

**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)

**RECEIVED**  
DEC 28 2018  
PUBLIC SERVICE  
COMMISSION

Johnson County Gas Company  
(Name of Utility)

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P.O. Box 447  
(Business Mailing Address - Number and Street, or P.O. Box)

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Betsy Layne, Kentucky 41605  
(Business Mailing Address - City, State, and Zip)

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(606) 789-5481  
(Telephone Number)

BASIC INFORMATION

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

Bud Rife  
(Name)

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P.O. Box 447  
(Address - Number and Street or P.O. Box)

---

Betsy Layne, KY 41605  
(Address - City, State, Zip)

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606-478-5264  
(Telephone Number)

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bandhgas@mikrotec.com  
(Email Address)

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

- |   | YES                                 | NO                                  | N/A                      |
|---|-------------------------------------|-------------------------------------|--------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.  | <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.
- BR 6. a. Applicant has 20 or ~~fewer~~ <sup>more</sup> 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, 2017.
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 \$ 153,608.43 and total revenues from service rates of \$ 297,274.74. 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 315 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application.     
**(Attach a copy of returns.)**
- 17. Approximately 70 (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

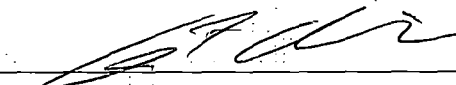
By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

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

Signed:   
Officer of the Company/Authorized Representative  
 Title: President  
 Date: 12/28/2018

COMMONWEALTH OF KENTUCKY  
 COUNTY OF Fayette

Before me appeared Bud Rife, 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.

  
 Notary Public  
 My commission expires: 11/2/2022

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

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

**NOTICE OF APPLICATION OF JOHNSON COUNTY GAS COMPANY  
TO ADJUST RATES FOR NATURAL GAS SERVICE  
BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY  
December 28<sup>th</sup>, 2018**

Pursuant to the Kentucky Public Service Commission's regulation 807 KAR 5:076, Johnson County Gas Company, Inc. gives notice that an application has been filed on December 28<sup>th</sup>, 2018, with the Kentucky Public Service Commission seeking approval to adjust its rates for natural gas service. This rate adjustment will apply to all Johnson County Gas Company's customers. If Johnson County Gas Company's application is approved, monthly natural gas bills from Johnson County Gas Company will increase as follows:

**Current Residential and Commercial Charges**

	<b>Base Rate</b>	<b>Gas Cost</b>	<b>Total</b>
<b>Customer Charge (Monthly)</b>	<i>\$15.00</i>		\$15.00
<b>All MCFs</b>	<i>\$8.6000</i>	\$6.4140	\$15.0140

**Proposed Rates**

	<b>Base Rate</b>	<b>Amount of Increase</b>	<b>Percentage of Increase %</b>
<b>Customer Charge (Monthly)</b>	<i>\$15.00</i>	N/A	0%
<b>All MCFs</b>	<i>\$17.7951</i>	\$9.1951	106.92%

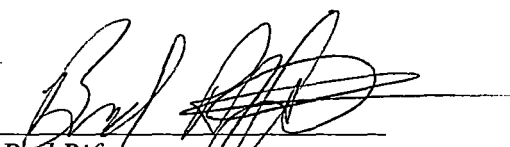
**Gas Cost**

\$6.4140 per MCF

The Johnson County Gas Company average customer monthly usage is 4 MCFs per month. In 2017 the customers of Johnson County Gas Company used an average 1240 MCFs per month. The average cost per customer was \$75.06 Based on average usage, the cost will increase \$36.78 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 Johnson County Gas Company, 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 Johnson County Gas Company's application may be obtained or viewed from Johnson County Gas Company, at 497 George Road, Betsy Layne, KY 41605, Monday through Friday from 8:30 a.m. to 5:00 p.m. 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.



*Bud Rife*  
**Johnson County Gas Company**  
**President**

**REASONS FOR APPLICATION**

**(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)**

Johnson County Gas Company has been operating under a Chapter 13 Bankruptcy at a loss for several years. It has also been several years since its last rate increase. In order to continue to provide safe and reliable natural gas service to its customers, Johnson County Gas Co. needs a rate increase that will allow it to fully pay it's expenses each month and be able to be a stand alone company without receiving financial help from Mr. Rife's (JCG's President) non-regulated companies. JCG has reviewed its expenses and has also reviewed the items paid on it's behalf by other companies owned by Mr. Rife. JCG has made pro forma adjustments to the test period expenses to allow for expenses for legal fees, and proper certified training. With the changes made, Johnson County Gas Co. would be able to operate on its own and pay it's liabilities on time.



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

<b>Existing Rates</b>	<b>Proposed Rates</b>
Minimum Bill (Customer Service Charge) - \$15.00	Minimum Bill (Customer Service Charge) - \$15.00
All MCF - \$8.6000	All MCF - \$17.7951
Gas Cost Recovery Rate - \$6.4140	Gas Cost Recovery Rate - \$6.4140

**SCHEDULE OF ADJUSTED OPERATIONS - GAS UTILITY**

TYE 12/31/20 17

	Test Year	Adjustment	Ref.	Pro Forma
<b><u>Operating Revenues</u></b>				
Sales of Gas				
Residential	196,502.00	-63,152.24	A	133,349.76
Commercial & Industrial	15,653.00	-5,336.45	B	10,316.55
Interdepartmental				0.00
Sales for Resale				0.00
<b>Total Sales of Gas</b>	<b>212,155.00</b>	<b>-68,488.69</b>		<b>143,666.31</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>212,155.00</b>	<b>-68,488.69</b>		<b>143,666.31</b>
<b><u>Operating Expenses</u></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	66,277.00	-66,277.00	C	0.00
Transmission Expenses	2,441.00			2,441.00
Distribution Expenses	154,807.00	22,381.00	D	177,188.00
Customer Accounts Expenses				0.00
Customer Service and Informational Expenses				0.00
Administrative and General Expenses	36,336.00	17,667.00	E	54,003.00
<b>Total Operation and Maintenance Expenses</b>	<b>259,861.00</b>	<b>-26,229.00</b>		<b>233,632.00</b>
Depreciation Expense				0.00
Amortization Expense		9,528.30	F	9,528.30
Taxes Other Than Income	11,431.00			11,431.00
Income Tax Expense				0.00
<b>Total Operating Expenses</b>	<b>271,292.00</b>	<b>-16,700.70</b>		<b>254,591.30</b>
<b>Utility Operating Income</b>	<b>-59,137.00</b>	<b>-51,787.99</b>		<b>-110,924.99</b>

### References

A - This includes an adjustment to remove the Gas Cost rates from the test year revenues which is a \$63,152.24 decrease.

B - This includes an adjustment to remove the Gas Cost rates from the test year revenues which is a \$5336.45 decrease.

C - An adjustment to exclude gas costs from the calculation since those expenses are recovered through the GCA.

D- Additional rent expenses that were not able to be paid in the test year for lease of office space. Office rent is \$2000 per month for a total of \$24,000 per year. An adjustment was also made to add in office rent not paid during the test year in the amount of \$8,000.00. In addition, truck leases total \$14,400 per year and J.C.G. paid \$9,552 which leaves a pro forma adjustment in the amount of \$4,848.00.

This also includes an adjustment for line repairs, extensions, 811 locates, etc. for line maintenance that was billed but not paid in the test year in the amount of \$9533.00.

E - Includes several adjustments to Administrative and General Expenses which are as follows:

\* Adjustment to add an additional \$6000 per year for legal expenses. The additional \$6000 included as a pro forma adjustment will allow J.C.G. to budget \$500 per month for legal expenses going forward.

\* Adjustment to add \$1667 for one-third of the total training costs to include the three year required Operator Qualification training along with yearly training requirements for plastic pipe. The total training amount is not to exceed \$5000 per three year period.

F - Includes an adjustment to add \$9,528.30 per year for promissory note repayments, to repay outstanding debts as follows:

\* \$3,258.54 Owed to Goss Samford for outstanding legal fees, to be amortized over a 5 year period.

\* \$47,700.00 owed to Bud Rife for unpaid Management Fees, Office Leases and Vehicle Rents to be amortized over a 5 year period.

\* \$15,198.00 owed to Bud Rife Construction Co. for unpaid invoices for work performed on B&H's physical plant, to be amortized over a 5 year period.

\* \$82,074.00 owed to Hall, Stephens, and Hall Gas Company for unpaid natural gas purchases, to be amortized over a 5 year period.

**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	\$254,591.30
Operating Ratio	0.88
Sub-Total	<u>289,308.30</u>
Less: Pro forma Operating Expenses Before Income Taxes	<u>-254,591.30</u>
Net Income Allowable	34,717.00
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	7,966.44
Interest Expense	
Pro forma Operating Expenses Before Taxes	254,591.30
Cost of Natural Gas (water utilities should leave this blank)	
Total Revenue Requirement	<u>297,274.74</u>
Less: Other Operating Revenue	
Non-operating Revenue	
Interest Income	
Total Revenue Required from Rates for Service	<u>297,274.74</u>
Less: Revenue from Sales at Present Rates	<u>143,666.31</u>
Required Revenue Increase	<u>153,608.43</u>
Required Revenue Increase stated as a Percentage of Revenue at Present Rates	<u>106.92%</u>

**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	34,717.00
Net Income Before Taxes	42,993.19
Difference Equals Provision for State and Federal Income Taxes	8,276.19

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	279	279
Flat Monthly Rate	\$15.00	\$15.00
Monthly Revenue	\$4,185.00	\$4,185.00
Number of Months	12	12
Annual Revenue	\$50,220.00	\$50,220.00

AREA ENTIRE AREA SERVED

PSC KY NO. 1

SHEET NO. 1

CANCELLING PSC KY NO. 1

SHEET NO. 1

Johnson County Gas Company  
(NAME OF UTILITY)

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Classification of Service

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Availability of Service: All Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$15.00		\$ 15.00
Volumetric Rate	\$17.7951	\$6.4140	\$ 24.2091

The volumetric rate will apply to all Mcfs sold. Customer Charge will be charged each month.

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DATE OF ISSUE \_\_\_\_\_

MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_

MONTH / DATE / YEAR

ISSUED BY \_\_\_\_\_

SIGNATURE OF OFFICER

TITLE \_\_\_\_\_

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

12/31/18

2018 FEDERAL DEPRECIATION SCHEDULE

PAGE 1

CLIENT 2009004

JOHNSON COUNTY GAS COMPANY INC.

9/05/18

12:20PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR.	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120																
1	20 YEAR EQUIPMENT	7/01/07		576							576	333	150DB HY	20	.04462	26
2	OTHER ASSETS	7/01/85		1,052,642							1,052,642	981,602	S/L			0
3	OTHER ASSETS	1/01/05		200,000							200,000	168,292	200DB HY	7		0
	TOTAL			1,253,218		0	0	0	0	0	1,253,218	1,150,227				26
	TOTAL DEPRECIATION			<u>1,253,218</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,253,218</u>	<u>1,150,227</u>				<u>26</u>
	GRAND TOTAL DEPRECIATION			<u>1,253,218</u>		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,253,218</u>	<u>1,150,227</u>				<u>26</u>

12/31/18

2018 FEDERAL ALTERNATIVE MINIMUM TAX DEPRECIATION SCHEDULE

PAGE 1

CLIENT 2009004

JOHNSON COUNTY GAS COMPANY INC.



9/05/18

12:20PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	AMT BASIS	AMT PRIOR DEPR	AMT METHOD	AMT LIFE	AMT RATE	AMT DEPR	REG. DEPR	OWN PCT	POST-86 DEPR ADJ	REAL PROP PREF	LEAS PER PROP PREF	59 (E)(2) AMORT
FORM 1120															
1	20 YEAR EQUIPMENT	7/01/07		576	311	150DB HY	20	.04462	26	26					0
2	OTHER ASSETS	7/01/85		1,052,642					0	0					0
3	OTHER ASSETS	1/01/05		200,000	110,240	150DB HY	7		0	0					0
	TOTAL			1,253,218	110,551				26	26		0	0	0	0
	TOTAL DEPRECIATION			1,253,218	110,551				26	26		0	0	0	0
	GRAND TOTAL DEPRECIATION			1,253,218	110,551				26	26		0	0	0	0



12/31/18

2018 FEDERAL ADJUSTED CURRENT EARNINGS DEPRECIATION SCHEDULE

PAGE 1

CLIENT 2009004

JOHNSON COUNTY GAS COMPANY INC.



9/05/18

12:20PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	ACE BASIS	PRIOR ACE DEPR	ACE METHOD	ACE LIFE	ACE RATE	ACE DEPR	SPECIAL DEPR. ALLOW.	POST 1993 PROPERTY	POST 1989 PRE 1994	PRE 1990 MACRS PR	PRE 1990 AGRS PRP.	SECT. 168 PROPERTY	OTHER PROPERTY
FORM 1120																
1	20 YEAR EQUIPMENT	7/01/07		576	311				26	0	26					
2	OTHER ASSETS	7/01/85		1,052,642	34,649	S/L			0	0						
3	OTHER ASSETS	1/01/05		200,000	110,240				0	0						
TOTAL				1,253,218	145,200				26	0	26	0	0	0	0	0
TOTAL DEPRECIATION				1,253,218	145,200				26	0	26	0	0	0	0	0
GRAND TOTAL DEPRECIATI				1,253,218	145,200				26	0	26	0	0	0	0	0

12/31/18

2018 BOOK DEPRECIATION SCHEDULE

PAGE 1

CLIENT 2009004

JOHNSON COUNTY GAS COMPANY INC.



9/05/18

12:20PM

NO.	DESCRIPTION	DATE ACQUIRED	DATE SOLD	COST/ BASIS	BUS. PCT.	CUR 179 BONUS	SPECIAL DEPR. ALLOW.	PRIOR 179/ BONUS/ SP. DEPR	PRIOR DEC. BAL DEPR.	SALVAG /BASIS REDUCT.	DEPR. BASIS	PRIOR DEPR.	METHOD	LIFE	RATE	CURRENT DEPR.
FORM 1120																
1	20 YEAR EQUIPMENT	7/01/07		576							576	333	150DB HY	20	.04462	26
2	OTHER ASSETS	7/01/85		1,052,642							1,052,642	981,602	S/L			0
3	OTHER ASSETS	1/01/05		200,000							200,000	168,292	200DB HY	7		0
	TOTAL			1,253,218		0	0	0	0	0	1,253,218	1,150,227				26
	TOTAL DEPRECIATION			1,253,218		0	0	0	0	0	1,253,218	1,150,227				26
	GRAND TOTAL DEPRECIATION			1,253,218		0	0	0	0	0	1,253,218	1,150,227				26

**U.S. Corporation Income Tax Return**

For calendar year 2017 or tax year beginning \_\_\_\_\_, 2017, ending \_\_\_\_\_  
 ▶ Go to [www.irs.gov/Form1120](http://www.irs.gov/Form1120) for instructions and the latest information.

