



Steven L. Beshear
Governor

Mark David Goss
Chairman

Robert D. Vance, Secretary
Environmental and Public
Protection Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
Fax: (502) 564-3460
psc.ky.gov

John W. Clay
Commissioner

Larry R. Bond
Commissioner
Department of Public Protection

RECEIVED
Caroline Pitt Clark
Commissioner

MAY 14 2008

PUBLIC SERVICE
COMMISSION

May 5, 2008

Sallye Branham
Auxier Road Gas Company, Inc.
P.O. Box 785
Prestonsburg, KY 41653

RE: Case No. 2008-00156
Filing Deficiencies

The Commission staff has reviewed your application in the above case. This filing is rejected for the reasons set forth below.

1. Filing deficiencies pursuant to 870 KAR 5:076:
 - Section 2. Satisfactorily completed application form.
 - I. Reported amounts do not agree in total with 2007 Annual Reports.
 - II. Documentation of indebtedness to GMAC, ford Credit and john Deer was not provided.
 - III. No evidence of notification to the attorney General regarding this filing.

The statutory time period in which the Commission must process this case will not commence until the above mentioned information is filed with the Commission. If your filing contains a proposed effective date, the rejection of your filing for reasons of deficiencies voids that proposed effective date. When you file the required information to correct the deficiencies, you may refile your proposed tariff with a new proposed effective date that is at least 30 days from the date you file the required information. You are requested to file 10 copies of this information within 15 days of this letter. If you need further assistance, please contact Mark Frost at 502/564-3940 ext. 274.

Sincerely,

David R. McDowell
Division of Filings



www.wilsonjones.com

1. Filing deficiencies pursuant to 870 KAR 5:076:
Section 2. Satisfactorily completed application form.

- I. Reported amounts do not agree in total with 2007 Annual Reports.

RESPONSE: Attached.

AUXIER ROAD GAS CO., INC.

ITEM PER ANNUAL REPORT	AMOUNT PER 2007 ANNUAL REPORT	INCREASE (DECREASE)	ADJUSTED AMOUNT
Sales (480-484)	\$1,212,433.00	\$120,246.00	\$1,332,679.00
Forfeited Discounts (487)	\$5,319.00	n/c	\$5,319.00
Miscellaneous Services	\$1,063.00	n/c	\$1,063.00
Other Gas Revenues (495)	\$1,339.00	n/c	\$1,339.00
Gain on sale of asset	\$13,572.00	n/c	\$13,572.00
Subtotal	\$1,233,726.00	\$120,246.00	\$1,353,972.00
Natural Gas City Gate Purch (804)	\$827,563.00	\$82,756.00	\$910,319.00
Total Purchased Gas	\$827,563.00	\$82,756.00	\$910,319.00
Total Production Expenses	\$827,563.00	\$82,756.00	\$910,319.00
2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES			
A Underground Storage Expenses			
Operation			
Operation Supervision and Engineering (814)	\$28,800.00	n/c	\$28,800.00
Total Underground Storage	\$28,800.00	n/c	\$28,800.00
Total Natural Gas Storage	\$28,800.00	n/c	\$28,800.00
4. Distribution Expenses			
Mains and Services Expenses (874)	\$31,470.00	\$1,519.00	\$32,989.00
Meter and House Regulator Expenses (878)	\$6,910.00	n/c	\$6,910.00
Rents (881)	\$1,656.00	n/c	\$1,656.00
216 Total Operation	\$40,036.00	\$1,519.00	\$41,555.00
Maintenance of Meters & House Regulators	\$192.00	n/c	\$192.00
228 Total Maintenance	\$192.00	n/c	\$192.00
229 Total Distribution Expenses	\$40,228.00	\$1,519.00	\$41,747.00
5. CUSTOMER ACCOUNTS EXPENSES			
Meter Reading Expenses (902)	\$24,804.00	\$520.00	\$25,324.00
Customer Records & Collections Exp (903)	\$65,644.00	\$294.00	\$65,938.00

Uncollectible Accounts (904)	\$1,698 00	n/c	\$1,698 00
237 Total Customer Accounts Expenses	\$92,146 00	\$814.00	\$92,960 00
8 ADMINISTRATIVE AND GENERAL EXPEN			
Administrative & General Salaries (920)	\$91,500 00		\$91,500 00
Office Supplies and Expenses (922)	\$39,061 00	\$5,859 00	\$44,920 00
Office Services Employed (923)	\$2,500 00	\$2,500 00	\$5,000 00
Property Insurance (924)	\$24,159 00	\$3,624 00	\$27,783 00
Employee Pensions & benefits (926)	\$27,257 00	\$273 00	\$27,530 00
Miscellaneous General Expenses (930 2)	\$8,556 00		\$8,556 00
Rents (931)	\$16,200 00	\$1,800 00	\$18,000 00
267 Total Operation	\$209,233 00	\$14,056 00	\$223,289 00
269 Maintenance of General Plant (935)	\$19,456 00	\$2,918 00	\$22,374 00
270 Total Admin & General (Total 267 & 269)	\$228,689 00	\$16,974 00	\$245,663 00
Total Gas O and M Expenses (Total lines 97, 177, 201, 229, 237, 244, 251, and 270)	\$1,217,426 00	\$102,063 00	\$1,319,489 00

AUXIER ROAD GAS CO., INC.

ITEM PER ANNUAL REPORT	AMOUNT PER 2007 ANNUAL REPORT	INCREASE (DECREASE)	ADJUSTED AMOUNT
1 UTILITY OPERATING INCOME			
2 Gas Operating Revenues (400)	\$1,233,726.00	\$120,246.00	\$1,353,972.00
3 Operating Expenses			
4 Operation Expenses (401)			
5 Maintenance Expenses (402)	\$1,217,426.00	\$102,063.00	\$1,319,489.00
6 Depreciation Expense (403)	\$67,992.00		\$67,992.00
7 Depreciatoin Exp for Asset Retirement Costs (403.1)			
8 Amort and Depl of Util Plant (404-405)			
9 Amort of Utility Plant Acq Adj (406)			
10 Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)			
11 Amort of Conversion Exp (407.2)			
12 Regulatory Debits (407.3)			
13 (Less) Regulatory Credits (407.4)			
14 Taxes Other than Income Taxes (408.1)	\$52,612.00	\$5,920.00	\$58,532.00
15 Income Taxes - Federal (409.1)	\$5,281.00	n/c	\$5,281.00
16 Income Taxes - Other (409.1)	\$1,308.00	n/c	\$1,308.00
17 Provision for Deferred Income Taxes (410.1)			
18 (Less) Provision for Deferred Income Taxes (411.1)			
19 Investment Tax Credit Adj-Net (411.4)			
20 (Less) Gains from Disp of Util Plant (411.6)			
21 Losses from Disp of Utility Plant (411.7)			
22 (Less) Gains from Disp of Allowances (411.8)			
23 Losses from Disposition of Allowances (411.9)			
24 Accretion Expense (411.10)			
25 Total Utility Operating Expenses (Enter Total of Lines 4-22)	\$1,354,779.00	\$107,983.00	\$1,462,762.00

26. Net Utility Operating Income (Line 2 less line 23-Carry forward to pg 117 line 25)	(\$121,053.00)	\$12,263.00	\$108,790.00
27. Net Utility Operating Income (Carried from pg 114)	(\$121,053.00)	\$12,263.00	\$108,790.00
28. Other Income and Deductions			
29. Other Income			
30. Nonutility Operating Income			
31. Revenues from Merchandising, Jobbing & Contract Work (415)			
32. (Less) Costs and Exp. of Mercandising, Job & Contract Work (416)			
33. Revenues from Nonutility Operations (417)			
34. (Less) Expenses of Nonutility Operations (417 1)			
35. Nonoperating Rental Income (418)			
36. Equity in Earnings of Subsidiary Companies (418 1)			
37. Interest and Dividend Income (419)			
38. Allowance for Other Funds Used During Construction (419 1)			
39. Miscellaneous Nonoperating Income (421)			
40. Gain on Disposition of Property (421 1)			
41. TOTAL Other Income			
42. Other Income Deductions			
43. Loss on Disposition of Property (421.2)	\$10,160.00	(\$10,160.00)	\$0.00
44. Miscellaneous Amortization (425)			
45. Miscellaneous Income Deductions (426 1-426 5)			
46. TOTAL Other Income Deductions			
47. Taxes Applic. to Other Income and Deductions			
48. Taxes Other Than Income Taxes (408 2)			
49. Income Taxes - Federal (409 2)			
50. Income Taxes - Other (409 2)			
51. Provision for Deferred Inc. Taxes (410 2)			
52. (Less) Provision for Deferred Income Taxes CR (411 2)			

