

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ALLEGED FAILURE OF B & H GAS COMPANY) CASE NO.
TO FILE REQUIRED REPORTS) 2011-00315

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the show cause hearing conducted on October 27, 2011 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the show cause hearing conducted on October 27, 2011 in this proceeding;
- The written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the hearing conducted on October 27, 2011.

A copy of this Notice, the certification of the digital video record, exhibit list, and hearing log have been served by first class mail upon all persons listed at the end of this Notice. Parties desiring an electronic copy of the digital video recording of the hearing in Windows Media format may download a copy at http://psc.ky.gov/av_broadcast/2011-00315-thru-00349/2011-00315-thru-00349_27Oct11_Inter.asx. Parties wishing an

annotated digital video recording may submit a written request by electronic mail to pscfilings@ky.gov. A minimal fee will be assessed for a copy of this recording.

The exhibits introduced at the evidentiary hearing may be downloaded at <http://psc.ky.gov/pscscf/2011%20cases/2011-00315/>.

Done at Frankfort, Kentucky, this 3rd day of November 2011.



Linda Faulkner
Director, Filings Division
Public Service Commission of Kentucky

Bud Rife
President
B & H Gas Company
P. O. Box 339
Harold, KY 41635

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

INVESTIGATION OF THE FAILURE TO
FILE REQUIRED REPORTS – SHOW
CAUSE HEARINGS

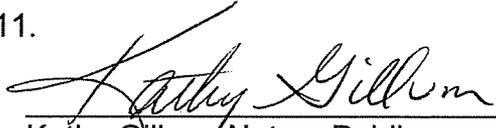
)
)
) CASE NOS. 2011-00315
)

CERTIFICATE

I, Kathy Gillum, hereby certify that:

1. The attached DVD contains a digital recording of the show cause hearings conducted in the above-styled proceeding on October 27, 2011;
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the hearing;
4. The "Exhibit List" attached to this Certificate correctly lists all Exhibits introduced at the hearings on October 27, 2011.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the hearings of October 27, 2011 and the time at which each occurred.

Given this 31st day of October, 2011.



Kathy Gillum, Notary Public
State at Large

My commission expires: Sept 3, 2013



Case History Log Report
 Case Number: 2011-00315_thru_00349_27Oct11

Case Title: Show Cause Hearings (Multi Cases)
 Case Type: Other
 Department:
 Plaintiff:
 Prosecution:
 Defendant:
 Defense:

Date: 10/27/2011

Location: Default Location
 Judge: Jim Wood
 Clerk: Kathy Gillum
 Bailiff:

Event Time	Log Event	
10:07:23 AM	Case Started	
10:07:29 AM	Preliminary Comments	
10:08:29 AM	Introductions	
	Note: Kathy Gillum	James Wood, Hearing Officer; Shane Benson, Staff Attorney; and Jeff Cline, Annual Reports Branch PSC.
10:08:50 AM	Case No. 2011-00349 (Woodland Acres)	
	Note: Kathy Gillum	Woodland Acres counsel is willing to stipulate to Mr. Clines Testimony.
10:09:41 AM	Robert Moore (Woodland Acres)	
	Note: Kathy Gillum	Mr. Moore is counsel for Woodland Acres) Mr. Moore agrees to stipulate to Mr. Cline's testimony. Mr. Moore requested to add info into record: Mr. Moore stated that PSC Order issued indicated that Woodland Acres did not file annual reports; May 3, 2010 Woodland Acres LLC filed application for transfer with the PSC. On 9-1-10 the PSC approved the application for transfer. Woodland Acres Utilities did not take ownership until 9-1-10. John Ford previously operated Woodland Acres Sanitation until Woodland Acres Utilities took it over. Mr. Ford passed away 10-9-08 and he was the sole shareholder and operator of Woodland Acres Sanitation which was administratively dissolved by Sec. of State. Does not believe that Woodland Acres Utilities should file reports prior to 2010. Motion filed for an extension of time to file the reports (due Nov 30th). \$250.00 check was tendered by counsel to the PSC today. (See Exhibit 2011-00349 PSC Exhibit 2 for receipt and copy of check)
10:14:42 AM	Hearing Officer Wood (PSC)	
	Note: Kathy Gillum	James Wood, PSC Hearing Officer
10:14:57 AM	Robert Moore (Woodland Acres)	
	Note: Kathy Gillum	Incorporates the reference of case number 2010-00191.
10:15:41 AM	Hearing Officer Wood (PSC)	
	Note: Kathy Gillum	Oral Motion duly noted
10:15:58 AM	Shane Benson (PSC)	
	Note: Kathy Gillum	No objection.

10:16:04 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
10:16:29 AM	Case Completed	
10:17:30 AM	Case No. 2011-00338 (Green Hills WD)	
10:17:50 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness called to testify by Shane Benson. Witness sworn. Witness testifies to job title and duties.
10:19:03 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson as PSC Exhibit 1.
10:20:37 AM	Examination by Shane Benson (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testified that notice was received by utility. Witness states that at 9:25 p.m. yesterday the electronic copy was filed. Still missing the hard copy of the 2009 Annual Report, the 2009 GOR and the 2010 Report.
10:21:44 AM	Witness Excused (Cline)	
10:22:04 AM	Witness, Sherry Turner (Green Hills WD) Note: Kathy Gillum	Witness called to testify by Shane Benson. Witness sworn.
10:22:51 AM	Examination of witness by Shane Benson (PSC) Note: Kathy Gillum	Questions regarding job title and duties of witness. Witness states that the CPA has failed to file the WD's required reports. Witness states that a \$250.00 money order was mailed to the PSC, witness has a copy of the money order receipt and express mail receipt.
10:24:47 AM	Exhibit Green Hills 1 Note: Kathy Gillum	Exhibit: Original money order receipt and Express Mail Receipt was introduced by Sherry Turner on behalf of Green Hills WD indicating the mailing of \$250.00 penalty check to the PSC.
10:26:09 AM	Examination by Shane Benson (PSC) continues Note: Kathy Gillum	Questions regarding whether witness has attempted to contact CPA regarding filing the reports. Witness asks for an extension of time in order to file the reports. Witness states that the WD is in process of firing the CPA and hiring a new CPA to replace him. Witness asks for 60 day extension. Witness asks about what to do.
10:28:26 AM	Shane Benson (PSC) Note: Kathy Gillum	Mr. Benson stipulates that Ms. Turner did cut a \$250.00 money order and sent to the PSC. The green card was signed by PSC staff, but the money order has not been found. Instructs witness to cancel the money order and issue a new one.
10:30:05 AM	Witness Excused (Turner)	
10:30:38 AM	Shane Benson (PSC)	
10:30:49 AM	Recess Note: Kathy Gillum	Case recessed for 15 minutes to allow for parties to arrive
10:31:06 AM	Case Recessed	
10:52:45 AM	Case Started	
10:52:51 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Back on the record.
10:53:15 AM	Case No. 2011-00315 (B & H Gas)	
10:53:37 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Reminder that witness is still under oath.