**2017**

<b>A Check if:</b>		<b>JOHNSON COUNTY GAS COMPANY INC.</b> P.O. BOX 447 BETSY LAYNE, KY 41605	<b>B</b> Employer identification number
<b>1 a</b> Consolidated return (attach Form 851) <input type="checkbox"/>	<b>TYPE OR PRINT</b>		<b>C</b> Date incorporated
<b>b</b> Life/nonlife consolidated return <input type="checkbox"/>			3/12/1968
<b>2</b> Personal holding co. (attach Sch. PH) <input type="checkbox"/>			<b>D</b> Total assets (see instructions)
<b>3</b> Personal service corp. (see Instrs) <input type="checkbox"/>		\$ 153,695.	
<b>4</b> Schedule M-3 attached <input type="checkbox"/>		<b>E</b> Check if: (1) <input checked="" type="checkbox"/> Initial return (2) <input type="checkbox"/> Final return (3) <input type="checkbox"/> Name change (4) <input type="checkbox"/> Address change	

<b>INCOME</b>	<b>1 a</b> Gross receipts or sales	<b>1 a</b>	212,155.
	<b>b</b> Returns and allowances	<b>1 b</b>	
	<b>c</b> Balance. Subtract line 1b from line 1a.	<b>1 c</b>	212,155.
	<b>2</b> Cost of goods sold (attach Form 1125-A)	<b>2</b>	71,391.
	<b>3</b> Gross profit. Subtract line 2 from line 1c.	<b>3</b>	140,764.
	<b>4</b> Dividends (Schedule C, line 19)	<b>4</b>	
	<b>5</b> Interest	<b>5</b>	
	<b>6</b> Gross rents	<b>6</b>	
	<b>7</b> Gross royalties	<b>7</b>	
	<b>8</b> Capital gain net income (attach Schedule D (Form 1120))	<b>8</b>	
	<b>9</b> Net gain or (loss) from Form 4797, Part II, line 17 (attach Form 4797)	<b>9</b>	
<b>10</b> Other income (see instructions - attach statement)	<b>10</b>		
<b>11 Total income.</b> Add lines 3 through 10.	<b>11</b>	140,764.	
<b>FOR LIMITATIONS ON DEDUCTIONS</b>	<b>12</b> Compensation of officers (see instructions - attach Form 1125-E)	<b>12</b>	
	<b>13</b> Salaries and wages (less employment credits)	<b>13</b>	
	<b>14</b> Repairs and maintenance	<b>14</b>	
	<b>15</b> Bad debts	<b>15</b>	
	<b>16</b> Rents	<b>16</b>	24,624.
	<b>17</b> Taxes and licenses	<b>17</b>	2,119.
	<b>18</b> Interest	<b>18</b>	
	<b>19</b> Charitable contributions	<b>19</b>	
	<b>20</b> Depreciation from Form 4562 not claimed on Form 1125-A or elsewhere on return (attach Form 4562)	<b>20</b>	26.
	<b>21</b> Depletion	<b>21</b>	
	<b>22</b> Advertising	<b>22</b>	
	<b>23</b> Pension, profit-sharing, etc., plans	<b>23</b>	
	<b>24</b> Employee benefit programs	<b>24</b>	
	<b>25</b> Domestic production activities deduction (attach Form 8903)	<b>25</b>	
	<b>26</b> Other deductions (attach statement)	<b>26</b>	166,520.
	<b>27 Total deductions.</b> Add lines 12 through 26.	<b>27</b>	193,289.
	<b>28</b> Taxable income before net operating loss deduction and special deductions. Subtract line 27 from line 11	<b>28</b>	-52,525.
<b>TAXES AND PAYMENTS</b>	<b>29 a</b> Net operating loss deduction (see instructions)	<b>29 a</b>	0.
	<b>b</b> Special deductions (Schedule C, line 20)	<b>29 b</b>	
	<b>c</b> Add lines 29a and 29b	<b>29 c</b>	
	<b>30 Taxable income.</b> Subtract line 29c from line 28. See instructions.	<b>30</b>	-52,525.
<b>31</b> Total tax (Schedule J, Part I, line 11)	<b>31</b>	0.	
<b>32</b> Total payments and refundable credits (Schedule J, Part II, line 21)	<b>32</b>	0.	
<b>33</b> Estimated tax penalty. See instructions. Check if Form 2220 is attached. <input type="checkbox"/>	<b>33</b>		
<b>34 Amount owed.</b> If line 32 is smaller than the total of lines 31 and 33, enter amount owed.	<b>34</b>	0.	
<b>35 Overpayment.</b> If line 32 is larger than the total of lines 31 and 33, enter amount overpaid	<b>35</b>		
<b>36</b> Enter amount from line 35 you want: Credited to 2018 estimated tax <input type="checkbox"/> Refunded <input checked="" type="checkbox"/>	<b>36</b>		

**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: *[Signature]* Date: 5/16/18 Title: PRESIDENT

May the IRS discuss this return with the preparer shown below? See instructions.  Yes  No

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	DARRELL MADDEN, CPA	<i>[Signature]</i>	5/16/18		P01256506
	Firm's name	Firm's address		Firm's EIN	Phone no.
	DARRELL MADDEN, CPA	PO BOX 529 HINDMAN, KY 41822			(606) 785-5046

<b>Schedule C Dividends and Special Deductions</b> (see instructions)	<b>(a)</b> Dividends received	<b>(b)</b> Percentage	<b>(c)</b> Special deductions <b>(a) x (b)</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 line 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 line 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)). See instructions ▶	<input type="checkbox"/>	
2	Income tax. Check if a qualified personal service corporation. See instructions..... ▶	<input type="checkbox"/>	0.
3	Alternative minimum tax (attach Form 4626).....		
4	Add lines 2 and 3.....		0.
5a	Foreign tax credit (attach Form 1118).....	5 a	
b	Credit from Form 8834 (see instructions).....	5 b	
c	General business credit (attach Form 3800).....	5 c	
d	Credit for prior year minimum tax (attach Form 8827).....	5 d	
e	Bond credits from Form 8912.....	5 e	
6	<b>Total credits.</b> 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).....	9 a	
b	Recapture of low-income housing credit (attach Form 8611).....	9 b	
c	Interest due under the look-back method – completed long-term contracts (attach Form 8697).....	9 c	
d	Interest due under the look-back method – income forecast method (attach Form 8866).....	9 d	
e	Alternative tax on qualifying shipping activities (attach Form 8902).....	9 e	
f	Other (see instructions – attach statement).....	9 f	
10	<b>Total.</b> Add lines 9a through 9f.....	10	
11	<b>Total tax.</b> Add lines 7, 8, and 10. Enter here and on page 1, line 31.....	11	0.

**Part II – Payments and Refundable Credits**

12	2016 overpayment credited to 2017.....	12	
13	2017 estimated tax payments.....	13	
14	2017 refund applied for on Form 4466.....	14	
15	Combine lines 12, 13, and 14.....	15	0.
16	Tax deposited with Form 7004.....	16	
17	Withholding (see instructions).....	17	
18	<b>Total payments.</b> Add lines 15, 16 and 17.....	18	0.
19	Refundable credits from:		
a	Form 2439.....	19 a	
b	Form 4136.....	19 b	
c	Form 8827, line 8c.....	19 c	
d	Other (attach statement – see instructions).....	19 d	
20	<b>Total credits.</b> Add lines 19a through 19d.....	20	
21	<b>Total payments and credits.</b> Add lines 18 and 20. Enter here and on page 1, line 32.....	21	0.

**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 ▶ RETAIL		
c	Product or service ▶ NATURAL GAS		
3	Is the corporation a subsidiary in an affiliated group or a parent-subsidary 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 from page 3)

**5** 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 <b>Form 851</b> , 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

**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.

	Yes	No
	X	

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

<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 <b>Form 5452</b> , Corporate Report of Nondividend Distributions. See the instructions for Form 5452. 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 the total voting power of all classes of the corporation's stock entitled to vote or at least 25% of the total value of all classes of the corporation's stock? For rules of attribution, see section 318. If 'Yes,' enter: <b>(a)</b> Percentage owned ▶ _____ and <b>(b)</b> Owner's country ▶ _____ <b>(c)</b> The corporation may have to file <b>Form 5472</b> , 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. If checked, the corporation may have to file <b>Form 8281</b> , Information Return for Publicly Offered Original Issue Discount Instruments. <input type="checkbox"/>		
<b>9</b> Enter the amount of tax-exempt interest received or accrued during the tax year ▶ \$ _____ NONE		
<b>10</b> Enter the number of shareholders at the end of the tax year (if 100 or fewer) ▶ <u>2</u>		
<b>11</b> If the corporation has an NOL for the tax year and is electing to forego the carryback period, check here. 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. <input checked="" type="checkbox"/>		
<b>12</b> Enter the available NOL carryover from prior tax years (do not reduce it by any deduction reported on page 1, line 29a.) ▶ \$ <u>1,517,021</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? <input checked="" type="checkbox"/> 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 ▶ \$ <u>NONE</u>	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. <input type="checkbox"/>		X
<b>15 a</b> Did the corporation make any payments in 2017 that would require it to file Form(s) 1099? <input checked="" type="checkbox"/>	X	
<b>b</b> If 'Yes,' did or will the corporation file required Forms 1099? <input checked="" type="checkbox"/>	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? <input type="checkbox"/>		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? <input type="checkbox"/>		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? <input type="checkbox"/>		X
<b>19</b> During the corporation's tax year, did the corporation make any payments that would require it to file Forms 1042 and 1042-S under chapter 3 (sections 1441 through 1464) or chapter 4 (sections 1471 through 1474) of the Code? <input type="checkbox"/>		X

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
<b>Assets</b>					
1	Cash		2,405.		9,002.
2a	Trade notes and accounts receivable	48,466.		41,702.	
b	Less allowance for bad debts		48,466.		41,702.
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	1,253,218.		1,253,218.	
b	Less accumulated depreciation	1,150,201.	103,017.	1,150,227.	102,991.
11a	Depletable assets				
b	Less accumulated depletion				
12	Land (net of any amortization)				
13a	Intangible assets (amortizable only)				
b	Less accumulated amortization				
14	Other assets (attach statement)				
15	<b>Total assets</b>		153,888.		153,695.
<b>Liabilities and Shareholders' Equity</b>					
16	Accounts payable		284,560.		337,097.
17	Mortgages, notes, bonds payable in less than 1 year				
18	Other current liabilities (attach stmt) SEE ST. 4		15,937.		27,230.
19	Loans from shareholders		100,000.		100,000.
20	Mortgages, notes, bonds payable in 1 year or more		1,933,292.		1,922,424.
21	Other liabilities (attach statement) SEE ST. 5		632.		2.
22	Capital stock: a Preferred stock				
b	Common stock	80,000.	80,000.	80,000.	80,000.
23	Additional paid-in capital				
24	Retained earnings — Approp (att stmt)				
25	Retained earnings — Unappropriated		-2,095,831.		-2,148,356.
26	Adjmt to shareholders' equity (att stmt)				
27	Less cost of treasury stock		164,702.		164,702.
28	<b>Total liabilities and shareholders' equity</b>		153,888.		153,695.

**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	-52,525.	7	Income recorded on books this year not included on this return (itemize):	
2	Federal income tax per books			Tax-exempt interest \$	
3	Excess of capital losses over capital gains				
4	Income subject to tax not recorded on books this year (itemize):				
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 \$		a	Depreciation \$	
b	Charitable contributions \$		b	Charitable contribns \$	
c	Travel & entertainment \$				
6	Add lines 1 through 5	-52,525.	9	Add lines 7 and 8	0.
			10	Income (page 1, line 28) — line 6 less line 9	-52,525.

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

1	Balance at beginning of year	-2,095,831.	5	Distributions: a Cash	
2	Net income (loss) per books	-52,525.	b	Stock	
3	Other increases (itemize):		c	Property	
			6	Other decreases (itemize):	
4	Add lines 1, 2, and 3	-2,148,356.	7	Add lines 5 and 6	
			8	Balance at end of year (line 4 less line 7)	-2,148,356.

### Cost of Goods Sold

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

Name **JOHNSON COUNTY GAS COMPANY INC.** Employer identification number [REDACTED]

1	Inventory at beginning of year.....	1	
2	Purchases.....	2	66,277.
3	Cost of labor.....	3	
4	Additional section 263A costs (attach schedule).....	4	
5	Other costs (attach schedule).....	5	5,114.
			SEE STATEMENT 6
6	<b>Total.</b> Add lines 1 through 5.....	6	71,391.
7	Inventory at end of year.....	7	
8	<b>Cost of goods sold.</b> 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	71,391.

**9 a** Check all methods used for valuing closing inventory:

- (i)  Cost
- (ii)  Lower of cost or market
- (iii)  Other (Specify method used and attach explanation)..... ▶

**b** Check if there was a writedown of subnormal goods..... ▶

**c** Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970). ..... ▶

**d** If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO..... **9d**

**e** If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions.....  Yes  No

**f** Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If 'Yes,' attach explanation.....  Yes  No

**BAA For Paperwork Reduction Act Notice, see instructions.**





Depreciation and Amortization (Including Information on Listed Property)

2017

Department of the Treasury Internal Revenue Service (99)

Attach to your tax return.

Go to www.irs.gov/Form4562 for instructions and the latest information.

Attachment Sequence No. 179

Name(s) shown on return

JOHNSON COUNTY GAS COMPANY INC.

Identifying number

Business or activity to which this form relates

FORM 1120

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.

Table with 13 rows for Part I. Columns include line numbers and descriptions of property and costs. Includes rows for maximum amount, total cost, threshold cost, reduction in limitation, dollar limitation, and elected cost.

Note: Don't use Part II or Part III below for listed property. Instead, use Part V.

Part II Special Depreciation Allowance and Other Depreciation (Don't include listed property.) (See instructions.)

