

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE GAS COSTS OF)
B & H GAS COMPANY PURSUANT TO KRS)
278.2207 AND THE WHOLESALE GAS PRICE IT IS) CASE NO. 2015-00367
CHARGED BY ITS AFFILIATE, B & S OIL AND GAS)
COMPANY, PURSUANT TO KRS 278.274)

NOTICE OF FILING

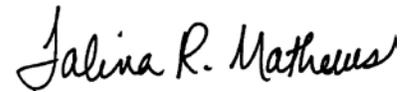
Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on December 5, 2016 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on December 5, 2016 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on December 5, 2016.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served 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/2015-00367/2015-00367_05Dec16_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.

Done at Frankfort, Kentucky, this 8th day of December 2016.

A handwritten signature in black ink that reads "Talina R. Mathews". The signature is written in a cursive style with a large initial 'T' and 'M'.

Talina R. Mathews
Executive Director
Public Service Commission of Kentucky

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Betsy Layne, KY 41605

B & H Gas Company
B & H Gas Company
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COMMONWEALTH OF KENTUCKY
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In the Matter of:

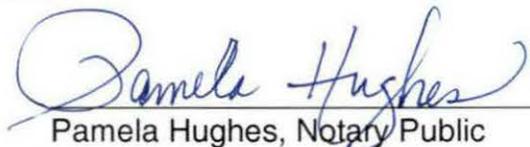
AN INVESTIGATION OF THE GAS COSTS OF)	
B & H GAS COMPANY PURSUANT TO KRS)	
278.2207 AND THE WHOLESALE GAS PRICE	)	CASE NO.
IT IS CHARGED BY ITS AFFILIATE, B & S OIL	)	2015-00367
AND GAS COMPANY, PURSUANT TO KRS)	
278.274)	

CERTIFICATE

I, Pamela Hughes, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on December 5, 2016. Hearing Log, Exhibits, and Exhibit List are included with the recording on December 5, 2016. Mr. Bud Rife was the only witness in this Hearing.
2. I am responsible for the preparation of the digital recording.
3. The digital recording accurately and correctly depicts the Hearing of December 5, 2016.
4. The "Exhibit List" attached to this Certificate correctly lists all exhibits introduced at the hearing of December 5, 2016.
5. The "Hearing Log" attached to this Certificate accurately and correctly states the events that occurred at the Hearing of December 5, 2016, and the time at which each occurred.

Signed this 7th day of December, 2016.


Pamela Hughes, Notary Public
State at Large

My Commission Expires: April 22, 2019



Date:	Type:	Location:	Department:
12/5/2016		Hearing Room 1	Hearing Room 1 (HR 1)
Event Time	Log Event		
8:39:51 AM	Session Started		
8:39:53 AM	Session Paused		
8:59:06 AM	Session Resumed		
8:59:08 AM	Chairman Schmitt		
	Note: Hughes, Pam	Joe Childers for B&H Gas--Larry Cook for AG --- Virginia Gregg-PSC	
	Note: Hughes, Pam	Preliminary remarks and introduction of Commissionners	
9:00:29 AM	No public Comment		
9:01:17 AM	Chairman Schmitt asks for Exhibits to be distributed		
9:09:50 AM	Chairman Schmitt ask for objections to exhibits		
	Note: Hughes, Pam	No one has objections to exhibits	
9:13:58 AM	Chairman Schmitt		
	Note: Hughes, Pam	break	
9:14:13 AM	Session Paused		
9:21:23 AM	Session Resumed		
9:21:26 AM	Atty Gregg asks for clarification about Atty Childers representing B&H Oil also.		
9:23:13 AM	Atty Childers objects to complaint exhibit by AG		
	Note: Hughes, Pam	Order in Floyd Circuit Court	
9:24:35 AM	Chairman Schmitt overrules the objection to AG exhibit		
9:25:39 AM	Atty Childers		
	Note: Hughes, Pam	asks for break at 11:00	
9:26:38 AM	Atty Gregg-PSC		
	Note: Hughes, Pam	Atty Gregg explains the investigation and why the hearing is taking place	
	Note: Hughes, Pam	Chairman makes statements as to why B&H has to have the burden of proof.	
9:30:18 AM	Atty Childers_B&G_calls Witness Rife to the stand		
	Note: Hughes, Pam	Chairman swears Mr. Rife who adopts his testimony	
9:31:45 AM	Atty Childers direct exam of Witness Rife		
	Note: Hughes, Pam	Owner of B&H Gas Co. Owner of B&S Oil CO. Owned since 1985	
	Note: Hughes, Pam	300 customers. MCF-14, 000	
9:37:49 AM	Atty Childers direct exam of Witness Rife		
	Note: Hughes, Pam	Referring to buying Gas from Equitable Gas	
9:38:39 AM	Atty Childers direct exam of Witness Rife		
	Note: Hughes, Pam	Referencing the 29, 000 to cover the expenses.	
	Note: Hughes, Pam	B&H Gas Exhibit 1 -Document form B&H Gas Co - Gas bill from customer 12-20-2015 is introduced and referred to. \$46,27 total bill	
9:42:17 AM	Atty Childers direct exam of Witness Rife		
	Note: Hughes, Pam	B&H Gas Exhibit 2-Document Southern Hydrocarbon Corp. It's the BTU of the gas.	
9:44:01 AM	Atty Childers direct exam of Witness Rife		
	Note: Hughes, Pam	B& H Gas Exhibit 3-Sentra Corporations Rates, Rules and Regulations. Page 2-heat content	
9:46:31 AM	Atty Childers direct exam of Witness Rife		
	Note: Hughes, Pam	BTU content 1000 BTU vs, 1341 BTU	

9:47:15 AM Atty Childers direct exam of Witness Rife
Note: Hughes, Pam B&H Gas Exhibit 4 -2016-00139 (Sentra Corp.) Order from the PSC. Page 4, findings and Page 5. Par. 4

9:51:48 AM Atty Childers direct exam of Witness Rife
Note: Hughes, Pam B&H Gas Exhibit 5-- Press release issued by the PSC-titled "Natural Gas Cost to be slightly higher this Winter." Page 4

9:54:36 AM Atty Childers direct exam of Witness Rife
Note: Hughes, Pam No transportation fee from B&S to B&H
Note: Hughes, Pam B&H Gas Exhibit 6- Invoice B & S Oil & Gas Co. How much gas sold to B & H in March of 2015.
Note: Hughes, Pam Referring to why B&H Gas can't get money from B & S Oil

9:59:22 AM Atty Childers direct exam of Witness Rife
Note: Hughes, Pam B&H Gas Exhibit 7 - B&H Gas Company Inc 2015 Vendor Ledgers- Jan 2015 to Dec 2015

10:02:03 AM Atty Childers direct exam of Witness Rife
Note: Hughes, Pam Total expenses incurred for B&H Gas, not including gas.

10:04:50 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam B&H Exhibit 2- BTU content of gas coming up from the wells. Main end of the system when all gas is blended. Location 3, Southern Hydro carbons

10:06:37 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Atty Childers objects, Chairman overrules
Note: Hughes, Pam B&H exhibit 4- Order in Sentra Case.

10:07:36 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam B&H exhibit 5, page 4-press release by the PSC

10:09:44 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Referring to Witness Rife owning other companies.

10:10:13 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam March 2008, B&H not filed rate increase with the PSC since then.

10:13:14 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam On 2 prior dates B&H increased rates on B&S
Note: Hughes, Pam No other sources to buy gas from.

10:14:47 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Referring to Johnson Co Gas. AG 1-6
Note: Hughes, Pam Referring to Witness Rife's earnings for Johnson Co Gas CO. Witness Rife explains expenses for this Company.

10:15:29 AM Objection by Atty Childers in regards to questions about Johnson Co Gas
Note: Hughes, Pam Chairman overrules

10:16:25 AM Chairman overrules

10:18:09 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Referring to Witness Rife's Earnings from B&S Oil Co.
Note: Hughes, Pam B&H salary and bonuses from construction co.

10:19:53 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam 2015- B&S gain or loss? Witness unable to answer.

10:20:26 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Jan 14, 2016 IC by B&H and PSC staff. Referring to fires that destroyed the buildings and records of B&H Gas

10:21:17 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Insurance policy and building being rebuilt.

10:22:28 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Referring to the KY Power bills for Witness Rife's personal residence.
Note: Hughes, Pam AG Exhibit 1 - AG 1st DR item 11. Supplemental response, consisted of bills from various businesses.

10:25:02 AM objection by Atty Childers-B&H
Note: Hughes, Pam Chairman overruled

10:27:04 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam These are internet bills paid by B&S and Witness Rife's personal account.
Note: Hughes, Pam AG Exhibit 2- Gearheart Communications Account Summary of Feb, 1, 2015. Amended response to AG DR item 11. For B&S

10:32:17 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Flood insurance premiums, effective April 2015- AG's 1st DR item 11.
Note: Hughes, Pam Policies covering only businesses, not personal residences.

10:35:44 AM Atty Childers objects to flood insurance policies as an exhibit
Note: Hughes, Pam Chairman sustains, will not be entered in the record as an exhibit.

10:37:19 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG Exhibit 3 --Hagerty insurance document-AG 1st response to Item 11. Insurance coverage policy covering the corvette, in Bud Rife's name not in the business.

10:39:28 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG Exhibit 4 --Kentucky Fair Plan, renewal premium notice. Amended response to AG 1st DR, item 11. Fire insurance for property in Stanville, KY.

10:41:53 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG Exhibit 5 -Copy of B&S Oil Co checks. In response to AG DR 1, item 11. Payable to Susan Gearhart and PD Gearhart for the office in Harold for rent when office burned. 497 George Road is current addresss for B&H Gas

10:45:24 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Staff DR from Nov 2015. Page 1, 2nd par.

10:46:49 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam item 34, Sub part C- Supplemental response to AG's 1st DR
Note: Hughes, Pam Response to AG 1st DR, item 33. Sub part C. B&S operates under Witness Rife's home.

10:51:56 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Referring to when B&S Oil started operting out of Witness Rife's home.

10:52:50 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG 1st DR, item 19.

10:54:34 AM Chairman calls for 15 minute break
Note: Hughes, Pam Break-15 mins.

10:54:56 AM Session Paused

11:11:10 AM Session Resumed

11:11:17 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG exhibit 6- Cardinal Mart 1 Stanville, KY reciepts- resonse to AG 1st DR, item 11
Note: Hughes, Pam Gasoline for vehicle

11:15:24 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG exhibit 7 & 8 . Exhibit 7 is Invoice from New Pig dated 3/2/15. Response to AG DR.
Exhibit 8 is-Joint response to Attorney Generals Initial DR

11:19:42 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Referecing if the construction co operating out of the George Road property.

11:20:27 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Response to AG initial DR--AG's exhibit 8.

11:22:31 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG exhibit 9- Joint response to AG's initial DR dated April 18, 2016 Question 33.a. and response.
Note: Hughes, Pam 99% of B&H records destroyed and 80% of B&S records destroyed in the fire.

11:26:50 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG exhibit 10 - A1 portables invoice no. 377818 dated 3/2/15. Supplemental response to AG DR item 11

11:30:09 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam AG exhibit 11 - Invoice of Bud Rife Construction datd 1/1/15. Billed to B&S Oil and Gas CO, 775.80 for truck, billed monthly

11:32:35 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Referencing lawsuit from KY Power complaint, answer and counter-claim. Page 4 of the complaint.

11:34:25 AM Atty Childers objects to the KY Power complaint
11:35:26 AM Chairman sustains the document and questions
Note: Hughes, Pam Complaint is AG exhibit 12 and the Answers and counter claim is Ag Exhibit 13.

11:36:20 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam Answers to interrogatories and responses for production of documents in the KY Power lawsuit against Bud Rife Construction and Bud Rife. AG exhibit 13. Item 20
Note: Hughes, Pam Records pertaining to the constuction co were also lost in the fire.

11:39:21 AM Chairman Schmitt
Note: Hughes, Pam Limits the purpose of the KY Power complaint

11:39:55 AM Larry Cook-AG-cross exam of Witness Rife
Note: Hughes, Pam PSC exhibit 1 -- Appendix G to the Opening Order to Case No. 2015-00367
Note: Hughes, Pam 3 year average annual gas cost per mcf

11:43:52 AM ATTY Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam PSC exhibit 2 - KY Power invoices for 10 separate account numbers. page 2 Mare Creek gas well and bill for Mare Creek and house and garage locations. page 3, Bud Rife Betsy Lane, Ky for B&H and Johnson CO Construction. Referring to this socument being B&S Oil Co as well.
Note: Hughes, Pam

11:49:29 AM ATTY Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam IVEL well invoice -also PSC exhibit 2. B&S Oil and Gas CO invoice. It's a well feb 19, 2015. Invoice to Bud Rife in Stavnnville, Ky. Jan 30, 2015. Referring to address this invoice goes to. 25.98.
Note: Hughes, Pam PSC exhibit 2 -Bud Rife Lanesville Harold, KY. Invoice for Jan 30, 2015 kisted as residential service where David Hunt resides. Storage and lot. Mr, Hunt works for Bud Rife construction only. ud Rife 497 George Road location is B&H and Johnson Co Gas Co-dated March 20, 2015. 151.04

11:55:46 AM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam Referring to which 10 invoices. provide electricity to B&H and B&S
Note: Hughes, Pam PSC exhibit 2--Referring to electric service to building after the fire. Mare Creek, Stanville, KY location is to store equipment. Invoice is for 1 light. 10.01 total bill. Last page-Bud Rife Mare Creek, outdoor light

11:59:01 AM Break
11:59:15 AM Session Paused
12:58:59 PM Session Resumed

12:59:30 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam PSC exhibit 3- Hartford flood policy declaration page. Referring to locations that are insured.
Note: Hughes, Pam Hagerty Insurance, 2000 Chevy Corvette and how it used for B&S Oil Co. Dairyland Insurance-Bud Rife insured for motorcycles and 4 wheeler insurance. Use for Harley Davidsons that are insured from the business policies. Dairyland Ins.-Bud Rife- for 4 wheeler. B&S gas wells and meters that need to be read. Any other vehicles owned by Bud Rife that are used for B&S Gas?

1:06:01 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam PSC exhibit 4 - Invoice from Gearhart Communications dated Feb 1, 2015. Page 2, Bundles services, third category, cable tv service- HBO, Showtime, Starz. How are they related to the companies.

1:08:40 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam PSC exhibit 5 - Form 1040-V Payment voucher to IRS. 2nd page is letter to Witness Rife from Darrell Madden, CPA dated 7/16/15

1:10:54 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam Referring to Copies of Checks on B&S Oil account to SGSNPDG, LLC
Note: Hughes, Pam What was being stored in this space while rent was being paid. Witness Rife is only person to work for B&S Oil. Other employees housed in the rental space worked for other companies owned by Mr. Rife. B&H Gas and Bud Rife Construction, or Johnson CO Gas didn't pay any amount of this rent. B&S rented the building.

1:15:00 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam Specific addresss: 4th Street Harold, KY - rental space used after fire.
Note: Hughes, Pam Are you related to the entity to SGSNPDG, Gearharts?

1:18:26 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam Thacker auto parts connection to any of Witness Rife's businesses

1:19:16 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam AG exhibit 7-New Pig was shipped to Bud Rife and Thacker auto parts

1:20:21 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam Amount total of all invoices on Oct 21, 2016. In excess of 200,000. 150,000 was from Bud Rife Construction that were included in the B&S Oil Company.

1:21:48 PM Atty Childers objects
Note: Hughes, Pam Chairman asks Atty Gregg to rephrase question.

1:22:17 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam Referring to whether there are any calculations by Mr. Rife to verify or disprove the amounts of 150,000 for Bud Rife Construction Co.

1:24:31 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam Referring to how cost what B&H is charging to its customers and how that compares to the average 2015 per MCF market price for natural gas.
Note: Hughes, Pam PSC exhibit 7-- Copy of B&H's 2015 annual report, gas purchases, page 36 of 42.

1:27:08 PM Atty Childers objects
Note: Hughes, Pam Chairman sustains.

1:27:49 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam What other suppliers can supply gas to B&H Gas? 2015 Annual report shows purchase of 126, 618.00 from EQT.

1:29:53 PM Atty Gregg-PSC-cross exam of Witness Rife
Note: Hughes, Pam Has there been any cost allocations among the different entities and what their cost is based on? How are the invoices allocated that have been submitted to the Commission?

1:32:17 PM Note: Hughes, Pam Referring to documents submitted to the PSC about cable tv.
Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam B&S Oil only had two people employed. Bud Rife Construction has 3 employees.

1:33:02 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam Separate tax returns for Bud Rife Construction.

1:33:48 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam PSC Exhibit 7- Appendix B to the Opening Order to this case. PGA filing made March 2008.

1:37:41 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam NYMEX, Columbia Gas, IUS, or EQT current rates

1:40:02 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam Mr. Rife's 2008 statement about 9.38 benefit setting fixed rate even though gas cost rate would go up.

1:42:06 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam 2015 and current gas costs of other small gas utilities regulated by Commission would not reflect recent, current, market price conditions for natural gas.

1:43:40 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam PSC exhibit 8 - Appendix E to the opening Order dated Nov 24, 2015

1:44:35 PM break

1:44:42 PM Session Paused

1:47:39 PM Session Resumed

1:47:44 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam Appendix E to the PSC Order-KRS 278.274, Section 3.b- familiar with the law. Are you familiar with the sections c and d of same statute?

1:49:37 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam Page 3 of this Order, Ordered paragraphs of this order (6). Has B&H Gas Co. complied with these orders, Witness answers No.

Note: Hughes, Pam PSC exhibit 9, Order in this case dated June 30, 2016.

1:53:28 PM New Event

Note: Hughes, Pam Has B&H collected any amount of money from its customers since this Order was submitted. YES. Have any funds been separated and is there anything in writing from this bank?

Note: Hughes, Pam Did B&H let the Commission know there was no way to open this type of account after finding out they couldn't?

1:55:41 PM Post Hearing DR

Note: Hughes, Pam Supply what you have billed for and what was collected to and from customers of B&H Gas

1:57:14 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam PSC Exhibit 10 - Southern Hydrocarbon Corp. testing sheets.

1:57:57 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam Jan 14, 2016 IC held at Commission. Witness stated that Gas had a heat content of 1350, Please show where on these testing sheets that the heat content was 1350.

Note: Hughes, Pam Gross heating value on first sheet-1285.4 Btu Gross heating value on next page is 1251. Next sheet is 1246. Next sheet is 1322, and then 1270. Not one is 1350 as stated.

2:02:22 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam Why was gas tested?

Note: Hughes, Pam How long has the test been done? In April of 2016 test was submitted.

2:04:29 PM Atty Gregg-PSC-cross exam of Witness Rife

Note: Hughes, Pam 1341 was the blend of all the gas. Others are less than that.