53	Investment Tax Credit Adj. Net (411.5)			
54	(Less) Investment Tax Credits (420)			
55	TOTAL Taxes on Other Income and Deduct.			
56	Net Other Income and Deductions (Lines 39,44, 53)			
57	Interest Charges			
58	Interest on Long Term Debt (427)	\$20,840 00		\$20,840 00
59	Amort of Debt Disc and Exp (428)			
60	Amort of Loss on Recquired Debt (428.1)			
61	(Less) Amort of Premium on Debt-CR (429)			
62	(Less) Amort of Gain on Recquired Debt-CR (429.1)			
63	Interest on Debt to Assoc. Companies (430)			
64	Other Interest Expense (431)			
65	(Less) Allowance for Borrowed Funds Used During Construction CR (432)			
66	Net Interest Charges	\$20,840 00		\$20,840 00
67	Income Before Extraordinary Items (Lines 25,54 and 64	(\$141,893 00)	\$2,103 00	(\$139,790 00)
68	Extraordinary Items			
69	Extraordinary Income (434)			
70	(Less) Extraordinary Deductions (435)			
71	Net Extraordinary Items (Lines 67 less 68)			
72	Income Taxes - Federal and Other (409.3)			
73	Extraordinary Items After Taxes (Lines 69 less 70)			
74	Net Income (Lines 67 and 73)	(\$141,893 00)	\$2,103 00	(\$139,790 00)



wilson jones.

www.wilsonjones.com

1. Filing deficiencies pursuant to 870 KAR 5:076:
Section 2. Satisfactorily completed application form.

II. Documentation of indebtedness to GMAC, Ford Credit and John Deere was not provided.

RESPONSE: Attached.

THOROUGHbred CHEVROLET

A Member of The Martin Group

THOROUGHbred CHEVROLET-GEO, INC. • 2800 Richmond Rd. • Lexington, Ky 40509 • (859) 269-4321

License to AUXIER ROAD GAS CO.				<input type="checkbox"/> NEW VEHICLE <input type="checkbox"/> DEMO I-S DATE _____ <input type="checkbox"/> USED VEHICLE <input type="checkbox"/> FACTORY EXEC. VEHICLE			
Address P.O. BOX 785							
City PRESTONSBURG KY		State 41653		Zip Code		Date 03/26/2005	
Phone (606)886-2314		Social Security No. [REDACTED]		Birth Date 01/01/1960		Salesperson JEFFERY D. ELLER	
Year 2005	Make CHEVROLET	Model TRUCK	Mileage 56	Color SUMMIT WHITE	Stock No. 1627		
Vin No. G B H K 2 1 4 0 9 5 E B 2 7 7 1				I HEREBY AGREE TO PURCHASE FROM YOU UNDER THE TERMS AND CONDITIONS SPECIFIED.			
BASE LIST PRICE N/A				DELIVERY OF THIS PURCHASE IS TO BE MADE _____ OR AS SOON THEREAFTER AS POSSIBLE. IT IS AGREED, HOWEVER, THAT NEITHER DEALER NOR THE MANUFACTURER WILL BE LIABLE TO EFFECT DELIVERY.			
FREIGHT				AS IS USED VEHICLE			
ADDED EQUIPMENT OR SERVICES (FROM WORKSHEET)				NEW AS EQUIPPED VEHICLE			
REBATE 5000.00				30316.98			
REBATE 5000.00				5000.00			
TOTAL SELLING PRICE 25316.98				25316.98			
Trade in (Subject to reappraisal at time of delivery)		Expiration Date		CREDIT		TRADE-IN	
Year		Make		Model		Mileage	
Year Make Model Mileage				CREDIT TRADE-IN N/A			
Year Make Model Mileage				BALANCE AFTER TRADE-IN 25316.98			
Year Make Model Mileage				KENTUCKY SALES TAX 1579.02			
Year Make Model Mileage				LICENSE 28.00			
License Plate No		Expiration Date		Color		CONSUMER SERVICES \$ 289.00	
Year Make Model Mileage				TITLE OR TRANSFER FEE 37.00			
Year Make Model Mileage				SUB-TOTAL 27250.00			
Year Make Model Mileage				PAYOFF ON TRADE N/A			
Year Make Model Mileage				PAYOFF ON TRADE N/A			
Year Make Model Mileage				TOTAL ALL CHARGES 27250.00			
Year Make Model Mileage				CREDIT: DEPOSIT WITH ORDER N/A			
Year Make Model Mileage				CREDIT: CASH ON DELIVERY 15000.00			
Year Make Model Mileage				BALANCE TO BE FINANCED 12250.00			
PRICE HAS BEEN AGREED BY BOTH PARTIES. DEPOSITS ARE NON-REFUNDABLE This Order Subject to the Terms and Conditions on the Reverse Side All Orders Are Subject to Management Acceptance							
BUYERS SIGNATURE				ACCEPTED BY THOROUGHbred CHEVROLET-GEO, INC			
X Estel Branham				X			

**RETAIL INSTALMENT SALE CONTRACT
GMAC FLEXIBLE FINANCE PLAN**

Dealer Number

Contract Number

Buyer (and Co-Buyer)-Name and Address (Include County and Zip Code)	Creditor (Seller Name and Address)
AUXIER ROAD GAS CO. P.O. BOX 785 PRESTONSBURG KY 41653 FAYETTE	THOROUGHbred CHEVROLET INC 2800 RICHMOND RD LEXINGTON KY 40509

You, the Buyer (and Co-Buyer, if any), may buy the vehicle described below for cash or on credit. By signing this contract, you agree to buy the vehicle on credit under the agreements on the front and back of this contract. You agree to pay the Creditor the Amount Financed and Finance Charge according to the payment schedule shown below. The Finance Charge is figured on a daily basis at the Annual Percentage Rate on the unpaid balance of the Amount Financed.

Description of Vehicle. You agree to buy and the Creditor agrees to sell the following vehicle:

New or Used	Year	Make and Model	Body Type	Vehicle Identification No.	Use for Which Purchased
NEW	2005	CHEVROLET TRU C/P 2500	SILVERADO HD	1GBHK24U95E182771	<input type="checkbox"/> Personal <input type="checkbox"/> Agricultural <input type="checkbox"/> Business <input type="checkbox"/>

If truck: Describe body and major items of equipment sold or reference obtained by the buyer or lessor.

FEDERAL TRUTH-IN-LENDING DISCLOSURES

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments	Total Sale Price
The cost of your credit as a yearly rate	The dollar amount the credit will cost you	The amount of credit provided to you or on your behalf	The amount you will have paid after you have made all payments as scheduled	The total cost of your purchase on credit, including your down-payment of \$ 20000.00
8.49	\$ 1669.04	\$ 12250.00	\$ 13919.04	\$ 33919.04

Your Payment Schedule Will Be:

Number of Payments	Amount of Payments	When Payments Are Due	Or as Follows:
36	388.64	Monthly beginning 04/26/2005	

Prepayment. If you pay off all your debt early, you will not have to pay a penalty.
Security Interest. You are giving a security interest in the vehicle being purchased.
Additional Information: See the other side of this contract for more information including information about nonpayment, default, any required repayment in full before the scheduled date, and security interest.

ITEMIZATION OF AMOUNT FINANCED

- Cash Price (including any accessories, services, and taxes) \$ 32185.00
- Total Downpayment or Net Trade-in \$ N/A + Cash Downpayments \$ 15000.00
 Other (Describe) **REBATE** \$ 20000.00
 Your Trade-in is a _____ Year _____ Make _____ Model _____ \$ _____
- Unpaid Balance of Cash Price (1 minus 2) \$ 12185.00
- Other Charges including Amounts Paid to Others on Your Behalf: (Seller may be keeping part of these amounts.)
 - A. Cost of Required Physical Damage Insurance Paid to the Insurance Company Named Below Covering Damage to the Vehicle \$ N/A
 - B. Cost of Optional Mechanical Repair Insurance (Paid to the Insurance Company Named Below Covering Certain Mechanical Repairs) \$ N/A
 - C. Cost of Optional Credit Insurance Paid to the Insurance Company or Companies Named Below (not including Disability, Accident and Health Insurance) \$ N/A
 - D. Official Fees Paid to Government Agencies \$ N/A
 - E. Taxes Not Included in Cash Price
 - Government License and/or Registration Fees (Itemize) \$ 110.00 / REG \$ 210.00
 - Government Certificate of Title Fees \$ 16.00
 - F. Other Charges (Seller must identify who will receive payment and describe purpose) \$ N/A
 - G. Total Other Charges and Amounts Paid to Others on Your Behalf \$ 65.00
- Amount Financed = Unpaid Balance (3+4) \$ 12250.00

Insurance: (If any insurance is checked below, the policies of certificates issued by the Companies named will describe the terms and conditions. Required Physical Damage Insurance: Physical damage insurance is required, but you may opt out of Mechanical Repairs Insurance. The cost of this insurance is shown in 4B of the Itemization above. Obtain it from anyone you want who is acceptable to the Creditor. The cost of this insurance is shown in 4B of the Itemization above.)