Table with 3 rows for Part II. Columns include line numbers and descriptions of special depreciation allowance, property subject to election, and other depreciation.

Part III MACRS Depreciation (Don't include listed property.) (See instructions.)

Section A

Table with 2 rows for Section A. Columns include line numbers and descriptions of MACRS deductions for assets placed in service before 2017 and general asset accounts.

Section B - Assets Placed in Service During 2017 Tax Year Using the General Depreciation System

Table with 7 columns: (a) Classification of property, (b) Month and year placed in service, (c) Basis for depreciation, (d) Recovery period, (e) Convention, (f) Method, (g) Depreciation deduction. Rows include 3-year, 5-year, 7-year, 10-year, 15-year, 20-year, 25-year, residential rental, and nonresidential real property.

Section C - Assets Placed in Service During 2017 Tax Year Using the Alternative Depreciation System

Table with 6 columns: (a) Class life, (b) Recovery period, (c) Convention, (d) Method, (e) Depreciation deduction. Rows include 12-year and 40-year class lives.

Part IV Summary (See instructions.)

Table with 3 rows for Part IV. Columns include line numbers and descriptions of listed property, total depreciation, and basis attributable to section 263A costs.

JOHNSON COUNTY GAS COMPANY INC.

**STATEMENT 1  
FORM 1120, LINE 17  
TAXES AND LICENSES**

OTHER TAX & LICENSE.....		\$	2,119.
	TOTAL	\$	<u>2,119.</u>

**STATEMENT 2  
FORM 1120, LINE 26  
OTHER DEDUCTIONS**

BANK CHARGES.....		\$	958.
DIGGING FEES/PERMITS.....			1,980.
INSURANCE.....			8,863.
LEGAL AND PROFESSIONAL.....			3,275.
MANAGEMENT FEES.....			64,000.
MISCELLANEOUS.....			928.
OFFICE EXPENSE.....			747.
PARTS, SUPPLIES & REPAIRS.....			78,321.
POSTAGE.....			1,222.
TELEPHONE.....			4,343.
UTILITIES.....			1,883.
	TOTAL	\$	<u>166,520.</u>

**STATEMENT 3  
FORM 1120, LINE 29A  
NET OPERATING LOSS DEDUCTION**

CARRYOVER GENERATED FROM YEAR END	12/31/97	\$	53,762.	
AVAILABLE FOR CARRYOVER TO 2017.....				53,762.
CARRYOVER GENERATED FROM YEAR END	12/31/98	\$	86,651.	
AVAILABLE FOR CARRYOVER TO 2017.....				86,651.
CARRYOVER GENERATED FROM YEAR END	12/31/99	\$	25,469.	
AVAILABLE FOR CARRYOVER TO 2017.....				25,469.
CARRYOVER GENERATED FROM YEAR END	12/31/00	\$	74,532.	
AVAILABLE FOR CARRYOVER TO 2017.....				74,532.
CARRYOVER GENERATED FROM YEAR END	12/31/01	\$	120,212.	
AVAILABLE FOR CARRYOVER TO 2017.....				120,212.
CARRYOVER GENERATED FROM YEAR END	12/31/02	\$	93,002.	

## JOHNSON COUNTY GAS COMPANY INC.

**STATEMENT 3 (CONTINUED)**  
**FORM 1120, LINE 29A**  
**NET OPERATING LOSS DEDUCTION**

AVAILABLE FOR CARRYOVER TO 2017.....			93,002.
CARRYOVER GENERATED FROM YEAR END	12/31/03	\$	15,007.
AVAILABLE FOR CARRYOVER TO 2017.....			15,007.
CARRYOVER GENERATED FROM YEAR END	12/31/04	\$	62,723.
AVAILABLE FOR CARRYOVER TO 2017.....			62,723.
CARRYOVER GENERATED FROM YEAR END	12/31/05	\$	199,936.
AVAILABLE FOR CARRYOVER TO 2017.....			199,936.
CARRYOVER GENERATED FROM YEAR END	12/31/06	\$	259,716.
AVAILABLE FOR CARRYOVER TO 2017.....			259,716.
CARRYOVER GENERATED FROM YEAR END	12/31/07	\$	95,108.
AVAILABLE FOR CARRYOVER TO 2017.....			95,108.
CARRYOVER GENERATED FROM YEAR END	12/31/08	\$	269,526.
AVAILABLE FOR CARRYOVER TO 2017.....			269,526.
CARRYOVER GENERATED FROM YEAR END	12/31/09	\$	61,499.
AVAILABLE FOR CARRYOVER TO 2017.....			61,499.
CARRYOVER GENERATED FROM YEAR END	12/31/11	\$	12,803.
AVAILABLE FOR CARRYOVER TO 2017.....			12,803.
CARRYOVER GENERATED FROM YEAR END	12/31/12	\$	22,269.
AVAILABLE FOR CARRYOVER TO 2017.....			22,269.
CARRYOVER GENERATED FROM YEAR END	12/31/13	\$	8,855.
AVAILABLE FOR CARRYOVER TO 2017.....			8,855.
CARRYOVER GENERATED FROM YEAR END	12/31/14	\$	39,427.
AVAILABLE FOR CARRYOVER TO 2017.....			39,427.

## JOHNSON COUNTY GAS COMPANY INC.

**STATEMENT 3 (CONTINUED)**  
**FORM 1120, LINE 29A**  
**NET OPERATING LOSS DEDUCTION**

CARRYOVER GENERATED FROM YEAR END	12/31/15	\$	6,188.	
AVAILABLE FOR CARRYOVER TO 2017.....				6,188.
CARRYOVER GENERATED FROM YEAR END	12/31/16	\$	10,336.	
AVAILABLE FOR CARRYOVER TO 2017.....				10,336.
NET OPERATING LOSSES AVAILABLE IN 2017.....		\$		<u>1,517,021.</u>
TAXABLE INCOME.....				-52,525.
TOTAL NET OPERATING LOSS DEDUCTION (LIMITED TO TAXABLE INCOME).....				<u>0.</u>

**STATEMENT 4**  
**FORM 1120, SCHEDULE L, LINE 18**  
**OTHER CURRENT LIABILITIES**

	BEGINNING	ENDING
CUSTOMER DEPOSITS.....	\$ 0.	\$ 425.
DUE TO RELATED COMPANY.....	0.	10,868.
SCHOOL TAX PAYABLE.....	15,937.	15,937.
TOTAL	<u>\$ 15,937.</u>	<u>\$ 27,230.</u>

**STATEMENT 5**  
**FORM 1120, SCHEDULE L, LINE 21**  
**OTHER LIABILITIES**

	BEGINNING	ENDING
CUSTOMER DEPOSITS.....	\$ 632.	\$ 0.
ROUNDING.....	0.	2.
TOTAL	<u>\$ 632.</u>	<u>\$ 2.</u>

**STATEMENT 6**  
**FORM 1125-A, LINE 5**  
**OTHER COST OF GOODS SOLD**

GAS TRANSPORTATION EXPENSE.....	\$	2,441.
KY SALES TAX INCLUDED IN INCOME.....		2,673.
TOTAL	\$	<u>5,114.</u>



▶ See instructions. Taxable period beginning \_\_\_\_\_, 201\_\_\_\_, and ending \_\_\_\_\_, 201\_\_\_\_.

<b>A</b> LLET Exemption Code Enter Code _____	<b>D</b> Federal Identification Number [REDACTED]	<b>E</b> Kentucky Corporation/LLET Account Number (Required) _____	
<b>B</b> Income Tax Return Exemption Code Enter Code _____ <input type="checkbox"/> Mandatory NEXUS	Name of Corporation <input type="checkbox"/> Change of Name <b>JOHNSON COUNTY GAS COMPANY INC.</b>		<b>Taxable Year Ending</b> <u>12/17</u>
<b>C</b> Check if applicable: <input type="checkbox"/> Amended return <input type="checkbox"/> Amended return - RAR Provide explanation of changes in Part V - Explanation of Amended Return Changes.	Number and Street <b>P.O. BOX 447</b>		State and Date of Incorporation <b>KY 03/12/1968</b>
	City State ZIP Code <b>BETSY LAYNE, KY 41605</b>	Telephone Number <b>606 789-5481</b>	Principal Business Activity in KY <b>RETAIL</b>
	<b>F</b> Name of Common Parent _____ Kentucky Corporation/LLET Account Number _____		NAICS Code Number in KY (See www.census.gov) <b>221210</b>
	<b>G</b> Check if applicable: <input checked="" type="checkbox"/> Initial return <input type="checkbox"/> Short-period return (Complete Part IV) <input type="checkbox"/> Change of accounting period <input type="checkbox"/> Final return (Complete Part IV)		

PART I - LLET COMPUTATION				PART II - INCOME TAX COMPUTATION			
1	Schedule L, Section D, line 1 (Page 4) . . . . .	1	175 00	1	Income tax (see instructions) . . . . .	1	00
2	Tax credit recapture . . . . .	2	00	2	Tax credit recapture . . . . .	2	00
3	<b>Total</b> (add lines 1 and 2) . . . . .	3	175 00	3	Tax installment on LIFO recapture . . . . .	3	00
4	Nonrefundable LLET credit from Kentucky Schedule(s) K-1 . . . . .	4	00	4	<b>Total</b> (add lines 1 through 3) . . . . .	4	00
5	Nonrefundable tax cr (attach Schedule TCS) . . . . .	5	00	5	Nonrefundable LLET credit from the Corporation LLET Credit Worksheet(s) (see instructions) . . . . .	5	00
6	<b>LLET liability</b> (greater of line 3 less lines 4 and 5 or \$175 minimum) . . . . .	6	175 00	6	Nonrefundable LLET credit (Part I, line 6 less \$175) . . . . .	6	00
7	Withholding tax (Form PTE-WH) . . . . .	7	00	7	Nonrefundable tax credits (attach Schedule TCS) . . . . .	7	00
8	Estimated tax payments . . . . .	8	00	8	<b>Net income tax liability</b> (line 4 less lines 5 through 7, but not less than zero) . . . . .	8	00
	<input type="checkbox"/> Check if Form 2220-K attached . . . . .		00	9	Estimated tax payments . . . . .	9	00
9	Certified rehabilitation tax credit . . . . .	9	00		<input type="checkbox"/> Check if Form 2220-K attached . . . . .		00
10	Film industry tax credit . . . . .	10	00	10	Extension payment . . . . .	10	00
11	Extension payment . . . . .	11	00	11	Prior year's tax credit . . . . .	11	00
12	Prior year's tax credit . . . . .	12	00	12	LLET overpayment from Part I, line 18 . . . . .	12	00
13	Income tax overpayment from Part II, line 17 . . . . .	13	00	13	Corporation income tax paid on original return . . . . .	13	00
14	LLET paid on original return . . . . .	14	00	14	Corporation income tax overpayment on original return . . . . .	14	00
15	LLET overpayment on original return . . . . .	15	00	15	<b>Income tax due</b> (lines 8 and 14 less lines 9 through 13) . . . . .	15	00
16	<b>LLET due</b> (lines 6 and 15 less lines 7 through 14) . . . . .	16	175 00	16	Income tax overpayment (lines 9 through 13 less lines 8 and 14) . . . . .	16	00
17	LLET overpayment (lines 7 through 14 less lines 6 and 15) . . . . .	17	00	17	Credited to 2017 LLET . . . . .	17	00
18	Credited to 2017 income tax . . . . .	18	00	18	Credited to 2017 interest . . . . .	18	00
19	Credited to 2017 interest . . . . .	19	00	19	Credited to 2017 penalty . . . . .	19	00
20	Credited to 2017 penalty . . . . .	20	00	20	Credited to 2018 LLET . . . . .	20	00
21	Credited to 2018 LLET . . . . .	21	00	21	Credited to 2018 corporation income tax . . . . .	21	00
22	<b>Amount to be refunded</b> . . . . .	22	00	21	<b>Amount to be refunded</b> . . . . .	21	00

TAX PAYMENT SUMMARY (Round to nearest dollar)				OFFICIAL USE ONLY	
<b>LLET</b>	<b>INCOME</b>				
1. LLET due (Part I, Ln 16) \$	1. Income tax due (Part II, Ln 15) \$			P W 2 0 4  V A L  #	
2. Interest \$	2. Interest \$				
3. Penalty \$	3. Penalty \$				
4. Subtotal \$	4. Subtotal \$				
<b>TOTAL PAYMENT</b> (Add Subtotals) . . . . . ▶ \$			175.		



JOHNSON COUNTY GAS COMPANY INC.

**PART III – TAXABLE INCOME COMPUTATION**

1	Federal taxable income (Form 1120, line 28)	1	-52525	00	14	Federal work opportunity credit	14		00
<b>ADDITIONS:</b>					15	Depreciation adjustment	15		00
2	Interest income (state and local obligations)	2		00	16	Other (attach Schedule O-720)	16		00
3	State taxes based on net/gross income	3		00	17	Revenue Agent Report (RAR)	17		00
4	Depreciation adjustment	4		00	18	Net income (line 11 less lines 12 through 17)	18	-52525	00
5	Deductions attributable to nontaxable income	5		00	19	Current net operating loss adjustment (mandatory nexus only)	19		00
6	Related party expenses (attach Sch RPC)	6		00	20	Kentucky net income (add lines 18 and 19)	20	-52525	00
7	Dividend paid deduction (REIT)	7		00	21	<b>Taxable net income</b> (attach Schedule A if applicable)	21	-52525	00
8	Domestic production activities deduction	8		00	22	Net operating loss deduction (NOLD)	22		00
9	Other (attach Schedule O-720)	9		00	23	Taxable net income after NOLD (line 21 less line 22)	23	-52525	00
10	Revenue Agent Report (RAR)	10		00	24	Kentucky domestic production activities deduction (KDPAD)	24		00
11	<b>Total</b> (add lines 1 through 10)	11	-52525	00	25	Taxable net income after KDPAD (line 23 less line 24)	25	-52525	00
<b>SUBTRACTIONS:</b>									
12	Interest income (U.S. obligations)	12		00					
13	Dividend income (See line 5 above)	13		00					

**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**

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 BUD RIFE President's Home Address \_\_\_\_\_  
 President's Social Security Number [REDACTED] P.O. BOX 155  
 Date Became President \_\_\_\_\_ HAROLD, KY 41635

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.