10:54:02 AM	Examination by Shane Benson (PSC) Note: Kathy Gillum	Witness called to testify by Shane Benson. Witness testifies as to written testimony. Examination of witness, Jeff Cline, conducted by Shane Benson, PSC, on all cases from this point forward.
10:54:51 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson as PSC Exhibit 1. Witness adopts written testimony. Witness testifies that notice was received by B & H Gas. Witness states that B & H failed to file required reports.
10:56:55 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed
10:57:11 AM	Case No. 2011-00317 (Atrium Wireless)	
10:57:34 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Adopts written testimony. Witness testifies that notice was received.
10:58:04 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
10:59:54 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed
11:00:05 AM	Case No. 2011-00322 (TracFone Wireless)	
11:00:21 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Adopts written testimony. Witness testifies that notice was received by utility.
11:01:38 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:02:14 AM	Shane Benson (PSC) Note: Kathy Gillum	Asks for an Order
11:02:33 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Motion duly noted.
11:03:25 AM	Case No. 2011-00326 (INS)	
11:03:38 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by utility.
11:04:20 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:06:07 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:06:23 AM	Case No. 2011-00327 (Jilapuhn-Stateside)	
11:06:41 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies no return receipt received yet.
11:07:27 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:09:22 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:09:38 AM	Case No. 2011-00328 (TeleDias)	
11:09:46 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by utility.

11:10:32 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:12:19 AM	Exhibit PSC 2 Note: Kathy Gillum	Letter requests withdrawal of its CLEC in Kentucky.
11:13:22 AM	Case No. 2011-00329 (Tel-Tech)	
11:13:35 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by the utility.
11:14:14 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:15:55 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:16:08 AM	Case No. 2011-00331 (Airnex)	
11:16:24 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies .
11:17:21 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:19:17 AM	Hearing Officer Wood (PSC)	
11:19:23 AM	Case No. 2011-00333 (American Broadband)	
11:19:40 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by utility.
11:20:28 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:21:59 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:22:13 AM	Case No. 2011-00334 (Andiamo)	
11:22:29 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies notice was mailed to utility, but PSC has not received a return receipt. On Oct 21, 2011 PSC received a letter that utility stopped all activity.
11:23:20 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:25:24 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Mr. Wood stated that a copy of the letter should be placed in the record of this hearing as an exhibit.
11:26:22 AM	Exhibit PSC 2 Note: Kathy Gillum	Exhibit: Copy of letter dated 10-18-11 from Jeffrey S. Kaufman on behalf of Andiamo Telecom stating it was no longer in business as of January 31, 2010, introduced by Shane Benson and marked as PSC Exhibit 2..
11:27:00 AM	Case NO. 2011-00337 (Center Ridge)	
11:27:10 AM	Witness Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by utility.
11:27:15 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.

11:28:50 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:29:28 AM	Case Recessed	
11:34:16 AM	Case Resumed	
11:34:20 AM	Case No. 2011-00340 (Levee Road)	
11:35:01 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received. Filed 10-20-11 and \$250.00 penalty.
11:35:38 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:37:43 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:37:55 AM	Case No. 2011-00341 (Estill Co. WD)	
11:38:20 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies that notice was received by the utility.
11:39:03 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:40:49 AM	Shane Benson (PSC) Note: Kathy Gillum	Received a Motion for Extension of Time to file reports. Order granting Motion issued 10-26-11. Have until Nov. 30th.
11:41:38 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed.
11:42:14 AM	Case No. 2011-00347 (Red Barn)	
11:42:26 AM	Witness, Jeff Cline (PSC) Note: Kathy Gillum	Witness adopts written testimony. Witness testifies no return
11:43:09 AM	Exhibit PSC 1 Note: Kathy Gillum	Exhibit: Written testimony of Jeff Cline introduced by Shane Benson and marked as PSC Exhibit 1.
11:45:10 AM	Hearing Officer Wood (PSC) Note: Kathy Gillum	Case completed
11:45:22 AM	Shane Benson (PSC) Note: Kathy Gillum	Commission staff rests.
11:45:46 AM	Hearing Officer Wood (PSC) - Hearing Adjourned Note: Kathy Gillum	Mr. Wood states for the record that there were no persons appearing in any of the cases called today with the exception of Case No. 2011-00349 and 2011-00338. Hearing Adjourned.
11:46:21 AM	Case Recessed	
10:16:28 AM	Exhibit PSC 2 Note: Kathy Gillum	Copy of check (\$250.00) tendered by Mr. Moore on behalf of utility, and a copy of PSC receipt dated 10-27-11
3:19:15 PM	Case Stopped	



Exhibit List Report

Case Number: 2011-00315_thru_00349_27Oct11

Case Title: Show Cause Hearings (Multi Cases)

Department:

Plaintiff:

Prosecution:

Defendant:

Defense:

Name	Description
2011-00315 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00317 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00322 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00326 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00327 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00328 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00328 PSC Exhibit 2	Letter from Teledias Communications dated 10-26-11 requesting withdrawal of its CLEC Certificate of Authority in Kentucky
2011-00329 PSC Exhibit 1	Written testimony of Jeff Cline and attachments.
2011-00331 PSC Exhibit 1	Written testimony of Jeff Cline and attachments.
2011-00333 PSC Exhibit 1	Written testimony of Jeff Cline and attachments.
2011-00334 PSC Exhibit 1	Written testimony of Jeff Cline and attachments.
2011-00334 PSC Exhibit 2	Copy of letter dated 10-18-11 from Jeffrey S. Kaufman on behalf of Andiamo Telecom stating it was no longer in business as of January 31, 2010.
2011-00337 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00338 Green Hills WD Exhibit 1	Original money order receipt and express mail receipt indicating the mailing of \$250.00 penalty check
2011-00338 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00340 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00341 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00347 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00349 PSC Exhibit 1	Written testimony of Jeff Cline and attachments
2011-00349 PSC Exhibit 2	Copy of check (\$250.00) tendered by Mr. Moore on behalf of utility, and a copy of PSC receipt dated 10-27-11

1 **Q1 State your name and business address.**

2 A Jeff Cline, Public Service Commission, 211 Sower Boulevard, Frankfort,
3 Kentucky 40601

4 **Q2 Who is your employer?**

5 A Public Service Commission of Kentucky ("PSCKY")

6 **Q3 How long has the PSCKY employed you?**

7 A I have been an employee of the PSCKY since August, 1997.

8 **Q4 What is your current position?**

9 A Annual Report Branch Manager

10 **Q5 As the Annual Report Branch Manager, what are your duties?**

11 A I oversee the Annual Report Branch of the Filings Division. This branch is
12 responsible for the compilation and dissemination of statistical information on
13 the public utilities which the PSCKY regulates. It provides the appropriate
14 annual financial and statistical report form to jurisdictional utilities and then
15 receives completed report forms, reviews them for accuracy and
16 completeness, and ensures that the information from the annual financial and
17 statistical report form is correctly entered into the PSCKY's E-Filing System,
18 which is accessible through the PSCKY's Web Site.

19 Although the Executive Director of the PSCKY is the custodian of PSCKY
20 documents and reports, I have been delegated responsibility for storing and
21 maintaining the completed annual financial and statistical reports.

1 **Q6 What are the Annual Financial and Statistical Reports?**

2 A 807 KAR 5:006, Section 3(1), provides that "utilities shall file annually a
3 financial and statistical report upon forms to be furnished by the commission."
4 A copy of the form provided to gas utilities is attached to my testimony as
5 Exhibit JC-1. The report requests information on a wide range of subjects, to
6 include a utility's officers, income and expenses, and its liabilities. The report
7 form varies according to the type of utility. The report form for an electric utility
8 will be quite different from the report form for a sewer utility.

9 **Q7 What is the purpose of the Annual Financial and Statistical Reports?**

10 A These reports are used to assess the financial condition of a utility and to
11 monitor general trends within certain segments of the utility industry in
12 Kentucky. They are also used to compile and develop information about the
13 utility industry conditions. The PSCKY frequently uses them when reviewing
14 utility applications for rate adjustments.

15 **Q8 How are the forms for the Annual Financial and Statistical Report**
16 **provided to the utilities?**

17 A In mid-December each year, the Annual Report Branch sends by first class
18 mail a copy of an annual financial and statistical report form to each utility
19 subject to PSCKY jurisdiction that does not yet use the PSCKY's E-Filing
20 System. A transmittal letter accompanies the reports explaining why this
21 report must be filed and states its filing deadline. For the utilities that have
22 previously filed their annual financial and statistical reports using the PSCKY's

1 E-Filing System, a link to the E-Filing System is provided in the transmittal
2 letter in lieu of a paper copy of the report form.

3 **Q9 What is the deadline for filing this report?**

4 A 807 KAR 5:006, Section 3(1) establishes March 31 as the deadline for the
5 annual financial and statistical reports.

6 **Q10 May a utility request an extension of these deadlines?**

7 A 807 KAR 5:006, Section 3, permits the Executive Director to grant a
8 reasonable extension of time for filing of the annual financial and statistical
9 reports where good cause has been shown. The Executive Director has
10 delegated to me the authority to grant extensions.

11 **Q11 Does the transmittal letter advise about the availability of an extension of
12 time for filing the Annual Financial and Statistical Reports?**

13 A Yes.

14 **Q12 How frequently is a request for an extension of time to file the Annual
15 Financial and Statistical Report granted?**

16 A Extensions are granted as a matter of course. They are normally granted in
17 30-day increments. If a utility is unable to meet the extended deadline, it may
18 request another extension.

19 **Q13 If a utility fails to meet the March 31 deadline and no request for
20 extension is made, what happens?**

21 A The Annual Report Branch will usually advise the utility in writing that the
22 required reports are delinquent. If the reports are not received shortly
23 thereafter, I and my subordinates may telephone the responsible utility officials

1 and advise them of the need to submit the required report and the possible
2 consequences of failing to do so. We may telephone the utility several times
3 over the next few months in an effort to obtain the reports.

4 **Q14 Once the report is received, what does the Annual Report Branch do with**
5 **it?**

6 A When a report is received either electronically or through the mail, its receipt is
7 recorded in a PSC electronic database. I and my subordinates ensure that the
8 report is entered into the E-Filing System. (If the E-Filing System is used to
9 submit the report, the utility inputs the information directly into the PSCKY's
10 E-Filing System. If the utility files its report in paper form rather than using the
11 E-Filing System, Annual Report Branch personnel will input the information
12 into the E-Filing System.) The report is then reviewed for completeness and
13 accuracy. It is checked for mathematical errors. All corresponding schedules
14 are reviewed to ensure internal consistency. If inconsistencies or
15 miscalculations are found, the utility is advised to make appropriate
16 corrections. These corrections are then reviewed. After the review is
17 completed, the report is made available for viewing and downloading through
18 the PSCKY's Web Site. A paper copy is available for public inspection at the
19 PSCKY's office in Frankfort, Kentucky. Completed reports remain in the
20 custody and control of the Annual Report Branch at the PSCKY's office in
21 Frankfort, Kentucky.