2:06:11 PM	Atty Gregg-PSC-cross exam of Witness Rife Note: Hughes, Pam	Referring to the Southern Hydrocarbon document being a blend or not. Referencing where the sample was taken.
2:08:41 PM	Post Hearing DR Note: Hughes, Pam	Monthly MCF sales from period of November 2015 through November 2016.
2:10:12 PM	Atty Larry Cook Note: Hughes, Pam	clarifies exhibits
2:10:33 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	1350 is not the number of blended gas that has previously been stated.
2:11:24 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam Note: Hughes, Pam	Provide the wells and tests. 2 are a blend and one is a double. PSC exhibit 10 , 1st is IVEL well. 2nd is Betsy Lane shop, Booker is well with split bag, Mare Creek is a well, Betsy Lane is a well, Mare Creek shop is not a well but where the equipment is stored. The other 3 wells not tested is enough to bring up to 1350?
2:15:18 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	How do blends from all the wells give you the 1350 rate?
2:16:52 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	Rife testimony stated EQT couldn't supply enough gas to push it through where it needed to be. In winter they only have 10 lbs and only one well in Ivel. EQT does not have enough gas to supply B&H Gas in the winter.
2:20:00 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	Pricing comparisons, are there lists of smaller producers that have content similar and cheaper than B&H Gas. How do you know your gas has a higher MMBtu than your competitors?
2:24:31 PM	Post hearing DR Note: Hughes, Pam	Comparisons of smaller companies MMBtu
2:25:37 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	Need in a Post Hearing DR for Staff's 2nd request, item 4. Identify Owners (natural gas) of 7 gas properties
2:28:20 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	Post Hearing Data Reques -tReferring to how B&S pays royalties. Claim to the gas or mineral rights. Amounts and names
2:30:07 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	Insurance coverage for residences for employees that rent properties from Bud Rife.
2:31:48 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	Organizations of B&H, B&S, Johnson Construction, Bud Rife Construction.
2:32:38 PM	Vice Chairman Cicero cross exam of Witness Rife Note: Hughes, Pam	Referring to balance sheets reflect 90% loss. 1,608 million
2:37:47 PM	Commissioner Logsdon cross exam of Witness Rife Note: Hughes, Pam	Southern Hydrocarbon document, third party collected sample (employee)
2:38:52 PM	Commissioner Logsdon cross exam of Witness Rife Note: Hughes, Pam Note: Hughes, Pam	200.00 to test Wells. Procedure of testing. Why were other 3 Wells not tested? Mini Woods well, George Honaker well, and Jim Lore well were not tested.
2:41:09 PM	Commissioner Logsdon cross exam of Witness Rife Note: Hughes, Pam	Amount spent yearly on upkeep of these wells.
2:44:26 PM	Commissioner Logsdon cross exam of Witness Rife Note: Hughes, Pam	Provide a letter from Equitable

2:45:30 PM	Note: Hughes, Pam Commissioner Logsdon cross exam of Witness Rife	Equitable not having enough gas to service them in the winter.
2:45:48 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	Ordering paragraphs need to be followed
2:47:10 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	Bud Rife is sole proprietor for Bud Rife Construction. Master service agreement with Eqt. Please provide a copy
2:48:24 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	Whom does the city of Prestonsburg get their gas? Names of companies who supply natural gas to utilities?
2:53:10 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	Willard Kinser, Kinser drilling Co, own number of wells in Floyd and Pike Counties. Kinser will not sell to B&S. Laford and Interstate gas? Any attempt from 2012-2016 to purchase gas from the successors.
2:53:41 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	B&S Oil and Gas has hundreds of gas wells in Floyd and Johnson Counties. 25,000 to 30,000 to tap into Columbia's gas lines.
2:56:17 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	Purchased from Columbia and EQT gas.
2:58:16 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	Does Bud Rife own the oil and gas produced by B&S Gas, yes. Were all 7 wells in production when purchased B&S Gas. Royalties to surface owners?
2:58:55 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	How many gas wells subject to the free gas clause. Ivel and Mare Creek wells are the free gas clause wells.
2:59:48 PM	Note: Hughes, Pam Chairman Schmitt cross exam of Witness Rife	River crossings from the west to the east side of the Big Sandy River
3:03:13 PM	Note: Hughes, Pam Chairman Schmitt	Employee took the gas samples, but was employed by the Construction Company.
3:03:32 PM	Note: Hughes, Pam Atty Childers redirect to Witness Rife.	Vehicles in whose name? Office destroyed by fire was George Road, happend 2 times. Did the insurance company pay for the rental property used after the fire. Two other properties that Mr. Rife pays the premiums for employees lives there and works for the construction co. Fire and Flood insurance and the cost was B&S Gas.
3:04:44 PM	Note: Hughes, Pam Atty Childers redirect to Witness Rife.	Mineral rights Mineral rights, royalties, ownership Leases to the wells
3:06:17 PM	Note: Hughes, Pam Atty Childers redirect to Witness Rife.	Referring to expenses asked to provide of all the different entities Mr. Rife owns.
3:07:17 PM	Note: Hughes, Pam Atty Childers redirect to Witness Rife.	Revenues to B&S, exhibit 7 (B&S) PSC exhibit 6
3:08:51 PM	Note: Hughes, Pam Atty Childers redirect to Witness Rife.	2015 B&H customers were sold 14,420 annual expenses
3:09:39 PM	Note: Hughes, Pam Atty Childers redirect to Witness Rife.	Audit by the PSC of all expenses

3:11:36 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam PSC exhibit 7 -Appendix B, page 5. Residential rates March 4, 2008

3:14:38 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam B&H exhibit 3- Sentra Corp. Other competitors of small utilities

3:15:42 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam Decatherm-heating value of natural gas

3:16:18 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam Customer complaints about cost of gas

3:16:54 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam B&S provides B&H gas free of charge

3:17:27 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam Two fires of B&H Gas and rental checks. Bud Rife paid the rental fees.

3:18:35 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam Vehicles and who owns them. Provides gas and insurance

3:19:07 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam Property at Mare Creek rent, Bud Rife pays this

3:19:59 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam Johnson County gas salary, and from B&H. Bud Rife pays for all vehicles and gas.

3:23:33 PM Atty Childers redirect to Witness Rife.
Note: Hughes, Pam Other gas companies that offer lower rates

3:24:14 PM Vice Chairman redirect to Witness Rife.
Note: Hughes, Pam Gross profit and expenses. Rent and lease expense for building when did you stop paying.

3:27:10 PM Post hearing DR
Note: Hughes, Pam Provide the rent expense of building rented when fire.

3:28:06 PM Vice Chairman redirect to Witness Rife.
Note: Hughes, Pam Expense amount and most payments going to Witness Rife or businesses he owns.

3:30:12 PM Vice Chairman redirect to Witness Rife.
Note: Hughes, Pam Royalties-are you paying one-eighth on the 9.38
Note: Hughes, Pam Bud Rife Construction owns all the vehicles

3:31:02 PM Vice Chairman redirect to Witness Rife.
Note: Hughes, Pam unpaid bills to B&S

3:31:30 PM Vice Chairman redirect to Witness Rife.
Note: Hughes, Pam When the Commission enters an Order, it is not an option to not follow the directive.

3:33:17 PM Chairman redirect to Atty Childers.
Note: Hughes, Pam Need to assist in helping to set up an Escrow account

3:34:03 PM Vice Chairman redirect to Witness Rife.
Note: Hughes, Pam Office been rebuilt from fire and some insurance has paid on some of the loss

3:34:42 PM Vice Chairman redirect to Witness Rife.
Note: Hughes, Pam Martin Gas, Inc. owned by the Lineburg family in Floyd Co. Frontier Gas is in Prestonsburg. Aware of what they charge?

3:35:44 PM Larry Cook _AG_ redirect to Witness Rife.
Note: Hughes, Pam B&H paying rent now after the fire and will continue.

3:36:26 PM Commissioner redirect to Witness Rife.
Note: Hughes, Pam Bud Rife and construction owns all vehicles

3:36:55 PM Chairman redirect to Witness Rife.
Note: Hughes, Pam How much rent Bud Rife pays.

3:37:55 PM Witness Rife is dismissed

3:38:09 PM Chairman asks for outstanding motions
Note: Hughes, Pam No motions

3:38:27 PM Chairman Schmitt
Note: Hughes, Pam Post hearing DR to be served on Atty Childers on the 8th.

3:39:15 PM Atty Childers may file a small brief

3:40:03 PM Chairman Schmitt
Note: Hughes, Pam Responses due Dec 23rd. Then to Jan 10th to file briefs

3:41:42 PM Chairman
Note: Hughes, Pam Post hearing DR to be sent by email on or before Dec 8th.
Responses postmarked on or before Dec 23rd. If add'l time needed
a motion must be filed. Jan 10, 2017 briefs

3:43:41 PM Session Paused

4:27:27 PM Session Ended



Name:	Description:
AG Exhibit 01	Invoice from KY Power to Bud Rife dated Sept. 28, 2016
AG Exhibit 02	Gearheart Communications invoice to Bud Rife
AG Exhibit 03	Hagerty Insurance declarations page on 2000 Chevy Corvette
AG Exhibit 04	Kentucky Fair Plan to Bud Rife-renewal premium notice
AG Exhibit 05	Copies of cancelled checks to SCSNPDG from B & S Oil and Gas Co. for rent
AG Exhibit 06	New Pig receipts (Cardinal Mart #1)
AG Exhibit 07	New Pig invoice to Bud Rife Construction dated 3/2/15
AG Exhibit 08	Joint response to the AG's initial DR rec'd april 18, 2016
AG Exhibit 09	Supplemental responses to AG's Initial DR
AG Exhibit 10	Invoice from A1 Portables to Bud Rife Construction dated 3/2/15
AG Exhibit 11	Invoice from Bud Rife Construction Co to B&S Oil & Gas Co datted Jan 1, 2015
AG Exhibit 12	Complaint filed in Floyd Circuit COurt- KY Power vs. Bud Rife Construction Co and Bud Rife
AG Exhibit 13	Answers to Interrogatories and responses to request fro Production of Documents in the Floyd Co Circuit Court Case-KY Power vs. Bud Rife Construction CO and Bud Rife
B&H Exhibit 05	PSC Press release
B&H Gas Co Exhibit 02	Southern Hydrocarbon Corporation test sheets
B&H Gas Exhibit 04	PSC Order in Case No. 2016-00139 Sentra Corp.
B&H Gas Exhibit 06	B&S Oil & Gas Co Invoice to B&H Gas Co.
B&H Gas Exhibit 07	Vendor Ledgers for Jan 1, 2015 to Dec 31, 2015.
B&H Gas Exhibit 11	Customer bill from B&H Gas Co, total \$46.27
PSC Exhibit 01	Copy of Appendix G form the Commission's Order dated Nov. 24, 2015
PSC Exhibit 02	10 Kentucky Power invoices for 10 separate account numbers
PSC Exhibit 03	Sentra Corp. Rates, Rules and Regulations supplying Natural Gas
PSC Exhibit 03	Copies of Invoices of Hartford Insurance Co., Hagerty Insurance and Dairyland Insurance.
PSC Exhibit 04	Invoice from Gearheart Communications dated Feb. 1, 2015
PSC Exhibit 05	Copies of payment voucher to the IRS, a letter from Darrell Madden, CPA to Bud Rife and invoices from the IRS and the KY State Treasurer
PSC Exhibit 06	Copy of B&H's 2015 annual report, Gas purchases, page 36-42.
PSC Exhibit 07	Appendix B to the opening order. Last PGA filing B&H made in March 2008
PSC Exhibit 08	Appendix E to the opening Order, copies of statutes concerning utility transactions with affiliates.
PSC Exhibit 09	Copy of June 30, 2016 Order requiring B&H to deposit all PGA revenues in eccess of \$4.84 per Mcf collected after June 30, 2016.
PSC Exhibit 10	Copy of Southern Hydrocarbon Corporation testing sheets.

BUD RIFE

STANVILLE, KY 41659-9014

Questions About Bill or Service, Call:
1-800-572-1113
Pay By Phone: 1-800-611-0964

KPCO Messages

Make this the last bill sent in the mail. Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEP Paperless.com.

Visit us at www.KentuckyPower.com
Rates available on request
See other side for important information



Account Number	Total Amount Due	Due Date
032-560-020-8-4	\$35.25	Oct 14, 2016
Meter Number	Cycle-Route	Bill Date
533741213	01-08	Sep 28, 2016

Previous Charges:

Total Amount Due At Last Billing \$ 37.17
 Payment 09/15/16 - Thank You -37.17
Previous Balance Due \$.00

Current KPCO Charges:

Tariff 211 -Small General Service 09/27/16
 Rate Billing \$ 18.32
 Fuel Adj @ 0.0038907 Per KWH .02
 DSM Adj @ 0.0018350 Per KWH .01
 Kentucky Economic Development Surcharge .15
 Capacity Charge @ 0.0014820 Per KWH .01
 Big Sandy 1 Operation Rider @ 0.0044600 Per KWH .03
 Big Sandy Retirement Rider 4.9918000% .91
 Environmental Adj 8.4819000% 1.55
 State Sales Tax 1.26

Current Electric Charges Due \$ 22.26

Tariff 113 -Outdoor Light 09/28/16

Rate Billing 66 KWH Used (Nbr.Lights:1) \$ 10.58
 Fuel Adj @ 0.0038907 Per KWH .26
 Capacity Charge @ 0.0014820 Per KWH .10
 Big Sandy 1 Operation Rider @ 0.0015900 Per KWH .10
 Big Sandy Retirement Rider 5.0065400% .45
 Environmental Adj 8.4819000% .76
 State Sales Tax .74

Current Electric Charges Due \$ 12.99

Total Amount Due \$35.25
Due Oct 14, Add \$1.76 After This Date

Meter Number	Service Period		Meter Reading Detail			
	From	To	Previous	Code	Current	Code
533741213	08/29	09/27	2751	Actual	2758	Actual
Multiplier 1.0000			Metered Usage 7 KWH			
Next scheduled read date should be between Oct 26 and Oct 31						

AG Exhibit 1



Gearheart Communications
 P.O. Box 160
 Harold, KY 41635

Page: 1 of 5
 Account: 1002581
 Bill Date: Feb 01 2015
 Name: BUD RIFE
 Telephone: 606 478-5233

BTS

For Billing Inquires, Call 478-9401 or 452-9401

Account Summary

Previous Balance Due \$224.42
 Payment Received - Dec 30 \$224.42CR

Unpaid Balance as of Jan 20 \$0.00

Current Charges Summary

CTC Triple Play Extreme \$129.97
 Additional Landline Charges \$5.00
 Additional Cable TV Charges \$51.54
 Additional Internet Service Charges \$34.99
 Other Charges and Credits \$117.34
 Taxes and Surcharges \$12.19
Total Current Charges Due by Feb 10 \$351.03

Total Amount Due \$351.03

P A I D
 JAN 04 2015
 CK 7776

Please make checks payable to Gearheart Communications

AG Exhibit 2



P: 800-922-4050 · F: 231-941-8227 · WWW.HAGERTY.COM

4/7/2015

Mr. Bud Rife

Harold, KY 41635-0155

CLIENT NUMBER: 1913309

YOUR CURRENT POLICY EXPIRES: 6/20/2015

~~NEED HELP? RENEW YOUR POLICY~~

It's time to renew your policy for your **2000 CHEVROLET CORVETTE.**

ENCLOSED YOU WILL FIND:

- Insurance Coverage Summary (Classic Automobile Renewal Offer)
- Your Renewal Invoice

TOTAL SUPPORT:

You're getting the best insurance *and* the best roadside assistance on the market - Hagerty Plus. It's the most comprehensive roadside service and benefits program designed exclusively for the automotive enthusiast. Members enjoy:

- **Unlimited Roadside Service** - Hagerty Plus features guaranteed flatbed recovery with soft straps on every tow, use our emergency service as many times as you need.
- **Enthusiast Benefits** - Members receive a wide range of benefits designed with the car guy in mind, including a subscription to *Hagerty Classic Cars* magazine.
- **Hobby Support** - Hagerty Plus members also benefit from membership in the Historic Vehicle Association and support of the Hagerty Education Program, organizations working to promote and protect the future of the classic car lifestyle.

Need a different plan? We offer various levels of Hagerty Plus to fit your needs. Call us to discuss.

NEED HELP?

If you have questions or need to change your coverage, please call one of our licensed agents at 800-922-4050 or auto@hagerty.com. To better serve you, our office is open seven days a week.

MAKE A DIFFERENCE, MAKE A DONATION

As you renew your policy this year, consider making a donation to The Hagerty Education Program at America's Car Museum, a 509(a)(1) nonprofit organization that funds education and training for young people interested in automotive preservation and restoration. For more information, visit www.hagertyeducationprogram.org.

THANK YOU FOR RIDING WITH US.

AG
Exhibit 3

Lucky FAIR Plan

55 Shelbyville Rd., Suite 102
 Louisville, KY 40223-3101
 888-222-7702
 502-425-9998

**RENEWAL
PREMIUM DUE NOTICE**

Policy or Account Number	Insurance Selection	Due Date	Effective Date	Expiration Date
DW40000715	Dwelling Fire	05/05/2016	05/05/2016	05/05/2017
Insured		Agent 1610389		
BUD RIFE PO BOX 155 HAROLD, KY 41635		BRIAN PUGH / KY FARM BUREAU 1288 SOUTH LAKE DRIVE PRESTONSBURG, KY 41653 Phone: (606) 886-8597		

Your policy expires on the date shown below. To continue your coverage you must pay either the TOTAL PREMIUM or, at a minimum, the PAYMENT PLAN INSTALLMENT before the expiration date. Our payment plan allows you to pay our premium in 5 equal installments. If you choose the payment plan you will receive a payment reminder and be charged a \$4.00 fee for each installment.
 THE ATTACHED RENEWAL CERTIFICATE IS VOID IF PAYMENT IS NOT RECEIVED BY THE PAYMENT DUE DATE.

Policy Expiration Date is 05/05/2016.

Previous Amount:	\$0.00	LOCATION ADDRESS:
Renewal Premium:	<u>\$708.53</u>	25 CEDAR DR
Total Premium:	\$708.53	STANVILLE, KY 41659
Payment Plan Option:		
25% Payment Plan Installment:	\$181.13	

You may submit your payment by mailing to the address below or paying online at www.kyfairplan.org
 Keep the top portion of this statement for your records.

KF-L08

IMPORTANT: Detach and return the notice below, along with your payment, made payable to: KENTUCKY FAIR PLAN in the envelope provided. Please be sure to include your policy number on your payment.

In case of loss under this policy we cover only that part of the loss over the deductible stated below.