VIRGINIA SIMPLE INTEREST VEHICLE RETAIL INSTALLMENT CONTRACT

DATE 02/11/2006

1-800-727-7000



www.fordcredit.com

Buyer (and Co-Buyer) Name and Address (Including County and Zip Code)

AUXIER ROAD GAS COMPANY, INC.
PO BOX 785
PRESTONSBURG KY 41653

CREDITOR (Seller Name and Address)

PRESTIGE FORD LM, INC.
GEO C PEERY HIGHWAY
POUNDRING MILL, VA 24637

You, the Buyer (and Co-Buyer, if any), may buy the vehicle described below for cash or on credit. The cash price is shown below as "Cash Price." The credit price is shown below as "Total Sale Price." By signing this contract, you choose to buy the vehicle on credit under the agreements on the front and back of this contract.

New/Used	Mileage	Year and Make	Model	Vehicle Identification Number	Use For Which Purchased
NEW		2006 FORD	F750	3FRWF75F36V331561	<input type="checkbox"/> Personal <input type="checkbox"/> Agricultural <input type="checkbox"/> Commercial

Trade-in	<u>N/A</u>	Year and Make		\$ <u>N/A</u>	Gross Allowance	\$ <u>N/A</u>	Amount Owning
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INSURANCE

YOU ARE REQUIRED TO INSURE THE VEHICLE. YOU MAY OBTAIN VEHICLE INSURANCE FROM A PERSON OF YOUR CHOICE.

LIABILITY INSURANCE COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE CAUSED TO OTHERS IS NOT INCLUDED.

CREDIT LIFE, CREDIT DISABILITY AND OTHER OPTIONAL INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT AND WILL NOT BE PROVIDED UNLESS YOU SIGN AND AGREE TO PAY THE PREMIUM.

ITEMIZATION OF AMOUNT FINANCED

1. Cash Price	\$ 47500.00	(1)
2. Down Payment	\$ 5500.00	
Third Party Rebate Assigned to Creditor	\$ 5000.00	
Cash Down Payment	\$ N/A	
Trade-in (description above)	\$ N/A	
Total Down Payment	\$ 10500.00	(2)
3. Unpaid Balance of Cash Price (1 minus 2)	\$ 37000.00	(3)
4. Amounts paid on your behalf (Seller may be retaining a portion of these amounts)		
To Public Officials		
(i) for license, title & registration fees	\$ N/A	
(ii) for official fees	\$ N/A	
(iii) for taxes (not in Cash Price)	\$ N/A	
To Insurance Companies for:		
Credit Life Insurance	\$ N/A	
Credit Disability Insurance	\$ N/A	
_____	\$ N/A	
_____	\$ N/A	
To _____ for _____	\$ N/A	
To _____ for _____	\$ N/A	
To SELLER for PROCESS FEE	\$ 219.00	
To _____ for _____	\$ N/A	
To _____ for _____	\$ N/A	
To _____ for _____	\$ N/A	
Total	\$ 219.00	(4)
5. Amount Financed (3 plus 4)	\$ 37219.00	(5)

Credit Life N/A

Insurance Company _____

Premium _____ Insured(s) _____

You want Credit Life Insurance. _____

Buyer Signs _____

Co-Buyer Signs _____

Credit Disability N/A

Insurance Company _____

Premium _____ Insured(s) _____

FEDERAL TRUTH-IN-LENDING DISCLOSURES

ent penalty.

BALLOON CONTRACT PROVISIONS

Your last installment payment under this contract is a balloon payment.

EXCESS WEAR, USE AND MILEAGE CHARGES

If the box directly above is checked, this section, Paragraph B, and Paragraph C of this contract apply. You may be charged for excessive wear based upon our standards for normal use. If you exercise the option to sell the vehicle back to Creditor under Paragraph B, you must pay the Creditor \$0. N/A per mile for each mile in excess of N/A miles shown on the odometer.

Any change in this contract must be in writing and signed by you and the Creditor.

Buyer X
Signs

Co-Buyer X
Signs

Buyer Signs

Co-Buyer Signs

Credit Life and Credit Disability Insurance are for the term of the contract. The amount and coverages are shown in a notice or agreement given to you today.

Debt Cancellation Waiver Addendum (Optional)
If this box is checked you have purchased a debt cancellation waiver. Purchase of this coverage is optional and is not required to obtain credit. The terms and conditions of the debt cancellation waiver are set forth in the attached Addendum which is incorporated into this contract. The price for the debt cancellation waiver is set forth on this contract in the Itemization of Amount Financed under section 4.

Buyer N/A
Signs

YOU ACKNOWLEDGE THAT YOU HAVE READ AND AGREE TO BE BOUND BY THE ARBITRATION PROVISION ON THE REVERSE SIDE OF THIS CONTRACT.

The Annual Percentage Rate may be negotiated with the Seller. The Seller may assign this contract and may retain its right to receive a portion of the Finance Charge.

NOTICE TO THE BUYER

Do not sign this contract before you read it or if it contains any blank spaces. You are entitled to an exact copy of the contract you sign.

Buyer (and Co-Buyer) acknowledge that (i) before signing this contract, Buyer (and Co-Buyer) received and reviewed a true and completely filled in copy of this contract and (ii) at the time of signing this contract, Buyer (and Co-Buyer) received a true and completely filled in copy of this contract.

Buyer X
Signs

Co-Buyer X
Signs

Seller PRESTIGE FORD LM, INC By X Title _____

THIS CONTRACT IS NOT VALID UNTIL YOU AND SELLER SIGN IT.

ASSIGNMENT

Seller may transfer this contract to another person. That person will then have all Seller's rights, privileges, and remedies. By signing below, the Seller assigns this contract to FORD MOTOR CREDIT ("Assignee").

To contact Assignee about this contract, call 1-800-727-7000, or visit their website at WWW.FORDCREDIT.COM

Seller PRESTIGE FORD LM, INC By X Title _____

FC 17645-SI (OCT 05) (Previous editions may NOT be used)
FC 17645-B-SI

SEE OTHER SIDE FOR ADDITIONAL AGREEMENTS



RETAIL INSTALLMENT CONTRACT - SECURITY AGREEMENT

Contract Begin Date: 07/19/2005

SELLER'S NAME AND ADDRESS		
LESLIE EQUIPMENT CO. 195 SYKES BLVD PIKEVILLE, KY 41501	DEALER NUMBER 17-9614	PHONE NUMBER 606-432-0321

PHYSICAL DAMAGE INSURANCE REQUIRED: (See Provisions Below)

The insurance provided hereunder does not include liability insurance coverage for bodily injury or property damage caused to others. If I desire liability insurance coverage, I should obtain such coverage from an agent of my choice.

INSURANCE DISCLOSURES: I may obtain Physical Damage Insurance from anyone I want that is acceptable to you. If I get this insurance through you, I will pay the premium shown at right. No insurance will be provided unless I sign at the right and the premium is shown.	TERM IN MONTHS	TOTAL PREMIUM	I want Physical Damage Insurance (Sign in this box)
	36	\$1,273.00	X

BORROWER'S NAME AND ADDRESS			
AUXIER ROAD GAS COMPANY INCORPO PO BOX 785 PRESTONSBURG, KY 41653-0785 BORROWER RESIDES IN (County/State) FLOYD, KY	BORROWER'S TAX ID NUMBER [REDACTED]	BORROWER'S PHONE NO. 606-886-2314	TYPE OF BUSINESS Local Government
NAME AND TITLE OF SIGNING OFFICER ESTILL BRANHAM - President		BORROWER AGREES TO KEEP GOODS IN (County/State) FLOYD, KY	

CO-BORROWER'S NAME AND ADDRESS			
ESTILL BRANHAM PO BOX 785 PRESTONSBURG, KY 41653-0785	CO-BORROWER'S SOC. SEC. NUMBER [REDACTED]	CO-BORROWER'S PHONE NO.	TYPE OF BUSINESS

PROMISE TO PAY INSTALLMENTS: I promise to pay you the PAYMENT TOTAL as in line 8 below, in MONTHLY INSTALLMENTS and/or INSTALLMENTS OTHER THAN MONTHLY as shown below. If more than one person signs this agreement as "Buyer", we will each be responsible for all amounts due under this agreement. I agree that I have received the Goods. I represent that the Goods are being purchased for a business, commercial or agricultural purpose.