22 **Q15 Was an Annual Financial and Statistical Report Form for the 2010**
23 **calendar year sent to B & H Gas Company?**

1 A Yes. On December 15, 2010, an annual financial and statistical report form
2 was sent by U. S. Mail to B & H Gas Company at the following address:
3 Post Office Box 155, Harold, Kentucky 41635. This address was the mailing
4 address which the utility had provided previously to the Commission. 807 KAR
5 5:003 requires B & H Gas Company to maintain a current mailing address with
6 the PSCKY.

7 **Q16 Was anything besides this form mailed to the utility?**

8 A Yes. A transmittal letter was also mailed to the utility along with two copies of
9 the annual gross operating revenues report. A copy of the transmittal letter is
10 attached as Exhibit JC-2.

11 **Q17 Did the PSCKY receive the completed form on or before March 31, 2011?**

12 A No. B & H Gas Company did not submit either the annual financial and
13 statistical report form for the 2010 calendar year nor provided the information
14 through the PSC E-Filing System by March 31.

15 **Q18 Describe what efforts, if any, that you and your subordinates have taken
16 to obtain the report from B & H Gas Company?**

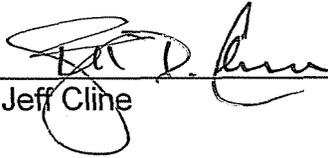
17 A On May 20, 2011, a letter was sent to B & H Gas Company. A phone call was
18 placed to B & H Gas Company on June 8, 2011.

19 **Q19 As of this date, has the Annual Financial and Statistical Report for
20 calendar year 2010 for B & H Gas Company been filed with the PSCKY?**

21 A No.

22 **Q22 Does this complete your written testimony?**

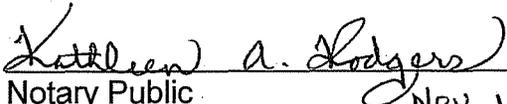
23 A Yes.



Jeff Cline

COMMONWEALTH OF KENTUCKY)
COUNTY OF FRANKLIN)

SUBSCRIBED AND SWORN to before me by Jeff Cline, this 26th day of October 2011.



Notary Public *Nov. 12, 2012*
My commission expires ~~12 February 2013.~~

Amended 8/23/2005

Class C and D Gas Utility

ANNUAL REPORT

OF

Exact Legal Name of Reporting Utility

(Address of Utility)

TO THE
PUBLIC SERVICE COMMISSION
OF THE
COMMONWEALTH OF KENTUCKY

FOR THE CALENDAR YEAR ENDED DECEMBER 31, 20_____

PUBLIC SERVICE COMMISSION OF KENTUCKY
PRINCIPAL PAYMENT AND INTEREST INFORMATION
FOR THE YEAR ENDING DECEMBER 31, 20____

1. Amount of Principal Payment during calendar year \$ _____

2. Is Principal current? (Yes) _____ (No) _____

3. Is Interest current? (Yes) _____ (No) _____

4. Has all long-term debt been approved by the Public Service

Commission?

Yes _____ No _____ PSC Case Number _____

SERVICES PERFORMED BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT

Are the financial statements examined by a Certified Public Accountant?
(Yes) _____ (No) _____

If yes, which service was performed?

Audit _____

Compilation _____

Review _____

Please enclose a copy of the accountant's report with the annual report.

AUDIT OF THE ANNUAL REPORT
GAS COMPANIES

<u>Page No.</u>	<u>Line No.</u>		<u>Page No.</u>	<u>Line No.</u>	<u>Yes</u>	<u>No</u>	<u>If No, Explain Why</u>
1	3	agrees with	3	12			
1	4	agrees with	3	15			
1	5	agrees with	3	16			
2	2 & 3	agrees with	6	Capital Stock (f)			
2	8	agrees with	8	Account 216 Balance End of Year (b)			
2	16	agrees with	7	Long Term Debt Total (d)			
2	24	agrees with	7	Notes Payable Total (e)			
2	30	agrees with	7	Interest Accrued Total (e)			
2	31	agrees with	8	Misc. Current and Accrued Liabilities			
3	1	agrees with	5	39(f)			
3	15	agrees with	3	34			
3	15	agrees with	6	25			
9	5	agrees with	13	(f)			
9	15	agrees with	11	26			
9	17	agrees with	12	Total Amortization Expense			
9	18	agrees with	12	Account 408.1			
9	19	agrees with	12	Total Income Taxes - Utility Operating Income			
9	29	agrees with	7	Interest Accrued Long-Term Debt (c)			

Page 2 of 2
AUDIT OF THE ANNUAL REPORT
GAS COMPANIES

<u>Page No.</u>	<u>Line No.</u>		<u>Page No.</u>	<u>Line No.</u>	<u>Yes</u>	<u>No</u>	<u>If No, Explain Why</u>
9	32	agrees with	7	Interest Accrued Other (c)			
9	33	agrees with	12	Total Income Taxes - Nonutility Operating Income			
9	37	agrees with	12	Account 408.2			
9	39	agrees with	8	Balance Transferred From Income (433)			
10	5	agrees with	14	(j)			
10	6	agrees with	14	(j)			
14	(i)	agrees with	15	3 & 4 (b)			
15	9	agrees with	15	20			
15	11	agrees with	9	6(c)			
Principal Payment Page has been completed							
Oath Page has been completed							

Additional Information Required by Commission Orders

Provide any special information required by prior Commission orders, as well as any narrative explanations necessary to fully explain the data. Examples of the types of special information that may be required by Commission orders include surcharge amounts collected, refunds issued, and unusual debt repayments

Case #	Date of Order	Item/Explanation

Attach additional sheets if more room is needed

GENERAL INFORMATION

1. Give the location, including street & number and telephone number, including the area code, of the principal office in Kentucky.

2. Name, title, address and telephone number, including area code, of the Person to be contacted concerning this report.

3. Name and title of officer having custody of the books of account, address of office and telephone number, including area code, where the books of account are kept.

4. Name of State under the laws of which respondent is incorporated and date of incorporation. If incorporated under a special law, give reference to such law.

5. If the respondent controls or is controlled by any other corporation, business trust, or similar organization, give a concise explanation of the manner and extent of control.