Deductible Amount: \$1,000

CONDITION CHARGES INCLUDED IN BASIC PREMIUM	PREMIUM
PHYSICAL CONDITION	\$135.00

AG
Exhibit

4

KF-DEC

8032

BAND 5 OIL AND GAS CO
PO BOX 100
HAROLD, KY 41002-0100
TEL 502-475-3204

DATE 10/5/15

PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
Two Thousand Dollars and 00/100

FOR Office Rent Oct 15

Sude Allen

Check 8032 Amount \$2,000.00 Date 10/5/2015

8122

BAND 5 OIL AND GAS CO
PO BOX 100
HAROLD, KY 41002-0100
TEL 502-475-3204

DATE 2/3/16

PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
Two Thousand Dollars and 00/100

FOR Office Rent 2/16

Sude Allen

Check 8122 Amount \$2,000.00 Date 2/3/2016

8064

BAND 5 OIL AND GAS CO
PO BOX 100
HAROLD, KY 41002-0100
TEL 502-475-3204

DATE 11/9/15

PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
Two Thousand Dollars and 00/100

FOR Office Rent Nov 15

Sude Allen

Check 8064 Amount \$2,000.00 Date 11/9/2015

8175

BAND 5 OIL AND GAS CO
PO BOX 100
HAROLD, KY 41002-0100
TEL 502-475-3204

DATE 3/2/16

PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
Two Thousand Dollars and 00/100

FOR 24 March 2016

Sude Allen

Check 8175 Amount \$2,000.00 Date 3/2/2016

8080

BAND 5 OIL AND GAS CO
PO BOX 100
HAROLD, KY 41002-0100
TEL 502-475-3204

DATE 12/3/15

PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
Two Thousand Dollars and 00/100

FOR Office Rent Nov 15

Sude Allen

Check 8080 Amount \$2,000.00 Date 12/3/2015

8206

BAND 5 OIL AND GAS CO
PO BOX 100
HAROLD, KY 41002-0100
TEL 502-475-3204

DATE 4/11/16

PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
Two Thousand Dollars and 00/100

FOR Rent April 2016

Sude Allen

Check 8206 Amount \$2,000.00 Date 4/11/2016

8097

BAND 5 OIL AND GAS CO
PO BOX 100
HAROLD, KY 41002-0100
TEL 502-475-3204

DATE 1/4/16

PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
Two Thousand Dollars and 00/100

FOR Office Rent 1/16

Sude Allen

Check 8097 Amount \$2,000.00 Date 1/4/2016

8240

BAND 5 OIL AND GAS CO
PO BOX 100
HAROLD, KY 41002-0100
TEL 502-475-3204

DATE 5/6/16

PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
Two Thousand Dollars and 00/100

FOR Office Rent May 16

Sude Allen

Check 8240 Amount \$2,000.00 Date 5/6/2016

B AND S OIL AND GAS CO
 7774
 DATE 2/9/15
 PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
 Two Thousand Dollars and 00/100
 FOR OFFICE RENT
 [Redacted]
 Linda Allen

Check 7774 Amount \$2,000.00 Date 2/9/2015

B AND S OIL AND GAS CO
 7811
 DATE 6/4/15
 PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
 Two Thousand Dollars and 00/100
 FOR RENT 6/15
 [Redacted]
 Linda Allen

Check 7811 Amount \$2,000.00 Date 6/4/2015

B AND S OIL AND GAS CO
 7821
 DATE 3/9/15
 PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
 Two Thousand Dollars and 00/100
 FOR OFFICE RENT (March 2015)
 [Redacted]
 Linda Allen

Check 7821 Amount \$2,000.00 Date 3/9/2015

B AND S OIL AND GAS CO
 7846
 DATE 7/15/15
 PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
 Two Thousand Dollars and 00/100
 FOR OFFICE RENT July 2015
 [Redacted]
 Linda Allen

Check 7846 Amount \$2,000.00 Date 7/15/2015

B AND S OIL AND GAS CO
 7843
 DATE 4/8/15
 PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
 Two Thousand Dollars and 00/100
 FOR OFFICE RENT
 [Redacted]
 Linda Allen

Check 7843 Amount \$2,000.00 Date 4/8/2015

B AND S OIL AND GAS CO
 7987
 DATE 8/6/15
 PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
 Two Thousand Dollars and 00/100
 FOR RENT August 2015
 [Redacted]
 Linda Allen

Check 7980 Amount \$2,000.00 Date 8/6/2015

B AND S OIL AND GAS CO
 7885
 DATE 5/13/15
 PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
 Two Thousand Dollars and 00/100
 FOR RENT May 2015
 [Redacted]
 Linda Allen

Check 7885 Amount \$2,000.00 Date 5/13/2015

B AND S OIL AND GAS CO
 8012
 DATE 9/11/15
 PAY TO THE ORDER OF SGSNPDG, LLC \$ 2000.00
 Two Thousand Dollars and 00/100
 FOR RENT September 2015
 [Redacted]
 Linda Allen

Check 8012 Amount \$2,000.00 Date 9/11/2015

CARDINAL MART #1
 US 23 STANVILLE
 BETSY LANE, KY 41605
 606-478-9581

00000081562-01 CARDINAL COUNTRY STO
 9469 US HWY 23 SOU STANVILLE KY

Descr.	qty	amount
<CUSTOMER COPY> UNLD CA #08	24.750G @ 1.899/ G	47.00
	Sub Total	47.00
	Tax	0.00
TOTAL		47.00
	CREDIT \$	47.00

CARD TYPE: KORC
 CARD DATA: BUDR-560063
 TRANS TYPE: SALE
 REFERENCE#: 11104020018

POWERED BY ONETOUCH

EARN UP TO \$.25 ON
 MARATHON PURCHASES
 WITH MARATHON VISA

THANKS, COME AGAIN

REG# 0004 CSH# 010 DR# 01 TRAN# 43649
 11/23/15 13:47:34 ST# 00001

CARDINAL MART #1
 US 23 STANVILLE
 BETSY LANE, KY 41605
 606-478-9581

00000081562-01 CARDINAL COUNTRY STO
 9469 US HWY 23 SOU STANVILLE KY

Descr.	qty	amount
<CUSTOMER COPY> T EXTREME BLUE WF	1	2.79
UNLD CA #08	23.055G @ 2.299/ G	53.00
	Sub Total	55.79
	Tax	0.17
TOTAL		55.96
	CREDIT \$	55.96

CARD TYPE: KORC
 CARD DATA: BUDR-560063
 TRANS TYPE: SALE
 REFERENCE#: 11103593478

POWERED BY ONETOUCH

EARN UP TO \$.25 ON
 MARATHON PURCHASES
 WITH MARATHON VISA

THANKS, COME AGAIN

REG# 0002 CSH# 009 DR# 01 TRAN# 21580
 11/09/15 08:11:46 ST# 00001

AG
 Exhibit 6



New Pig

One Pork Avenue
Tipton, PA 16684-0304

U.S.A. Federal ID # 23-2863423
Cage Code 1JA49

U.S.A. P.R., Canada and Mexico ordering 1-800-HOT-HOGS (468-4647) / FAX 1-800-621-PIGS (621-7447)
Accounts Receivable + 1-888-468-5207 / FAX + 1-814-684-0644

INVOICE in U. S. Dollars

Oil Spill

Ordered by

BUD RIFE CONSTRUCTION
497 GEORGE RD
PO BOX 155
HAROLD, KY 41635

PAID
APR 16 2015

CUSTOMER NUMBER	INVOICE NUMBER	INVOICE DATE
4884764	21603475-00	03/02/15

Bill To

BUD RIFE CONSTRUCTION
497 GEORGE RD
PO BOX 155
HAROLD, KY 41635

Ship To

BUD RIFE CONSTRUCTION
38 FORTH ST
ATTN BUD RIFE
THACKER AUTO PARTS
HAROLD, KY 41635

Please make checks payable to New Pig Corporation

TERMS	CUSTOMER PURCHASE ORDER NUMBER	ORDER DATE	SHIPPED VIA	DATE SHIPPED	PAGE	
Net 30 Days	VERB BUD RIFE	02/27/15	PITT/AVERITT	03/02/15	1	
LINE	ITEM/DESCRIPTION	QUANTITY ORDERED	QUANTITY SHIPPED	QUANTITY BACKORDERED	UNIT PRICE	TOTAL
Please reference Quote # 21603475-00 when placing order. Pricing valid until EXPIR DATE shown on quote. Origin pricing applied. FOB: Origin - Tipton, PA Item Availability: In stock at time of quote Prices are based on product, quantity, shipping address and commercial packaging & labeling as stated on this quote. ORDERED BY: BUD RIFE - PHONE: 6064785264 ADDL ITEM(S) HAVE BEEN PLACED ON ORDER 21603489-00						
1	MAT401 PIG Oil-Only Absorbent Mat Roll Heavy-weight, 30" x 150' 1 roll	4	4	0	122.00	488.00
2	mat440 PIG Oil-Only Absorbent Mat Pad in Dispenser Box Heavy-weight, 15" x 20", 100 pads	10	10	0	63.00	630.00
3	kit470 PIG Oil-Only Spill Kit in See-Thru Bag Absorbs up to 6 gal.	6	6	0	54.00	324.00
4	PLP410 PIG Oil-Only Lite-Dri Loose Absorbent Absorbs Oil-based Liquids But Not Water, Absorbs up to 8 gal.	12	12	0	24.10	289.20
SUB TOTAL						1731.20
Freight Out						136.50
TOTAL U. S. Dollars						1867.70
REMIT IN U. S. Dollars						

AG Exhibit 7

RECEIVED

APR 18 2016

PUBLIC SERVICE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

AN INVESTIGATION OF THE GAS COSTS OF) CASE NO.
B&H GAS COMPANY PURSUANT TO KRS) 2015-00367
278.2207 AND THE WHOLESALE GAS PRICE IT)
IS CHARGED BY ITS AFFILIATE, B&S OIL AND)
GAS COMPANY, PURSUANT TO KRS 278.274)

JOINT RESPONSE TO THE ATTORNEY GENERAL'S
INITIAL DATA REQUESTS

Comes B&H Gas Company ("B&H"), and B&S Oil and Gas Company ("B&S"), by and through Bud Rife, President of each entity, and hereby submit their Joint Response to the Attorney General's Initial Data Requests.

B&H and B&S herein respectfully answer these questions to the best of their abilities. As the Attorney General is aware, the office shared by B&H and B&S suffered two fires in December, 2014 and January, 2015, respectively, and unfortunately many of the companies' records were destroyed. The following reflects B&H and B&S's best efforts to answer the Attorney General's questions. B&H and B&S will, where possible, supplement and/or amend their responses to these questions with additional information or documents.

QUESTION 1: Please state when Mr. Rife became an officer, director, member, principal and/or owner of:

- a. Johnson County Gas;
- b. B&H Gas Co. ("B&H");

AG Exhibit 8

e. B&S Oil & Gas Co.?

RESPONSE: B&H Gas has never obtained gas supply from Bradco Oil Company, Columbia Gas Co., Atmos Energy Marketing, or Constellation NewEnergy, but has obtained gas supply from B&S. Objection. Johnson County Gas is not a party to this case and is not required to answer data requests. Without waiving this objection, Johnson County Gas has obtained gas from Bradco Oil Company, Columbia Gas Co., Atmos Energy Marketing, and Constellation NewEnergy, but has never obtained gas from B&S.

QUESTION 19: Please confirm that in Case No. 2012-00140, Johnson County Gas and Mr. Rife stated in response to the Commission Staff's first data request, item no. 6, that B&H shares office space with Johnson County Gas, and that both entities pay a monthly rent to Mr. Rife.

- a. Does Johnson County Gas continue to maintain offices in the same location as B&H, and/or B&S?
- b. Please identify any and all other businesses that share office space at this location.

RESPONSE: Yes, B&H shares physical office space with Johnson County Gas, and both entities pay a monthly rent to Mr. Rife. **B&S does not, and has never, maintained an office at this location.** Johnson County Gas and B&H continue to share this office space, however since the building burned in January, 2015 neither entity has paid rent to Bud Rife. **Johnson County Gas and B&H are the only entities operating out of this office space, however some of B&H's records and documents are, from time to time, stored in this same location.**

QUESTION 20: Has Bud Rife ever filed for bankruptcy?

RECEIVED

APR 18 2016

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of

AN INVESTIGATION OF THE GAS COSTS OF	)	CASE NO.
B&H GAS COMPANY PURSUANT TO KRS	)	2015-00367
278.2207 AND THE WHOLESALE GAS PRICE IT)	
IS CHARGED BY ITS AFFILIATE, B&S OIL AND)	
GAS COMPANY, PURSUANT TO KRS 278.274)	

JOINT RESPONSE TO THE ATTORNEY GENERAL'S
INITIAL DATA REQUESTS

Comes B&H Gas Company ("B&H"), and B&S Oil and Gas Company ("B&S"), by and through Bud Rife, President of each entity, and hereby submit their Joint Response to the Attorney General's Initial Data Requests.

B&H and B&S herein respectfully answer these questions to the best of their abilities. As the Attorney General is aware, the office shared by B&H and B&S suffered two fires in December, 2014 and January, 2015, respectively, and unfortunately many of the companies' records were destroyed. The following reflects B&H and B&S's best efforts to answer the Attorney General's questions. B&H and B&S will, where possible, supplement and/or amend their responses to these questions with additional information or documents.

QUESTION 1: Please state when Mr. Rife became an officer, director, member, principal and/or owner of:

- a. Johnson County Gas;
- b. B&H Gas Co. ("B&H");

AG
Exhibit

9

RESPONSE: No, B&H and B&S are not "one and the same," for regulatory or any other purpose. B&H is a utility, and B&S is a gas supply company.

- (a) The two companies are separate. As to "arms length transaction," the question is not clear.
- (b) Mr. Rife owns both B&H and B&S and makes decisions consistent with the Commission's oversight of both entities in such a way as to operate within the law.
- (c) This response was corrected in Joint Response to the Commission's First Request for Information, Response to Question 2. As stated therein, B&H has the lowest rates in the area, and cannot operate profitably due to the fact that B&H's overhead and maintenance costs have increased over the past several years, resulting in insufficient funds to meet the revenue requirements of B&H. For this reason, B&H intends to apply for a rate increase.

QUESTION 33: Regarding the Commission's Informal Conference Memorandum dated Jan. 21, 2016, Mr. Rife advised the Commission that most of the records pertaining to both B&H and B&S were destroyed in two fires, one in December 2015 and the other in January 2016.

- a. Please state what portion of the companies' combined records were destroyed after the December 2015 fire.
- b. In the December fire, were more of B&H's records destroyed, or more of B&S' records?
- c. Following the December 2015 fire, from what location did the companies conduct business?

- d. Identify all measures the companies took to preserve the records that remained following the December fire.
- e. Were any of the records for B&H and/or B&S stored on computer drives? If so:
(i) did one or both fires destroy the computers, and if so, in which fire were they destroyed?; and (ii) did B&H, B&S and Mr. Rife ever back up records on a separate hard drive?
- f. Were any records pertaining to Johnson County Gas destroyed or damaged in one or both fires? If so, does this impair the ability of Mr. Rife to operate Johnson County Gas? Please explain.
- g. Have authorities investigated the cause of the December fire? Please provide the identity of any such applicable agencies.
- h. Have authorities investigated the cause of the January fire? Please provide the identity of any such applicable agencies.
- i. Has or have the cause(s) of one or both fires been determined? If so, please identify.
- j. As a result of one or both fires, is B&H able to operate its system in a safe and reliable manner?
- k. As a result of one or both fires, is B&H giving any consideration to selling its system, or to filing bankruptcy?
- l. Since the fires have destroyed most of B&H's records, how will the company be able to file a base rate case?

m. Do B&H and/or B&S have insurance policies that could cover the losses incurred in one or both policies? If so, please provide copies of declarations pages applicable to such policies.

RESPONSE:

- (a) Respondent approximates that 99% of B&H records were destroyed, and 80% of B&S records were destroyed.
- (b) More of B&H's records were destroyed.
- (c) B&H continued to operate out of this same space, but in a reduced capacity. B&S operates out of Bud Rife's home.
- (d) B&H has purchased new computers and office equipment. While virtually all physical paperwork and documents were destroyed, one hard drive survived the fire and was backed up. Records which survived this fire are now stored at Mr. Rife's home.
- (e) Yes, records for B&H and B&S were stored on computer drives. (i) The first fire did not destroy these records, and only the roof burned. After the December, 2014 fire all records and belonging were moved to the non-burnt portion of the building, however, the remainder of the building burned in January, 2015 which destroyed the computers. (ii) B&H, B&S and Mr. Rife did back up records on a separate hard drive, however both the computers and hard drives burned in the January, 2015 fire, except for one hard drive belonging to B&H.
- (f) Records pertaining to Johnson County Gas were destroyed and damaged in both fires, however this does not impair Mr. Rife's ability to operate Johnson County Gas because these records are not integral to operation of the company.
- (g) Yes, the Kentucky State Police has investigated the December, 2014 fire.

- (h) Yes, the Kentucky State Police has investigated the January, 2015 fire.
- (i) Yes, the Kentucky State Police have determined that the December, 2014 fire was due to arson, and have charged Shane Hale with arson in connection with this incident. The January, 2015 fire was determined to be the result of electrical issues.
- (j) Yes.
- (k) No.
- (l) B&H has more than a year's worth of records, which is sufficient for filing a rate case.
- (m) Neither B&H nor B&S have insurance policies covering the losses incurred in these fires.

QUESTION 34: Regarding the Commission's Informal Conference Memorandum dated Jan. 21, 2016:

- a. Mr. Rife told Commission staff that the BTU content of the gas from B&S's wells is 1350. Do the companies have any records regarding such testing? If so, please provide copies.
- b. Mr. Rife stated that B&S's gas is delivered at a higher pressure than is common for most utilities. Given the combination of higher BTU and higher pressure, do B&H's customers need to take any precautions or modifications to their gas-burning furnaces and appliances?
- c. If B&H and/or B&S plan on obtaining a new building to house their operations, will they seek recovery for such expenses in an ARF case? If so:
 - (i) What portion will Johnson County Gas contribute to the expenses of obtaining a new building?

A1 PORTABLES

www.a1portables.com

• MOBILE OFFICES & STORAGE CONTAINERS •

801 Enterprise Drive
Lexington, KY 40510

Accounting: 859-455-8218 Sales: 859-255-6605

TO:

Bud Rife Construction

P.O. Box 155
Harold, KY 41635

DIV.
4

INVOICE

No. 37781B

DATE	LEASE #
03/02/15	158638
ACCOUNT #	YOUR PIO #
BUDRIF	
UNIT #	SALESPERSON
SC00047	
MEMORANDUM / LOCATION	
497 George Road	

DESCRIPTION	UNIT PRICE	AMOUNT
*** SIZE/TYPE 08X20 CONTAINER	***	
*** SERIAL# #????013B01-4	***	
*** PERIOD From 3/2/2015 to 3/30/2015	***	
*** JOB Betsy Lane	***	
Unit Rental		96.00
Sales Tax KY State Tax	6.000%	5.76

** NOTICE: We accept VISA, M.CARD, DISCOVER & AMEX **
 ** NOTICE: A \$25.00 late charge will be applied to **
 ** accounts with invoices over 30 days old **
 ** NOTICE: Minimum 14 days notice required for P/U **

TERMS: Net 10 days Due on 03/12/15

INVOICE TOTAL

101.76

Invoice

Bud Rife Construction Company Inc.
 PO Box 155
 Harold, KY 41635
 606-477-5264 CELL
 (606)478-5264 OFFICE
 606-794-5264 CELL
 Fax (606) 478-5266
 budri@mikrotec.com

Invoice No:	014
Date:	Jan 1, 2015
Terms:	NET 30
Due Date:	Jan 31, 2015

Bill To:	B & S Oil & Gas Company PO Box 155 Harold, KY 41635
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Code	Description	Quantity	Rate	Amount
	TRUCK	1	\$775.80	\$775.80*

* Indicates non-taxable item

Subtotal	\$775.80
TAX (6.00%)	\$0.00
Total	\$775.80
Paid	\$0.00
Balance Due	\$775.80

Please detach and send with remittance to:

Bud Rife Construction Company Inc.
 PO Box 155
 Harold, KY 41635
 606-477-5264 CELL

REMITTANCE ADVICE FOR Invoice # 14

Balance Due: \$775.80

Amount Paid: _____

m: B & S Oil & Gas Company

AG
 Exhibit 11

AG
Exhibit 12

COMMONWEALTH OF KENTUCKY
FLOYD CIRCUIT COURT
CIVIL DIVISION
C. A. NO. 14-CI- 00907

KENTUCKY POWER COMPANY PLAINTIFF

VS.

BUD RIFE CONSTRUCTION CO., INC. DEFENDANT

Serve: Bud Rife-Registered Agent
US 23 South
P.O. Box 155
Harold, Kentucky 41635

NO. 14-CI-00907 DIV. II
FILED 16 DAY OF Dec, 2014
SUMMONS AND _____ COPIES ISSUED
FLOYD CIRCUIT & DISTRICT COURT
BY [Signature] D.C.

AND

BUD RIFE DEFENDANT

Serve: Bud Rife
497 George Road
Betsy Lane, Kentucky 41605

COMPLAINT

Comes now the Plaintiff, Kentucky Power Company, and for its Complaint hereby states as follows:

JURISDICTION AND VENUE

The Court has jurisdiction over this action because the Floyd Circuit Court is a court of general jurisdiction and the amount in controversy exceeds the minimum jurisdictional limits of this Court. Pursuant to KRS 452.450, venue is proper in the Floyd Circuit Court on the basis by statute (1) an action on a contract must be brought in the county in which the contract was performed and (2) the acts giving rise to the tort claims set forth hereinafter were committed in Floyd County, Kentucky.