TRADE-IN: I agree I am selling the item(s) listed in the TRADE-IN section below to you in trade and promise that they are not subject to any security interest, lien or other claims. Their value is to be applied against the total sale price.

PARTIES: In this agreement the words "I", "me", and "my" mean the persons, whether one or more, who sign it as "Debtor(s)" (who is also known as "Buyer(s)"). Except as used in the Notice to Buyer section, the words "you" and "your" refer to the Seller (who is also known as the "Secured Party") or to anyone the Seller assigns this agreement to, and will mean John Deere Construction & Forestry Company if it purchases this agreement. The Seller identified above is making the disclosures contained in this agreement.

EQUIPMENT PURCHASED					
QTY.	NEW USED	MFR.	MODEL	GOODS (Equipment)	AMOUNT
1	NEW	JD	310S	310SG LOADER BACKHOE	\$64,000.00
PRODUCT ID NO. T0310SG941812					
Program Charge					\$275.00

Handwritten notes:
7-20-05
REV
Clt # 23880
M
15,000.00
DOWN PMT

THE TERMS OF THIS CONTRACT ARE CONTAINED ON MORE THAN ONE PAGE

DOC4004	07/20/2005	Settlement Nbr: 10173227	Equipment Type: Construction & Forestry Commercial	Application ID: 10173227	Version Number: 1	Page 1 of 6
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Q11	REFL				
I	JD	310S	310SE BACKHOE LOADER	T0310SE891325	\$24,000.00
			Allowance: \$24,000.00 Payoff Amount: \$0.00		
			Lien Holder:		
			Payoff Account:		
			Phone Number:		
				TOTAL TRADE-IN:	\$24,000.00
				CASH DOWN PAYMENT:	\$15,000.00
				RENTAL APPLIED:	\$0.00
				TOTAL TRADE-IN PLUS CASH DOWN:	\$39,000.00

The amounts shown below as Finance Charge, Total of Payments and Total Sale Price are estimates based upon the assumption that payments will be made on the scheduled payment due date according to the installment schedule. The actual Finance Charge, Total of Payments and Total Sale Price may vary depending upon the early or late payment of scheduled installments.

CONTRACT INSTALLMENTS		
DATE FINANCE CHARGE BEGINS: July 19, 2005		
Unless otherwise provided below payments are due each successive Month, and any other period identified below, on the same day of the month as the first payment: September 1, 2005		
NUMBER OF PAYMENTS	AMOUNT OF EACH PAYMENT	FIRST PAYMENT DUE DATE
36	\$795.52	September 1, 2005

ITEMIZATION OF AMOUNT FINANCED		
SALES TAX (Paid to Govt. Agencies)		\$0.00
CASH PRICE (Including Tax)	1	\$64,275.00
TOTAL DOWN PAYMENT (Sum of Trade-In & Cash Down Payment)	2	\$39,000.00
UNPAID BALANCE OF CASH PRICE (The amount credited to my account with you)	3	\$25,275.00
ORIGINATION FEES	4A	\$390.00
OFFICIAL FEES (Paid to Public Officials)	4B	\$10.00
INSURANCE (Physical Damage Paid to Insurance Companies)	5	\$1,273.00
AMOUNT FINANCED (Lines 3, 4A, 4B, & 5)	6	\$26,948.00
The amount of credit provided to me		
FINANCE CHARGE (Based on Line 6)	7	\$1,690.72
The dollar amount the credit will cost me		
TOTAL OF PAYMENTS (Lines 6 & 7) The amount I will pay if I make all payments as scheduled	8	\$28,638.72
ANNUAL PERCENTAGE RATE		3.90%
(The cost of my credit as a yearly rate)		
TOTAL SALE PRICE (Lines 1, 4A, 4B, 5, & 7)		
The total price of my purchase on credit, including my Down Payment of \$39,000.00		
		\$67,638.72

SECURITY AGREEMENT: To secure the obligation evidenced by this contract and any other obligation that I may owe to Seller or to the assignee of this Contract, or to assignee's affiliates, I hereby grant Seller a Security Interest in the Goods described above (which term includes items, if any, listed as "security" or "additional security") and all parts and accessories now or hereafter incorporated in or on such Goods by way of addition, accession or replacement. I also grant you a Security Interest in all proceeds, including insurance proceeds and refund of insurance premiums financed hereunder. I acknowledge that all security granted on any other Contract between myself and Seller, or its assignee, or assignee's affiliates, shall also secure the obligations described in this Contract. You may inspect the Goods at any time.

EARLY PAYMENT: I may prepay my obligation in full at any time prior to the original or an extended maturity and will be charged only for earned Finance Charges.

ADDITIONAL CONTRACT INFORMATION: See all of the pages of this agreement for additional information regarding non-payment, default, the right to demand immediate payment, and early payment.

LATE PAYMENTS: In addition to promising to pay the installments set forth above, I promise to pay past due interest accrued from maturity on each installment in default more than 10 days, at the highest rate permitted by applicable law.

NSF FEES: If payment is made by a check, which is dishonored, I agree to pay you a fee of \$20 or such lesser amount specified by applicable law.

PREPAYMENT REFUNDS: Any refund of unearned finance charges (as described on the front) will be figured by the actuarial method (a common formula for figuring refunds on the early payment of installment contracts) but it will exclude the amount, if any, charged for limiting the MAXIMUM CONTRACT RATE, which amount is also a cost incurred by Lender or holder for the same purpose and is based on the AMOUNT FINANCED. Such amount is considered earned when this agreement is executed, and it will not be subject to refund or rebate at any time thereafter.

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Seller's place of business, as indicated above, and the validity of the Security Interest shall be controlled by the law of the state where the Goods are to be kept and used.

FINANCE CHARGE START DATE: I acknowledge that unless this Contract is not accepted by Seller, the finance charge shall commence accruing on the date specified above, regardless of when I execute this Contract.

APPLICATION OF PAYMENTS AND PROCEEDS: Any money that you get from me as well as any insurance proceeds, proceeds from the disposition of the Goods following repossession and returned insurance premiums may be applied, at your choice to what I owe under this Agreement or to any other debt I owe you or the assignee of this contract, in spite of any instructions I may send you. Also, they may be applied to finance charges before the unpaid balance of the amount Financed and to late charges, charges for dishonored checks and past due interest before installments. If any proceeds from the sale of the Goods or insurance are applied to the debt, I remain liable to make each periodic payment described in this contract until it is paid in full. You can accept payments marked "paid in full" or with any other restrictive endorsements, without losing any of your rights under this Agreement.

DEFAULT: I will be in default under this agreement (a) if I do not pay an installment on this or any other agreement I have with you on time; (b) if I try to sell or give somebody else an interest in the Goods; (c) if I start or have started against me a court proceeding under any bankruptcy or insolvency law; (d) if I make an assignment for the benefit of creditors; (e) if I do not pay any taxes on the Goods; (f) if any attachment, execution, writ or other legal process is levied against any of my property; (g) if I abandon the Goods; (h) if I remove the Goods, without prior written notice to you, from the location in which I have agreed to keep them; (i) if I fail at any time to keep the Goods properly insured, as described below; (j) if I become unable to pay by reason of death or incompetency; (k) if I fail to perform any of my promises or other obligations under this agreement; (l) if I fail to maintain the Goods in good condition and repair or permit its value to be impaired; (m) if I permit the Goods to be used in violation of any law, regulation or policy of insurance; (n) if any representation, warranty or statement is made by me in connection with this agreement which is false in any material respect when made; (o) if any legal entity such as a partnership, limited liability company or corporation that has agreed to pay this agreement ceases to do business, dissolves, liquidates its assets or terminates or fails to maintain its corporate existence; or (p) if for any reason the holder of this contract deems the debt or security unsafe. If any of this happens, you may, to the extent permitted by law, demand immediate payment of the balance due, minus the unearned finance charge figured by the actuarial method, without presentment, notice or demand. In addition, I agree to assemble the Goods at a location designated by you and to pay all reasonable costs and expenses of collection, including reasonable court costs and attorney fees, to the extent permitted by applicable law, if you have to sue me or do anything else to enforce your rights under this agreement. This includes reasonable costs and expenses you have in taking and selling the Goods in which I have given you a Security Interest or in collecting any money I owe you. In no case will the costs and expenses referred to in this section exceed those permitted by law.