6. Give the names and addresses of the ten major stockholders of the respondent and the voting powers of each at the end of the year.

7. Give the number of employees: Full-time _____ Part-time: _____

8. Name of City, Town, Community and County in which you furnish gas service and the number of customers in each.

PRINCIPAL OFFICERS

Line No.	Title	Name of Officer or Director	Principal Business Address	Annual Salary And/or Fee
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

BALANCE SHEET

Line No.	ASSETS AND OTHER DEBITS	Balance First of Year	Balance Last of Year
1	UTILITY PLANT		
2			
3	Utility Plant (101-107,114,116)		
4	Less: Accum. Prov. for Depr., Depletion, and Amortization (108,111)		
5	Net Utility Plant		
6			
7	OTHER PROPERTY AND INVESTMENTS		
8	Nonutility Property-Net (121-122)		
9	Other Investments (124)		
10	Other Special Funds (128)		
11			
12	Total Other Property and Investments		
13			
14	CURRENT AND ACCRUED ASSETS		
15	Cash (131)		
16	Temporary Cash Investments (136)		
17	Notes Receivable (141)		
18	Customer Accounts Receivable (142)		
19	Other Accounts Receivable (143)		
20	Accum. Prov. for Uncollectible Accts.-CR. (144)		
21	Plant Materials and Operating Supplies (154)		
22	Gas Stored - Current (164.1)		
23	Prepayments (165)		
24	Miscellaneous Current and Accrued Assets (174)		
25			
26			
27	Total Current and Accrued Assets		
28			
29	DEFERRED DEBITS		
30	Unamortized Debt Expense (181)		
31	Extraordinary Property Losses (182.1)		
32	Miscellaneous Deferred Debits (186)		
33	Def. Losses from Disposition of Util. Plt. (187)		
34	Unamort. Loss on Reacquired Debt (189)		
35	Accum. Deferred Income Taxes (190)		
36	Unrecovered Purchased Gas Costs (191)		
37			
38	Total Deferred Debits		
39			
40	TOTAL ASSETS AND OTHER DEBITS		

BALANCE SHEET

Line No.	LIABILITIES AND OTHER CREDITS	Balance First of Year	Balance Last of Year
1	PROPRIETARY CAPITAL		
2	Common Stock Issued (201)		
3	Preferred Stock Issued(204)		
4	Misc. Paid-In Capital (211)		
5	Discount on Capital Stock (213)		
6	Capital Stock Expense (214)		
7	Appropriated Retained Earnings (215)		
8	Unappropriated Retained Earnings (216)		
9	Reacquired Capital Stock (217)		
10	Total Proprietary Capital		
11			
12	LONG-TERM DEBT		
13	Bonds (221)		
14	Advances From Associated Companies (223)		
15	Other Long-Term Debt (224)		
16	Total Long-Term Debt		
17	OTHER NONCURRENT LIABILITIES		
18	Accum. Provision for Property Insurance (228.1)		
19	Accum. Provision for Injuries and Damage (228.2)		
20	Accum. Provision for Pensions and Benefits(228.3)		
21	Accum. Miscellaneous Operating Provisions (228.4)		
22	Total Other Noncurrent Liabilities		
23	CURRENT AND ACCRUED LIABILITIES		
24	Notes Payable (231)		
25	Accounts Payable (232)		
26	Notes Payable to Associated Companies (233)		
27	Accounts Payable to Associated Companies (234)		
28	Customer Deposits (235)		
29	Taxes Accrued (236)		
30	Interest Accrued (237)		
31	Misc. Current and Accrued Liabilities (242)		
32	Total Current and Accrued Liabilities		
33	DEFERRED CREDITS		
34	Customer Advances for Construction (252)		
35	Other Deferred Credits (253)		
36	Accum. Deferred Investment Tax Credits (255)		
37	Accum. Deferred Income Taxes (281-283)		
38	Total Deferred Credits		
39			
40	TOTAL LIABILITIES AND OTHER CREDITS		

**ANALYSIS OF GAS UTILITY PLANT AND ACCUMULATED
PROVISIONS FOR DEPRECIATION, DEPLETION AND AMORTIZATION**

Line No.	Acct. No.	Item	Amount
1	101	Gas Plant in Service-Classified (From Page 5, Line 39(f))	
2	101.1	Property Under Capital Leases	
3	102	Gas Plant Purchased or Sold	
4	106	Completed Construction Not Classified	
5		Total	
6	104	Gas Plant Leased to Others	
7	105	Gas Plant Held for Future Use	
8	107	Construction Work in Progress-Gas	
9	114	Gas Plant Acquisition Adjustments	
10	116	Other Gas Plant Adjustments	
11			
12		Total Utility Plant (Forward to Page 1, line 3)	
13		Less:	
	108	Accum. Prov. For Depreciation of Gas Utility Plant	
14	111	Accum. Prov. for Amortization and Depletion of Gas Utility Plant	
15		Total (Forward to Page 1, line 4)	
16		Net Utility Plant (Forward to Page 1, line 5)	

**DETAIL OF ACCUMULATED PROVISION FOR DEPRECIATION, DEPLETION AND
AMORTIZATION OF GAS UTILITY PLANT**

17	In Service:		
19	Depreciation		
20	Depletion		
21	Amortization		
22	Total - In Service		
23	Leased to Others:		
24	Depreciation		
25	Depletion		
26	Amortization		
27	Total - Leased to Others		
28	Held for Future Use:		
29	Depreciation		
30	Depletion		
31	Amortization		
32	Total - Held for Future Use		
33	Amortization of Gas Plant Acquisition Adjustments		
34	TOTAL ACCUMULATED PROVISIONS (Same as line 15, above)		

NOTES TO BALANCE SHEET

This space is provided for important notes regarding the balance sheet

GAS UTILITY PLANT IN SERVICE

Report in column (e) entries reclassifying property from one account to another. Corrections of entries of the preceding year should be recorded in column (c) or column (d), as they are corrections of additions or retirements