<b>Sign Here</b>	Signature of Officer 	Date 5/16/18
	Name of Officer BUD RIFE	Title PRESIDENT
<b>Paid Preparer Use</b>	Signature of Preparer 	Date 5/16/18
	Name of Preparer or Firm PO BOX 529, HINDMAN, KY 41822 DARRELL MADDEN, CPA	ID Number [REDACTED]
	Email and/or Telephone No. 606-785-5046	May the DOR discuss this return with this preparer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>Enclose</b>	Include federal Form 1120 with all supporting schedules and statements	<b>Refund or No Payment</b>	Kentucky Department of Revenue P.O. Box 856905 Louisville, KY 40285-6905
<b>Payment</b>	Check Payable: Kentucky State Treasurer E-Pay Options: <a href="http://www.revenue.ky.gov">www.revenue.ky.gov</a>	<b>With Payment</b>	Kentucky Department of Revenue P.O. Box 856910 Louisville, KY 40285-6910



JOHNSON COUNTY GAS COMPANY INC.
SCHEDULE Q - KENTUCKY CORPORATION/LLET QUESTIONNAIRE

IMPORTANT: Questions 3 - 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 and 2 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 If a foreign corporation, enter the date qualified to do business in Kentucky.
3 List the following Kentucky account numbers. Enter N/A for any number not applicable. KY Secretary of State Organization... N/A Employer Withholding... N/A Sales and Use Tax Permit... N/A Consumer Use Tax... N/A Unemployment Insurance... N/A Coal Severance and/or Processing Tax... N/A

4 The corporation's books are in care of: (name and address) COMPANY OFFICE BOX 339 HAROLD, KY 41635

5 Are disregarded entities included in this return? [ ] Yes [X] 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 [X] No. If yes, list name and federal I.D. number of the pass-through entity(ies).

(b) Was the corporation doing business in Kentucky other than through its interest held in a pass-through entity doing business in Kentucky? [ ] Yes [X] No
7 Are related party costs as defined in KRS 141.205(1)(I) included in this return? [ ] Yes [X] 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 KY and own 80 percent or more of the voting stock of another corporation doing business in KY? [ ] Yes [X] 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 [X] No. If yes, list name, address and federal I.D. number of each 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 per 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 per 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) [X] accrual basis, (c) [ ] other

14 Did the corporation file a Kentucky tangible personal property tax return for January 1, 2018? [ ] Yes [X] No. If yes, list name and federal I.D. number of entity(ies) filing return(s):

15 Is the corporation currently under audit by the Internal Revenue Service? [ ] Yes [X] 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 2017 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 L – LIMITED LIABILITY ENTITY TAX COMPUTATION**

Check this box and complete Schedule L-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 L-C in Section A of this schedule.

**SECTION A – Computation of Gross Receipts and Gross Profits**

	Column A Kentucky	Column B Total
<b>1a</b> Gross receipts less returns and allowances .....	212155.	212155.
<b>b</b> Kentucky statutory gross receipts reductions (see instructions) .....		
<b>2</b> Adjusted gross receipts (line 1a less line 1b) .....	212155.	212155.
<b>3a</b> Cost of goods sold (attach Schedule COGS) .....	71391.	71391.
<b>b</b> Kentucky statutory cost of goods sold reductions (see instructions) .....		
<b>4</b> Adjusted cost of goods sold (line 3a less line 3b) .....	71391.	71391.
<b>5</b> Gross profits (line 2 less line 4) .....	140764.	140764.



If Section A, Column B, Line 2 is \$3,000,000 or less, STOP and enter \$175 in Section D, line 1 below.

**SECTION B – Computation of Gross Receipts LLET**

<b>1</b> If gross receipts from all sources (Column B, line 2) are greater than \$3,000,000 but less than \$6,000,000, enter the following: (Column A, line 2 x 0.00095) – $[\$2,850 \times (\$6,000,000 - \text{Column A, line 2})]$ <u>\$3,000,000</u> but in no case shall the result be less than zero .....	<b>1</b>	
<b>2</b> If gross receipts from all sources (Column B, line 2) are \$6,000,000 or greater, enter the following: Column A, line 2 x 0.00095 .....	<b>2</b>	
<b>3</b> Enter the amount from line 1 or line 2 .....	<b>3</b>	0.

**SECTION C – Computation of Gross Profits LLET**

<b>1</b> 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) – $[\$22,500 \times (\$6,000,000 - \text{Column A, line 5})]$ <u>\$3,000,000</u> but in no case shall the result be less than zero .....	<b>1</b>	
<b>2</b> 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 .....	<b>2</b>	
<b>3</b> Enter the amount from line 1 or line 2 .....	<b>3</b>	0.

**SECTION D – Computation of LLET**

<b>1</b> Enter the lesser of Section B, line 3 or Section C, line 3 or a minimum of \$175 and enter on Page 1, Part I, line 1 .....	<b>1</b>	175.
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- ▶ See instructions.
- ▶ Attach to Form 720, 720S, 725, or 765.

Name of Entity	Federal Identification Number	Kentucky Corporation/LLET Account Number	
JOHNSON COUNTY GAS COMPANY INC.	[REDACTED]		
		Limited Liability Entity Tax	
		Column A Kentucky Cost of Goods Sold	Column B Total Cost of Goods Sold
1 Inventory at beginning of year .....	1		
2 Purchases .....	2	66,277.	66,277.
3 Cost of labor .....	3		
4 Additional section 263A costs .....	4		
5 Other costs .....	5	5,114.	5,114.
6 Total. Add lines 1 through 5 .....	6	71,391.	71,391.
7 Inventory at end of year .....	7		
8 Cost of goods sold. Subtract line 7 from line 6. ....	8	71,391.	71,391.
9 Detail of purchases on line 2:			
(a)	(a)		
(b)	(b)		
(c)	(c)		
(d)	(d)		
(e)	(e)		
(f)	(f)		
(g)	(g)		
(h)	(h)		
(i)	(i)		
(j)	(j)		
(k)	(k)		
10 Detail of additional section 263A costs on line 4:			
(a)	(a)		
(b)	(b)		
(c)	(c)		
(d)	(d)		
(e)	(e)		
(f)	(f)		
(g)	(g)		
(h)	(h)		
(i)	(i)		
(j)	(j)		
(k)	(k)		
11 Detail of other costs on line 5:			
(a) GAS TRANSPORTATION EXPENSE	(a)	2,441.	2,441.
(b) KY SALES TAX INCLUDED IN INCOME	(b)	2,673.	2,673.
(c)	(c)		
(d)	(d)		
(e)	(e)		
(f)	(f)		
(g)	(g)		
(h)	(h)		
(i)	(i)		
(j)	(j)		
(k)	(k)		

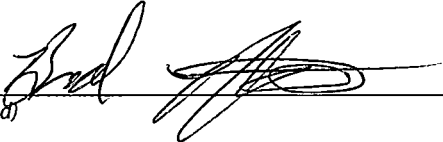
**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

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 Johnson County Gas Company ("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
Bud Rife Construction	Construction Contractor	\$54,800.00
Bud Rife (Office Lease)	Office Building Lease	\$16,000.00
Bud Rife (Truck Rental)	Vehicle Rental	\$9,552.00

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

Bud Rife  
(Print Name)

  
(Signed)

President  
(Position/Office)

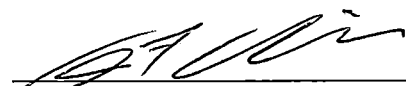
\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is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

Subscribed and sworn to before me by Bud Rife  
(Name)

this 28<sup>th</sup> day of December, 2018.

  
\_\_\_\_\_  
NOTARY PUBLIC  
State-at-Large

My Commission Expires: 11/2/2022

AREA ENTIRE AREA SERVED

PSC KY NO. 1

SHEET NO. 1

CANCELLING PSC KY NO. 1

SHEET NO. 1

Johnson County Gas Company  
(NAME OF UTILITY)

---

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Classification of Service

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Availability of Service: All Customers

Rates: Monthly

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$15.00		\$ 15.00
Volumetric Rate	\$17.1467	\$6.4140	\$ 23.8307

The volumetric rate will apply to all Mcfs sold. Customer Charge will be charged each month.

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DATE OF ISSUE \_\_\_\_\_  
MONTH / DATE / YEAR

DATE EFFECTIVE \_\_\_\_\_  
MONTH / DATE / YEAR

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

TITLE \_\_\_\_\_

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

**PROMISSORY NOTE**

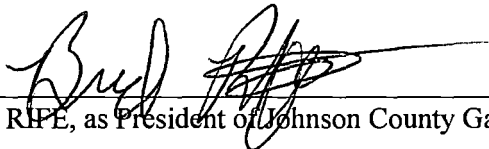
The undersigned, Johnson County Gas Company ("JCG"), whose address is P.O. Box 447 Betsy Layne, Kentucky, 41605 and Bud Rife ("Rife"), hereby acknowledge and agree as follows:

1. Rife has loaned money to JCG, or has advanced services to JCG, the value of which is included in this promissory note, for a total of \$47,700.00.
2. The money owed to Rife by JCG is for past due office rent, in the amount of \$10,000.00, past due truck rent, in the amount of \$7,200.00, and past due management fees, in the amount of \$30,500.00.
3. Due to economic circumstances, Rife agrees that this loan shall be interest free.

**In consideration of the foregoing, JCG and Rife agree as follows:**

1. JCG shall make two payments per year to Rife for twenty years, for a total of 40 payments, each in the amount of \$1,192.50 until the debt is paid in full.
2. The amortization schedule reflecting each payment made, and the remaining principal, is attached hereto.

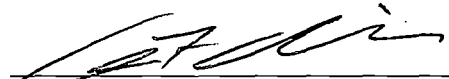
This writing constitutes the entire agreement of the parties and shall not be altered except by a writing signed by all the parties hereto.

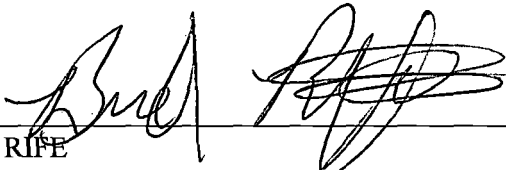
  
 \_\_\_\_\_  
 BUD RIFE, as President of Johnson County Gas Company

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FAYETTE )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 28<sup>th</sup> day of December, 2018, by BUD RIFE, as President of Johnson County Gas Company.

My commission expires: 11/2/2022.

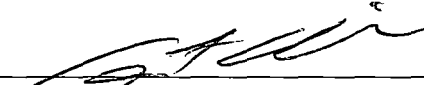
  
 \_\_\_\_\_  
 NOTARY PUBLIC, KENTUCKY, STATE AT LARGE  
 Notary ID #: 611335

  
BUD RIFE

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FAYETTE )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 28<sup>th</sup> day of December, 2018, by BUD RIFE.

My commission expires: 11/2/2022.

  
NOTARY PUBLIC, KENTUCKY, STATE AT LARGE  
Notary ID #: 611335

# Loan Amortization Calculator

Almost any data field on this form may be calculated. Enter the appropriate numbers in each slot, leaving blank (or zero) the value that you wish to determine, and then click "Calculate" to update the page.

Principal	47700.00	Payments per Year	2
Annual Interest Rate	0.0000	Number of Regular Payments	40
Balloon Payment		Payment Amount	1192.50

Show Amortization Schedule

Calculate

This loan calculator is written and maintained by Bret Whissel.  
See [Bret's Blog](#) for help, a spreadsheet, derivations, calculator news, and more information.

---

## Summary

<b>Principal borrowed:</b>	\$47,700.00	<b>Annual Payments:</b>	2
<b>Regular Payment amount:</b>	\$1,192.50	<b>Total Payments:</b>	40 (20.00 years)
<b>Final Balloon Payment:</b>	\$0.00	<b>Annual interest rate:</b>	0.00%
<b>Interest-only payment:</b>	\$0.00	<b>Periodic interest rate:</b>	0.0000%
<b>*Total Repaid:</b>	\$47,700.00	<b>Debt Service Constant:</b>	5.0000%
<b>*Total Interest Paid:</b>	\$0.00	<b>*Total interest paid as a percentage of Principal:</b>	0.000%

*\*These results are estimates which do not account for accumulated error of payments being rounded to the nearest cent. See the amortization schedule for more accurate values.*



<b>Pmt</b>	<b>Principal</b>	<b>Interest</b>	<b>Cum Prin</b>	<b>Cum Int</b>	<b>Prin Bal</b>
1	1,192.50	0.00	1,192.50	0.00	46,507.50
2	1,192.50	0.00	2,385.00	0.00	45,315.00
3	1,192.50	0.00	3,577.50	0.00	44,122.50
4	1,192.50	0.00	4,770.00	0.00	42,930.00
5	1,192.50	0.00	5,962.50	0.00	41,737.50
6	1,192.50	0.00	7,155.00	0.00	40,545.00
7	1,192.50	0.00	8,347.50	0.00	39,352.50
8	1,192.50	0.00	9,540.00	0.00	38,160.00
9	1,192.50	0.00	10,732.50	0.00	36,967.50
10	1,192.50	0.00	11,925.00	0.00	35,775.00
11	1,192.50	0.00	13,117.50	0.00	34,582.50
12	1,192.50	0.00	14,310.00	0.00	33,390.00
13	1,192.50	0.00	15,502.50	0.00	32,197.50
14	1,192.50	0.00	16,695.00	0.00	31,005.00
15	1,192.50	0.00	17,887.50	0.00	29,812.50
16	1,192.50	0.00	19,080.00	0.00	28,620.00
17	1,192.50	0.00	20,272.50	0.00	27,427.50
18	1,192.50	0.00	21,465.00	0.00	26,235.00
19	1,192.50	0.00	22,657.50	0.00	25,042.50
20	1,192.50	0.00	23,850.00	0.00	23,850.00
21	1,192.50	0.00	25,042.50	0.00	22,657.50
22	1,192.50	0.00	26,235.00	0.00	21,465.00
23	1,192.50	0.00	27,427.50	0.00	20,272.50
24	1,192.50	0.00	28,620.00	0.00	19,080.00
25	1,192.50	0.00	29,812.50	0.00	17,887.50
26	1,192.50	0.00	31,005.00	0.00	16,695.00
27	1,192.50	0.00	32,197.50	0.00	15,502.50
28	1,192.50	0.00	33,390.00	0.00	14,310.00
29	1,192.50	0.00	34,582.50	0.00	13,117.50
30	1,192.50	0.00	35,775.00	0.00	11,925.00
31	1,192.50	0.00	36,967.50	0.00	10,732.50
32	1,192.50	0.00	38,160.00	0.00	9,540.00
33	1,192.50	0.00	39,352.50	0.00	8,347.50
34	1,192.50	0.00	40,545.00	0.00	7,155.00
35	1,192.50	0.00	41,737.50	0.00	5,962.50
36	1,192.50	0.00	42,930.00	0.00	4,770.00
37	1,192.50	0.00	44,122.50	0.00	3,577.50
38	1,192.50	0.00	45,315.00	0.00	2,385.00
39	1,192.50	0.00	46,507.50	0.00	1,192.50
40	1,192.50	0.00	47,700.00	0.00	0.00

**PROMISSORY NOTE**

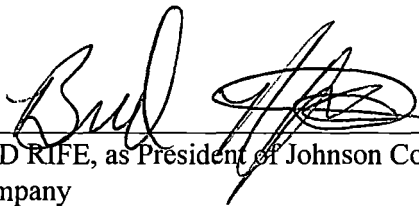
The undersigned, Johnson County Gas Company ("JCG"), whose address is P.O. Box 447 Betsy Layne, Kentucky, 41605 and Bud Rife Construction Company ("Construction"), hereby acknowledge and agree as follows:

1. Construction has loaned money to JCG, or has advanced services to JCG, the value of which is included in this promissory note, for a total of \$15,198.00.
2. The money owed to Construction by JCG is for past due services rendered.
3. Due to economic circumstances, Construction agrees that this loan shall be interest free.

