ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
BIII	08/01/2016			232 ACCOUNTS PAYABLE	760	MANAGMENT	500.00	
BIII	09/01/2016			232 ACCOUNTS PAYABLE	760	MANAGMENT	500.00	9,200.00
BIII	12/04/2014 JUN '14 DENTAL			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	75.98	
BIII	12/04/2014 JUL '14 DENTAL			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	75.98	
BIII	12/04/2014 AUG '14 DENTAL			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	75.98	
BIII	12/04/2014 SEP '14 DENTAL			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	75.98	
BIII	12/04/2014 OCT '14 DENTAL			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	75.98	
BIII	12/04/2014 NOV '14 DENTAL			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	75.98	
BIII	12/04/2014 DEC '14 DENTAL			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	75.98	
BIII	05/01/2015 REIMB. FOR PROMART			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	68.96	
BIII	01/11/2016			232 ACCOUNTS PAYABLE	767	REPAIRS AND MAINT.	38.72	639.54

\$77,200.84

FOR Entire Service Area

PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

MARTIN GAS, INC.

\_\_\_\_\_  
(NAME OF UTILITY)

Rate schedule:

Availability of Service: For all Residential and Commercial Purposes.

Rate

	Base Rate	Gas Cost Recovery	Total
Base Charge First 1 MCF	4.3976 \$15.00	4.6167	\$15.00
All MCF Over 1 MCF	4.2808 \$9.690	4.6167 \$4.595	<del>8.8975</del> \$14.285 per MCF
Minimum Bills	9.0143 \$15.00		

DATE OF ISSUE 09/16/16  
MONTH / DATE / YEAR

DATE EFFECTIVE 03/16/17  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

FOR Entire Service Area

PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

CANCELLING PSC KY NO. \_\_\_\_\_

\_\_\_\_\_ SHEET NO. \_\_\_\_\_

MARTIN GAS, INC.  
\_\_\_\_\_  
(NAME OF UTILITY)

**Rate schedule:**

**Availability of Service: For all Residential and Commercial Purposes.**

**Rate**

	Base Rate	Gas Cost Recovery	Total
Base Charge	\$15.00		\$15.00
All MCF	\$9.690	\$4.595	\$14.285 per MCF
Minimum Bills	\$15.00		

DATE OF ISSUE 09/16/16  
MONTH / DATE / YEAR

DATE EFFECTIVE 03/16/17  
MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_  
SIGNATURE OF OFFICER


TITLE Vice President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

## CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing has been served, by delivering same to the custody and care of the U.S. Postal Service, postage pre-paid, this 16th day of September, 2016, addressed to the following:

Office of Rate Intervention  
Office of Attorney General  
1024 Capital Center Drive  
Suite 200  
Frankfort, KY 40601-8204



*L. Allyson Henke*

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*Counsel for Martin Gas, Inc.*