Line No.	Account (a)	Balance First of Year (b)	Additions (c)	Retirements (d)
1	Intangible Plant - Account 301-303 (Attach Schedule)			
2	Gas Production, Storage and Processing Plant - Account 304-364 (Attach Schedule)			
3	TRANSMISSION PLANT Land and Land Rights (365.1)			
4	Rights-Of-Way (365.2)			
5	Structures and Improvements (366)			
6	Mains (367)			
7	Compressor Station Equipment (368)			
8	Measuring and Regulating Station Equipment (369)			
9	Communication Equipment (370)			
10	Other Equipment (371)			
11	Total Transmission Plant			
12	DISTRIBUTION PLANT Land and Land Rights (374)			
13	Structures and Improvements (375)			
14	Mains (376)			
15	Compressor Station Equipment (377)			
16	Measuring and Regulating Station Equipment - General (378)			
17	Measuring & Regulating Station Equipment - City Gate (379)			
18	Services (380)			
19	Meters (381)			
20	Meter Installations (382)			
21	House Regulators (383)			
22	House Regulator Installations (384)			
23	Industrial Measuring & Regulating Station Equipment (385)			
24	Other Property on Customers Premises (386)			
25	Other Equipment (387)			
26	Total Distribution Plant			
27	GENERAL PLANT Land and Land Rights (389)			
28	Structures and Improvements (390)			
29	Office Furniture and Equipment (391)			
30	Transportation Equipment (392)			
31	Stores Equipment (393)			
32	Tools, Shop and Garage Equipment (394)			
33	Laboratory Equipment (395)			
34	Power Operated Equipment (396)			
35	Communication Equipment (397)			
36	Miscellaneous Equipment (398)			
37	Other Tangible Property (399)			
38	Total General Plant			
39	TOTAL GAS PLANT IN SERVICE			

GAS UTILITY PLANT IN SERVICE

Report in column (e) entries reclassifying property from one account to another. Corrections of entries of the preceding year should be recorded in column (c) or column (d), as they are corrections of additions or retirements

Line No.	Account (a)	Adjustments (+ or -) (e)	Balance End of Year (f)
1	Intangible Plant - Account 301-303 (Attach Schedule)		
2	Gas Production, Storage and Processing Plant - Account 304-364 (Attach Schedule)		
TRANSMISSION PLANT			
3	Land and Land Rights (365.1)		
4	Rights-Of-Way (365.2)		
5	Structures and Improvements (366)		
6	Mains (367)		
7	Compressor Station Equipment (368)		
8	Measuring and Regulating Station Equipment (369)		
9	Communication Equipment (370)		
10	Other Equipment (371)		
11	Total Transmission Plant		
DISTRIBUTION PLANT			
12	Land and Land Rights (374)		
13	Structures and Improvements (375)		
14	Mains (376)		
15	Compressor Station Equipment (377)		
16	Measuring and Regulating Station Equipment - General (378)		
17	Measuring & Regulating Station Equipment - City Gate (379)		
18	Services (380)		
19	Meters (381)		
20	Meter Installations (382)		
21	House Regulators (383)		
22	House Regulator Installations (384)		
23	Industrial Measuring & Regulating Station Equipment (385)		
24	Other Property on Customers Premises (386)		
25	Other Equipment (387)		
26	Total Distribution Plant		
GENERAL PLANT			
27	Land and Land Rights (389)		
28	Structures and Improvements (390)		
29	Office Furniture and Equipment (391)		
30	Transportation Equipment (392)		
31	Stores Equipment (393)		
32	Tools, Shop and Garage Equipment (394)		
33	Laboratory Equipment (395)		
34	Power Operated Equipment (396)		
35	Communication Equipment (397)		
36	Miscellaneous Equipment (398)		
37	Other Tangible Property (399)		
38	Total General Plant		
39	TOTAL GAS PLANT IN SERVICE		

STATEMENT OF INCOME FOR THE YEAR				
Line No.	Account (a)	Average No. Customers (b)	MCF of Nat. Gas Sold (c)	Amount (d)
OPERATING REVENUES				
1	Residential Sales (480)			
2	Commercial and Industrial Sales (481)			
3	Interdepartmental Sales (484)			
4	Total Sales to Ultimate Consumers			
5	Sales for Resale (483)			
6	Total Gas Service Revenues			
OTHER OPERATING REVENUES				
7	Forfeited Discounts (487)			
8	Miscellaneous Service Revenues (488)			
9	Revenues From Transportation of Gas of Others (489)			
10	Revenues From Natural Gas Processed by Others (491)			
11	Rent From Gas Property (493)			
12	Other Gas Revenues (495)			
13	Total Other Operating Revenues			
14	Total Gas Operating Revenues			
OPERATING EXPENSES				
15	Total Gas Operation & Maintenance Expenses (from page 11, line 26)			
16	Depreciation Expense (403)			
17	Amortization Expense (404-407) (from page 12)			
18	Taxes Other Than Income Taxes (408.1) (from page 12)			
19	Total Income Taxes-Utility Operations (409.1, 410.1, 411.1, 411.4) (from page 12)			
20	Total Gas Operating Expenses			
21	Net Operating Income			
OTHER INCOME				
22	Other Nonutility Income – Net (415-418)			
23	Interest and Dividend Income (419)			
24	Miscellaneous Nonoperating Income (421)			
25	Other Accounts (Specify Account Number and Title):			
26				
27				
28	Total Other Income			
OTHER DEDUCTIONS				
29	Interest on Long-Term Debt (427)			
30	Amortization of Debt Discount and Expense (428)			
31	Other Nonutility Deductions (426.1 - 426.5)			
32	Other Interest Expense (431)			
33	Total Income Taxes – Nonutility operations (409.2, 410.2, 411.2, 411.5) (from Page 12)			
34	Other Accounts (Specify Account Number and Title):			
35				
36				
37	Taxes Other Than Income Taxes (408.2) (from Page 12)			
38	Total Other Deductions			
39	NET INCOME			