**In consideration of the foregoing, B & H and Construction agree as follows:**

1. JCG shall make two payments per year to Construction for five years, for a total of 10 payments, each in the amount of \$1,519.80 until the debt is paid in full.
2. The amortization schedule reflecting each payment made, and the remaining principal, is attached hereto.


This writing constitutes the entire agreement of the parties and shall not be altered except by a writing signed by all the parties hereto.

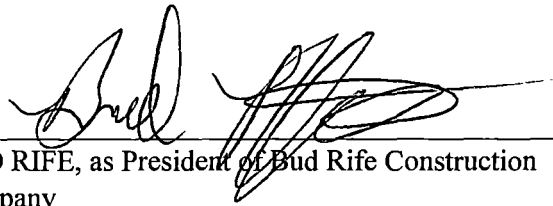
  
\_\_\_\_\_  
BUD RIFE, as President of Johnson County Gas  
Company

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FAYETTE )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 28<sup>th</sup> day of December, 2018, by BUD RIFE, as President of Johnson County Gas Company.

My commission expires: 11/2/2022

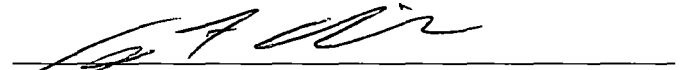
  
\_\_\_\_\_  
NOTARY PUBLIC, KENTUCKY, STATE AT LARGE  
Notary ID #: 611335

  
BUD RIFE, as President of Bud Rife Construction  
Company

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FAYETTE )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 28<sup>th</sup> day of December, 2018, by BUD RIFE, as President of Bud Rife Construction Company.

My commission expires: 11/2/2022.

  
NOTARY PUBLIC, KENTUCKY, STATE AT LARGE  
Notary ID #: 611335

# Loan Amortization Calculator

Almost any data field on this form may be calculated. Enter the appropriate numbers in each slot, leaving blank (or zero) the value that you wish to determine, and then click "Calculate" to update the page.

Principal

15198.00

Payments per Year

2

Annual Interest Rate

0.0000

Number of Regular Payments

10

Balloon Payment

Payment Amount

1519.80

 Show Amortization Schedule

This loan calculator is written and maintained by Bret Whissel.

See [Bret's Blog](#) for help, a spreadsheet, derivations, calculator news, and more information.

## Summary

<b>Principal borrowed:</b>	\$15,198.00	<b>Annual Payments:</b>	2
<b>Regular Payment amount:</b>	\$1,519.80	<b>Total Payments:</b>	10 (5.00 years)
<b>Final Balloon Payment:</b>	\$0.00	<b>Annual interest rate:</b>	0.00%
<b>Interest-only payment:</b>	\$0.00	<b>Periodic interest rate:</b>	0.0000%
<b>*Total Repaid:</b>	\$15,198.00	<b>Debt Service Constant:</b>	20.0000%
<b>*Total Interest Paid:</b>	\$0.00	<b>*Total interest paid as a percentage of Principal:</b>	0.000%

*\*These results are estimates which do not account for accumulated error of payments being rounded to the nearest cent. See the amortization schedule for more accurate values.*

<b>Pmt</b>	<b>Principal</b>	<b>Interest</b>	<b>Cum Prin</b>	<b>Cum Int</b>	<b>Prin Bal</b>
1	1,519.80	0.00	1,519.80	0.00	13,678.20
2	1,519.80	0.00	3,039.60	0.00	12,158.40
3	1,519.80	0.00	4,559.40	0.00	10,638.60
4	1,519.80	0.00	6,079.20	0.00	9,118.80
5	1,519.80	0.00	7,599.00	0.00	7,599.00
6	1,519.80	0.00	9,118.80	0.00	6,079.20
7	1,519.80	0.00	10,638.60	0.00	4,559.40
8	1,519.80	0.00	12,158.40	0.00	3,039.60
9	1,519.80	0.00	13,678.20	0.00	1,519.80
10	*1,519.80	0.00	15,198.00	0.00	0.00

\*The final payment has been adjusted to account for payments having been rounded to the nearest cent.

**PROMISSORY NOTE**

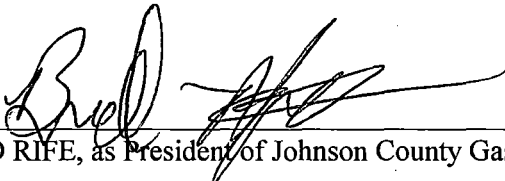
The undersigned, Johnson County Gas Company ("JCG"), whose address is P.O. Box 447 Betsy Layne, Kentucky, 41605 and Hall, Stephens, & Hall Gas Company ("Hall"), hereby acknowledge and agree as follows:

1. Hall has loaned money to JCG, or has advanced services to JCG, the value of which is included in this promissory note, for a total of \$82,074.00.
2. The money owed to Hall by JCG is for past due natural gas delivered to JCG for delivery to its customers.
3. Due to economic circumstances, Hall agrees that this loan shall be interest free.

**In consideration of the foregoing, JCG and Hall agree as follows:**

1. JCG shall make two payments per year to Hall for twenty years, for a total of 40 payments, each in the amount of \$2,051.85 until the debt is paid in full.
2. The amortization schedule reflecting each payment made, and the remaining principal, is attached hereto.

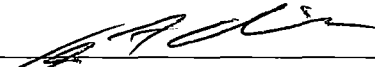
This writing constitutes the entire agreement of the parties and shall not be altered except by a writing signed by all the parties hereto.

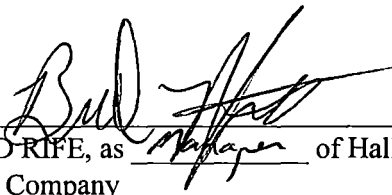
  
 \_\_\_\_\_  
 BUD RIFE, as President of Johnson County Gas Company

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FAYETTE )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 28<sup>th</sup> day of December, 2018, by BUD RIFE, as President of Johnson County Gas Company.

My commission expires: 11/2/2022


  
 \_\_\_\_\_  
 NOTARY PUBLIC, KENTUCKY, STATE AT LARGE  
 Notary ID #: 611335

  
BUD RIFE, as President of Hall, Stephens & Hall  
Gas Company

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FAYETTE )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 28<sup>th</sup> day of December, 2018, by BUD RIFE, as President of Hall, Stephens & Hall Gas Company.

My commission expires: 11/2/2022.

  
NOTARY PUBLIC, KENTUCKY, STATE AT LARGE  
Notary ID #: 611335

# Loan Amortization Calculator

Almost any data field on this form may be calculated. Enter the appropriate numbers in each slot, leaving blank (or zero) the value that you wish to determine, and then click "Calculate" to update the page.

Principal	82074.00	Payments per Year	2
Annual Interest Rate	0.0000	Number of Regular Payments	40
Balloon Payment		Payment Amount	2051.85

Show Amortization Schedule

Calculate

This loan calculator is written and maintained by Bret Whissel.  
See [Bret's Blog](#) for help, a spreadsheet, derivations, calculator news, and more information.

## Summary

<b>Principal borrowed:</b> \$82,074.00	<b>Annual Payments:</b> 2
<b>Regular Payment amount:</b> \$2,051.85	<b>Total Payments:</b> 40 (20.00 years)
<b>Final Balloon Payment:</b> \$0.00	<b>Annual interest rate:</b> 0.00%
<b>Interest-only payment:</b> \$0.00	<b>Periodic interest rate:</b> 0.0000%
<b>*Total Repaid:</b> \$82,074.00	<b>Debt Service Constant:</b> 5.0000%
<b>*Total Interest Paid:</b> \$0.00	<b>*Total interest paid as a percentage of Principal:</b> 0.000%

*\*These results are estimates which do not account for accumulated error of payments being rounded to the nearest cent. See the amortization schedule for more accurate values.*



Pmt	Principal	Interest	Cum Prin	Cum Int	Prin Bal
1	2,051.85	0.00	2,051.85	0.00	80,022.15
2	2,051.85	0.00	4,103.70	0.00	77,970.30
3	2,051.85	0.00	6,155.55	0.00	75,918.45
4	2,051.85	0.00	8,207.40	0.00	73,866.60
5	2,051.85	0.00	10,259.25	0.00	71,814.75
6	2,051.85	0.00	12,311.10	0.00	69,762.90
7	2,051.85	0.00	14,362.95	0.00	67,711.05
8	2,051.85	0.00	16,414.80	0.00	65,659.20
9	2,051.85	0.00	18,466.65	0.00	63,607.35
10	2,051.85	0.00	20,518.50	0.00	61,555.50
11	2,051.85	0.00	22,570.35	0.00	59,503.65
12	2,051.85	0.00	24,622.20	0.00	57,451.80
13	2,051.85	0.00	26,674.05	0.00	55,399.95
14	2,051.85	0.00	28,725.90	0.00	53,348.10
15	2,051.85	0.00	30,777.75	0.00	51,296.25
16	2,051.85	0.00	32,829.60	0.00	49,244.40
17	2,051.85	0.00	34,881.45	0.00	47,192.55
18	2,051.85	0.00	36,933.30	0.00	45,140.70
19	2,051.85	0.00	38,985.15	0.00	43,088.85
20	2,051.85	0.00	41,037.00	0.00	41,037.00
21	2,051.85	0.00	43,088.85	0.00	38,985.15
22	2,051.85	0.00	45,140.70	0.00	36,933.30
23	2,051.85	0.00	47,192.55	0.00	34,881.45
24	2,051.85	0.00	49,244.40	0.00	32,829.60
25	2,051.85	0.00	51,296.25	0.00	30,777.75
26	2,051.85	0.00	53,348.10	0.00	28,725.90
27	2,051.85	0.00	55,399.95	0.00	26,674.05
28	2,051.85	0.00	57,451.80	0.00	24,622.20
29	2,051.85	0.00	59,503.65	0.00	22,570.35
30	2,051.85	0.00	61,555.50	0.00	20,518.50
31	2,051.85	0.00	63,607.35	0.00	18,466.65
32	2,051.85	0.00	65,659.20	0.00	16,414.80
33	2,051.85	0.00	67,711.05	0.00	14,362.95
34	2,051.85	0.00	69,762.90	0.00	12,311.10
35	2,051.85	0.00	71,814.75	0.00	10,259.25
36	2,051.85	0.00	73,866.60	0.00	8,207.40
37	2,051.85	0.00	75,918.45	0.00	6,155.55
38	2,051.85	0.00	77,970.30	0.00	4,103.70
39	2,051.85	0.00	80,022.15	0.00	2,051.85
40	*2,051.85	0.00	82,074.00	0.00	0.00

\*The final payment has been adjusted to account for payments having been rounded to the nearest cent.

**PROMISSORY NOTE**

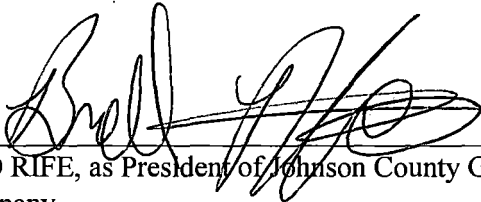
The undersigned, Johnson County Gas Company ("JCG"), whose address is P.O. Box 447 Betsy Layne, Kentucky, 41605 and Goss Samford PLLC ("Goss"), hereby acknowledge and agree as follows:

1. Goss has advanced services to JCG, the value of which is included in this promissory note, for a total of \$3,258.54.
2. The money owed to Goss by JCG is for past due services rendered.

**In consideration of the foregoing, JCG and Goss agree as follows:**

1. JCG shall make two payments per year to Goss for one year, for a total of 2 payments, each in the amount of \$1,629.27 until the debt is paid in full.

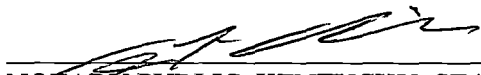
This writing constitutes the entire agreement of the parties and shall not be altered except by a writing signed by all the parties hereto.

  
 \_\_\_\_\_  
 BUD RIFE, as President of Johnson County Gas Company

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FAYETTE )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this 28<sup>th</sup> day of December, 2018, by BUD RIFE, as President of Johnson County Gas Company.

My commission expires: 11/2/2022.

  
 \_\_\_\_\_  
 NOTARY PUBLIC, KENTUCKY, STATE AT LARGE  
 Notary ID #: 611335

\_\_\_\_\_  
MARK GOSS, as Member of Goss Samford PLLC

COMMONWEALTH OF KENTUCKY )  
COUNTY OF FAYETTE )

The foregoing instrument was subscribed, sworn to, and acknowledged before me this \_\_\_\_ day of December, 2018, by MARK GOSS, as Member of Goss Samford PLLC.

My commission expires: \_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC, KENTUCKY, STATE AT LARGE  
Notary ID #: \_\_\_\_\_

## CONTRACT

THIS CONTRACT, made this 1<sup>st</sup> day of January, 2018, by and between JOHNSON COUNTY GAS COMPANY, INC., by and through, Bud Rife, whose address is P.O. Box 447, Betsy Layne, Kentucky 41605, and BUD RIFE CONSTRUCTION COMPANY, INC., whose address is P.O. Box 155, Harold, Kentucky 41635.