If Seller takes possession of the Goods after I default, it shall be commercially reasonable for Seller to sell the Goods at a private sale: (i) at wholesale to a dealer in used goods of like kind; (ii) at retail to a purchaser directly or through a dealer in such used goods; or (iii) to John Deere dealers or dealers of comparable equipment or through any on-line or in-person auction or other sale. I acknowledge that you may, instead of selling the security, lease or rent the security and such action shall be commercially reasonable so long as you apply the proceeds of such lease or rental to the indebtedness either as such payments are received, or based upon a present value of the lease or rental payments. The enumeration of the methods described in this paragraph are without limitation to the Seller's right to dispose of the Goods by any other manner or method, whether by sale, lease, or otherwise, in a commercially reasonable fashion. You also have the right to take possession of the Goods or to render the Goods unusable.

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will not be reduced if the Goods are lost or damaged. I will settle all claims of any kind against SELLER directly with SELLER and I will not use any such claim as a defense, setoff or counterclaim against any effort by holder to enforce this contract. **LOSS OF YOUR RIGHTS:** You won't lose any rights you have if you accept late or partial payments or delay enforcing your rights under this agreement. **FINANCING STATEMENT:** I agree that a financing statement to perfect the security interest granted to you which describes either the security contained in this Contract or a financing statement which references all equipment currently or in the future financed by Seller or its assigns, may be filed in the appropriate governmental office without my signature. **FAX AND ELECTRONIC SIGNATURE:** Each person who signs this contract agrees that any carbon signature, facsimile signature or electronic signature shall constitute an original signature within the meaning of applicable law, for all purposes, including without limitation, the filing of financing statements. **PARTS PROHIBITED BY LAW:** If any part of this agreement is prohibited by law, it shall not be effective, it shall not be considered to be a part of this agreement, and it shall not make any other part of this agreement invalid. **ERROR CORRECTION:** You may correct obvious or clerical errors on this agreement or on any purchase order or financing statement that I give you. **CHANGE OF LOCATION:** I agree that I will notify you whenever I change my state of location; as such term is used in Section 9-307 of the Uniform Commercial Code, as the same may be amended from time to time. **CONSENT TO RECORD CALLS:** I consent and agree that my telephone conversations with you may be monitored and recorded to further improve your customer service.

PHYSICAL DAMAGE INSURANCE PROVISIONS: I agree that (except to the extent this contract is for service work) I will at all times keep the Goods insured against all risks of loss, damage or destruction for their full insurable value, with you listed as loss payee. I may choose the person through whom I obtain the insurance, but the insurance must be acceptable to you. Such insurance will provide that it may not be cancelled by me without your consent and may not be cancelled by the insurer without at least 10 days written notice to you. I agree to provide you with evidence of the paid-up insurance policy that I have on the Goods within 15 days of the date of this contract and at least 30 days before the renewal date. If I provide evidence of paid-up insurance after these time periods, I agree to reimburse you for the cost of any insurance you purchased until the date such evidence is provided by me. In addition, if permitted by law, I agree to pay a reasonable administrative fee to you for obtaining and canceling such insurance.

I understand that I may meet this insurance requirement by having you purchase such insurance. Inclusion of an amount for Physical Damage Insurance in Insurance Disclosures box on the front of this contract will be my election to do this, but such insurance will only be purchased if John Deere Construction & Forestry Company (Lender) accepts assignment of this agreement. Such insurance will cover the fair market value of the Goods at the time of loss and will remain in effect until my debt to you is paid in full, or your Security Interest in the Goods terminates, or I default under this contract and you cancel the insurance, or any of the Goods are repossessed, or the Retail Installment Sales Floater Policy under which you purchased the insurance is terminated.

If I default under this contract, I give you permission to cancel any insurance on the Goods and, if allowed by law, to apply any premium refunds to my debt to you with any excess returned to me.

Any proceeds payable to me from insurance by reason of loss, damage or destruction of the Goods may be applied to my outstanding debt to you or to replacement of the Goods, at your sole discretion.

I understand and agree that you may consider my debt in default if I fail to keep the Goods properly insured at any time before my debt to you is paid in full. If that happens, you may, but are not obligated to, buy insurance to protect the Goods and add the cost to my debt to you, and I promise to pay such additional cost upon your demand.

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spaces. 2. You are entitled to an exact and completely filled in copy of this contract when you sign it. Keep it to protect your legal rights. 3. Under law, you may have the following rights, among others: (a.) to pay off in advance the full amount due and to obtain a partial refund of the finance charge, (b.) to redeem the property if repossessed for a default within the time provided by law.

I agree that the provisions on the pages of this form are part of my agreement with you and are also binding on me.

WARRANTIES: THE FOLLOWING APPLIES WHERE PERMITTED BY LAW: THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS ON THE ABOVE GOODS AND NO OTHER WARRANTIES EXCEPT AS PROVIDED IN THE WARRANTY CERTIFICATE FOR SUCH GOODS, WHICH WARRANTY CERTIFICATE SHALL BE DEEMED A PART OF THIS AGREEMENT.

Liability Insurance coverage for bodily injury and property damage caused to others not included.

CAUTION: IT IS IMPORTANT THAT YOU THOROUGHLY READ THE CONTRACT BEFORE YOU SIGN IT.

AUXIER ROAD GAS COMPANY INCORPO

DATE AGREEMENT SIGNED: _____

By: Estill Branham 7/20/05
ESTILL BRANHAM, President (DATE SIGNED)

LESLIE EQUIPMENT CO.
(SELLER'S NAME)

By: _____
(SELLER'S SIGNATURE)

x Estill Branham 7/20/05
ESTILL BRANHAM, Individually (DATE SIGNED)

If this contract is assigned to John Deere, the following form of assignment will be used.

ASSIGNMENT

TO: JOHN DEERE CONSTRUCTION & FORESTRY COMPANY ("DEERE")

To induce DEERE to accept this instrument, the undersigned Dealership (DEALER) hereby warrants: that this instrument is genuine; that the debtor is of legal age necessary to enter into this contract; that this contract and other documents submitted herewith accurately reflect the transaction with respect to the selling price, down payment, trade-in, trade-in allowance and other items shown hereon; that DEALER has not knowingly misrepresented any information respecting this contract or the transaction, and knows of no misstatements or untruths in any financial or other information furnished by the debtor; that all entries appearing hereon at the time of submission to DEERE were filled in before it was signed (and if corrected after it was signed, that the corrected information was transmitted to the debtor); that the debtor has been furnished a copy of it; that title to this instrument and the property covered hereby (including any equipment taken in trade as part of the transaction) is in DEALER free of any liens or encumbrances except such liens as DEERE might have; that DEALER has the right to transfer the same; that there is no defense, offset, or counterclaim to this instrument, or claim assertable against holder of this instrument; that no part of the down payment was advanced by DEALER.

For value received, DEALER hereby negotiates, sells and transfers this instrument to DEERE, its successors and assigns under the terms and conditions of the applicable Finance Agreement now in effect between DEALER and DEERE, together with the property covered hereby. This instrument is not an assignment of any of DEALER'S obligations to the purchaser of the goods. DEALER authorizes DEERE, its successors or assigns to do every act or thing necessary to collect and discharge the same.

THE TERMS OF THIS CONTRACT ARE CONTAINED ON MORE THAN ONE PAGE



insurance premiums, plus all costs and expenses paid or incurred by DEERE in respect hereto. Such remedy shall be cumulative and not exclusive and shall not affect any other right or remedy that DEERE might have at law or equity against DEALER. DEERE is hereby authorized to correct patent or clerical errors in this instrument and all other papers executed, endorsed or signed in connection herewith.

Date: _____ Dealer: _____ Signed By: _____

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**CERTIFICATE OF EXEMPTION
MACHINERY FOR NEW AND EXPANDED INDUSTRY**



>IMPORTANT: Certificate not valid unless completed in full.

This certificate may be executed *only* for purchases, leases or rentals of tangible personal property which qualify for exemption under KRS 139.170, KRS 139.480(10) and Regulation 103 KAR 30:120. The certificate may be executed by either: (1) a manufacturer or production processor; or (2) jointly by a contractor and the manufacturer or production processor in any case in which a contractor under contract with the manufacturer or production processor does, in fact, purchase, lease or rent such property.

THE UNDERSIGNED HEREBY CERTIFIES: That the machinery to be purchased, leased or rented from

_____ Name of Vendor, Lessor or Renter

_____ Address

constitutes "machinery for new and expanded industry," as defined in Sales and Use Tax Regulation 103 KAR 30:120, and that this machinery is to be installed at _____

Name, if any, and Address of Plant Location

The undersigned agrees that in the event it is determined that any of the property described below is not tax-exempt, the undersigned will immediately report and pay the required tax measured by the purchase price or by the lease or rental payment of the property.