GAS OPERATION AND MAINTENANCE EXPENSES		
Line No.	Account (a)	Amount (b)
	MANUFACTURED GAS PRODUCTION	
1	Total-Account 710-742 (Attach Schedule by Accounts)	
	NATURAL GAS PRODUCTION EXPENSES	
2	Total-Account 750-791 (Attach Schedule by Accounts)	
	EXPLORATION AND DEVELOPMENT EXPENSES	
3	Total-Account 795-798 (Attach Schedule by Accounts)	
	STORAGE EXPENSES	
4	Total-Account 814-843 (Attach Schedule by Accounts)	
	OTHER GAS SUPPLY EXPENSES	
5	Natural Gas City Gate Purchases (804)	
6	Other Gas Purchases (805)	
7	Purchased Gas Cost Adjustments (805.1)	
8	Purchased Gas Expenses (807)	
9	Gas Withdrawn From Storage - Debit (808.1)	
10	Gas Delivered to Storage - Credit (808.2)	
11	Gas Used For Other Utility Operations - Credit (812)	
12	Other Gas Supply Expenses (813)	
13	Total Other Gas Supply Expenses	
	TRANSMISSION EXPENSES	
14	Operation Supervision and Engineering (850)	
15	Compressor Station Labor and Expenses (853)	
16	Measuring and Regulating Station Expenses (857)	
17	Transmission and Compression of Gas by Others (858)	
18	Rents (860)	
19	Maintenance of Mains (863)	
20	Maintenance of Compressor Station Equipment (864)	
21	Total Transmission Expenses	
	DISTRIBUTION EXPENSES	
22	Operation Supervision and Engineering (870)	
23	Compressor Station Labor and Expenses (872)	
24	Mains and Services Expenses (874)	
25	Measuring and Regulating Station Expenses (875)	
26	Meter and House Regulator Expenses (878)	
27	Other Expenses (880)	
28	Rents (881)	
29	Maintenance Supervision and Engineering (885)	
30	Maintenance of Mains (887)	
31	Maintenance of Services (892)	
32	Maintenance of Meters and House Regulators (893)	
33	Maintenance of Other Equipment (894)	
34	Total Distribution Expenses	

GAS OPERATION AND MAINTENANCE EXPENSES (Con't.)		
Line No.	Account (a)	Amount (b)
CUSTOMER ACCOUNTS EXPENSE		
1	Meter Reading Expenses (902)	
2	Customer Records and Collection Expenses (903)	
3	Uncollectible Accounts (904)	
4	Total Customer Accounts Expense	
5		
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
6	Miscellaneous Customer Service and Informational Expenses (910)	
ADMINISTRATIVE AND GENERAL EXPENSES		
7	Administrative and General Salaries (920)	
8	Office Supplies and Expenses (921)	
9	Administrative Expenses Transferred - Credit (922)	
10	Outside Services Employed (923)	
11	Property Insurance (924)	
12	Injuries and Damages (925)	
13	Employee Pensions and Benefits (926)	
14	Franchise Requirements (927)	
15	Regulatory Commission Expenses (928)	
16	Duplicate Charges - Credit (929)	
17	General Advertising Expenses (930.1)	
18	Miscellaneous General Expenses (930.2)	
19	Rents (931)	
20	Maintenance of General Plant (932)	
21	Total Administrative and General Expenses	
22		
23		
24		
25		
26	TOTAL GAS OPERATION AND MAINTENANCE EXPENSES (to Page 9, Line 15)	
NUMBER OF CUSTOMERS		
End of Year		
	Residential (480)	
	Commercial and Industrial (481)	
	Interdepartmental Sales (484)	
	Total - Ultimate Customer	
	Sales for Resale (483)	
	Total Gas Service Customers	

TAXES OTHER THAN INCOME TAXES (408)

Show hereunder the various tax items which make up the amounts listed under
Account Numbers 408.1 and 408.2 on page 9, lines 18 and 37.

Line No.	Item (a)	Amount (b)
1	Payroll Taxes	
2	Public Service Commission Assessment	
3	Other (Specify):	
4		
5		
6		
7		
8		
9	Total (Same as page 9, lines 18 and 37)	

OPERATING AND NONOPERATING INCOME TAXES

Acct. No.	Account (a)	Amount (b)
409.1	Income Taxes, Utility Operating Income – Federal	
409.1	Income Taxes, Utility Operating Income – State	
409.1	Income Taxes, Utility Operating Income – Other	
410.1	Provision for Deferred Income Taxes, Utility Operating Income	
411.1	Provision for Deferred Income Taxes - Credit, Utility Operating Income	
411.4	Investment Tax Credit Adjustments, Utility Operations	
	Total Income Taxes - Utility Operating Income (to page 9, line 19)	
409.2	Income Taxes, Other Income & Deductions – Federal	
409.2	Income Taxes, Other Income & Deductions – State	
409.2	Income Taxes, Other Income & Deductions – Other	
410.2	Provision for Deferred Income Taxes, Other Income & Deductions	
411.2	Provision for Deferred Income Taxes – Credit, Other Income & Deductions	
411.5	Investment Tax Credit Adjustments, Nonutility Operations	
	Total Income Taxes – Nonutility Operating Inc. (to page 9, line 33)	

AMORTIZATION EXPENSE

Acct. No.	Account (a)	Amount (b)
404.1	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
405	Amortization of Other Gas Plant	
406	Amortization of Gas Plant Acquisition Adjustments	
407.1	Amortization of Property Losses	
407.2	Amortization of Conversion Expenses	
	Total Amortization Expense (Same as page 9, line 17)	

SALES FOR RESALE - NATURAL GAS (Account 483)

1. Report particulars concerning sales of natural gas during the year to other gas utilities for resale. Sales to each customer should be identified in column (c) where applicable, by rate schedule designation contained in the company's tariff.
2. Natural gas for the purpose of this schedule means either natural gas unmixed, or any other mixture of natural and manufactured gas.
3. Point of delivery, column (b), should show name of city or town or state, and such other designation necessary to enable identification on maps of respondent's pipeline system.
4. Designate any sales which are other than firm sales, i.e., sales for storage, etc.
5. Where consolidated bills for more than one point of delivery are rendered under a FERC rate schedule, the several points of delivery shall be indicated in column (b) and the remainder of the information reported in a consolidated basis corresponding to the billing. Where, however, consolidated bills for more than one point of delivery are not rendered under a FERC rate schedule, the required information shall be furnished for each point of delivery.
6. Designate if BTU per cubic foot of gas is different for any delivery point from that shown in the heading of column (d).