PARTIES

1. The Plaintiff, Kentucky Power Company ("KPC"), is a public service corporation duly organized, created and existing under and by virtue of the laws of the Commonwealth of Kentucky, and was incorporated for the purpose of, and engages, among other things, in producing, generating, manufacturing, distributing, delivering and selling electricity for power, energy, current, heat and light, which said purposes include and involve the construction and maintenance of necessary infrastructure including, but not limited to, substations and other plant facilities. KPC performs the necessary construction and maintenance through its own employees and also engages third party independent contractors for such services.

2. The Defendant, Bud Rife Construction Co., Inc. ("Bud Rife Construction") is a Kentucky corporation with a principle place of business located at 497 George Road, Betsy Layne, Kentucky 41605.

3. Bud Rife is an individual who is verily believed to reside or occupy a dwelling located at 497 George Road, Betsy Layne, Kentucky 41605.

COUNT I- BREACH OF CONTRACT

4. On or around May 29, 2008, KPC and Bud Rife Construction entered a Contract Letter designated on KPC's records as Contract Number 1294860000X103 ("Contract 1"). A copy of Contract 1 (excluding the attachments) is attached hereto as Exhibit "1".

5. On or around May 16, 2011, KPC and Bud Rife Construction entered an additional Contract Letter designated on KPC's records as Contract Number 4221900000X103 ("Contract 2"). A copy of Contract 2 (excluding the attachments) is

attached hereto as Exhibit "2".

6. Contract 1 and Contract 2 (collectively "the Rife Contracts") capture the meeting of the minds between the parties and identify the agreed upon material terms with regard to the services to be performed by Bud Rife Construction including the agreed upon compensation for such services together with the payment procedures and other necessary administrative processes.

7. The Defendant, Bud Rife Construction, performed certain services and submitted invoices in 2011, 2012 and 2103 and KPC made timely payment allegedly due under or pursuant to the Rife Contracts.

8. Thereafter, KPC, in connection with its legal obligation to verify expenditures, performed a construction contract audit with respect to the Rife Contracts. The KPC audit identified unauthorized increases or unauthorized markups on various invoices submitted by Bud Rife Construction. The amount of the unauthorized markups included labor, equipment and materials on thirty-nine (39) invoices during the years 2012 and 2013 resulting in a payment by KPC to Rife Construction in the amount of Fifty-Eight Thousand, Five Hundred and Twenty-Two Dollars (\$58,522.00) for which a legal basis or legal right for payment on the part of Bud Rife Construction did and does not exist.

9. The Defendant, Bud Rife Construction, submitted an invoice designated as Invoice Number 852 ("Double Billed Invoice") for work performed on Friday, June 7, 2013, in the amount of Four Thousand One Hundred and Eighty-Six Dollars (\$4,186.00). The KPC audit established the Defendant, Bud Rife Construction, resubmitted the Double Billed Invoice which was paid by KPC on two (2) separate occasions resulting in

an overpayment in the amount of Four Thousand One Hundred and Eighty-Six Dollars (\$4,186.00) to Bud Rife Construction.

10. The Defendant, Bud Rife Construction, as evidenced by Invoice 467 and Invoice 489 submitted invoicing for charges on equipment, specifically, trucks at a rate of One Hundred and Twenty-Five Dollars (\$125.00) per hour. The Rife Contracts specify an agreed upon rate of One Hundred and Twenty-Five Dollars (\$125.00) per day resulting in an overpayment in the amount of One Thousand Six Hundred and Forty-Five Dollars (\$1,645.00).

11. Pursuant to the terms of the Rife Contracts, the Defendant, Bud Rife Construction, is required to provide actual employee records to verify the amount of charges submitted by invoice for payment by KPC. On a number of occasions, the Defendant, Bud Rife Construction, submitted invoices which were paid by KPC which contained a charge for trucks in excess of the number of employees working on the date of charge for the trucks. The Defendant, Bud Rife Construction, refused to produce payroll information to substantiate the "additional" employees resulting in overbilling in the sum of Seven Hundred and Fifty Dollars (\$750.00).

COUNT II - FRAUD

12. KPC hereby restates and reiterates each and every allegation set forth in paragraphs One (1) through and including eleven (11).

13. The Defendant, Bud Rife, in his individual capacity, submitted invoices to KPC for services allegedly performed in accordance with the Rife Contracts as set forth hereinabove which contained or were (1) material misrepresentations (2) false (3) known to be false or made recklessly (4) made with inducement to be acted on by KPC (5) acted

upon in reliance thereupon by KPC, and (6) caused injury to KPC in the monetary amount as set forth hereinabove for which Bud Rife in his individual is liable to KPC.

WHEREFORE, Plaintiff, KPC, prays:

1. That the Clerk issue summons and service be obtained upon each and every Defendant named hereinabove;
2. For a Judgment against the Defendant, Bud Rife Construction Co., Inc. for compensatory damages in the sum not less than Sixty Five Thousand One Hundred and Three Dollars (\$65,103);
3. For a Judgment against the Defendant, Bud Rife, for compensatory and punitive damages under Count II of the Complaint herein;
4. For a Judgment awarding prejudgment interest on all liquidated amounts at the rate of Eight percent (8%) or the maximum rate allowable by law on all sums awarded herein;
5. For all other relief to which the Plaintiff may be entitled.

Respectfully Submitted,



HON. ROBERT J. PATTON
KINNER AND PATTON LAW OFFICES
328 East Court Street
Prestonsburg, Kentucky 41653
Phone: (606) 886-1343
Fax: (606) 886-1349

CONTRACT LETTER

This Contract No.129486000X103 ("Contract") effective May 29, 2008 ("Effective Date") is made between American Electric Power Service Corporation, a New York corporation, as agent for Kentucky Power Company ("Owner") having offices at 1 Riverside Plaza, Columbus, OH 43215 and Bud Rife Construction Company Inc., a Kentucky corporation, ("Contractor") having offices at 54 Second Street, Harold, KY 41635.

1. Description of Services and Engagement Process

This Contract is intended to be a blanket contract under which Owner may request services to be performed by Contractor at various Owner locations on an as needed basis and does not authorize any work. Owner shall authorize Work under one or more written Contract Authorizations to Perform Work ("Release"), a sample which is attached in Exhibit B. Work performed hereunder may include general construction services in and around substations. Only the Owner's company ordering the Work under a Release shall be responsible for the obligations created thereunder. Contractor must be on call and able to respond within 4 hours in the event of emergency.

Each Release shall contain a specific description of the Work being performed, a schedule for the performance of the Work, performance criteria, and the cost of the Work. Each Release shall be governed by this Contract and shall include a statement referencing this Contract as governing. The Parties agree that any general or standard terms and conditions that may be preprinted or attached to a Release, a quote, a purchase order, an acknowledgement or any other document that the parties may use for the ordering, delivery, or acknowledgement of Work hereunder shall not apply and each party hereby rejects all such terms and conditions.

The Contractor acknowledges and agrees that there are no guarantees of a minimum volume of Work under this Contract. Owner may use other service providers for the same or similar Work.

2. Incorporation and Priority

Contractor and Owner agree that Work will be performed in accordance with the following Contract documents listed in their order of priority in the event of a conflict in their interpretation:

- a. this Contract Letter;
- b. the General Terms and Conditions for Labor and Services dated June 30, 2004, the Supplementary Terms and Conditions for T&D Construction and Maintenance Contracts dated September 22, 2000 Rev. 12/14/01, the Supplemental Safety Terms and Conditions dated v.2 2-1-05, the Procedure Upon Discovery of Firearms or Drugs, and the Contractor Fire Retardant Policy collectively designated Exhibit A, attached hereto and made a part hereof
- c. applicable Releases; a sample release designated Exhibit B is attached hereto;
- d. The Contractor Rate Sheets designated as Exhibit C, attached hereto and made a part hereof.

3. Term

The term of the Contract shall commence on the Effective Date and shall remain in full force and effect until May 28, 2011, unless earlier terminated in accordance with this Contract. The contract may be extended for two (2) one year periods upon mutually acceptable terms.

EXHIBIT**1**

tabbles

Contract Letter No. 1294860000X103
 Page 2 of 3

4. Fees and Payment Schedule

- a. Contractor's price for the Work is defined in each Release and per the Contractor Rate Sheet in Exhibit C;
- b. Contractor shall provide an invoice immediately upon completion of all Work under a Release.

5. Each invoice shall include the following information:

- a. unique invoice number;
- b. Release numbers;
- c. detailed line item description of the services and deliverables billed and hourly or unit rates;
- d. location receiving the services or deliverables;
- e. if no direct pay permit or exemption certificate, the rate and amount of taxes being billed; and
- f. total amount of the invoice.

Contractor shall mail invoices to:

Lisa Syck
 American Electric Power
 3249 North Mayo Trail
 Pikeville, KY 41501

6. Operation Contacts

Role	Contact	Email	Phone	Address
AEP Contract Analyst	Scott Markwell	smarkwell@aep.com	540.562.7083	P.O. Box 2021 Roanoke, VA 24022
AEP Station Supervisor	Matt Kimberlain	mkimberlain@AEP.com	606.794.3198	3249 N. Mayo Trail, Pikeville, KY 41501
Contractor Contact	Bud Rife	budri@mikrotec.com	606.478.5264	P.O. Box 155, Harold, KY 41635

7. Notices

All notices pursuant to Article 27 of the General Terms and Conditions for Labor and Services shall be sent to the following address:

If to Owner	If to Contractor
American Electric Power P.O. Box 2021 Roanoke, VA 24022 Attn: Scott Markwell	Bud Rife Construction Company Inc. P.O. Box 155 Harold, KY 41635 Attn: Bud Rife

Contract Letter No. 1294860000X103
Page 3 of 3

8. Miscellaneous

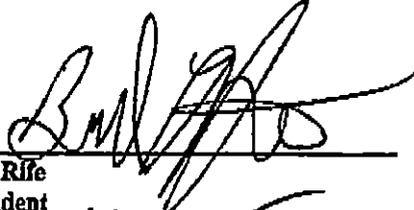
All capitalized terms not defined herein are as defined in the applicable terms and conditions referenced herein

IN WITNESS WHEREOF, authorized representatives of the parties have executed this Contract.

**American Electric Power Service Corporation
Company, as agent for Kentucky Power
Company**

Bud Rife Construction Company Inc.

By: 
Robert C. Wagner
Director Transmission Region Operations

By: 
Bud Rife
President

Date: 6-11-08

Date: 6/12/08

CONTRACT LETTER

This Contract No. 4221900000X103 ("Contract") is made between American Electric Power Service Corporation, a New York corporation, as agent for the operating companies of the American Electric Power system ("Owner"), having an office at 1 Riverside Plaza, Columbus, OH 43215 and Bud Rife Construction CO., Inc., a Kentucky corporation, ("Contractor") having an office at 54 Second Street, Harold, KY 41635, to be effective as of the 16th day of May, 2011 ("Effective Date").

I. Description of Work and Engagement Process

Subject to the terms and conditions hereof, Contractor agrees to furnish all supervision, labor, equipment and specified materials necessary to perform excavation, fencing, and general construction services in and around substations ("Work") on an as needed basis. Contractor must be on call and be able to respond within four hours in the event of an emergency.

This Contract does not authorize any Work. Owner will authorize Work via an "Authorization To Perform Work" form against the Contract ("Release"). Only the Owner's company ordering the Work under a Release shall be responsible for the obligations created thereunder.

Each Release will contain the scope of work for that specific project, a schedule for performance, specific deliverables of the work, a not to exceed price, performance criteria, and appropriate specifications and drawings and any special instructions. A sample Release is attached as Exhibit C. Each Release shall reference this Contract's terms and conditions as governing the Work provided thereunder. Any changes to the Contract's terms and conditions agreed to by the parties in an issued Release are for the Work specified under that Release only and will not apply to any other Release, past or future, and will not be deemed to have modified the terms and conditions of this Contract.

The parties agree that any terms and conditions inconsistent with this Contract, that may be preprinted or attached to a quote, purchase order, acknowledgement or any other document that the parties may use for the ordering and delivery of Work hereunder shall not apply and each party hereby rejects all such terms and conditions.

The Contractor acknowledges and agrees that there are no guarantees of a minimum volume of Work under this Contract. Contractor acknowledges and agrees that Owner may use other service providers for the same or similar Work.

2. Contract Documents, Incorporation and Priority

Contractor and Owner agree that the Work will be performed in accordance with the following documents, which are attached hereto, or, if otherwise noted, incorporated herein by reference, made a part of this Contract, and listed below in their order of priority in the event of a conflict in their interpretation:

- a. this Contract Letter;
- b. AEP General Terms and Conditions for Labor and Services Rev. 1 dated March 2009; AEP Supplemental Terms and Conditions for Transmission Construction and Maintenance Contracts Rev. 05/01/09; American Electric Power Transmission Supplemental Safety Terms and Conditions v.7 dated 05-01-09; AEP PPE Hazard Assessment Form; Contractor Task Hazard Analysis Form; and AEP Transmission Unvouchered Liability Reporting Instructions and Forms collectively designated as Exhibit A;
- c. No. SS-250500 Standards Substation Fence Specification, Rev. 4 dated 6-04-09; SS-311000 Grounding Application Guide, Rev. 3 dated 10/14/2008; CE-031 Specification for Gabions dated August 21, 2001; No. SS-710000 Site Preparation Guidelines dated 10/31/07; 2011 General Erosion and Sediment Control Specifications for the Construction and Maintenance of Electric.

Utility Lines – October 2010; and AEP Seeding Policy Southern Transmission Region Roanoke Branch Forestry Rev. 1999, collectively designated as Exhibit B;

- d. Authorization to Perform Work form (Release), designated as Exhibit C; and
- e. Contractor's Rate Sheet, designated as Exhibit D.

3. Term

The term of the Contract shall commence on the Effective Date and shall remain in full force and effect through May 15, 2016, unless terminated earlier in accordance with this Contract. If this Contract is terminated prior to Work under a Release being completed, unless the parties agree otherwise in a signed writing, the Work under such Release shall be completed pursuant to the terms of this Contract.

4. Pricing and Payment Terms

- a. Pricing and payment terms will be defined in each Release. Owner and Contractor may agree to price Work or portions of the Work under a Release via lump sum, not to exceed, unit price, time and material pricing or in accordance with the rates as set forth in Exhibit D. Prior to performing any Work that would result in billing in excess of the pricing term as stated in any Release, Contractor must receive written approval from Owner's authorized representative.
- b. Beginning on the anniversary date in May, 2013 and for every two years of the Contract thereafter, Contractor shall provide to Owner not less than sixty (60) days prior to the March anniversary date any requested change in rates pursuant to the Contract. If Owner agrees to the changes in rates, an amendment to the Contract shall be executed by the parties. In the event the Owner does not agree to the changes in rates, the Contract shall terminate at the end of the current year term in accordance with the Contract terms. In the event Contractor fails to provide a rate change within the specified time frame, then the current rates shall remain in effect for the next twenty four months.

5. Additional Safety Provisions

Contractor agrees:

- a. To complete and submit an AEP PPE Hazard Assessment Form (sample in Exhibit A) – one per life of the Agreement.
- b. To meet with local Owner's representative and review safety expectations prior to performing any Work.
- c. Not perform any Work without Owner's representative being present.
- d. To complete a Contractor's Task Hazard Analysis ("THA") form (sample in Exhibit A) for each Work task (Release) activity. All eight form elements must be completed and reviewed with Owner representative prior to performing any Work.
- e. To wear proper safety gear at all times in performing the Work. The Contractor employees must wear the following Personal Protective Equipment (PPE) at all times when working at Owner's site i.e. Hard Hat, Safety Glasses, Safety Toe Footwear and Gloves. Fire Retardant Clothing is required for any Work within substations. Fire retardant disposable coveralls can be provided by AEP.
- f. To remain strictly within Work area as designated by Owner. No work is to be performed outside of this area. The work area will be defined to keep all workers at a safe distance from the energized portion of the station. Contractor employees will not be allowed in Owner Substation Control houses unescorted under any circumstances.

g. Variations to the plan as previously stated must be discussed and evaluated with approval from AEP prior to any work commencing. At no time will the minimum electrical approach distance be violated.

h. To provide copies of all required documents created above and email them daily to Sue Smith at sssmith@aep.com

These safety provisions may be in addition to and in no way modify or diminish the Owner's other safety requirements contained in the General Terms and Conditions for Labor and Services or the Supplemental Safety Terms and Conditions.

6. Invoicing and Invoices

Each invoice shall include the following minimum information, and any other information as may be requested by Owner:

- a. unique invoice number;
- b. Contract number 4221900000X103 and appropriate Release number;
- c. detailed line item description of the services and deliverables billed and hourly or unit rates;
- d. location receiving the services or deliverables;
- e. if no direct pay permit or exemption certificate, the rate and amount of taxes being billed; and
- f. total amount of the invoice.

Contractor shall mail invoices to the AEP representative shown on the Release authorizing the Work.

7. Notices and Operation Contacts.

In accordance with Article 33.0 of the AEP General Terms and Conditions for Labor and Services in Exhibit A, the representatives of the parties for receipt of notices are:

For Owner:

Name	Role	Email	Phone	Address
Scott Markwell	AEP Contract Analyst	snmarkwell@aep.com	540.562.7083	P.O. Box 2021 Roanoke, VA 24022
As Shown in the Respective Release				

For Contractor:

Contractor Rep	Bud Rife	budri@mikrotec.com	606.478.5264	P.O. Box 155 Harold, KY 41635
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8. Miscellaneous

Contractor agrees that the documentation required by the Unvouchered Liability Reporting Instructions will be delivered as prescribed.

All capitalized terms not defined herein are as defined in the applicable terms and conditions referenced herein.

IN WITNESS WHEREOF, duly authorized representatives of the parties have executed this Contract as of the date written below to be effective as of the Effective Date.

American Electric Power Service Corporation,
as agent for the operating companies of the
American Electric Power system

Bud Rife Construction CO., Inc.



James K. Cook



Name

Director Transmission Regional Operations

Owner

Title

5/20/11

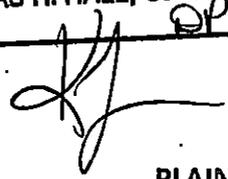
Date

6/10/11

Date

FILED _____ ENTERED _____
TENDERED _____ RECEIVED _____
THIS 3 DAY OF Feb. 2015
DOUGLAS R. HALL, CLERK
BY: _____ D.C.

FLOYD CIRCUIT COURT
DIVISION NO. II
C.A. NO: 14-CI-00907



KENTUCKY POWER COMPANY,

PLAINTIFF,

Vs

ANSWER AND COUNTERCLAIM

BUD RIFE CONSTRUCTION CO., INC.
And BUD RIFE,

DEFENDANTS

Comes the Defendants, Bud Rife Construction Co., Inc. and Bud Rife, by and through counsel, and for their answer and counterclaim against the Plaintiff, Kentucky Power Company, states as follows:

1. The Plaintiffs complaint should be dismissed for failure to state a cause of action.
2. The Plaintiffs complaint should be dismissed as being barred by the applicable statute of limitations.
3. The Plaintiffs complaint should be dismissed based upon the "Unclean Hands" Doctrine.
4. The Plaintiffs complaint should be dismissed based upon the doctrines of estoppel, waiver and/or laches.
5. The Defendants admit the allegations of Plaintiff's complaint regarding Jurisdiction and Venue.
6. The Defendants admit the allegations of paragraphs 1, 2, 3, 4 and 5 of Plaintiff's complaint.
7. The Defendants admit in part and deny in part the allegations of paragraph 6 of the Plaintiff's complaint, specifically denying that Contract #1 and Contract #2 contains the entire

Agreement of the Parties, due to the fact that said contracts specifically allow for billing as was done by Defendant, Bud Rife Construction Co., Inc. with the knowledge, agreement and acquiescence of Plaintiff's representatives.