Cost of machinery to be purchased _____ Purchase order number _____

Description of machinery to be purchased _____

Describe manufacturing function of machinery _____

_____ Name of Manufacturer or Production Processor

_____ Name of Contractor Under Contract with the Manufacturer or Production Processor

_____ Permit Account Number

_____ Name of Subcontractor

_____ Job Number/Contract Number

By _____ Signature _____ Title _____

By _____ Signature _____ Title _____

Date _____

Date _____

Address _____

Address _____

CAUTION: Sellers, lessors or renters of tangible personal property accepting or soliciting certificates who have failed to exercise care or have facts which give rise to a reasonable inference that the purchaser does not intend to use the property in an exempt manner, may be held liable for sales tax.



**Customer Purchase Order for
John Deere Construction and Forestry Products**

CUSTOMER'S NAME & ADDRESS (First Signer)		
NAME (First, Middle Initial, Last) AUXIER ROAD GAS COMPANY, INC.		
(SECOND LINE OF OWNER NAME) ESTILL BRANHAM		
STREET or RR P.O. BOX 785		
CITY PRESTONSBURG	STATE KY	ZIP CODE 41653
COUNTY FLOYD	Purchaser Acct	PHONE NUMBER (606) 886-2314
E-mail ADDRESS		
CUSTOMER'S NAME & ADDRESS (Second Signer)		
NAME ESTILL BRANHAM		
STREET or RR P.O. BOX 785		
CITY PRESTONSBURG	STATE KY	ZIP CODE 41653
E-mail ADDRESS		

Date of Order 07/20/2005	Company Unit U.S.A.	Dealer Order No.	Dealer Account No. 17 8624
CASH SALE <input type="checkbox"/>	LEASE SALE <input type="checkbox"/>	TIME SALE <input checked="" type="checkbox"/>	Cust. Sales Tax Exempt No
SOC. SEC. <input type="checkbox"/>	IRS No. <input type="checkbox"/>	EIN No. <input checked="" type="checkbox"/>	
SELLER'S NAME & ADDRESS LESLIE EQUIPMENT COMPANY			
195 SYKES BLVD			
PIKEVILLE, KY 41501			
CUSTOMER IS:		Add Customer Name To Mail List (Check One or More)	
<input checked="" type="checkbox"/> Business	<input type="checkbox"/> Individual	<input checked="" type="checkbox"/> Construction	<input type="checkbox"/> Utility <input type="checkbox"/> Forestry <input type="checkbox"/> Government
Use the drop down arrows below for selection of the correct PURCHASER TYPE and MARKET USE CODE.			
PURCHASER TYPE M Medium Fleet (10-24)		MARKET USE CD. 82 Gas/Water/Electric	

EXTENDED COVERAGE IS: <input type="checkbox"/> Accepted (Initials) <input type="checkbox"/> Rejected (Initials)	LOCATION OF FIRST WORKING USE >	COUNTY FLOYD	CITY AUXIER	STATE KY	COUNTY CODE
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I (We), the undersigned, hereby order from you the Equipment described below, to be delivered as shown below. This order is subject to your ability to obtain such Equipment from the manufacturer and you shall be under no liability if delivery of the Equipment is delayed or prevented due to labor disturbances, transportation difficulties, or for any reason beyond your control. The price shown below is subject to your receipt of the Equipment prior to any change in price by the manufacturer. It is also subject to any new or increased taxes imposed upon the sale of the Equipment after the date of this order.

QTY.	NEW	DEMO	RENTAL	USED	EQUIPMENT (Give Model, Size & Description)	(Hours of Use)	PRODUCT IDENTIFICATION NO.	DELIVERED CASH PRICE
1	<input checked="" type="checkbox"/>				JOHN DEERE 310SG BACKHOE LOADER	175	T0310SG941812	\$64,000.00
1					PROGRAM CHARGE			\$275.00
1. TOTAL CASH PRICE								\$64,275.00

IMPORTANT WARRANTY NOTICE: The written new equipment warranty for John Deere Construction & Forestry (John Deere) products, "Standard Warranty", is printed on the following pages of this Purchase Order and is a part of this contract. Please read it carefully before signing. No express warranty is made unless identified on this Purchase Order. YOUR RIGHTS AND REMEDIES PERTAINING TO THIS PURCHASE ARE LIMITED AS INDICATED ON ALL (2) PAGES OF THIS PURCHASE ORDER. WHERE PERMITTED BY LAW, NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS IS MADE.

USED JOHN DEERE PRODUCTS ONLY: John Deere will transfer remaining Extended coverage to the purchaser of a used John Deere product that has been used for less than the full period of the Extended coverage provided at the product's original retail purchase. This transfer is not effective unless and until John Deere's written confirmation of transfer, indicating when the transferred coverage will expire, is received by the purchaser. ALL TERMS, INCLUDING LIMITATIONS AND EXCLUSIONS, OF THE JOHN DEERE STANDARD WARRANTY COVERAGE ORIGINALLY PROVIDED FOR THE PRODUCT REMAIN APPLICABLE.

I (We) offer to sell, transfer, and convey the following item(s) at or prior to the time of delivery of the above Equipment, as a "trade-in" to be applied against the cash price. Such item(s) shall be free and clear of all security agreements, liens, and encumbrances at the time of transfer to you. The following is a description and the price to be allowed for each item.

QTY	DESCRIPTION OF TRADE-IN	PRODUCTION IDENTIFICATION NO.	AMOUNT
1	JOHN DEERE 310SE BACKHOE LOADER	T0310SE881325	\$24,000.00

2. TOTAL TRADE-IN ALLOWANCE	\$24,000.00
3. BALANCE	\$40,275.00
4. SALES TAX	\$0.00
5. SUB-TOTAL	\$40,275.00
6. RENTAL APPLIED	\$0.00
7. CASH WITH ORDER	\$15,000.00
8. BALANCE DUE	\$25,275.00

ACKNOWLEDGMENTS: I (We) promise to pay the balance due (line 8) shown hereon in cash, or to execute a Time Sale Agreement (Retail Installment Contract), or a Loan Agreement for the purchase price of the Equipment, plus additional charges shown thereon, or to execute a Lease Agreement, on or before delivery of the Equipment ordered herein. Despite physical delivery of the Equipment, title shall remain in the seller until one of the foregoing is accomplished.

I (We) understand that my (our) rights in connection with this purchase are limited as set forth on all (2) pages of this Purchase Order.

I HAVE RECEIVED BOTH (2) PAGES OF THIS PURCHASE ORDER FORM. Customer's Initials: _____ Date: _____

Customer's Signature _____ Accepted By _____
 Customer's Signature _____ Date Accepted _____ (Authorized Signature of Seller)
 Salesperson _____

DELIVERY ACKNOWLEDGEMENT >	DELIVERED WITH OPERATOR'S MANUAL ON:	SIGNATURE: (CUSTOMER)
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**"STANDARD COVERAGE" FOR NEW CONSTRUCTION, UTILITY, AND FORESTRY PRODUCTS**

This Purchase Order applies to machines with:

- 6 Months STANDARD Warranty Full Machine Coverage (Products 100 HP and Above).
- 12 Months STANDARD Warranty Full Machine Coverage (Products Under 100 HP).
- 12 Months or 2,000 Hours (whichever ever occurs first) STANDARD Warranty Full Machine Coverage (Forwarders, DHSP Forestry Excavators, Harvesters, Log Loaders, Skidders, Tracked and Wheeled Feller Bunchers, first rented or sold on or after 15 September 2002).

The "Standard Coverage" is part of the Standard Warranty protection package available from John Deere Construction & Forestry Company ("John Deere") to purchasers of new John Deere products:

- **STANDARD Coverage** is John Deere's standard new equipment warranty, which provides the coverage described on this page at no additional charge to the purchaser.
- **EXTENDED Coverage** is a separate repair contract made available by John Deere for purchasers who wish to complement their Standard warranty coverage with additional, purchased coverage. Complete Extended Coverage details, including coverage options and limitations, are set forth in the Application for Extended Warranty Repair Coverage, which is available from authorized John Deere dealers.
- **STANDARD Structural ALL Warranty** coverage applies to certain structural components as listed below and as described on this page.

A. STANDARD COVERAGE - GENERAL PROVISIONS

Under the below-described "Standard Coverage", John Deere will repair or replace, at its option, any parts (except those specified below) of a new John Deere product that, as delivered to the original retail purchaser, are defective in material or workmanship. Performance of this warranty will be free of charge for parts and labor, except as otherwise stated below.