### **WITNESSETH:**

WHEREAS, BUD RIFE CONSTRUCTION COMPANY, INC., and JOHNSON COUNTY GAS COMPANY, INC., the parties, hereby covenant and agree, as follows:

1. That Bud Rife Construction Company, Inc., shall perform work for Johnson County Gas Company, Inc., and the minimum amount of hours billed shall be three (3) hours. All transactions shall be arms length transactions;
2. That any unpaid bill shall become an interest free loan from Bud Rife Construction, Inc., to Johnson County Gas Company, Inc.;
3. That the parties agree that a billing statement shall be furnished for each job performed with the rates set forth per hour for labor and equipment and per foot for material;
4. That if equipment must be rented, that Johnson County Gas Company, Inc., shall be billed at cost plus ten percent (10%);
5. That Bud Rife Construction Company, Inc., shall maintain appropriate workers' compensation insurance coverage;
6. That Bud Rife Construction Company, Inc., shall use fittings, pipe, meter and other materials which shall be provided by Johnson County Gas Company, Inc.;

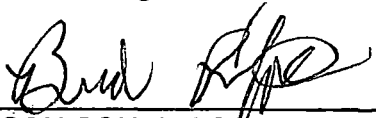
7. That all work shall be tested pursuant to the Public Service Commission regulations;


8. That a work order shall be provided and Johnson County Gas Company, Inc., shall perform the services to be done in accordance with the work order;

9. That Bud Rife Construction Company, Inc. shall furnish all necessary tools;

10. If more trucks are required than are rented monthly by Johnson County Gas Company, Inc., then, the additional trucks shall be billed at the regular rate charged by Bud Rife Construction Company, Inc.

The Parties hereto expressly represent that they understand and agree that all terms of this Contract are contractual in nature. The parties agree that their heirs, assigns, subsidiaries, employees, owners, stockholders and officers shall be bound by the terms of this Contract. They further expressly represent and warrant, that they are competent, and possess complete authority to execute and enter into this Contract, and that in negotiating and executing this Contract, they have consulted with and been advised by counsel, of their own choosing, or had an opportunity to do so, concerning the meaning and legal effects of each of its terms and provisions. Also, they have carefully read this Contract in its entirety, and have agreed to its terms and provisions and acknowledge that there are no promises, inducements, representations nor agreements of any kind in connection with this Contract other than those expressly set forth herein. The parties execute this Contract voluntarily, without duress or coercion of any kind and they intend and agree that this is a final and binding Contract.

  
\_\_\_\_\_  
JOHNSON COUNTY GAS COMPANY, INC.  
Bud Rife, President

  
\_\_\_\_\_  
BUD RIFE CONSTRUCTION COMPANY, INC.  
Bud Rife, President

STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed, sworn to and acknowledged to before me by Johnson County Gas Company, Inc., by and through Bud Rife, on this 1<sup>st</sup> day of January 2018, 2018.

My Commission expires: 1/14/22

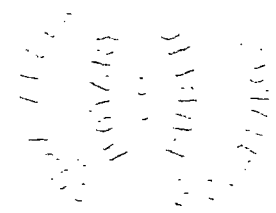
Suda Allen  
NOTARY PUBLIC

STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed and sworn and acknowledged to before me by Bud Rife Construction Company, Inc., by and through Bud Rife, on this 1<sup>st</sup> day of January 2018, 2018.

My Commission expires: 1/14/22

Suda Allen  
NOTARY PUBLIC





# Bud Rife Construction

# Estimate

PO Box 155  
 Harold, KY 41635  
 OFFICE: (606)478-5264  
 CELL: (606)794-5264  
 FAX: (606) 478-5266  
 E-Mail: budri@mikrotec.com  
 Website: www.budrifeconstruction.com

698  
 Date: 03/05/2018

**For: Invoice #** B&H Gas Company Inc  
 PO Box 447  
 Betsy Layne, KY 41605

Code	Description	Quantity	Rate	Amount
SE-01	Hydro Seeder (Per Day)	1	\$3,000.00	\$3,000.00
T-07	Mack Crane Truck	1	\$90.00	\$90.00
T-38	PICKUP TRUCKS (PER DAY)	1	\$130.00	\$130.00
B-81.2	8" Horizontal Bore with casing MCL-24	1	\$140.00	\$140.00
B-90	12" DIRECTIONAL BORE DIRT 12" PIPE INCLUDED	1	\$135.00	\$135.00
B-76	4" ROCK DIRECTIONAL BORE ADD \$50.00 FOR CASING	1	\$45.00	\$45.00
LA-39	OPERATOR	1	\$35.00	\$35.00
T-62	MACK ROLLBACK (PER HR)	1	\$90.00	\$90.00
ST-54	BENDING AND LIFTING TOOLS	1	\$700.00	\$700.00
LA-25	LIGHT PLANTS (PER HR)	1	\$50.00	\$50.00
HE-29	3000 LBS HYD HAMMER FOR PC 120	1	\$115.00	\$115.00
SE-58	RIP-RAP IN PLACE PER TON	1	\$70.00	\$70.00
ST-65	LARGE ELECTRIC JACKHAMMER	1	\$175.00	\$175.00
T-01	Mack Rollback	1 hour	\$90.00	\$90.00

Code	Description	Quantity	Rate	Amount
HE-48	BUSH HOG W/MUSTANG	1	\$90.00	\$90.00
B-78	6" DIRT DIRECTIONAL BORE	1	\$60.00	\$60.00
HE-64	GENIE LIFT 40FT BOOM (PER HR)	1	\$75.00	\$75.00
SE-16	LARGE VIB PLATE TAMPER	1	\$220.00	\$220.00
T-50	MOROOKA TRACK DUMP TRUCK 1500	1	\$105.00	\$105.00
B-86	12" CASING	1	\$85.00	\$85.00
MISC-68	MARKING PAINT	1	\$55.00	\$55.00
B-72	2" DIRT DIRECTIONAL BORE	1	\$30.00	\$30.00
B-63	DRILL FOR DRILLING 24", 30" AND 36" HOLES. (PRICE PER FT)	1	\$110.00	\$110.00
MISC-93.5	2011 Tahoe	1	\$750.00	\$750.00
LA-41	LABOR (1 Man)	1	\$25.00	\$25.00
LA-42	FOREMAN & 1 MAN	1	\$60.00	\$60.00
HE-04	Bobcat Skid Steer Loader	1	\$70.00	\$70.00
SE-21	WATER PUMP (PER DAY)	1 day	\$130.00	\$130.00
ST-55	HAND HELD JACK HAMMER (ELECTRIC PER DAY)	1	\$90.00	\$90.00
T-56	4 WHEELER	1	\$40.00	\$40.00
HE-05	Mustang Skid Steer Loader	1	\$65.00	\$65.00
LA-57	1 FOREMEN & 2 MEN	1 hour	\$85.00	\$85.00
HE-06	6510 DitchWitch	1	\$80.00	\$80.00
ST-52	CHAIN SAW (PER DAY)	1	\$90.00	\$90.00
B-89	12" DIRECTIONAL BORE ROCK 12" PIPE INCLUDED	1	\$215.00	\$215.00
T-08	Mack Dump Truck (25 Yard Bed)	1	\$90.00	\$90.00
SE-18	LARGE VIB ROLLER	1	\$85.00	\$85.00
HE-70	LORAIN 20 TON CRANE	1	\$250.00	\$250.00



Code	Description	Quantity	Rate	Amount
PROD-71	GRAVEL IN PLACE PER TON	1	\$60.00	\$60.00
HE-37	D61EX KOMATSU DOZER	1	\$135.00	\$135.00
HE-03	WA320 Komatsu Wheel Loader	1 hour	\$90.00	\$90.00
HE-27	PC 160 KOMATSU EXCAVATOR	1	\$135.00	\$135.00
GL-1.2	1 1/4" X 3/4" REDUCER	1	\$19.00	\$19.00
LA-67	1 Supervisor 1 Foreman 1 Laborer	1 hour	\$95.00	\$95.00
SE-60	AIR COMPRESSOR 160 CFM	1	\$55.00	\$55.00
HE-34	HYD HAMMER FOR SMALL EXCAVATOR	1	\$70.00	\$70.00
T-30	Mack Rollback	1	\$90.00	\$90.00
SE-17	SMALL VIB ROLLER	1	\$200.00	\$200.00
SE-51	SCAFFOLDING (PER DAY) (PER BUCK)	1	\$110.00	\$110.00
HE-26	SKID STEER WITH BROOM	1	\$110.00	\$110.00
T-46	VOLVO TRACTOR & TRAILER	1 hour	\$100.00	\$100.00
LA-43	FOREMAN & 2 MEN	1	\$95.00	\$95.00
B-82	10" DIRT DIRECTIONAL BORE	1	\$40.00	\$40.00
HE-28	PC 120 KOMATSU EXCAVATOR	1	\$115.00	\$115.00
T-09	International Dump Truck (9 Yard Bed)	1	\$65.00	\$65.00
SE-19	TRENCH ROLLER	1 hour	\$50.00	\$50.00
B-84	12" DIRT DIRECTIONAL BORE	1	\$120.00	\$120.00
GL-1.9	1" TRANSITION	1	\$35.00	\$35.00
B-12	HORIZONTAL BORING MACHINE 12" PER FOOT	1	\$150.00	\$150.00
LA-01	SUPERVISOR	1	\$35.00	\$35.00
ST-69	SMALL TOOLS AND MISC.	1	\$50.00	\$50.00
LA-40	FOREMAN	1	\$35.00	\$35.00

## Bud Rife Construction - Estimate 698 - 03/05/2018

Code	Description	Quantity	Rate	Amount
B-79	6" ROCK DIRECTIONAL BORE ADD \$55.00 FOR CASING	1	\$60.00	\$60.00
SE-66	STEAM PRESSURE WASHER (PER HR)	1 hour	\$60.00	\$60.00
SE-24	CONCRETE SAWS (PER DAY)	1	\$160.00	\$160.00
HE-32	PC 60 KOMATSU EXCAVATOR	1	\$90.00	\$90.00
SE-53	STRAW BLOWER (PER HR)	1 hour	\$60.00	\$60.00
B-77	4" DIRT DIRECTIONAL BORE	1	\$45.00	\$45.00
HE-23	D5H CAT DOZER	1	\$115.00	\$115.00
SE-20	LAZERS (PER DAY)	1	\$80.00	\$80.00
B-14	AIR HAMMER TOOL 3" HOLE PER FT.	1	\$60.00	\$60.00
HE-31	HAMMER FOR PC 88	1	\$110.00	\$110.00
B-80	8" DIRT DIRECTIONAL BORE	1	\$80.00	\$80.00
T-11	Fuso Ton Dump 4/YRD Bed	1	\$55.00	\$55.00
	HAUL IN FILL DIRT TO GRADE LEVEL AND COMPACT FILL	1	\$2,000.00	\$2,000.00
GL-1.65	FUSION EQUIPMENT	1	\$45.00	\$45.00
B-81	8" ROCK DIRECTIONAL BORE	1	\$80.00	\$80.00
B-13	HORIZONTAL BORING 6" OR 8" PER FT.	1	\$120.00	\$120.00
PROD-87	PIPE BEDDING	1	\$24.00	\$24.00
B-85	12" ROCK DIRECTIONAL BORE	1	\$120.00	\$120.00
B-81.1	8" Horizontal Bore MCL-24	1	\$100.00	\$100.00
B-75	3" ROCK DIRECTIONAL BORE	1	\$30.00	\$30.00
HE-35	3805 MUSTANG EXCAVATOR	1	\$60.00	\$60.00
SE-47	VERMEER BRUSH CHIPPER (PER HR)	1 hour	\$85.00	\$85.00
HE-36	KOMATSU 39 PX DOZER	1	\$105.00	\$105.00
B-74	3" DIRT DIRECTIONAL BORE	1	\$30.00	\$30.00

Bud Rife Construction - Estimate 698 - 03/05/2018

Code	Description	Quantity	Rate	Amount
HE-49	MUSTANG W/AUGER ATTACHMENT	1	\$90.00	\$90.00
B-73	2" ROCK DIRECTIONAL BORE ADD \$15.00 FOR CASING	1	\$30.00	\$30.00
SE-22	WELDER, OXYGEN, ACETYLENE, AND ELECTRIC FUSION EQUIPMENT.	1 hour	\$85.00	\$85.00
SE-15	TAMPER PER DAY (JUMPING JACK)	1 day	\$135.00	\$135.00
LA-44	1 Supervisor, 1 Foreman, 2 men	1	\$120.00	\$120.00
HE-33	PC 35 KOMATSU EXCAVATOR	1	\$70.00	\$70.00
SE-59	POWER WHEEL BARROW	1	\$45.00	\$45.00
LA-61	DITCHWITCH PER FT.	1	\$3.00	\$3.00
B-83	10" ROCK DIRECTIONAL BORE	1	\$100.00	\$100.00
			Subtotal	\$14,331.00
			Total	\$14,331.00
			<b>Total</b>	<b>\$14,331.00</b>

## CONTRACT

THIS CONTRACT, made this 1<sup>st</sup> day of January, 2018, by and between JOHNSON COUNTY GAS COMPANY, INC., by and through, Bud Rife, whose address is P.O. Box 447, Betsy Layne, Kentucky 41605, and Bud Rife, whose address is P.O. Box 155, Harold, Kentucky 41635.

### **WITNESSETH:**

WHEREAS, Bud Rife, which owns property in Betsy Layne and Mare Creek, Floyd County, Kentucky, and JOHNSON COUNTY GAS COMPANY, INC., the parties, hereby covenant and agree, as follows:

1. That Johnson County Gas Company, Inc., shall pay Bud Rife Six Thousand Dollar (\$6,000.00) per month as a management fee for any and all services provided;
2. That Johnson County Gas Company, Inc., shall pay Bud Rife the sum of Two Thousand Dollars (\$2,000.00) per month for rental of necessary office space;
3. That the parties agree that Johnson County Gas Company, Inc., shall pay B & S Gas Company the sum of Six Hundred Dollars (\$600.00) per month for rental of two (2) trucks for a total of One Thousand Two Hundred Dollars (\$1,200.00) per month which, also, includes payment for applicable insurance and maintenance of trucks;
4. That Johnson County Gas Company, Inc., shall be responsible for any and all legal fees and expenses that Bud Rife may incur for any legal work performed or litigation in Kentucky;
5. All transactions shall be arms length transactions.