Name of Other Gas Utility (Designate Associated Co) (a)	Point of Delivery (b)	FERC Tariff Rate Sch. Design (c)	Approx. BTU per Cubic Foot (d)	MCF of Gas Sold (14.73 PSIA 60 F) (e)	Revenue for Year (see #5, above) (f)	Average Revenue per MCF (g)

GAS ACCOUNT - NATURAL GAS

1. The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent. Natural gas means either natural gas unmixed and any mixture of natural and manufactured gas.
2. Enter in column (b) the MCFs as reported in schedules indicated for the respective items of receipts and deliveries.
3. If the respondent operates two or more systems which are not inter-connected, separate schedules should be submitted. Insert pages should be used for this purpose.

Line No.	Item (a)	MCF (14.73 PSIA at 60 F) (b)
GAS RECEIVED		
1	Natural Gas Produced	
2	Purchases:	
3	Natural Gas City Gate Purchases (Account 804)	
4	Other Gas Purchases (Account 805)*	
5	Other Receipts (Specify):	
6		
7		
8		
9	Total Receipts	
10		
GAS DELIVERED		
11	Natural Gas Sales (same as page 9, column (c), line 6)	
12	Other Deliveries (specify):	
13		
14		
15		
16	Total Deliveries	
17		
18	Unaccounted for Gas	
19	Natural Gas Used by Respondent	
20	Total Deliveries and Unaccounted For Gas	

* This type of gas purchase represents manufactured gas, refinery gas or any gas other than natural gas

PERTINENT NOTES TO THE EXHIBITS AND SUPPORTING
SCHEDULES CONTAINED IN THIS ANNUAL REPORT

OATH

Commonwealth of _____)
County of _____) ss:

I, _____, having appeared before the undersigned officer duly authorized to administer oaths and being duly sworn, state under oath that I am _____ of _____ ("Respondent"); that I have supervision over the books of account and other financial records of the Respondent and have control over the manner in which they are kept; that such books and records have, during the period covered by the foregoing report, been maintained in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky; that I have carefully examined the foregoing report and to the best of my knowledge and belief the information contained in this report is, so far as it relates to matters of accounts, in accordance with the said books of account; that all other statements of fact contained in the foregoing report are true; and that the foregoing report is a correct and complete statement of the business and affairs of the Respondent in every respect and manner during the period of time from and including _____, 20____, to and including _____, 20_____

(Signature of Officer)

Subscribed and sworn to before me, a _____, in and for the State and County named in the above this _____ day of _____, 20_____

(Apply Seal Here)

My Commission Expires _____

(Signature of officer authorized to administer oath)

[Persons making willful false statements in this report may be punished by fine or imprisonment under KRS 523.040 and 523.100.]



Steven L. Beshear
Governor

Leonard K. Peters
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
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David L. Armstrong
Chairman

James W. Gardner
Vice Chairman

Charles R. Borders
Commissioner

December 15, 2010

Bud Rife
B & H Gas Company
P. O. Box 155
Harold, KY 41635

RE: 2010 Annual Reporting
(300) Gas Distribution
Utility ID: 3600

Dear Bud Rife:

Enclosed with this letter are two copies of the Report of Gross Operating Revenues form and one copy of the Annual Financial and Statistical Report form. One original notarized copy of the reports are to be completed for the calendar year 2010 and **filed with the Commission no later than March 31, 2011**, as required by 807 KAR 5:006, Section 3(1), KRS 278.140 and KRS 278.230(3).

Extension of time requests for filing the Report of Gross Operating Revenues form cannot be granted. However, the Commission may occasionally, upon written request, allow a 30 day extension of time for filing the Annual Financial and Statistical Report. The request must provide a reasonable explanation and be filed prior to the March 31, 2011, deadline. The prompt filing of these reports is essential. **Any utility failing to comply with timely filing requirements shall be subject to KRS 278.990, including the imposition of penalties provided therein.**

On-line entry of annual report information is available for all utilities under the jurisdiction of this Commission. Upon completion of the online annual report, a hard copy of the report copy may be generated directly from our site. Please be aware that a paper copy, either computer-generated or manually-produced, along with a signed oath page, are still required to be filed with the Commission until such time the Kentucky statutes are revised to allow us to accept the electronic annual report format as the official record.

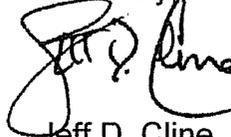
In order to participate in this on-line filing process, your utility must simply have an ID and password. To do so, you may register on our web site or you may notify the undersigned in writing, on utility letterhead, designating a contact name of the person responsible for annual report filings, along with their mailing address, e-mail address, as well as telephone and fax numbers. If your company files a report for more than one type of service, for example gas and electric, you will be issued a separate account ID and password for each reporting entity. Unique accounts ensure that the correct reporting form is accessed for companies providing multiple types of services.

Upon receipt of your letter, the contact person(s) you designate will receive an account ID and password via email to be used for purposes of filing annual reports. If your company utilizes outside parties for filing your reports, it will be your responsibility to provide the party with your ID and password.

We have made every effort to create the on-line system with a look similar to the paper form. In addition, there are built-in audit tools which inform the user when certain line item totals do not match and section totals are incorrect. Also, the automatically generated "checklist" page at the end of the report may be used to determine if all required totals are correct. This gives the filer an opportunity to correct any totals which do not balance, or provide an explanation as to why certain totals may not match. Additional instructions regarding the electronic annual report process can be found online under the "Commission Records" / "Financial Reports" portion of our site.

If you need additional copies of any form, they can be found on our web site under "Utility Information" / "Forms", or you may contact the undersigned and we will gladly provide a hard copy. Should you have any questions or require additional information, please do not hesitate to contact the undersigned by generating an email to JeffD.Cline@ky.gov.

Sincerely,



Jeff D. Cline
Annual Report Branch Manager

Enclosure(s)