Standard Coverage applies only to purchases from John Deere and authorized John Deere dealers and, except as otherwise provided in the next sentence, is extended only to the original retail purchaser of the product. Remaining Standard Coverage applicable to a used John Deere product is transferred to a subsequent purchaser of the product only if the subsequent purchaser requests warranty transfer from an authorized John Deere dealer before the product's Standard Coverage expires. For purposes of this warranty, a product that has been rented, used for demonstration purposes for 150 or more hours, or otherwise used prior to its original retail purchase has been "used" for the total duration of such use.

Warranty statements required by law covering engine emissions-related parts and components are found on a separate written warranty certificate provided to the customer at the time of purchase.

B. WHAT IS COVERED BY STANDARD COVERAGE

Standard Warranty Full Machine: All parts of a new John Deere product (except those noted in Sections D and E below) are covered by Standard Warranty for the applicable full machine coverage period set out above. Coverage begins on the date of delivery of the product to the original retail purchaser.

C. EXCLUSIVE REMEDY

The repair or replacement of covered parts that are defective, as provided in Section A above, shall be the purchaser's exclusive remedy for any defect in the product. However, if after repeated attempts such repair or replacement fails to correct the performance problem caused by the defect, the purchaser's sole remedy shall be a refund of the amount paid for the product (in exchange for a return of the product), excluding any transportation charges, license fees, taxes and insurance premiums, and less a reasonable allowance for use of the product prior to its return.

In no event will the dealer, John Deere or any company affiliated with John Deere be liable for any incidental or consequential damages, including but not limited to loss of profits, rental of substitute equipment or other commercial loss.

Correction of defects in the manner provided above shall constitute fulfillment of all liabilities of John Deere to the purchaser or any other person, whether based upon contract, tort, strict liability, or otherwise. This limitation does not apply to claims for personal injury.

D. ITEMS COVERED SEPARATELY

1. Standard Coverage does not apply to batteries, radios, tires, or fuel injection nozzles and pumps, or to Cummins Engines installed in John Deere products, which are covered by separate written warranties.
2. Structural ALL Warranty coverage for new John Deere Products (excluding compact excavators & skid-steer loaders which are not eligible for Structural ALL Warranty Coverage) begins at the end of the Equipment's "Standard Warranty" coverage and any applicable "Extended Repair Coverage" purchased for the Equipment and ends (unless terminated earlier under Section F, below) three (3) years, or 10,000 hours (whichever occurs first) after the Equipment's original retail purchase or first rental prior to the first retail purchase.

This warranty applies only to the following structural components listed below as installed on the equipment at the time of original manufacture. If a particular component is not listed below it is not covered by John Deere Structural ALL Warranty.

Arm, Articulation Joint (including pins and bushings), Bin Frame, Boom, C-Frame*, X-Frame, Circle Frame, Draft Frame, Engine Frame, Equipment Frame, Grapple Arch, Grapple Boom, Loader Arm, Loader Frame, Mainframe, Moldboard Lift Arms, Turntable, Swing Frame, Z-bar, Specialty booms and arms marketed as "heavy-duty" by Deere.

This Structural ALL Warranty does not apply to equipment used primarily in extreme duty or severe duty applications such as: (demolition, chemical plant, steel mill, and land fill applications, and other applications that are similarly destructive or involve similarly heavy duty) except specialty booms and arms as stated in Section D.2. above.

*Structural ALL warranty does not apply to C-Frames on H-Series crawlers equipped with root rakes or used in forestry applications unless equipped with an "extreme duty" reinforcement package.

E. ITEMS NOT COVERED

John Deere is not responsible for the following:

1. Premiums charged for overtime labor requested by the purchaser.
2. Transporting the product to and from the place where service is performed, or service calls made by the repairing dealer (except as otherwise provided in Section H below).
3. Used products (except as otherwise provided in Section A above).
4. Depreciation or damage caused by normal wear, lack of reasonable and proper maintenance, failure to follow operating instructions, misuse, lack of proper protection during storage, vandalism, the elements, or collision or other accident.
5. Normal maintenance and replacement of maintenance and wear items, such as filters, oil, coolants and conditioners, blades and cutting edge parts, pins and bushings (except in articulation joints), belts, dry brakes and dry clutch linings and bulbs. Note: Reimbursement for refills of oils/coolants lost due to warrantable failure are covered when a system failure occurs outside the boundaries of a normal oil change (within 25% of specified change interval).
6. Any defect in a non-covered component, or damage to or failure of a covered component caused by a defect in a non-covered component.
7. For warranty repairs made in the field, any charges (such as dealer travel time, mileage or extra labor) that would not have been incurred had the product been repaired at the dealer's place of business.

F. UNAPPROVED SERVICE OR MODIFICATION

John Deere is relieved of its obligations under Standard Coverage if:

1. Service (other than normal maintenance and replacement of service items) is performed by someone other than an authorized John Deere dealer; or
2. The product is modified or altered in ways not approved by John Deere.
3. Any unapproved or improperly sized attachment is installed on the product.

G. PARTS REPLACED UNDER STANDARD COVERAGE

Only new or remanufactured parts or components, furnished or approved by John Deere, will be used if John Deere elects to repair the product. If any such part or component is defective in material or workmanship when installed in the product, John Deere will repair or replace, as it elects, such defective part or component, provided the defect is reported to an authorized John Deere dealer within 90 days (12 months or 1500 hours, whichever occurs first, for remanufactured components) after installation or before expiration of the applicable Standard coverage, whichever is later.

H. OBTAINING STANDARD COVERAGE SERVICE

To obtain Standard Coverage service, the purchaser must request Standard Coverage service from a John Deere dealer authorized to sell the product to be serviced. When making such a request, the purchaser must present evidence of the product's delivery date, make the product available at the dealer's place of business, and inform the dealer in what way the purchaser believes the product to be defective.

Standard Coverage repairs can be made in the field if the purchaser and servicing dealer so desire. However, John Deere will not be responsible for any charges (such as dealer travel time, mileage or extra labor) that would not have been incurred had the product been repaired at the dealer's place of business.

I. NO IMPLIED WARRANTY OR OTHER REPRESENTATION

Where permitted by law, neither John Deere nor any company affiliated with it makes any warranties, representations or promises, express or implied, as to the quality, performances, or freedom from defect of its products, other than those set forth on this page, and **NO IMPLIED WARRANTY OF MERCHANTABILITY OR FITNESS IS MADE.**

J. NO DEALER WARRANTY

The selling dealer makes no warranty of his own on any item covered by this warranty, and makes no warranty on other items unless he delivers to the purchaser a separate written warranty certificate specifically warranting the item. The dealer has no authority to make any representation or promise on behalf of John Deere, or to modify the terms or limitations of this warranty in any way.



www.wilsonjones.com

1. Filing deficiencies pursuant to 870 KAR 5:076:
Section 2. Satisfactorily completed application form.

III. No evidence of notification to the attorney General regarding this filing.

RESPONSE: A copy of the filing of Case No. 2008-00156 was mailed on April 28, 2008 to:

Public Service Litigation Branch
Office of the Attorney General
Post Office Box 2000
Frankfort, Kentucky 40602-2000



www.wilsonjones.com

FOR Entire Area Served

P.S.C. Ky. No. U

Original Sheet No. 2

Cancelling P.S.C. Ky. No. 1

4th Revised Sheet No. 243

Auxier Road Gas Company, Inc.

RULES AND REGULATIONS

(6) Each customer shall be installed a separate meter, and no building having more than one tenant shall be served by a single meter.

(7) Meter reading will be taken between 22-29th of each month and mailed on or before the 1st day of each month.

(8) Accounts not paid 10 days after mailing date shall be subject to a 10% penalty on the total bill due.

(9) A reconnection charge of ^{50.00} ~~\$35.00~~ shall be paid before service is restored following disconnection for non-payment of bill.

(10) A reconnection charge for customers who request discontinuance of service and subsequently re-establishes service at the same premises within twelve (12) months is ~~\$50.00~~ ^{100.00}.

(11) A transfer of service charge for customers moving from one location to another is ~~\$20.00~~ ^{25.00}.

(12) A service charge of ~~\$15.00~~ will be made to collect a delinquent bill after written notice has been mailed to the customer stating that the bill is delinquent. Failure to pay the account at this time will result in termination of service.

(13) A service charge of ~~\$10.00~~ will be made to any customer whose check is returned from the bank for insufficient funds. The account shall be considered in arrears and subject to termination under 307 KAR 5:006, Sect 11.