The Parties hereto expressly represent that they understand and agree that all terms of this Contract are contractual in nature. The parties agree that their heirs, assigns,

subsidiaries, employees, owners, stockholders and officers shall be bound by the terms of this Contract. They further expressly represent and warrant, that they are competent, and possess complete authority to execute and enter into this Contract, and that in negotiating and executing this Contract, they have consulted with and been advised by counsel, of their own choosing, or had an opportunity to do so, concerning the meaning and legal effects of each of its terms and provisions. Also, they have carefully read this Contract in its entirety, and have agreed to its terms and provisions and acknowledge that there are no promises, inducements, representations nor agreements of any kind in connection with this Contract other than those expressly set forth herein. The parties execute this Contract voluntarily, without duress or coercion of any kind and they intend and agree that this is a final and binding Contract.

*Bud Rife*

JOHNSON COUNTY GAS COMPANY, INC.  
Bud Rife, President

*Bud Rife*

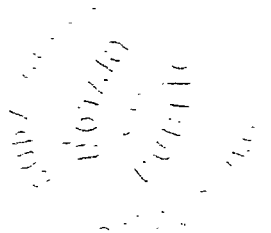
BUD RIFE

STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed, sworn to and acknowledged to before me by Johnson County Gas Company, Inc., by and through Bud Rife, on this 15<sup>th</sup> day of January, 2018.

My Commission expires: 1/14/22

*Suda Allen*  
NOTARY PUBLIC



STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed and sworn and acknowledged to before me by Bud Rife, on this 1st  
day of January, 2018.

My Commission expires: 1/14/22

Suda Allen  
NOTARY PUBLIC



## CONTRACT

THIS CONTRACT, made this 1<sup>st</sup> day of January, 2018, by and between BUD RIFE CONSTRUCTION COMPANY, INC., by and through, Bud Rife, whose address is P.O. Box 155, Harold, Kentucky 41635, and JOHNSON COUNTY GAS COMPANY, INC., by and through Bud Rife, whose address is P.O. Box 447, Betsy Layne, Kentucky 41605.

### **WITNESSETH:**

WHEREAS, Bud Rife Construction Company, Inc., provides labor, services, materials and otherwise to JOHNSON COUNTY GAS COMPANY, INC., the parties, hereby covenant and agree, as follows:

1. That when providing labor and/or services, the parties agree that the minimum charge shall be for three (3) hours. All transactions shall be arms length transactions;
2. That Johnson County Gas Company, Inc., shall furnish all materials;
3. That the parties agree that any bills that are unpaid shall become an interest free loan;
4. That Bud Rife Construction Company, Inc., shall provide a billing statement with the work order for each job performed which sets for the rate, the hours, the labor, the equipment charges and otherwise.

The Parties hereto expressly represent that they understand and agree that all terms of this Contract are contractual in nature. The parties agree that their heirs, assigns, subsidiaries, employees, owners, stockholders and officers shall be bound by the terms of this Contract. They further expressly represent and warrant, that they are competent, and

possess complete authority to execute and enter into this Contract, and that in negotiating and executing this Contract, they have consulted with and been advised by counsel, of their own choosing, or had an opportunity to do so, concerning the meaning and legal effects of each of its terms and provisions. Also, they have carefully read this Contract in its entirety, and have agreed to its terms and provisions and acknowledge that there are no promises, inducements, representations nor agreements of any kind in connection with this Contract other than those expressly set forth herein. The parties execute this Contract voluntarily, without duress or coercion of any kind and they intend and agree that this is a final and binding Contract.

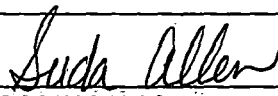
  
\_\_\_\_\_  
BUD RIFE CONSTRUCTION COMPANY, INC.  
Bud Rife, President

  
\_\_\_\_\_  
JOHNSON COUNTY GAS COMPANY, INC.  
Bud Rife, President

STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed, sworn to and acknowledged to before me by Bud Rife Construction Company, Inc., by and through Bud Rife, on this 1<sup>st</sup> day of January, 2018.

My Commission expires: 1/14/22

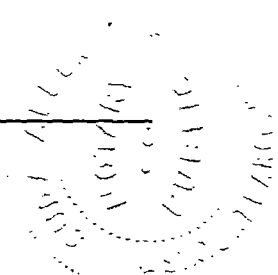
  
\_\_\_\_\_  
NOTARY PUBLIC

STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed and sworn and acknowledged to before me by Johnson County Gas Company, Inc., by and through, Bud Rife, on this 1<sup>st</sup> day of January, 2018

My Commission expires: 1/14/22

  
\_\_\_\_\_  
NOTARY PUBLIC







# Bud Rife Construction

PO Box 155  
 Harold, KY 41635  
 OFFICE: (606)478-5264  
 CELL: (606)794-5264  
 FAX: (606) 478-5266  
 E-Mail: budri@mikrotec.com  
 Website: www.budrifeconstruction.com

# Estimate

Date: 03/05/2018 698

**For: Invoice #** B&H Gas Company Inc  
 PO Box 447  
 Betsy Layne, KY 41605

Code	Description	Quantity	Rate	Amount
SE-01	Hydro Seeder (Per Day)	1	\$3,000.00	\$3,000.00
T-07	Mack Crane Truck	1	\$90.00	\$90.00
T-38	PICKUP TRUCKS (PER DAY)	1	\$130.00	\$130.00
B-81.2	8" Horizontal Bore with casing MCL-24	1	\$140.00	\$140.00
B-90	12" DIRECTIONAL BORE DIRT 12" PIPE INCLUDED	1	\$135.00	\$135.00
B-76	4" ROCK DIRECTIONAL BORE ADD \$50.00 FOR CASING	1	\$45.00	\$45.00
LA-39	OPERATOR	1	\$35.00	\$35.00
T-62	MACK ROLLBACK (PER HR)	1	\$90.00	\$90.00
ST-54	BENDING AND LIFTING TOOLS	1	\$700.00	\$700.00
LA-25	LIGHT PLANTS (PER HR)	1	\$50.00	\$50.00
HE-29	3000 LBS HYD HAMMER FOR PC 120	1	\$115.00	\$115.00
SE-58	RIP-RAP IN PLACE PER TON	1	\$70.00	\$70.00
ST-65	LARGE ELECTRIC JACKHAMMER	1	\$175.00	\$175.00
T-01	Mack Rollback	1 hour	\$90.00	\$90.00

## Bud Rife Construction - Estimate 698 - 03/05/2018

Code	Description	Quantity	Rate	Amount
HE-48	BUSH HOG W/MUSTANG	1	\$90.00	\$90.00
B-78	6" DIRT DIRECTIONAL BORE	1	\$60.00	\$60.00
HE-64	GENIE LIFT 40FT BOOM (PER HR)	1	\$75.00	\$75.00
SE-16	LARGE VIB PLATE TAMPER	1	\$220.00	\$220.00
T-50	MOROOKA TRACK DUMP TRUCK 1500	1	\$105.00	\$105.00
B-86	12" CASING	1	\$85.00	\$85.00
MISC-68	MARKING PAINT	1	\$55.00	\$55.00
B-72	2" DIRT DIRECTIONAL BORE	1	\$30.00	\$30.00
B-63	DRILL FOR DRILLING 24", 30" AND 36" HOLES. (PRICE PER FT)	1	\$110.00	\$110.00
MISC-93.5	2011 Tahoe	1	\$750.00	\$750.00
LA-41	LABOR (1 Man)	1	\$25.00	\$25.00
LA-42	FOREMAN & 1 MAN	1	\$60.00	\$60.00
HE-04	Bobcat Skid Steer Loader	1	\$70.00	\$70.00
SE-21	WATER PUMP (PER DAY)	1 day	\$130.00	\$130.00
ST-55	HAND HELD JACK HAMMER (ELECTRIC PER DAY)	1	\$90.00	\$90.00
T-56	4 WHEELER	1	\$40.00	\$40.00
HE-05	Mustang Skid Steer Loader	1	\$65.00	\$65.00
LA-57	1 FOREMEN & 2 MEN	1 hour	\$85.00	\$85.00
HE-06	6510 Ditch Witch	1	\$80.00	\$80.00
ST-52	CHAIN SAW (PER DAY)	1	\$90.00	\$90.00
B-89	12" DIRECTIONAL BORE ROCK 12" PIPE INCLUDED	1	\$215.00	\$215.00
T-08	Mack Dump Truck (25 Yard Bed)	1	\$90.00	\$90.00
SE-18	LARGE VIB ROLLER	1	\$85.00	\$85.00
HE-70	LORAIN 20 TON CRANE	1	\$250.00	\$250.00

## Bud Rife Construction - Estimate 698 - 03/05/2018

Code	Description	Quantity	Rate	Amount
PROD-71	GRAVEL IN PLACE PER TON	1	\$60.00	\$60.00
HE-37	D61EX KOMATSU DOZER	1	\$135.00	\$135.00
HE-03	WA320 Komatsu Wheel Loader	1 hour	\$90.00	\$90.00
HE-27	PC 160 KOMATSU EXCAVATOR	1	\$135.00	\$135.00
GL-1.2	1 1/4" X 3/4" REDUCER	1	\$19.00	\$19.00
LA-67	1 Supervisor 1 Foreman 1 Laborer	1 hour	\$95.00	\$95.00
SE-60	AIR COMPRESSOR 160 CFM	1	\$55.00	\$55.00
HE-34	HYD HAMMER FOR SMALL EXCAVATOR	1	\$70.00	\$70.00
T-30	Mack Rollback	1	\$90.00	\$90.00
SE-17	SMALL VIB ROLLER	1	\$200.00	\$200.00
SE-51	SCAFFOLDING (PER DAY) (PER BUCK)	1	\$110.00	\$110.00
HE-26	SKID STEER WITH BROOM	1	\$110.00	\$110.00
T-46	VOLVO TRACTOR & TRAILER	1 hour	\$100.00	\$100.00
LA-43	FOREMAN & 2 MEN	1	\$95.00	\$95.00
B-82	10" DIRT DIRECTIONAL BORE	1	\$40.00	\$40.00
HE-28	PC 120 KOMATSU EXCAVATOR	1	\$115.00	\$115.00
T-09	International Dump Truck (9 Yard Bed)	1	\$65.00	\$65.00
SE-19	TRENCH ROLLER	1 hour	\$50.00	\$50.00
B-84	12" DIRT DIRECTIONAL BORE	1	\$120.00	\$120.00
GL-1.9	1" TRANSITION	1	\$35.00	\$35.00
B-12	HORIZONTAL BORING MACHINE 12" PER FOOT	1	\$150.00	\$150.00
LA-01	SUPERVISOR	1	\$35.00	\$35.00
ST-69	SMALL TOOLS AND MISC.	1	\$50.00	\$50.00
LA-40	FOREMAN	1	\$35.00	\$35.00

## Bud Rife Construction - Estimate 698 - 03/05/2018

Code	Description	Quantity	Rate	Amount
B-79	6" ROCK DIRECTIONAL BORE ADD \$55.00 FOR CASING	1	\$60.00	\$60.00
SE-66	STEAM PRESSURE WASHER (PER HR)	1 hour	\$60.00	\$60.00
SE-24	CONCRETE SAWS (PER DAY)	1	\$160.00	\$160.00
HE-32	PC 60 KOMATSU EXCAVATOR	1	\$90.00	\$90.00
SE-53	STRAW BLOWER (PER HR)	1 hour	\$60.00	\$60.00
B-77	4" DIRT DIRECTIONAL BORE	1	\$45.00	\$45.00
HE-23	D5H CAT DOZER	1	\$115.00	\$115.00
SE-20	LAZERS (PER DAY)	1	\$80.00	\$80.00
B-14	AIR HAMMER TOOL 3" HOLE PER FT.	1	\$60.00	\$60.00
HE-31	HAMMER FOR PC 88	1	\$110.00	\$110.00
B-80	8" DIRT DIRECTIONAL BORE	1	\$80.00	\$80.00
T-11	Fuso Ton Dump 4/YRD Bed	1	\$55.00	\$55.00
	HAUL IN FILL DIRT TO GRADE LEVEL AND COMPACT FILL	1	\$2,000.00	\$2,000.00
GL-1.65	FUSION EQUIPMENT	1	\$45.00	\$45.00
B-81	8" ROCK DIRECTIONAL BORE	1	\$80.00	\$80.00
B-13	HORIZONTAL BORING 6" OR 8" PER FT.	1	\$120.00	\$120.00
PROD-87	PIPE BEDDING	1	\$24.00	\$24.00
B-85	12" ROCK DIRECTIONAL BORE	1	\$120.00	\$120.00
B-81.1	8" Horizontal Bore MCL-24	1	\$100.00	\$100.00
B-75	3" ROCK DIRECTIONAL BORE	1	\$30.00	\$30.00
HE-35	3805 MUSTANG EXCAVATOR	1	\$60.00	\$60.00
SE-47	VERMEER BRUSH CHIPPER (PER HR)	1 hour	\$85.00	\$85.00
HE-36	KOMATSU 39 PX DOZER	1	\$105.00	\$105.00
B-74	3" DIRT DIRECTIONAL BORE	1	\$30.00	\$30.00

Bud Rife Construction - Estimate 698 - 03/05/2018

Code	Description	Quantity	Rate	Amount
HE-49	MUSTANG W/AUGER ATTACHMENT	1	\$90.00	\$90.00
B-73	2" ROCK DIRECTIONAL BORE ADD \$15.00 FOR CASING	1	\$30.00	\$30.00
SE-22	WELDER, OXYGEN, ACETYLENE, AND ELECTRIC FUSION EQUIPMENT.	1 hour	\$85.00	\$85.00
SE-15	TAMPER PER DAY (JUMPING JACK)	1 day	\$135.00	\$135.00
LA-44	1 Supervisor, 1 Foreman, 2 men	1	\$120.00	\$120.00
HE-33	PC 35 KOMATSU EXCAVATOR	1	\$70.00	\$70.00
SE-59	POWER WHEEL BARROW	1	\$45.00	\$45.00
LA-61	DITCHWITCH PER FT.	1	\$3.00	\$3.00
B-83	10" ROCK DIRECTIONAL BORE	1	\$100.00	\$100.00
			Subtotal	\$14,331.00
			Total	\$14,331.00
			<b>Total</b>	<b>\$14,331.00</b>

## CONTRACT

THIS CONTRACT, made this 1<sup>st</sup> day of January, 2018, by and between JOHNSON COUNTY GAS COMPANY, INC., by and through, Bud Rife, whose address is P.O. Box 447, Betsy Layne, Kentucky 41605, and Bud Rife, whose address is P.O. Box 155, Harold, Kentucky 41635.