8. The Defendants admits in part and denies in part the allegations of paragraph 7 of the Plaintiff's complaint, specifically denying that Plaintiff made all payments per the aforementioned contracts.

9. The Defendants admits in part and denies in part the allegations of paragraph number 8 of Plaintiff's complaint, specifically denying that there were "unauthorized markups" on invoices submitted by Bud Rife Construction.

10. The Defendant denies the allegations of paragraph numbers 9, 10 and 11 of Plaintiff's complaint.

11. The Defendant admits in part and denies in part the allegations of paragraph number 12 of Plaintiff's complaint, specifically denying those allegations as set forth herein above.

12. The Defendant denies the allegations of paragraph number 13 of Plaintiff's complaint.

COUNTERCLAIM

Comes the Defendant, Bud Rife Construction Company, Inc., by and through counsel, and for its counterclaim against the Plaintiff, Kentucky Power Company, states as follows:

1. The Defendant, Bud Rife Construction Company, Inc. and the Plaintiff, Kentucky Power Company, entered into multiple contracts wherein Rife was to provide certain construction services in return for payment per the contract and per the oral agreement of the parties which was envisioned in Contract #1 and Contract #2.

2. Bud Rife Construction, Inc., performed various construction services and submitted invoices to Plaintiff per Plaintiff's and/or Plaintiff's representatives direction and specifications.

3. Kentucky Power Company made timely payment on most invoices submitted by Rife, but failed and refused to pay the sum of \$24,896.36.

4. Bud Rife Construction Company, Inc. has made proper demand on the Plaintiff, Kentucky Power Company, for payment of the outstanding invoices. Despite this proper demand, Kentucky Power Company has failed and refused to pay the same.

5. Pursuant to the agreement of the parties, Kentucky Power Company is indebted to Bud Rife Construction Company, Inc. for services rendered.

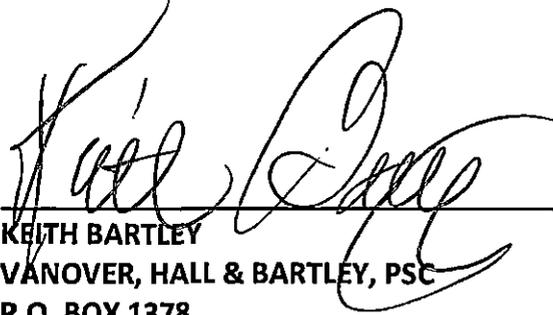
WHEREFORE the Defendant, Bud Rife Construction Company, Inc. demands on his counterclaim against the Plaintiff, Kentucky Power Company, the following:

1. That the clerk issue summons and service be obtained upon Kentucky Power Company by and through their agent for service of process, CT Corporation System, 306 W. Main St., Suite 512, Frankfort, KY 40601.

2. For judgment against Kentucky Power Company in the amount of \$24,896.36;

3. For pre-judgment and post judgment interests;

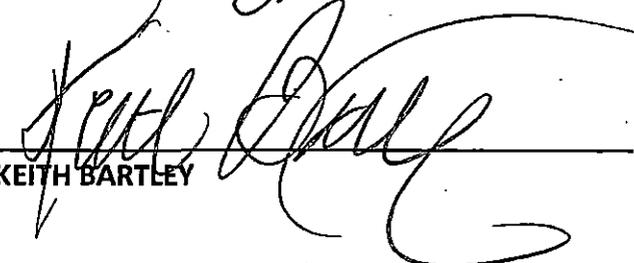
4. For any and all other relief to which the Defendants may appear to be entitled.



KEITH BARTLEY
VANOVER, HALL & BARTLEY, PSC
P.O. BOX 1378
PRESTONSBURG, KY 41653

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing was mailed to the Hon. Joe Patton, 328 East Court Street, Prestonsburg, KY 41653, this the 3rd day of February, 2015.



KEITH BARTLEY

FLOYD CIRCUIT COURT
DIVISION NO
C.A. NO: 14-CI-907

FILED ENTERED
TENDERED RECEIVE
THIS 14 DAY OF August 20 15
DOUGLAS R. HALL CLERK
BY: [Signature] D.

KENTUCKY POWER COMPANY

PLAINTIFF

vs

ANSWERS TO INTERROGATORIES AND
RESPONSES TO REQUEST FOR PRODUCTION OF DOCUMENTS

BUD RIFE CONSTRUCTION CO., INC.
and BUD RIFE

DEFENDANTS

Comes the Defendant, Bud Rife Construction Co., Inc. and Bud Rife, by and through counsel, and for his answers to interrogatories and responses to request for production of documents, states as follows:

INTERROGATORY NO. 1: Please state the name, age, employer and job title, address and telephone number of each individual providing information or assisting in the answering of these interrogatories.

ANSWER: Bud Rife, P.O. Box 155, Harold, KY 41635; Age 56; Occupation: Owner/operator/president of Bud Rife Construction Company, Inc.; Telephone number: 606-478-5264.

INTERROGATORY NO. 2: Please set forth, with as much particularity as possible, each and every fact or basis, (including the identity of each individual) that a Defendant contends supports the defense of the "Unclean Hands" Doctrine" asserted as a defense to Plaintiff's Complaint and set forth in Paragraph 3 of the Defendants' Answer.

ANSWER: Objection, discovery has only just begun and thus this question is premature. However, without waiving said objection, the Defendant states that his billing was done as per the direction and with the acquiescence of multiple representatives of the Plaintiff Corporation. Among those with knowledge of the billing arrangements, and who directed and/or

acquiesced to the same, the following Kentucky Power Company Employees are potential witness:

- A. Matt Kimberlain
- B. Tim Holland
- C. Lisa Syck
- D. Michael Lily
- E. Tim Miller
- F. Bob Shurtleff
- G. Lance Blackburn
- H. Brett Brewer
- I. John Roach
- J. Peggy Wysong

** These individuals not only directed and/or acquiesced to the billing, many of them actually obtained personal services from Bud Rife Construction Company, Inc., at either a greatly reduced rate or free of all charge while taking all actions necessary to ensure that Defendant was paid the 10% add on to the Plaintiff's bills pursuant to the terms of the original contract and as directed by Plaintiff's representatives.

INTERROGATORY NO. 3: Please set forth, with as much particularity as possible, each and every fact a Defendant contend supports their response to Plaintiff's Complaint set forth in Paragraph 7 of the Defendants' Answer, including but not limited to, specifically any additional terms or conditions of Contract #1 and Contract #2 and the facts regarding the negotiation and performance of such alleged terms and conditions.

ANSWER: Plaintiff by and through its representatives agreed that Defendant would be entitled to add 10% to all of his bills in return for the Defendant making himself available at any and all times deemed necessary by the Plaintiff, and also in return for the Defendant obtaining additional equipment and liability insurance required by the Plaintiff to perform services as needed by the Plaintiff.

INTERROGATORY NO. 4: Please set forth, with as much particularity as possible, each and every fact a Defendant contends supports the response to Plaintiff's Complaint set forth in Paragraph 9 of the Defendants' Answer. The answer should include without limitation, the

identify of each person or Plaintiff representative (1) who had knowledge, (2) agreed or (3) acquiesced to the Defendant's billing procedure.

ANSWER: See answer to interrogatory number 2.

INTERROGATORY NO. 5: Please set forth, with as much particularity as possible, each and every fact a Defendant contends supports the response to Plaintiff's Complaint set forth in Paragraph 9 of the Defendants' Answer, including but not limited to the allegation the Plaintiff "did not make all payments per the aforementioned contracts."

ANSWER: The Plaintiff, as set forth in Defendant's counterclaim, failed to pay all invoices as submitted by the Defendant. Defendant submitted invoices for all services performed plus the additional 10% add on as agreed, however, Plaintiff failed to pay Defendant the sum of \$24,896.36.

INTERROGATORY NO. 6: Please set forth, with as much particularity as possible, each and every fact a Defendant contends supports an allegation that a Defendant was authorized by the Plaintiff or its representatives to mark up or increase invoices for "work" done by a Defendant.

ANSWER: See answer to interrogatory number 2.

INTERROGATORY NO. 7: Please set forth, with as much particularity as possible, each and every fact a Defendant contends supports the response to Plaintiff's Complaint set forth in Paragraph 9 of the Defendants' Answer.

ANSWER: Defendant denies that there were "unauthorized markups" and specifically asserts that its billings were done as per the contract and the oral direction of Plaintiff's agents/representatives. Also, Defendant was told by Plaintiff's Agent, Matt Kimberlain, to

continue to work and bill with 10% add-on and that Plaintiff was working on a new contract to include the add-on.

INTERROGATORY NO. 8: Please set forth, with as much particularity as possible, each and every fact a Defendant contends supports the response to Plaintiff's Complaint set forth in Paragraph 10 of the Defendants' Answer:

ANSWER: The Defendant denies that any invoices were doubled billed as alleged in Plaintiff's complaint. Specifically, Defendant asserts that his billings were done as per the contract and the direction of the Plaintiff's agents/representatives. Also, Defendant subcontracted certain work at Plaintiff's locations at Wooton Station and Kimper from New River Electrical. Defendant billed New River, who in turn billed Plaintiff with the add-on for Defendant's work.

INTERROGATORY NO. 9: Please set forth, with as much particularity as possible, each and every fact a Defendant contends supports the response to Plaintiff's Complaint set forth in Paragraph 11 of the Defendants' Answer:

ANSWER: See answer to interrogatory number 7.

INTERROGATORY NO. 10: Please set forth, with as much particularity as possible, each and every fact a Defendant contends supports the allegations set forth in Paragraph 1 of the Defendant's Counterclaim, including but not limited to, (1) the date of each contract entered by the Plaintiff with either Defendant; (2) the persons involved in the negotiation or formation of each Contract; (3) the persons involved in the negotiation or formation of the alleged oral contract, (4) all terms and conditions of each written contract, (5) all terms and conditions of each alleged oral contract (6) the performance by each of party of each written contract; (7) the performance by each of party of the alleged oral contract.

ANSWER: In addition to the written contracts, a copy of which are in possession of the Plaintiff, the Defendant received oral direction from those representatives of the Plaintiff set forth in answer to interrogatory number 2 in regards to specific work to be performed and billings to be done therefrom. This answer will be supplemented as additional discovery is conducted.

INTERROGATORY NO. 11: Please set forth, with as much particularity as possible, each and every fact a Defendant contends support the allegations set forth in Paragraph 4 of the Defendant's Counterclaim.

ANSWER: Bud Rife Construction Company, Inc. made specific demand upon the Plaintiff for the payment of the unpaid invoices. In response, the Plaintiff not only denied paying those invoices, but also alleged that the Defendant owed them money.

INTERROGATORY NO. 12: Please set forth, with as much particularity as possible, each and every fact a Defendant contends supports the allegations set forth in Paragraph 5 of the Defendant's Counterclaim.

ANSWER: Defendant performed services for the Plaintiff and billed according to direction. Plaintiff failed and refused to pay a portion of certain invoices to the extent of \$24,896.36.

INTERROGATORY NO. 13: Please set forth, with as much particularity as possible, the location and content of any documents a Defendant contends supports any answer to any interrogatory hereinabove.

ANSWER: Plaintiff should have in its possession all documents required to prove and/or disprove the allegations of the Plaintiffs complaint and Defendants counterclaim.

INTERROGATORY NO. 14: Please state the name and last known address of each and every person known to you, or to your attorney, who has or who purports to have, any type of knowledge or discoverable information concerning the circumstances of the claim which is the subject matter of the counterclaim. Please include the names and addresses of any and all eyewitnesses, or on-site witnesses to any relevant events including, limited to, the negotiation and performance of any written contract or alleged oral contract.

ANSWER: In addition to those individuals listed in interrogatory number 2, the following individuals employed by the Defendant have knowledge of the work and billings in question:

- A. Bud Rife
- B. Renee Tackett
- C. Suda Allen
- D. Rosa McCoy
- E. Jamie Hayden

INTERROGATORY NO. 15: Please state the name and address of each and every person whom you or your attorney intends to call as a witness to testify on behalf of a Defendant at the trial of this action.

ANSWER: It is undetermined at this time the identity of all witnesses that Defendant will use at trial of this matter. However, at a very minimum, those individuals listed in answer to interrogatory number 2 and to interrogatory number 14 are expected to testify on behalf of the Defendant.

INTERROGATORY NO. 16: Please state the name and address of each and every expert witness whom a Defendant intends to call as a witness, either in person, or by deposition, at the trial of this action, and for each expert, set out the subject matter on which the expert is

expected to testify, and further state the substance of facts and opinions to which each expert will testify and a summary of the grounds of each opinion of such expert.

ANSWER: Undetermined.

INTERROGATORY NO. 17: State whether or not you will be willing to supplement your answers to these interrogatories and request for production of documents.

ANSWER: Yes.

INTERROGATORY NO. 18: State the name and address for every employee or sub-contractor employed by a Defendant that performed any services of work related to the contracts identified in the complaint or alleged in the counterclaim.

ANSWER: The following is a list of employees working for Bud Rife in regards to the contracts at issue:

- A. Dwayne Bryant
- B. Jimmy Lawson
- C. David Hunt
- D. Eddie Shepherd
- E. Bud Rife

INTERROGATORY NO. 19: Identify the person, company, accountant, and/or service that provide any services relating to accounts payable, payroll, and tax withholding for each Defendant and its respective employees.

ANSWER: See answer to interrogatory number 14.

INTERROGATORY NO. 20: Identify any representative of the Plaintiff or any Defendant's employee, sub-contractor, or other worker who was paid in cash, including the (i) full name and address of such person or company, (ii) the reason, work or services for such payment and (iii) the date and amount paid.

ANSWER: No records, other than those attached, are in the Defendant's possession. Any records that would have been available were destroyed by the intentional fire that has led to the prosecution of the arsonists who burnt Defendant's office building located at Stanville, Kentucky.

RESPONSE TO REQUEST FOR PRODUCTION OF DOCUMENTS

REQUEST NO. 1: Please produce any and all documents relating to the negotiation, formation and performance of any contract contended by a Defendant to have existed by and between the parties since 2005.

RESPONSE: See the attached contracts between the parties.

REQUEST NO. 2: Please produce each and every exhibit to be filed by a Defendant into evidence as an exhibit in this action.

RESPONSE: Undetermined at this time.

REQUEST NO. 3: Please provide copies of any experts reports.

RESPONSE: None in Defendant's possession at this time.

REQUEST NO. 4: Please provide any and all documents which a Defendant reviewed in preparing an answer to an interrogatory hereinabove.

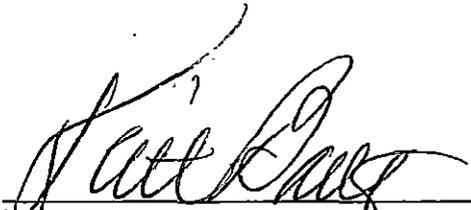
RESPONSE: See the attached contracts and/or invoices.

REQUEST NO. 5: Please provide a list of relatives of a Defendant over the age of 18 residing in Floyd County including parents, grandparents, brothers, sisters, aunts, uncles, children, nephews, nieces and first and second cousins.

RESPONSE: Defendant has no relatives in Floyd County, Kentucky.

REQUEST NO. 6: Please produce copies of all tax reporting documents relating to work, services and payments made with regard to each and every written and alleged oral contract.

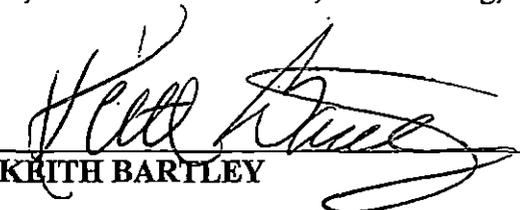
RESPONSE: See the Defendants tax records for the years 2009, 2010, 2011, 2012 and 2013.



KEITH BARTLEY
VANOVER, HALL & BARTLEY, PSC
P.O. BOX 1378
PRESTONSBURG, KY 41653

CERTIFICATE OF SERVICE

This is to certify that a true and correct copy of the foregoing was mailed to the Hon. Robert J. Patton, Kinner & Patton Law Offices, 328 East Court Street, Prestonsburg, KY 41653, this the 3rd day of August, 2015.



KEITH BARTLEY

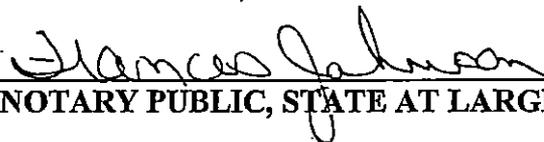
I, Bud Rife, certify that I have read the foregoing and all statements contained herein are true and correct to the best of my knowledge and belief.



BUD RIFE

**STATE OF KENTUCKY
COUNTY OF FLOYD**

Subscribed sworn and acknowledged to before me by BUD RIFE, this the 31 day of July, 2015.



NOTARY PUBLIC, STATE AT LARGE

MY COMMISSION EXPIRES: 06-27-2019



Southern
Hydrocarbon
Corporation

SERVICES & PRODUCTS

934 Little Coal River, Suite B

Alum Creek, West Virginia 25003

Phone: (304) 756-3171 • Fax (304) 756-1364

Chandler Engineering Co.

Model 292/2920 BTU Analyzer

Test time: Apr.11 16 16:50

Calibration #: 33

Test #:3047

Location No. :3

	Standard/Dry Analysis				Saturated/Wet Analysis		
	Mole%	BTU*	R.Den.†	GPM**	Mole%	BTU*	R.Den.†
Methane	67.740	685.82	0.3752	--	66.566	673.89	0.3687
Ethane	18.850	334.06	0.1937	5.0278	18.522	328.54	0.1923
Propane	8.410	212.30	0.1282	2.3177	8.271	208.61	0.1259
i-Butane	0.452	14.72	0.0091	0.1477	0.444	14.47	0.0088
n-Butane	0.000	55.50	0.0000	0.0000	0.000	55.50	0.0000
i-Pentane	0.000	0.00	0.0000	0.0000	0.000	0.00	0.0000
n-Pentane	0.000	0.00	0.0000	0.0000	0.000	0.00	0.0000
Hexane	0.000	0.00	0.0000	0.0000	0.000	0.00	0.0000
Heptane	0.000	0.00	0.0000	0.0000	0.000	0.00	0.0000
Octane	0.000	0.00	0.0000	0.0000	0.000	0.00	0.0000
Nonane	0.000	0.00	0.0000	0.0000	0.000	0.00	0.0000
Decane	0.000	0.00	0.0000	0.0000	0.000	0.00	0.0000
CO2	0.159	0.00	0.0024	--	0.157	0.00	0.0024

Ideal 100.00 1335.9 0.7840 8.3301

* : Uncorrected for compressibility at 60.0F & 14.700PSIA.

** : liquid Volume reported at 60.0F.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 22.705	22.624
Relative Density	= 0.7870	0.7843
Compressibility Factor	= 0.9957	0.9956
Gross Heating Value	= 22275. Btu/lb	21981. Btu/lb
Gross Heating Value	= 1341.6 Btu/CF	1319.3 Btu/CF
Absolute Gas Density	= 50.2298 lbm/1000CF	60.0170 lbm/1000CF
Wobbe Index	= 1487.08	
Unnormalized Total :	98.884	
Last Calibrated with Calgas of	1056.4 Btu/CF	Apr.11 16 09:33
C6+ Last Update: GPA 2261 '90.		
C6+ BTU/CF	5065.3, C6+ lbm/Gal 5.64250, and C6+ Mol.Wt. 92.00.	