(14) Mobile trailers shall be considered temporary service and subject to a connection charge of \$75.00. If service line, meter loop, etc., are in place the charge shall be \$25.00.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

OCT 18 1987

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Steve Miller
PUBLIC SERVICE COMMISSION MANAGER

DATE OF ISSUE September 15, 1987 DATE EFFECTIVE 10 18 87
Month Day Year Month Day Year

ISSUED BY Estell B. Branham President P.O. Box 785 Prestonburg, Ky
NAME OF OFFICER Title Address 41653

FOR Entire Area Served

P.S.C. KY No. _____

_____ Sheet No. _____

Cancelling P.S.C. KY No. _____

_____ Sheet No. _____

AUXIER ROAD GAS CO., INC.

RULES AND REGULATIONS

- (6) Each customer shall be installed a separate meter, and no building having more than one tenant shall be served by a single meter.
 - (7) Meter reading will be taken between 22-29th of each month and mailed on or before the 1st day of each month.
 - (8) Accounts not paid 10 days after mailing date shall be subject to a 10% penalty on the total bill due.
 - (9) A reconnection charge of \$50.00 shall be paid before service is restored following disconnection for non-payment of bill.
 - (10) A reconnection charge for customers who request discontinuance of service and subsequently re-establishes service at the same premises within twelve (12) months is \$100.00.
 - (11) A transfer of service charge for customers moving from one location to another is \$20.00.
 - (12) A service charge of \$25.00 will be made to collect a delinquent bill after written notice has been mailed to the customer stating that the bill is delinquent. Failure to pay the amount at this time will result in termination of service.
 - (13) A service charge of \$15.00 will be made to any customer whose check is returned from the bank for insufficient funds. The account shall be considered in arrears and subject to termination under 807 KAR 5:006, Sec. 11.
 - (14) Mobile trailers shall be considered temporary service and subject to a connection charge of \$75.00. If service line, meter loop, etc. are in place the charge shall be \$25.00.
-

DATE OF ISSUE 5/12/2008

DATE EFFECTIVE June 15, 2008

ISSUED BY Sally M. Bramham President

FOR Entire Area Served

P.S.C. Ky. No. _____

Sheet No. _____

AUXIER ROAD GAS COMPANY, INC.

Cancelling P.S.C. Ky. No. _____

Sheet No. _____

RULES AND REGULATIONS

The GCR will be added to or subtracted from the latest base tariff rates prescribed by Commission Order in the tariff rates stated on each applicable rate sheet within this tariff.

Definitions

For purposes of this tariff:

1. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonable expected to be in effect during the calendar ^{month} quarter, on purchased volumes for the most recently available twelve-month period, divided by the corresponding sales volume. In the event that line loss exceeds 5 percent, purchased volumes for the twelve-month period shall be calculated as: sales volumes + .95. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustment of this type shall be described in the quarterly GCR application.
2. The "GCR" is the total of the expected gas cost and all adjustments.
3. The "Calendar Quarters" are: 1st January, February, and March; 2nd April, May, and June; 3rd July, August, and September; and 4th October, November, and December.
4. "Reporting Period" means the three month accounting period that ended approximately 60 days prior to the filing date of the updated gas cost recovery rates, i.e., the calendar quarters ended March 31, June 30, September 30 and December 31 of each year.

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 10 1991

PURSUANT TO 807 KAR 5.011,

DATE OF ISSUE May 14 1991
MONTH Day Year

DATE EFFECTIVE April 1991
SECTION 9(1) Year

ISSUED BY Estell Bramham
Name of Officer

President
Title

Hyunh [Signature]
PUBLIC SERVICE COMMISSION MANAGER
Prestonsburg, KY
Address

FOR Entire Area Served

P.S.C. Ky. No. _____

Sheet No. _____

AUXIER ROAD GAS COMPANY, INC.

Cancelling P.S.C. Ky. No. _____

Sheet No. _____

RULES AND REGULATIONS

GAS COST ADJUSTMENT CLAUSE

Determination of GCR

The Company shall file a gas cost recovery rate (GCR) with the Commission at least ³⁰ ~~30~~ days prior to the first day of each ^{month} ~~calendar~~ quarter. The GCR shall become effective for billing for service rendered on and after the first day of each ^{month} ~~calendar~~ quarter.

The gas cost recovery rate is comprised of:

1. The expected gas cost (EGC) on a dollar-per-Mcf basis, which represents the average expected cost of purchased gas based on 12 months of actual usage.
2. The actual adjustment (AA), on a dollar-per-Mcf basis, which compensates for differences between previous quarters' expected gas cost and the actual cost of gas. The AA shall equal the sum of the AA for the reporting period and for the three preceding calendar quarters.
3. The supplier refund adjustment (RA) on a dollar-per-Mcf basis, which reflects the refunds received from suppliers during the reporting period plus interest at a rate equal to one-half of one percent below the average 90-day commercial paper rate for the twelve-month period. In the event of any large or unusual refund, the company may apply to the Commission for the right to depart from the refund procedures set forth herein.
4. The balance adjustment (BA) on a dollar-per-Mcf basis, which compensates for any remaining under- or over-collections which have occurred as a result of prior actual, refund, and balance adjustments.

Billing

The gas cost recovery rate to be applied to bills of ^{customers} ~~customers~~ shall equal the sum of the following components:

$GCR = EGC + AA + RA + BA$

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

APR 10 1991

DATE OF ISSUE May 14 1991
Month: Day Year

DATE EFFECTIVE APR 10 1991
Year

PURSUANT TO 807 KAR 5:01B, 91
SECTION 9(1)
BY: Sharon Helle
PUBLIC SERVICE COMMISSION MANAGER

ISSUED BY Esther A. Bramham President

FOR _____

P.S.C. KY No. _____

_____ Sheet No. _____

Cancelling P.S.C. KY No. _____

_____ Sheet No. _____

AUXIER ROAD GAS CO., INC.

RULES AND REGULATIONS

The GCR will be added to or subtracted from the latest base tariff rates prescribed by Commission Order in the tariff rates stated on each applicable rate sheet within this tariff.

Definitions

For purposes of this tariff:

1. "Average Expected Cost" is the cost of purchased gas which results from the application of supplier rates currently in effect, or reasonable expected to be in effect during the month, on purchased volumes for the most recently available twelve-month period, divided by the corresponding sales volume. In the event that line loss exceeds 5 percent, purchased volumes for the twelve-month period shall be calculated as: sales volumes + .95. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments to its calculations. Any adjustment of this type shall be described in the quarterly GCR application.
2. The "GCR" is the total of the expected gas cost and all adjustments.
3. The "Calendar Quarters" are: 1st January, February, and March; 2nd April, May, June; 3rd July, August, September and 4th October, November, and December.
4. "Reporting Period" means the three month accounting period that ended approximately 60 days prior to the filing date of the updated gas cost recovery rates, i.e., the calendar quarters ended March 31, June 30, September 30 and December 31 of each year.

DATE OF ISSUE 5/12/07

DATE EFFECTIVE June 15, 2008

ISSUED BY Gulley M. Bramham President

FOR _____

P.S.C. KY No. _____

_____ Sheet No. _____

Cancelling P.S.C. KY No. _____

_____ Sheet No. _____

AUXIER ROAD GAS CO., INC.

RULES AND REGULATIONS

GAS COST ADJUSTMENT CLAUSE

Determination of GCR

The Company shall file a gas cost recovery rate (GCR) with the Commission at least 20 days prior to the first day of each month. The GCR shall become effective for billing for service rendered on and after the first day of each month.

The gas cost recovery rate is comprised of:

1. The expected gas cost (EGC) on a dollar-per-Mcf basis, which represents the average expected cost of purchased gas based on 12 months of actual usage.
2. The actual adjustment (AA), on a dollar-per-Mcf basis, which compensates for differences between previous quarters' expected gas cost and the actual cost of gas. The AA shall equal the sum of the AA for the reporting period and for the three preceding calendar quarters.
3. The supplier refund adjustment (RA) on a dollar-per-Mcf basis, which reflects the refunds received from suppliers during the reporting period plus interest at a rate equal to one-half of one percent below the average 90-day commercial paper rate for the twelve-month period. In the event of any large or unusual refund, the company may apply to the Commission for the right to depart from the refund procedures set forth herein.
4. The balance adjustment (BA) on a dollar-per-Mcf basis, which compensates for any remaining under-or over-collections which have occurred as a result of prior actual, refund, and balance adjustments.

Billing

The gas cost recovery rate to be applied to bills of customers shall equal the sum of the following components:

$$\text{GCR} = \text{EGC} + \text{AA} + \text{RA} + \text{BA}$$

DATE OF ISSUE 5/12/2008

DATE EFFECTIVE June 15, 2008

ISSUED BY Sally M. Brantner President