### **WITNESSETH:**

WHEREAS, Bud Rife, which owns property in Betsy Layne and Mare Creek, Floyd County, Kentucky, and JOHNSON COUNTY GAS COMPANY, INC., the parties, hereby covenant and agree, as follows:

1. That Johnson County Gas Company, Inc., shall pay Bud Rife Six Thousand Dollar (\$6,000.00) per month as a management fee for any and all services provided;
2. That Johnson County Gas Company, Inc., shall pay Bud Rife the sum of Two Thousand Dollars (\$2,000.00) per month for rental of necessary office space;
3. That the parties agree that Johnson County Gas Company, Inc., shall pay B & S Gas Company the sum of Six Hundred Dollars (\$600.00) per month for rental of two (2) trucks for a total of One Thousand Two Hundred Dollars (\$1,200.00) per month which, also, includes payment for applicable insurance and maintenance of trucks;
4. That Johnson County Gas Company, Inc., shall be responsible for any and all legal fees and expenses that Bud Rife may incur for any legal work performed or litigation in Kentucky;
5. All transactions shall be arms length transactions.

The Parties hereto expressly represent that they understand and agree that all terms of this Contract are contractual in nature. The parties agree that their heirs, assigns,

subsidiaries, employees, owners, stockholders and officers shall be bound by the terms of this Contract. They further expressly represent and warrant, that they are competent, and possess complete authority to execute and enter into this Contract, and that in negotiating and executing this Contract, they have consulted with and been advised by counsel, of their own choosing, or had an opportunity to do so, concerning the meaning and legal effects of each of its terms and provisions. Also, they have carefully read this Contract in its entirety, and have agreed to its terms and provisions and acknowledge that there are no promises, inducements, representations nor agreements of any kind in connection with this Contract other than those expressly set forth herein. The parties execute this Contract voluntarily, without duress or coercion of any kind and they intend and agree that this is a final and binding Contract.

Bud Rife  
JOHNSON COUNTY GAS COMPANY, INC.  
Bud Rife, President

Bud Rife  
BUD RIFE

STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed, sworn to and acknowledged to before me by Johnson County Gas Company, Inc., by and through Bud Rife, on this 15<sup>th</sup> day of January, 2018.

My Commission expires: 1/14/22

Suda Allen  
NOTARY PUBLIC



STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed and sworn and acknowledged to before me by Bud Rife, on this 1st  
day of January, 2018.

My Commission expires: 1/14/22

*Suda Allen*

NOTARY PUBLIC



1001



## CONTRACT

THIS CONTRACT, made this 1<sup>st</sup> day of January, 2018, by and between JOHNSON COUNTY GAS COMPANY, INC., by and through, Bud Rife, whose address is P.O. Box 447, Betsy Layne, Kentucky 41605, and BUD RIFE CONSTRUCTION COMPANY, INC., whose address is P.O. Box 155, Harold, Kentucky 41635.

### **WITNESSETH:**

WHEREAS, BUD RIFE CONSTRUCTION COMPANY, INC., and JOHNSON COUNTY GAS COMPANY, INC., the parties, hereby covenant and agree, as follows:

1. That Bud Rife Construction Company, Inc., shall perform work for Johnson County Gas Company, Inc., and the minimum amount of hours billed shall be three (3) hours. All transactions shall be arms length transactions;
2. That any unpaid bill shall become an interest free loan from Bud Rife Construction, Inc., to Johnson County Gas Company, Inc.;
3. That the parties agree that a billing statement shall be furnished for each job performed with the rates set forth per hour for labor and equipment and per foot for material;
4. That if equipment must be rented, that Johnson County Gas Company, Inc., shall be billed at cost plus ten percent (10%);
5. That Bud Rife Construction Company, Inc., shall maintain appropriate workers' compensation insurance coverage;
6. That Bud Rife Construction Company, Inc., shall use fittings, pipe, meter and other materials which shall be provided by Johnson County Gas Company, Inc.;

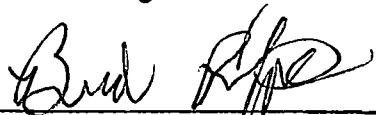
7. That all work shall be tested pursuant to the Public Service Commission regulations;

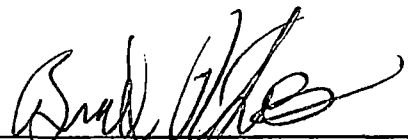
8. That a work order shall be provided and Johnson County Gas Company, Inc., shall perform the services to be done in accordance with the work order;

9. That Bud Rife Construction Company, Inc. shall furnish all necessary tools;

10. If more trucks are required than are rented monthly by Johnson County Gas Company, Inc., then, the additional trucks shall be billed at the regular rate charged by Bud Rife Construction Company, Inc.

The Parties hereto expressly represent that they understand and agree that all terms of this Contract are contractual in nature. The parties agree that their heirs, assigns, subsidiaries, employees, owners, stockholders and officers shall be bound by the terms of this Contract. They further expressly represent and warrant, that they are competent, and possess complete authority to execute and enter into this Contract, and that in negotiating and executing this Contract, they have consulted with and been advised by counsel, of their own choosing, or had an opportunity to do so, concerning the meaning and legal effects of each of its terms and provisions. Also, they have carefully read this Contract in its entirety, and have agreed to its terms and provisions and acknowledge that there are no promises, inducements, representations nor agreements of any kind in connection with this Contract other than those expressly set forth herein. The parties execute this Contract voluntarily, without duress or coercion of any kind and they intend and agree that this is a final and binding Contract.

  
\_\_\_\_\_  
JOHNSON COUNTY GAS COMPANY, INC.  
Bud Rife, President

  
\_\_\_\_\_  
BUD RIFE CONSTRUCTION COMPANY, INC.  
Bud Rife, President

STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed, sworn to and acknowledged to before me by Johnson County Gas Company, Inc., by and through Bud Rife, on this 1<sup>st</sup> day of January 2018, 2018.

My Commission expires: 1/14/22

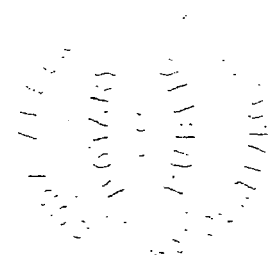
Suda Allen  
NOTARY PUBLIC

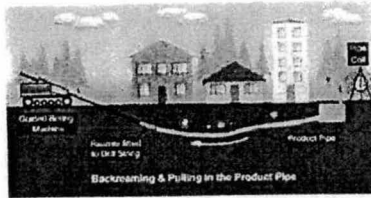
STATE OF KENTUCKY  
COUNTY OF FLOYD

Subscribed and sworn and acknowledged to before me by Bud Rife Construction Company, Inc., by and through Bud Rife, on this 1<sup>st</sup> day of January 2018, 2018.

My Commission expires: 1/14/22

Suda Allen  
NOTARY PUBLIC





# Bud Rife Construction

PO Box 155  
 Harold, KY 41635  
 OFFICE: (606)478-5264  
 CELL: (606)794-5264  
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# Estimate

Date: 03/05/2018 698

**For: Invoice #** B&H Gas Company Inc  
 PO Box 447  
 Betsy Layne, KY 41605

Code	Description	Quantity	Rate	Amount
SE-01	Hydro Seeder (Per Day)	1	\$3,000.00	\$3,000.00
T-07	Mack Crane Truck	1	\$90.00	\$90.00
T-38	PICKUP TRUCKS (PER DAY)	1	\$130.00	\$130.00
B-81.2	8" Horizontal Bore with casing MCL-24	1	\$140.00	\$140.00
B-90	12" DIRECTIONAL BORE DIRT 12" PIPE INCLUDED	1	\$135.00	\$135.00
B-76	4" ROCK DIRECTIONAL BORE ADD \$50.00 FOR CASING	1	\$45.00	\$45.00
LA-39	OPERATOR	1	\$35.00	\$35.00
T-62	MACK ROLLBACK (PER HR)	1	\$90.00	\$90.00
ST-54	BENDING AND LIFTING TOOLS	1	\$700.00	\$700.00
LA-25	LIGHT PLANTS (PER HR)	1	\$50.00	\$50.00
HE-29	3000 LBS HYD HAMMER FOR PC 120	1	\$115.00	\$115.00
SE-58	RIP-RAP IN PLACE PER TON	1	\$70.00	\$70.00
ST-65	LARGE ELECTRIC JACKHAMMER	1	\$175.00	\$175.00
T-01	Mack Rollback	1 hour	\$90.00	\$90.00

Code	Description	Quantity	Rate	Amount
HE-48	BUSH HOG W/MUSTANG	1	\$90.00	\$90.00
B-78	6" DIRT DIRECTIONAL BORE	1	\$60.00	\$60.00
HE-64	GENIE LIFT 40FT BOOM (PER HR)	1	\$75.00	\$75.00
SE-16	LARGE VIB PLATE TAMPER	1	\$220.00	\$220.00
T-50	MOROOKA TRACK DUMP TRUCK 1500	1	\$105.00	\$105.00
B-86	12" CASING	1	\$85.00	\$85.00
MISC-68	MARKING PAINT	1	\$55.00	\$55.00
B-72	2" DIRT DIRECTIONAL BORE	1	\$30.00	\$30.00
B-63	DRILL FOR DRILLING 24", 30" AND 36" HOLES. (PRICE PER FT)	1	\$110.00	\$110.00
MISC-93.5	2011 Tahoe	1	\$750.00	\$750.00
LA-41	LABOR (1 Man)	1	\$25.00	\$25.00
LA-42	FOREMAN & 1 MAN	1	\$60.00	\$60.00
HE-04	Bobcat Skid Steer Loader	1	\$70.00	\$70.00
SE-21	WATER PUMP (PER DAY)	1 day	\$130.00	\$130.00
ST-55	HAND HELD JACK HAMMER (ELECTRIC PER DAY)	1	\$90.00	\$90.00
T-56	4 WHEELER	1	\$40.00	\$40.00
HE-05	Mustang Skid Steer Loader	1	\$65.00	\$65.00
LA-57	1 FOREMEN & 2 MEN	1 hour	\$85.00	\$85.00
HE-06	6510 DitchWitch	1	\$80.00	\$80.00
ST-52	CHAIN SAW (PER DAY)	1	\$90.00	\$90.00
B-89	12" DIRECTIONAL BORE ROCK 12" PIPE INCLUDED	1	\$215.00	\$215.00
T-08	Mack Dump Truck (25 Yard Bed)	1	\$90.00	\$90.00
SE-18	LARGE VIB ROLLER	1	\$85.00	\$85.00
HE-70	LORAIN 20 TON CRANE	1	\$250.00	\$250.00

Code	Description	Quantity	Rate	Amount
PROD-71	GRAVEL IN PLACE PER TON	1	\$60.00	\$60.00
HE-37	D61EX KOMATSU DOZER	1	\$135.00	\$135.00
HE-03	WA320 Komatsu Wheel Loader	1 hour	\$90.00	\$90.00
HE-27	PC 160 KOMATSU EXCAVATOR	1	\$135.00	\$135.00
GL-1.2	1 1/4" X 3/4" REDUCER	1	\$19.00	\$19.00
LA-67	1 Supervisor 1 Foreman 1 Laborer	1 hour	\$95.00	\$95.00
SE-60	AIR COMPRESSOR 160 CFM	1	\$55.00	\$55.00
HE-34	HYD HAMMER FOR SMALL EXCAVATOR	1	\$70.00	\$70.00
T-30	Mack Rollback	1	\$90.00	\$90.00
SE-17	SMALL VIB ROLLER	1	\$200.00	\$200.00
SE-51	SCAFFOLDING (PER DAY) (PER BUCK)	1	\$110.00	\$110.00
HE-26	SKID STEER WITH BROOM	1	\$110.00	\$110.00
T-46	VOLVO TRACTOR & TRAILER	1 hour	\$100.00	\$100.00
LA-43	FOREMAN & 2 MEN	1	\$95.00	\$95.00
B-82	10" DIRT DIRECTIONAL BORE	1	\$40.00	\$40.00
HE-28	PC 120 KOMATSU EXCAVATOR	1	\$115.00	\$115.00
T-09	International Dump Truck (9 Yard Bed)	1	\$65.00	\$65.00
SE-19	TRENCH ROLLER	1 hour	\$50.00	\$50.00
B-84	12" DIRT DIRECTIONAL BORE	1	\$120.00	\$120.00
GL-1.9	1" TRANSITION	1	\$35.00	\$35.00
B-12	HORIZONTAL BORING MACHINE 12" PER FOOT	1	\$150.00	\$150.00
LA-01	SUPERVISOR	1	\$35.00	\$35.00
ST-69	SMALL TOOLS AND MISC.	1	\$50.00	\$50.00
LA-40	FOREMAN	1	\$35.00	\$35.00

Code	Description	Quantity	Rate	Amount
HE-49	MUSTANG W/AUGER ATTACHMENT	1	\$90.00	\$90.00
B-73	2" ROCK DIRECTIONAL BORE ADD \$15.00 FOR CASING	1	\$30.00	\$30.00
SE-22	WELDER, OXYGEN, ACETYLENE, AND ELECTRIC FUSION EQUIPMENT.	1 hour	\$85.00	\$85.00
SE-15	TAMPER PER DAY (JUMPING JACK)	1 day	\$135.00	\$135.00
LA-44	1 Supervisor, 1 Foreman, 2 men	1	\$120.00	\$120.00
HE-33	PC 35 KOMATSU EXCAVATOR	1	\$70.00	\$70.00
SE-59	POWER WHEEL BARROW	1	\$45.00	\$45.00
LA-61	DITCHWITCH PER FT.	1	\$3.00	\$3.00
B-83	10" ROCK DIRECTIONAL BORE	1	\$100.00	\$100.00
			Subtotal	\$14,331.00
			Total	\$14,331.00
			<b>Total</b>	<b>\$14,331.00</b>