Client: B & H Gas

Well/Site: Betsey Layne Shop

Elend

Measuring Station: _____

District: _____

Pressure: N/A#

Date: 4/06/2016

Time: 1650

Remarks: _____

*B+H Gas
Exhibit 2*

DISCLAIMER

All analysis are based solely on samples and materials supplied to Southern Hydrocarbon Corporation by the client. Southern Hydrocarbon Corporation, its officers, and employees assume no responsibility for and make no warranty as to the productivity, proper operations, or profitability of any gas well or well or other operations or facilities in connection with which these analysis are relied upon. Southern Hydrocarbon Corporation makes no warranty as to the accuracy of these analysis. These analysis reflect the best judgement by Southern Hydrocarbon Corporation

SENTRA CORPORATION

OF

120 PROSPEROUS PLACE, SUITE 201
LEXINGTON, KENTUCKY 40509

Rates, Rules and Regulations for Supplying
Natural Gas

to

Fountain Run, Kentucky

and

Other areas served by the Company in Kentucky

Filed with the
PUBLIC SERVICE COMMISSION
OF
KENTUCKY

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

DEC 01 1998

PURQUANT TO POT KAR 5011,
REC'D (IND 01)
BY: William G. Barr III
SECRETARY OF THE COMMISSION

ISSUED: December 1, 1998

EFFECTIVE: December 1, 1998

ISSUED BY SENTRA CORPORATION

BY: William G. Barr III
William G. Barr III
Vice President

B+H Gas
Exhibit 3

RULES AND REGULATIONS

Customer's judgment reasonably exercised, would materially affect the utilization of the gas delivered.

- b. Company may subject or permit the subjection of said natural gas to compression, cooling, cleaning or other processes to such an extent as may be required in its transmission from the source thereof to the point or points of delivery.

Heat Content. The natural gas delivered shall contain an average total heating value for any twelve (12) months period of not less than one thousand (1,000) Btu per cubic foot. Such heating value shall be determined by tests at the beginning of deliveries, or from recording calorimeters located at such place or places as may be selected by Company. Such calorimeters shall be periodically checked, using a reference sample of gas of known heating value, or such other method as may be mutually agreed upon. Customer shall not be required to accept natural gas having a total heating value of less than nine hundred fifty (950) Btu per cubic foot, but acceptance by Customer shall not relieve Company of its obligation to supply natural gas having the said average total heating value of one thousand (1,000) Btu per cubic foot.

The unit of volume for the purpose of determining total heating value shall be one (1) cubic foot of gas saturated with water vapor at a temperature of sixty degree (60°) Fahrenheit and an absolute pressure equivalent to thirty (30) inches of mercury at thirty-two degrees (32°) Fahrenheit and under standard gravity (32.174 ft. per second per second).

Freedom From Objectional Matter. The gas delivered:

- a. shall be commercially free from dust or other solid or liquid matter which might interfere with its merchantability or cause injury to or interference with proper operation of the lines, regulators, meters, and other equipment of Customer;

ISSUED: December 1, 1998

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE: December 1, 1998

ISSUED BY: William G. Barr III
William G. Barr III, Vice President

DEC 01 1998

Issued by authority of an ORDER of the Kentucky Public Service Commission in
Case No. 97-427, dated November 17, 1998

PURSUANT TO KRS 501.1
SECTION 9(1)
BY: William G. Barr III
SECRETARY OF THE COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE GAS COSTS OF SENTRA)
CORPORATION PURSUANT TO KRS 278.2207, THE)
WHOLESALE GAS PRICE IT IS CHARGED BY ITS)
AFFILIATE, MAGNUM HUNTER PRODUCTION, INC.) CASE NO.
PURSUANT TO KRS 278.274, AND THE STRUCTURE) 2016-00139
OF THE PURCHASED GAS ADJUSTMENT CLAUSE)
CONTAINED IN ITS FILED TARIFF)

ORDER

This proceeding was initiated April 8, 2016, to investigate Sentra Corporation's ("Sentra") gas costs pursuant to KRS 278.2207, the wholesale gas price it is charged by its affiliate, Magnum Hunter Production, Inc. ("MHP") pursuant to KRS 278.274, and the structure of the purchased gas adjustment ("PGA") clause in its approved tariff.¹ Sentra is a local gas distribution company ("LDC") subject to Commission jurisdiction pursuant to KRS 278.010(3)(b). The Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"), is the only intervenor in this proceeding.

Sentra responded to the information request in Appendix B of the Order which opened this proceeding, one request for information from Commission Staff ("Staff"), and two requests for information from the AG. It participated in an informal conference ("IC") held shortly after the AG was granted intervention.² Neither party requested a formal hearing; accordingly, this matter is being decided based on the existing record.

¹ The Order opening this investigation required that Sentra collect the gas cost component of its rates subject to refund for bills rendered after the date of that Order until further Order of the Commission.

² The IC, scheduled at Sentra's request, was held on May 12, 2016.

MHP Gas
Exhibit 4

BACKGROUND

In 2007, a time of very high natural gas market prices, the Commission approved increases in several LDCs' PGAs to amounts in excess of \$10.00 per Mcf. An increase in Sentra's PGA to \$12.5306 per Mcf was approved in Case No. 2007-00120.³ Since it was first approved in 1998, Sentra's PGA clause has contained provisions on how to address an increase in its wholesale gas cost and the information it must file with the Commission in order to receive approval to pass an increase on to its customers. Its PGA clause, however, contains nothing that addresses decreases in its wholesale gas cost. Largely due to the absence of such a provision in Sentra's PGA clause, its PGA has remained unchanged at \$12.5306 since 2007.

Sentra's wholesale gas supplier for many years has been its affiliate, MHP. The fact that its supplier is an affiliate causes Sentra's gas supply to fall within the scope of two Commission statutes, KRS 278.2207(1)(b) and KRS 278.274(3)(c) and (d). The first of these statutes requires that:

Services and products provided to the utility by an affiliate shall be priced at the affiliate's fully distributed cost but in no event greater than market or in compliance with the utility's existing USDA, SEC, or FERC approved cost allocation methodology.

KRS 278.274(3)(c) and (d) state:

(3)(c) If the commission determines that the rates charged by the utility are not just and reasonable in that the cost of natural gas purchased from the affiliated company is unjust and unreasonable, the commission may reduce the

³ Case No. 2007-00120, *The Notice of Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC Apr. 19, 2007).

purchased gas component of the utility's rates by the amount deemed to be unjust or unreasonable.

(3)(d) The commission may also reduce the rate charged by the affiliated company by the same amount.

During the May 12, 2016 IC, Sentra indicated that it had decreased its rates twice during the months leading up to the opening of this investigation: first, in December 2015, and again in April 2016,⁴ both times without filing a new tariff or any other notice with the Commission. These were described as efforts to pass on to customers the lower wholesale gas costs Sentra was incurring.⁵

Subsequent to the IC, Sentra filed a new PGA clause tariff via the Commission's electronic Tariff Filing System with a July 1, 2016 effective date. The clause is similar to the PGA clause tariffs of other LDCs under the Commission's jurisdiction.⁶ By Order dated June 10, 2016, the Commission entered the tariff in the record of this proceeding and suspended it for five months, from July 1, 2016, to December 1, 2016.⁷

DISCUSSION

Sentra has indicated its willingness to revise its PGA clause tariff so that it will be responsible for making quarterly PGA filings which adjust the amount of its PGA up or

⁴ Sentra's representatives explained that residential and commercial rates were reduced from \$14.67 to \$12.00 per Mcf in December 2015, and to \$9.50 per Mcf in April 2016. Its industrial rates were reduced similarly; however, they were \$13.85 per Mcf prior to their being reduced.

⁵ Given that its PGA clause contained no provision addressing how to deal with a decrease in wholesale gas costs, while acknowledging that rates were revised without Commission approval, Sentra's representatives stated that they were unable to discern the type of filing that could be made on behalf of Sentra to seek such approval.

⁶ The proposed PGA clause tariff provided for quarterly filings by Sentra containing an expected gas cost which may include gas procured at fixed prices, forward prices, and indexed prices.

⁷ The June 10, 2016 Order offered the AG an opportunity to comment or conduct discovery on the tariff within 14 days of the date of the Order. The AG did not avail itself of this opportunity.

down in order to reflect increases or decreases in its wholesale cost of gas. Sentra has also indicated that it anticipates filing for an increase in its base rates pursuant to 807 KAR 5:076, the Alternative Rate Filing ("ARF") procedure available to small utilities, with an anticipated timeframe for the ARF filing of August 2016. Sentra has been cooperative with the Commission, the AG, and Staff during this investigation. Prior to the opening of this proceeding, it reduced rates to its customers in order to recognize lower wholesale gas costs it had been incurring, although no tariffs were ever filed reflecting the lower rates.

Although the rate changes it made without filing tariffs and notice to the Commission reduced rates, which benefitted its customers, such rate changes by Sentra violated KRS 278.160 and KRS 278.180. However, given that the changes worked to the advantage of Sentra's customers and considering Sentra's explanation for making the rate changes in the manner they were made, it appears that the changes were well intended.

FINDINGS

Having reviewed the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. The proposed PGA clause submitted by Sentra and placed in the record of this proceeding which requires that it make quarterly filings to reflect future changes in its wholesale gas, be they increases or decreases, is reasonable and should be approved.
2. Sentra should file an application pursuant to the PGA mechanism approved herein no later than October 1, 2016, for rates proposed to be effective

November 1, 2016. Using the provision for an Interim Gas Cost Adjustment contained in its PGA clause, Sentra has the ability to file an earlier application to establish an Expected Gas Cost ("EGC") that can be supported by current market conditions for natural gas, and the Commission encourages it to do so. The suggested format for its application is attached as an Appendix to this Order. Support for the EGC proposed should be attached as an addendum to its application.

3. Sentra should timely file an application pursuant to the ARF procedure available to small utilities in order to confirm that its base rates accurately reflect its current financial condition.

4. On two occasions prior to the opening of this proceeding, Sentra reduced its rates to its customers with the outcome being to effectively reduce the PGA component of its rates to \$7.36 per Mcf.⁸

5. Sentra's two rate reductions were made without filing tariffs or notice with the Commission and were therefore in violation of KRS 278.160 and KRS 278.180. Sentra should be subject to fines of \$500 for each of its two violations. The fines, however, should be suspended on the condition that no like violations occur in the next 24 months, after which time the fines should be rescinded without further action by the Commission.

6. Within ten days of the date of this Order, Sentra should file a tariff setting forth the rates currently being charged to each customer class.

⁸ In two steps, Sentra reduced its total volumetric rate from \$14.67 to \$9.50 per Mcf, a decrease of \$5.17. Its filed PGA tariff includes an approved PGA amount of \$12.53. \$12.53 minus \$5.17 results in an effective PGA amount of \$7.36 per Mcf.

7. Given the reductions in rates implemented by Sentra prior to the opening of this investigation, no refunds of the amounts it collected subject to refund pursuant to the Order opening this proceeding should be required.

IT IS THEREFORE ORDERED that:

1. Sentra's proposed PGA clause tariff is approved.

2. As soon as possible, but no later than October 1, 2016, Sentra shall file a PGA application containing the information as set out in the form in the Appendix attached hereto in order to establish a market-based EGC for its gas cost rate.

3. Sentra shall notify the Commission within seven days of the date of this Order of its anticipated timeframe, including the latest foreseeable date, for filing an ARF application.

4. Sentra shall be subject to fines of \$500 for each of its two violations of KRS 278.160 and KRS 278.180. However, the fines shall be suspended on the condition that no like violations occur in the next 24 months, after which time the fines shall be rescinded without further action by the Commission.

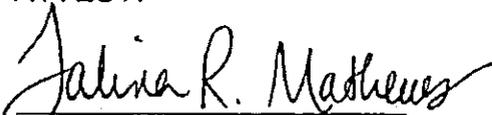
5. Given the reductions in rates implemented by Sentra prior to the opening of this investigation, no refunds of the amounts it collected subject to refund pursuant to the Order opening this proceeding shall be required.

6. Within ten days of the date of this Order, Sentra shall file with the Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets showing the rates currently charged to each customer class.

By the Commission

ENTERED
AUG 16 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2016-00139

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00139 DATED **AUG 16 2016**

Company Name

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

Date Rates to be Effective:

Reporting Period is Calendar Quarter Ended:

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		

GCR to be effective for service rendered from _____ to _____

A. <u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Total Expected Gas Cost (Schedule II)	\$	
÷ Sales for the 12 months ended _____	Mcf	
= Expected Gas Cost (EGC)	\$/Mcf	

B. <u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Supplier Refund Adjustment for Reporting Period (Sch. III)		
+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
+ Third Previous Quarter Supplier Refund Adjustment	\$/Mcf	
= Refund Adjustment (RA)	\$/Mcf	

C. <u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	
+ Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	
= Actual Adjustment (AA)	\$/Mcf	

D. <u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Second Previous Quarter Reported Balance Adjustment	\$/Mcf	
+ Third Previous Quarter Reported Balance Adjustment	\$/Mcf	
= Balance Adjustment (BA)	\$/Mcf	

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended _____

(1)	(2)	(3) BTU	(4)	(5)**	(6) (4) X (5)
Supplier	Dth	Conversion Factor	Mcf	Rate	Cost

Totals _____

Line loss for 12 months ended _____ is _____ % based on purchases of _____ Mcf and sales of _____ Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	_____
÷ Mcf Purchases (4)	Mcf	_____
= Average Expected Cost Per Mcf Purchased	\$/Mcf	_____
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	_____
= Total Expected Gas Cost (to Schedule IA)	\$	_____

*Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ (reporting period) _____

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	
<hr/>		<hr/>
= Refund Adjustment including interest	\$	
÷ Sales for 12 months ended	Mcf	
<hr/>		<hr/>
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended _____ (reporting period) _____

<u>Particulars</u>	<u>Unit</u>	Month 1 ()	Month 2 ()	Month 3 ()
Total Supply Volumes Purchased	Mcf			
Total Cost of Volumes Purchased	\$			
÷ Total Sales (may not be less than 95% of supply volumes)	Mcf			
= Unit Cost of Gas	\$/Mcf			
- EGC in effect for month	\$/Mcf			
= Difference [(over-)/Under-Recovery]	\$/Mcf			
x Actual sales during month	Mcf			
= Monthly cost difference	\$			

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	
÷ Sales for 12 months ended _____	Mcf	
= Actual Adjustment for the Reporting Period (to Schedule IC.)	\$/Mcf	

SCHEDULE V

BALANCE ADJUSTMENT

For the 3 month period ended _____ (reporting period)

	<u>Unit</u>	<u>Amount</u>
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
Less: Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect.	\$	
Equals: Balance Adjustment for the AA.	\$	_____
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA	\$	_____
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	_____
Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
÷ Sales for 12 months ended _____	Mcf	_____
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	

*Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KENTUCKY 40601

*Rebecca W Goodman
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
Suite 200
Frankfort, KENTUCKY 40601-8204

*Sentra Corporation
120 Prosperous Place, Suite 201
Lexington, KY 40509

*Sentra Corporation
Sentra Corporation
120 Prosperous Place, Suite 201
Lexington, KY 40509

*Magnum Hunter Production, Inc.
Magnum Hunter Production, Inc.
120 Prosperous Place, Suite 201
Lexington, KY 40509



Matthew G. Bevin
Governor

Charles G. Snavely
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
Fax: (502) 564-3460
psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Daniel E. Logsdon Jr.
Commissioner

NEWS RELEASE

Contact: Andrew Melnykovich
502-782-2564 or 502-564-3940
502-330-5981 (cell)
Andrew.Melnykovich@ky.gov

Natural Gas Costs Will Be Slightly Higher This Winter *Energy efficiency improvements can help reduce bills, PSC says*

FRANKFORT, Ky. (Nov. 3, 2016) – Kentucky residents who heat their homes with natural gas will see slightly higher prices at the start of the 2016-2017 heating season than they did a year ago, the Kentucky Public Service Commission (PSC) advised today.

Gas prices have risen, on average, about 12 percent from this time last year, but are still about 60 percent below the peak prices reached in 2008.

When base rates – which include monthly customer charges and delivery fees – are factored in, Kentucky residential customers can, on average, expect their total gas bills to be about 6 percent higher this November than last, based on consumption of 10,000 cubic feet of natural gas. The average total bill for 10,000 cubic feet – including gas costs and base rates, but not miscellaneous charges – is projected to be about \$89.08.

That is up more than \$5 from last year and a decrease of about \$62 since November of 2008. The lower cost of natural gas has more than offset increases in base rates over that time and now represents about half of the average total residential bill, or \$43.10 of the \$89.08 total.

"The continued growth of natural gas supplies has maintained a steady downward pressure on natural gas prices," PSC Chairman Michael Schmitt said. "Even with higher demand due to economic growth and greater use of natural gas to generate electricity, the supply has more than kept pace."

Weather determines the amount of energy that consumers use to heat their homes and thus is the major factor in the size of their heating bills, Schmitt said.

"The extended outlook is for a fairly normal winter in Kentucky," Schmitt said. "But some areas to our north are forecast to be somewhat colder than usual, which would increase usage and could increase gas prices later in the season."

-more-

B+H Gas
Exhibit 5

Natural Gas Costs Will Be Slightly Higher This Winter – Page 2

But whatever the weather or the cost of natural gas, consumers would still benefit by taking steps to reduce consumption, he said.

“The relatively low gas prices we’ve had for a number of years have created an opportunity to invest in permanent improvements, such as weatherization, that will insulate homeowners against higher energy costs in the future,” Schmitt said.

A lower cost of gas means that base rates are now a larger portion of the total bill. Only one of Kentucky's five large natural gas distribution companies received a base rate increase in the last 12 months.

Changes in individual ratepayer bills will vary by company and customer usage.

Wholesale prices over the last eight years have not approached the peak prices seen during a sharp upward turn in 2008. Prices declined even more abruptly during the economic downturn in 2009, and have stabilized at a much lower level due to an increase in supplies.

The commodity cost of natural gas is passed through to consumers on a dollar-for-dollar basis by local distribution companies.

By federal law, natural gas prices are not regulated at the wholesale level and generally fluctuate with supply and demand. Under Kentucky law, gas utilities are entitled to recover the wholesale cost of the gas delivered to their customers, including the fees they pay to interstate pipelines to transport the gas to their retail distribution systems. However, gas utilities are not allowed to earn a profit on their gas commodity costs. The companies' gas cost adjustments are reviewed by the PSC to make sure they accurately reflect the actual cost of natural gas.

About half of the natural gas used for winter heating is put into storage in the summer. The price at which it was purchased is the price passed through to consumers. Until the last decade, natural gas prices typically were considerably lower in the summer than in the winter. That gap has narrowed in recent years, due in large part to the increased use of natural gas to generate electricity.

Kentucky's five major natural gas distribution companies expect their adjusted wholesale cost this November to be, on average, \$4.31 per 1,000 cubic feet (mcf). That is up 46 cents (12 percent) from an average of \$3.85 per mcf a year ago. The average wholesale cost in 2014 was \$6.17 per mcf. In August 2008, the average adjusted wholesale cost peaked at \$15.17 per mcf.

The projected monthly bill is an average for Kentucky's five major local natural gas distribution companies as of November. It will change as companies make further wholesale cost adjustments throughout the heating season.

Wholesale costs and base rates vary by company. The base rates reflect a utility's day-to-day operating costs, including the cost of delivering gas, as well as a return on equity for company shareholders.

-more-

Natural Gas Costs Will Be Slightly Higher This Winter – Page 3

The five major natural gas distribution companies in Kentucky are Atmos Energy, Columbia Gas of Kentucky Inc., Delta Natural Gas Co. Inc., Duke Energy Kentucky Inc., and Louisville Gas and Electric Co. Together the five companies serve more than 750,000 customers in Kentucky and deliver about 176 billion cubic feet of gas annually.

About 44 percent of Kentuckians heat their homes with natural gas. For those who heat with propane (10 percent) or fuel oil (3 percent), prices are expected to be somewhat higher than last year, according to the U.S. Energy Information Administration.

For the 39 percent of Kentuckians who use electric heat, changes in heating costs are likely to be driven by fluctuations in fuel costs, environmental compliance costs and other items that change on a monthly basis.

Although fuel prices have been relatively stable in recent years, many Kentuckians still struggle to pay their heating bills, Schmitt noted. Heating assistance is available from local community action agencies and from utility companies, but funds are limited and sometimes run out during the heating season, he said.

“Do not wait to act until you are in a crisis and in danger of losing utility service,” Schmitt said. “If you anticipate difficulties in paying your heating bill this winter, now is the time to find out where you might be able to receive assistance.”

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 75 employees.

-30-

FOLLOW THE PSC ON TWITTER @KYPSC

QUESTIONS OR PROBLEMS REGARDING YOUR UTILITY SERVICE?

CALL THE PSC CONSUMER HOTLINE: 800-772-4636

GAS COST CHART AND CONSUMER INFORMATION SHEET FOLLOW

NATURAL GAS COSTS AND BILLS IN 2015-2016

Wholesale gas costs

Utility	Nov. 2015 cost per 1000 ft ³	Nov. 2016 cost per 1000 ft ³	Change
Atmos Energy	\$4.08	\$4.14	+ \$0.06
Columbia Gas### ‡	\$2.72	\$4.50	+ \$1.78
Delta Gas	\$4.61	\$4.38	- \$0.23
Duke Energy#	\$4.41	\$4.43	+ \$0.02
Louisville Gas & Electric	\$3.41	\$4.11	+ \$0.70
AVERAGE	\$3.85	\$4.31	+ \$0.46 (+ 12%)

AVERAGE GAS COST IN 2008: \$11.70 (unadjusted for inflation)

Monthly bill – for customer using 10,000 ft³

Utility	Nov. 2015	Nov. 2016 Base rate + gas cost = total	Change
Atmos Energy*	\$ 70.00	\$ 32.84 + \$ 41.40 = \$ 74.24	+ \$4.24
Columbia Gas### **	\$ 64.90	\$ 37.67 + \$ 45.00 = \$ 82.67	+ \$17.77
Delta Gas	\$ 110.20	\$ 63.89 + \$ 43.80 = \$ 107.69	- \$2.51
Duke Energy#	\$ 97.30	\$ 53.21 + \$ 44.30 = \$ 97.51	+ \$.21
Louisville Gas & Electric	\$ 76.30	\$ 42.19 + \$ 41.10 = \$ 83.29	+ \$6.99
AVERAGE	\$83.74	\$ 45.98 + \$ 43.10 = \$ 89.08	+ \$5.34 (+ 6%)

AVERAGE MONTHLY BILL IN 2008: \$150.78 (unadjusted for inflation)

Calculations include base rates and gas costs only.

‡ Columbia Gas had below-average gas costs a year ago due to adjustments needed to insure that customers are charged for gas on a dollar-for-dollar basis.

Duke Energy Kentucky adjusts gas costs on a monthly basis; the other four large distribution companies adjust gas costs every three months

Columbia Gas of Kentucky adjusts gas costs on a different quarterly cycle than Atmos Energy, Delta Gas and Louisville Gas & Electric. Columbia Gas will next adjust costs in December

* Atmos Energy received a base rate increase in August 2016.

** The figures for Columbia Gas of Kentucky do not reflect a base rate increase request pending before the PSC.

Invoice

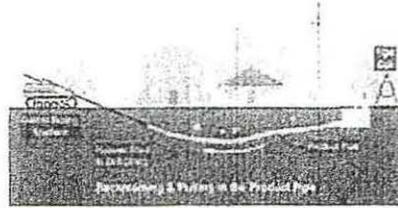
B & S Oil & Gas Company
PO Box 155
Harold, KY 41635

(606) 478-5264

Fax: (606) 478-5266
bush@m.krotec.com

Invoice No:	502
Date:	Mar 1, 2015
Terms:	NET 30
Due Date:	Mar 31 2015

Bill To:	B & F Gas Company Inc PO Box 447 Betsy Layne, KY 41655
----------	--



Code	Description	Quantity	Rate	Amount
March	1555 MCF Gas	1555	\$9.38	\$14,689.08

* Indicates non-taxable item

Subtotal	\$14,689.08
TAX (6.00%)	\$0.00
Total	\$14,689.08
Paid	\$0.00
Balance Due	\$14,689.08

Please detail and send in remittance to

B & S Oil & Gas Company
PO Box 155
Harold, KY 41635

REMITTANCE ADVICE FOR Invoice # 502 on Mar 29, 2015

Balance Due: \$14,689.08

Amount Paid: _____

Received From: B & H Gas Company Inc

B & H Gas
Exhibit 6

04-04-'16 11:41 FROM-DARRELL MADDEN CPA 6067854955

T-837 P001/033 F-636

4/4/16 at 13:20:55.63

Page: 1

B & H Gas Company, Inc. 2015

Vendor Ledgers

For the Period From Jan 1, 2015 to Dec 31, 2015

Filter Criteria includes: 1) IDs from B & S OIL AND GAS to B & S OIL AND GAS. Report order is by ID.

Vendor ID Vendor	Date	Trans No	Type	Paid	Debit Amt	Credit Amt	Balance
B & S OIL AND GAS	1/1/15	7688	CDJ		1,876.00	1,876.00	0.00
B & S OIL AND GAS	1/1/15	7695	CDJ		8,442.00	8,442.00	0.00
	1/28/15	DEBIT 1	CDJ		3,000.00	3,000.00	0.00
	2/1/15	7719	CDJ		10,083.50	10,083.50	0.00
	3/1/15	7762	CDJ		5,018.30	5,018.30	0.00
	3/1/15	7733	CDJ		8,442.00	8,442.00	0.00
	5/15/15	7811	CDJ		816.06	816.06	0.00
	6/1/15	7848	CDJ		562.80	562.80	0.00
	7/1/15	7870	CDJ		375.20	375.20	0.00
	8/1/15	7898	CDJ		375.20	375.20	0.00
	10/2/15	7933	CDJ		440.86	440.86	0.00
	11/6/15	7967	CDJ		816.08	816.06	0.00
	12/1/15	7988	CDJ		1,153.74	1,153.74	0.00
Report Total					41,401.72	41,401.72	0.00

B+H Gas
Exhibit 7



APPENDIX G

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 2015-00367 DATED **NOV 24 2015**

Annual Gas Cost (\$ per Mcf) as
 Reported in Smaller LDC Annual Reports*

<u>LDC Name</u>	<u>2008[♦]</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>3-yr ave.</u>	<u>B&H ave.[^]</u>
Bluegrass	9.00				3.59	4.62	6.00	5.14	
Burkesville	9.51				4.81	5.66	6.72	5.98	
Citipower	11.48				4.12	4.69	6.36	5.41	
Ky. Frontier	9.67 [†]				4.10	3.93	6.45	5.11	
Martin Gas	5.02				5.00	5.02	5.11	5.06	
Millennium	10.08				3.49	4.04	5.93	4.82	
NEUC	7.45				2.86	3.71	4.43	3.98	
Navitas	10.61				3.90	5.02	6.36	5.67	
Public Gas	9.00				4.47	5.32	5.76	5.50	
Valley Gas	9.57				4.69	4.55	5.16	4.88	
W-L-R	9.62				4.55	4.36	5.75	5.09	
Average	9.18				4.14	4.63	5.75	4.84	
B&H Gas	9.37	9.32	9.85	9.47	8.67	9.30	9.38	9.27	9.34

* Includes smaller LDCs that file periodic (typically quarterly) PGAs with the Commission. Amounts were calculated based on purchase volumes and costs reported on Gas Purchases Schedule (Accts. 804,805).

♦ 2008 is the year of the last B&H Gas PGA. 3-year average is for 2012-2014 three most recent years.

^ Average of B&H gas costs on purchases from B&S for period from 2008 through 2014 (seven years).

† Ky. Frontier did not file a 2008 annual report. \$9.67 is the average of the LDCs it later acquired.

Service Address:
B & S OIL & GAS CO
MARE CRK
STANVILLE, KY 41659

Rate Tariff: Small General Service-211

Account Number	Total Amount Due	Due Date
032-620-080-5-9	\$14.88	Mar 20, 2015
Meter Number	Cycle-Route	Bill Date
190221849	03-04	Mar 4, 2015

Previous Charges:

Total Amount Due At Last Billing	\$	14.17
Payment 02/12/15 - Thank You		-14.17
Previous Balance Due	\$	.00

Current KPCO Charges:

Tariff 211 -Small General Service 03/03/15		
Rate Billing	\$	11.50
Asset Transfer Rider 22.1280000%		2.54
State Sales Tax		.84
Current Electric Charges Due	\$	14.88

Total Amount Due \$14.88

Due Mar 20, Add \$0.74 After This Date

Meter Number	Service Period From	To	Previous	Code	Current	Code
190221849	02/02	03/03	1901	Actual	1901	Actual
Multiplier 1.0000			Metered Usage 0 KWH			
Next scheduled read date should be between Apr 1 and Apr 7						

Month	Total KWH	Days	KWH Per Day	Cost Per Day	Average Temperature
Current	0	29	0	\$0.51	27°F
Previous	0	31	0	\$0.46	33°F
One Year Ago	0	31	0	\$0.46	35°F
Your Average Monthly Usage: 0 KWH					

Questions About Bill or Service, Call:
 1-800-572-1113

Pay By Phone: 1-800-811-0984

KPCO Messages

We now have outage alerts available. Log onto your account and register for alerts and we will notify you when your power goes out, an estimate of when it will be restored, and then when it is restored. Once enrolled looking for our number will be a thing of the past.

To avoid unnecessary delays in crediting your electric payment, please do not paper clip or staple your check to the bill payment stub.

If you pay your electric bill in person, remember to pay only at AUTHORIZED pay stations. These locations send notice of your payment immediately to Kentucky Power which could prevent service disconnection. Pay stations may charge a fee for this service. Keep your receipt as proof of payment. For a list of authorized pay stations or other payment options, visit our website at www.kentuckypower.com or call the number above.

Visit us at www.KentuckyPower.com
 Rates available on request
 See other side for important information



A unit of American Electric Power

YOUR ADDRESS

**BUD RIFE
MARE CRK
STANVILLE, KY 41659-7005**

Rate 1011, Residential Service-022

Account Number 035-920-080-B-4	Total Amount Due \$281.46	Due Date Feb 19, 2015
Meter Number 190235213	Cycle-Route 03-04	Bill Date Feb 3, 2015

Questions About Bill or Service, Call:
1-800-572-1113
Pay By Phone: 1-800-611-0964

KPCO Messages

Make your life easier. You can write one check for multiple electric accounts!

Register for online services at www.KentuckyPower.com. Registration is free and easy, and gives you the convenience of 24-hour access to your account. You can sign up for paperless billing, view your bill, check your usage, update your contact information, and much more.

Make this the last bill sent in the mail. Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com.

Worried that changes in the postal service may delay your bill or your payment? Go paperless! You'll receive an email notification when your new bill is available for viewing. You'll also be able to pay online for free. Go to www.AEPPaperless.com to enroll today!

Previous Charges:

Total Amount Due At Last Billing	\$	295.80
Payment 01/14/15 - Thank You		-295.80
Previous Balance Due	\$	.00

Current KPCO Charges:

Tariff 022 -Residential Service -02/02/15		
Rate Billing	\$	290.61
Fuel Adj @ 0.0120100- Per KWH		-39.51
DSM Adj @ 0.0014470 Per KWH		4.76
Residential HEAP @ \$0.15		.15
Capacity Charge @ 0.0009700 Per KWH		3.19
Asset Transfer Rider 8.5892000%		22.26
Current Electric Charges Due	\$	281.46

Total Amount Due \$281.46
Due Feb 19, Add \$14.07 After Mar 4

Meter Number	Service Period		Meter Reading Detail			
	From	To	Previous	Code	Current	Code
190235213	01/02	02/02	20803	Actual	24093	Actual
Multiplier 1.0000			Metered Usage 3,290 KWH			
Next scheduled read date should be between Mar 3 and Mar 6						

13 Month Usage History Total KWH for Past 12 Months is 36,459



Visit us at www.KentuckyPower.com
Rates available on request
See other side for important information



A unit of American Electric Power

Month	Total KWH	Days	KWH Per Day	Cost Per Day	Average Temperature
Current	3,290	31	106	\$9.08	33°F
Previous	3,271	32	102	\$9.24	40°F
One Year Ago	3,568	29	123	\$11.72	26°F
Your Average Monthly Usage: 3,038 KWH					

BUD RIFE
497 GEORGE RD
BETSY LAYNE, KY 41805-7013

Questions About Bill or Service, Call:
1-800-572-1113
 Pay By Phone: **1-800-611-0964**

KPCO Messages

Log on to KentuckyPower.com/Save to learn about all of our Energy Efficiency programs which can help you conserve electricity and save money!

Register for online services at www.KentuckyPower.com. Registration is free and easy and gives you the convenience of 24-hour access to your account. You can sign up for paperless billing, view your bill, check your usage, update your contact information, and much more.

Make this the last bill sent in the mail. Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPPaperless.com.

Worried that changes in the postal service may delay your bill or your payment? Go paperless! You'll receive an email notification when your new bill is available for viewing. You'll also be able to pay online for free. Go to www.AEPPaperless.com to enroll today!

Visit us at www.KentuckyPower.com
 Rates available on request
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A unit of American Electric Power

Account Number	Total Amount Due	Due Date
039-005-159-0-3	\$335.99	Sep 16, 2016
Meter Number	Cycle-Route	Bill Date
190736721	03-03	Aug 31, 2016

Previous Charges:

Total Amount Due At Last Billing	\$	342.84
Payment 08/15/16 - Thank You		-171.42
Payment 08/15/16 - Thank You		-171.42
Previous Balance Due	\$	.00

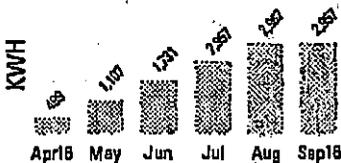
Current KPCO Charges:

Tariff 015 -Residential Service 08/30/16		
Rate Billing	\$	271.07
Fuel Adj @ 0.0019431 Per KWH		5.75
DSM Adj @ 0.0031590 Per KWH		9.34
Residential HEAP @ \$0.15		.15
Kentucky Economic Development Surcharge		.15
Capacity Charge @ 0.0014820 Per KWH		4.38
Big Sandy 1 Operation Rider @ 0.0058000 Per KWH		17.15
Purchased Power Adj 0.0017000-%		-.01
Big Sandy Retirement Rider 3.0071000%		9.26
Environmental Adj 6.0867000%		18.75
Current Electric Charges Due	\$	335.99

Total Amount Due \$335.99
Due Sep 16 , Add \$16.80 After Sep 30

Meter Number	Service Period		Meter Reading Detail			
	From	To	Previous	Code	Current	Code
190736721	08/01	08/30	8661	Actual	11618	Actual
Multiplier 1.0000			Metered Usage 2,957 KWH			
Next scheduled read date should be between Sep 29 and Oct 4						

13 Month Usage History Total KWH for Past 12 Months is 8,661



DELIVER ADDRESS:
B & S OIL AND GAS
I V E L B T M
I V E L, KY 41642

STATE FILING INFORMATION SERVICE-010

Account Number 037-785-631-0-0	Total Amount Due \$26.33	Due Date Feb 19, 2015
Meter Number 532897333	Cycle-Route 03-07	Bill Date Feb 3, 2015

Questions About Bill or Service, Call:
 1-800-572-1113
 Pay By Phone: 1-800-811-0964

KPCO Messages

Make your life easier. You can write one check for multiple electric accounts!

Register for online services at www.KentuckyPower.com. Registration is free and easy and gives you the convenience of 24-hour access to your account. You can sign up for paperless billing, view your bill, check your usage, update your contact information, and much more.

Make this the last bill sent in the mail. Gain more security and trust and Go Paperless to get an email notification when your bill is ready. Today is the Day! AEPpaperless.com.

Worried that changes in the postal service may delay your bill or your payment? Go paperless! You'll receive an email notification when your new bill is available for viewing. You'll also be able to pay online for free. Go to www.AEPpaperless.com to enroll today!

Previous Charges:

Total Amount Due At Last Billing	\$	28.03
Payment 01/14/15 - Thank You		-28.03
Previous Balance Due	\$	.00

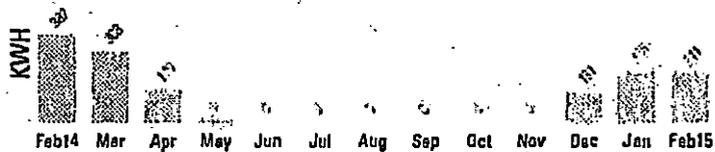
Current KPCO Charges:

Tariff 015 -Residential Service 02/02/15		
Rate Billing	\$	26.12
Fuel Adj @ 0.0120100- Per KWH		-2.53
DSM Adj @ 0.0014470 Per KWH		.31
Residential HEAP @ \$0.15		.15
Capacity Charge @ 0.0009700 Per KWH		.20
Asset Transfer Rider 8.5892000%		2.08
Current Electric Charges Due	\$	26.33

Total Amount Due \$26.33
Due Feb 19, Add \$1.32 After Mar 4

Meter Number	Service Period From	To	Previous	Meter Reading Detail Code	Current	Code
532897333	01/02	02/02	18307	Actual	18518	Actual
Multiplier 1.0000			Metered Usage 211 KWH			
Next scheduled read date should be between Mar 3 and Mar 6						

13 Month Usage History Total KWH for Past 12 Months is 1,190



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 Rates available on request
 See other side for important information

Month	Total KWH	Days	KWH Per Day	Cost Per Day	Average Temperature
Current	211	31	7	\$0.85	33°F
Previous	225	32	7	\$0.88	40°F
One Year Ago	392	28	14	\$1.58	27°F
Your Average Monthly Usage: 99 KWH					



A unit of American Electric Power

SERVICE ADDRESS:
B & S OIL & GAS CO
CAMP BRANCH RD
TRAM, KY 41663

Questions About Bill or Service, Call:
1-800-572-1113
 Pay By Phone: 1-800-611-0964

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Small General Service-211

Account Number 035-040-080-3-2	Total Amount Due \$92.74	Due Date Feb 19, 2015
Meter Number 533609970	Cycle-Route 03-06	Bill Date Feb 3, 2015

Previous Charges:

Total Amount Due At Last Billing	\$	57.97
Payment 01/14/15 - Thank You		-57.97
Previous Balance Due	\$	.00

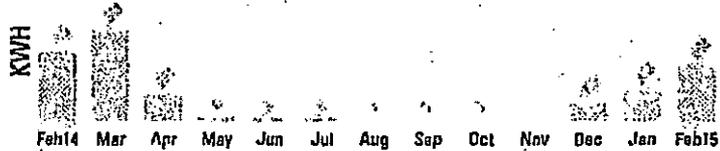
Current KPCO Charges:

Tariff 211 -Small General Service 02/02/15		
Rate Billing	\$	82.14
Fuel Adj @ 0.0120100- Per KWH		-6.82
DSM Adj @ 0.0009860 Per KWH		.56
Capacity Charge @ 0.0009700 Per KWH		.55
Asset Transfer Rider 16.4836000%		11.06
State Sales Tax		5.25
Current Electric Charges Due	\$	92.74

Total Amount Due \$92.74
Due Feb 19, Add \$4.64 After This Date

Meter Number	Service Period		Meter Reading Detail			
	From	To	Previous	Code	Current	Code
533609970	01/02	02/02	23106	Actual	23674	Actual
Multiplier 1.0000			Metered Usage 568 KWH			
Next scheduled read date should be between Mar 3 and Mar 6						

13 Month Usage History Total KWH for Past 12 Months is 2,400



Month	Total KWH	Days	KWH Per Day	Cost Per Day	Average Temperature
Current	568	31	18	\$2.99	33°F
Previous	303	32	9	\$1.81	40°F
One Year Ago	700	28	25	\$3.89	27°F
Your Average Monthly Usage: 200 KWH					

000 RICE

STANVILLE, KY 41659-9014

Questions About Bill or Service, Call:
1-800-572-1113
Pay By Phone: 1-800-611-0964

KPCO Messages

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Account Number	Total Amount Due	Due Date
032-560-020-8-4	\$25.98	Feb 17, 2015
Meter Number	Cycle-Route	Bill Date
533741213	01-08	Jan 30, 2015

Previous Charges:

Total Amount Due At Last Billing	\$	25.05
Payment 01/14/15 - Thank You		-25.05
Previous Balance Due	\$	.00

Current KPCO Charges:

Tariff 211 -Small General Service 01/29/15		
Rate Billing	\$	12.03
Fuel Adj @ 0.0120100- Per KWH		-.05
Asset Transfer Rider 16.4836000%		1.96
State Sales Tax		.84
Current Electric Charges Due	\$	14.78

Tariff 113 -Outdoor Light 01/30/15		
Rate Billing 62 KWH Used (Nbr.Lights:1)	\$	9.90
Fuel Adj @ 0.0120100- Per KWH		-.74
Capacity Charge @ 0.0009700 Per KWH		.06
Asset Transfer Rider 16.4836000%		1.35
State Sales Tax		.63
Current Electric Charges Due	\$	11.20

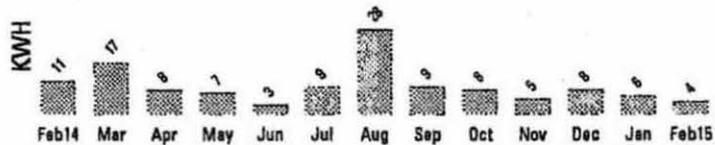
Total Amount Due \$25.98

Due Feb 17, Add \$1.30 After This Date

Meter Number	Service Period		Meter Reading Detail			
	From	To	Previous	Code	Current	Code
533741213	12/31	01/29	2416	Actual	2420	Actual
Multiplier 1.0000			Metered Usage 4 KWH			
Next scheduled read date should be between Feb 27 and Mar 4						

13 Month Usage History Total KWH for Past 12 Months is 119

Visit us at www.KentuckyPower.com
Rates available on request
See other side for important information



BUD RIFE
LAINESVILLE RD
HAROLD, KY 41635

Questions About Bill or Service, Call:
1-800-572-1113
Pay By Phone: 1-800-611-0964

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Account Number	Total Amount Due	Due Date
032-150-028-2-9	\$31.14	Feb 17, 2015
Meter Number	Cycle-Route	Bill Date
533741214	01-08	Jan 30, 2015

Previous Charges:

Total Amount Due At Last Billing	\$	32.76
Payment 01/14/15 - Thank You		-32.76
Previous Balance Due	\$	.00

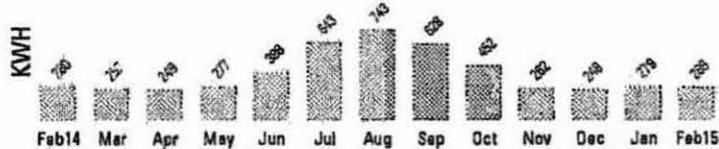
Current KPCO Charges:

Tariff 022 -Residential Service 01/29/15		
Rate Billing	\$	31.11
Fuel Adj @ 0.0120100- Per KWH		-3.23
DSM Adj @ 0.0014470 Per KWH		.39
Residential HEAP @ \$0.15		.15
Capacity Charge @ 0.0009700 Per KWH		.26
Asset Transfer Rider 8.5892000%		2.46
Current Electric Charges Due	\$	31.14

Total Amount Due \$31.14
Due Feb 17, Add \$1.56 After Mar 2

Meter Number	Service Period		Meter Reading Detail			
	From	To	Previous	Code	Current	Code
533741214	12/31	01/29	20362	Actual	20631	Actual
Multiplier 1.0000			Metered Usage 269 KWH			
Next scheduled read date should be between Feb 27 and Mar 4						

13 Month Usage History Total KWH for Past 12 Months is 4,716



Month	Total KWH	Days	KWH Per Day	Cost Per Day	Average Temperature
Current	269	29	9	\$1.07	33°F
Previous	279	35	8	\$0.94	41°F
One Year Ago	280	31	9	\$1.12	27°F
Your Average Monthly Usage: 393 KWH					

Service Address:
BUD RIFE
497 GEORGE RD
BETSY LAYNE, KY 41605

Rate 18111, Small General Service-211

Account Number	Total Amount Due	Due Date
038-383-458-0-3	\$151.04	Mar 20, 2015
Meter Number	Cycle-Route	Bill Date
533762933	03-03	Mar 4, 2015

Previous Charges:

Total Amount Due At Last Billing	\$	85.95
Payment 02/12/15 - Thank You		-85.95
Previous Balance Due	\$	.00

Current KPCO Charges:

Tariff 211 -Small General Service 03/03/15		
Rate Billing	\$	126.83
Fuel Adj @ 0.0066200- Per KWH		-7.92
DSM Adj @ 0.0011036 Per KWH		1.32
Capacity Charge @ 0.0009700 Per KWH		1.16
Asset Transfer Rider 22.1280000%		21.10
State Sales Tax		8.55
Current Electric Charges Due	\$	151.04

Total Amount Due \$151.04
Due Mar 20, Add \$7.55 After This Date

Meter Number	Service Period		Meter-Reading Detail			
	From	To	Previous	Code	Current	Code
533762933	02/02	03/03	512	Actual	1708	Actual
Multiplier 1.0000			Metered Usage 1,196 KWH			
Next scheduled read date should be between Apr 1 and Apr 7						

Questions About Bill or Service, Call:
1-800-572-1113

Pay By Phone: **1-800-611-0864**

KPCO Messages

We now have outage alerts available. Log onto your account and register for alerts and we will notify you when your power goes out, an estimate of when it will be restored, and then when it is restored. Once enrolled looking for our number will be a thing of the past!

To avoid unnecessary delays in crediting your electric payment, please do not paper clip or staple your check to the bill payment stub.

*If you pay your electric bill in person, remember to pay only at **AUTHORIZED** pay stations. These locations send notice of your payment immediately to Kentucky Power which could prevent service disconnection. Pay stations may charge a fee for this service. Keep your receipt as proof of payment. For a list of authorized pay stations or other payment options, visit our website at www.kentuckypower.com or call the number above.**

Visit us at www.KentuckyPower.com
 Rates available on request.
 See other side for important information.



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13 Month Usage History Total KWH for Past 12 Months is 512



Month	Total KWH	Days	KWH Per Day	Cost Per Day	Average Temperature
Current	1,196	29	41	\$5.21	27°F
Previous	512	13	39	\$4.69	34°F
One Year Ago	0	0	0	\$0.00	0°F

Your Average Monthly Usage: 512 KWH

Service Address:
BUD RIFE
MARE CRK
STANVILLE, KY 41659-7005

Rate Tariff: Outdoor Light-113

Account Number	Total Amount Due	Due Date
032-740-016-9-6	\$10.01	Feb 19, 2015
Meter Number	Cycle-Route	Bill Date
Unmetered	03-04	Feb 3, 2015

Questions About Bill or Service, Call:
1-800-572-1113
 Pay By Phone: **1-800-611-0964**

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 See other side for important information



Previous Charges:

Total Amount Due At Last Billing \$ 9.98
 Payment 01/14/15 - Thank You -9.98
 Previous Balance Due \$.00

Current KPCO Charges:

Tariff 113 -Outdoor Light 02/03/15
 Rate Billing 62 KWH Used (Nbr.Lights:1) \$ 9.90
 Fuel Adj @ 0.0120100- Per KWH -.74
 Capacity Charge @ 0.0009700 Per KWH .06
 Asset Transfer Rider 8.5892000% .79
 Current Electric Charges Due \$ 10.01

Total Amount Due

\$10.01

Due Feb 19, Add \$0.50 After Mar 4

Service Period : From 01/05/15 to 02/03/15

Service Address:
BUD RIFE
MARE CRK
STANVILLE, KY 41659-7005

Rate 18MT: Outdoor Light-113

Account Number	Total Amount Due	Due Date
038-920-080-B-1	\$10.72	Mar 20, 2015
Meter Number	Cycle-Route	Bill Date
Unmetered	03-04	Mar 4, 2015

Questions About Bill or Service, Call:
1-800-572-1113
 Pay By Phone: **1-800-611-0984**

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Previous Charges:

Total Amount Due At Last Billing \$ 10.01
 Payment 02/12/15 - Thank You -10.01
Previous Balance Due \$.00

Current KPCO Charges:

Tariff 113 -Outdoor Light 03/04/15
 Rate Billing 62 KWH Used (Nbr.Lights:1) \$ 9.90
 Fuel Adj @ 0.0066200- Per KWH -.41
 Capacity Charge @ 0.0009700 Per KWH .06
 Asset Transfer Rider 12.2142000% 1.17
Current Electric Charges Due \$ 10.72

Total Amount Due \$10.72

Due Mar 20, Add \$0.54 After Apr 2
Service Period : From 02/03/15 to 03/04/15



Policy Number: 87044080752016

FLOOD POLICY DECLARATIONS

Hartford Insurance Company of the Midwest

Standard Policy Pre-FIRM Subsidized

Type: Renewal
Policy Period: 03/31/2016 To 03/31/2017
Form: Dwelling

For payment status, call: (888) 245-7274
These Declarations are effective
as of: 03/31/2016 at 12:01 AM

Address Info	Producer Name and Mailing Address: ELITE AGENCY INC 2408 SIR BARTON WAY STE 375 LEXINGTON, KY 40509-2267	Insured Name and Mailing Address: RIFE, BUD PO BOX 155 HAROLD, KY 41635-0155
	NFIP Policy Number: 8704408075 Agent/Agency #: 04500-33750-680 Reference #: Phone #: (606) 789-8470	NAIC Number: 19682 Processed by: Flood Insurance Processing Center P.O. Box 2057 Kalispell MT 59903-2057

Property Info	Property Location: 25 CEDAR STREET STANVILLE, KY 41659	Building Description: Single Family Two Floors Slab On Grade Main House
	Primary Residence: N Premium Payor: Insured Flood Risk/Rated Zone: A23 Current Zone: Community Number: 21 0069 0075 C Community Name: FLOYD COUNTY * Grandfathered: No Pre-Firm Construction Program Type: Regular	Newly Mapped into SFHA: Elev Diff: N/A Elevated Building: N Includes Addition(s) and Extension(s) Replacement Cost: \$167,000 Number of Units: 1

Coverage & Rating	Type	Coverage	Rates	Deduct	Discount	Sub Total	Premium Calculation	
	Building:	50,000	1.300 / 1.120	2,000		650.00	Premium Subtotal:	650.00
	Contents:						ICC Premium:	70.00
	Contents						CRS Discount:	.00
	Location:						Reserve Fund Assmt:	108.00
							HFIAA Surcharge:	250.00
							Federal Policy Fee:	45.00
							Probation Surcharge:	.00
							Endorsement Amount:	.00
							Total Premium Paid:	1,123.00

Coverage Limitations May Apply. See Your Policy Form for Details.

Mortgage Info	First Mortgage: FIRST COMMONWEALTH BANK 311 N ARNOLD AVE PRESTONSBURG, KY 41653-1279 Loan#: 7375018	Loss Payee:
	Second Mortgage:	Disaster Agency:

PSC
Exhibit 3

This Declaration Page, in conjunction with the policy, constitutes your Flood Insurance Policy. In WITNESS WHEREOF, we have signed this policy below and hereby enter into this Insurance Agreement.

Douglas Elliott
Douglas Elliott, President

Terence Shields
Terence Shields, Secretary



Underwritten By:
Essentia Insurance Company
 (A Stock Company)
 PO Box 905
 Pewaukee, WI 53072-0906

Hagerty Insurance Agency, LLC.
 PO Box 87
 Traverse City, MI 49685
 Service and Claims: 800-922-4050

Classic Automobile Renewal Offer

Policy Number: 9N10296 **Policy State:** KY
Policy Term: Effective 06/20/2015 to Expiration 06/20/2016 at 12:01 a.m. standard time **Issue Date:** 04/07/2015

Named Insured:

Agent:

Bud Rife
 [Redacted]
 P.O. Box 155
 Harold, KY 41635-0155

Driver(s)

Excluded Person(s)

Bud Rife

None

Vehicle Description	Body Type	VIN	Guaranteed Value	Type
1) 2000 CHEVROLET CORVETTE	2DR COUPE	1G1YY22G9Y5109758	\$ 21,000	Auto

Garaging: Private Garage/Barn/Pole Building

Coverage is provided where a premium is shown for the coverage or "INCL" is displayed. NA: Coverage does not apply

Liability Coverage Part - Limit

	Vehicle 1	Vehicle 2	Vehicle 3
A: Bodily Injury: \$25,000 Per Person / \$50,000 Per Accident	\$ 40.00		
A: Property Damage: \$10,000 Per Accident	\$ 5.00		
Personal Injury Protection Benefits: \$10,000 Per Person Per Accident	\$ 25.00		
C: Uninsured Motorists Bodily Injury: \$25,000 Per Person / \$50,000 Per Accident	\$ 9.00		
C: Underinsured Motorists Bodily Injury: \$25,000 Per Person / \$50,000 Per Accident	\$ 9.00		

Coverage for Damage to your Auto(s)

Other Than Collision	\$242 (\$0 Ded.)		
Collision	\$237 (\$0 Ded.)		
Spare Parts - \$750 Total Limit		----- Included (\$0 ded) -----	

Policy Discounts/Credits, Surcharges, Other

None

1.8% State Mandated Premium Surcharge	\$	10.21
Total Annual Policy Premium:	\$	577.21
Hagerty Plus:	\$	50.00
Previous Balance:	\$	0.00
Total Amount Due:	\$	627.21

POLICY No.: KY 154095151

Agent/Producer No.: 1500536

Named RIFE BUD
Insured: PO BOX 155
HAROLD

KY 41635

Agent/Producer: THE ELITE AGENCY INC
2408 SIR BARTON WAY STE 375
LEXINGTON KY 40509

Phone:
Current effective date: 07-31-16
Current expiration date: 07-31-17

Phone: 606-437-0534

FOR THIS NOTICE	PAYMENT DUE BY 09-30-16	INSTALLMENT 2 OF 2 DUE AFTER 09-30-16	TOTAL DUE
		\$313.30	\$313.30

YOUR POLICY PREMIUM IS BASED ON YOUR AGREEMENT TO PURCHASE AN ANNUAL TERM POLICY. IF YOU CANCEL THIS POLICY PRIOR TO THE EXPIRATION DATE, OR YOU DO NOT PAY YOUR PREMIUM, YOU MAY PAY A SUBSTANTIAL PENALTY, INCLUDING REMOVAL OF THE DISCOUNT YOU RECEIVED FOR AGREEING TO TAKE OUT AN ANNUAL TERM POLICY.

IF THE PAYMENT IS NOT POSTMARKED ON OR BEFORE 09-30-16, A \$ 1.00 LATE FEE HAS BEEN ADDED TO THE TOTAL DUE.

WINTER DISCOUNT
HOME OWNERSHIP

SR 22
SR 12 MULTI-LINE DISCOUNT ON VEHICLE MULTI-CYCLE DISCOUNT VEH/1,2

VEHICLES

VEH	TYPE	YEAR	MAKE	VEHICLE ID NO	TRAILER	CC	HWY	VEH	PTS	AGE	MARITAL STATUS	SEX	DATE OF BIRTH	SR22
1	MC	07	HARLE	VRS BY WIGHT RD 1HD1HHZ1X7K892	001	1180	00	00	00	58	S	M		N
2	MC	02	HARLE	VRSOR V ROD 1HD1HAZ172K8026	001	1110	00	00	00	58	S	M		N

COVERAGES * MORE COVERAGES EXIST ON THE POLICY THAT ARE NOT LISTED. REFER TO YOUR CURRENT DECLARATION PAGE.

VEH	CYCLE PROGRAM	BODILY INJURY TORT LIMIT REL	PROPERTY DAMAGE INCL IN BOD INJ	PROPERTY DAMAGE LIABILITY	COMPREHENSIVE	COLLISION	OPTIONAL EQUIPMENT	EXCURSION DIVERSION
1	GOLD	100/300	100/300	100000	500	500	5000	INCL
2	GOLD	100/300	100/300	100000	500	500	5000	INCL



Dairyland Insurance Company
PO Box 8034
Stevens Point, WI 54481

INSTALLMENT BILL

PREMIUM BILL

DAIRYLAND INSURANCE COMPANY

Kentucky Receipt

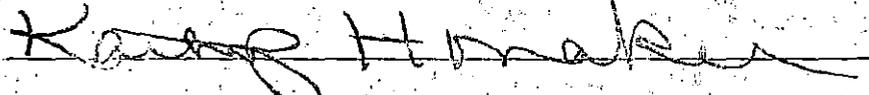
Policy Number: KY 154095152

Date Paid: 07/31/2015
Amount Paid: \$384.30
Paid By Cash/Check/Money Order
Received By: KH

Insured: Bud Rife
Po Box 155
HAROLD, KY 41635

Year	Year	Make	Model	VIN/Serial Number	Vehicle Type
1	2015	Can Am	Maverick X Rs	3JBPXAP25FJ000710	ATV

Effective: 07/31/2015 11:51 AM

Agent Signature: 

DESCRIPTION OF DAIRYLAND INFORMATION PRACTICES

To make fair insurance decisions, it's important that we gather accurate information. Your insurance application is our primary source of information. In some cases, information about your general reputation, character, mode of living, and finances will be gathered through personal interviews with employers, business associates, government units, financial institutions or references you provide. If you make a written request, we'll give you a complete and accurate account of the type of any investigation we have requested. The information contained in a report prepared for us by an outside agency may be kept by the agency and disclosed to others.

We will not release information about you to other persons or organizations without your authorization except in these instances: (1) to your physician when we believe there is a condition you may not be aware of; (2) to our employees, agents, or affiliated companies only when necessary in the handling of your insurance; (3) to insurance support organizations established to control insurance crimes or fraud; (4) to organizations not affiliated with us when necessary to complete your insurance transactions; (5) if we are required to do so by statute, regulation, subpoena, or law enforcement authorities when illegal activities are suspected.

If we decline an application for coverage or cancel a policy, we'll give the person(s) named in the declarations page the specific reasons for the decision. If our decision was based on an outside agency's report, we'll provide the agency's name and address.

If you have questions about information we may have about you, we will release details on the nature of information held in our records. Medical information will be released only through a physician designated by you. Information contained in a report prepared by a reporting agency will be released only through that agency. To get this information, contact Sentry Insurance, Office of Consumer Affairs, 1800 North Point Drive, Stevens Point, Wisconsin 54481. We'll then send our inquiry form for you to complete and return to us.

If you feel we have inaccurate information about you, you may ask that it be corrected, amended or deleted. Please send your request in writing with proper identification to the above address. We'll notify you of any action taken or if we are unable to comply with your request. In that case, you can trace a concise statement of what you believe to be correct information in our records. Then, your statement will be included in any subsequent disclosure or retention information.

PLEASE GIVE TO APPLICANT



Gearheart Communications
 P.O. Box 160
 Harold, KY 41635

Page: 1 of 5
 Account: 1002581
 Bill Date: Feb 01 2015
 Name: BUD RIFE
 Telephone: 606 478-5233

BTS

For Billing Inquires, Call 478-9401 or 452-9401

Account Summary

Previous Balance Due \$224.42
 Payment Received - Dec 30 \$224.42CR

Unpaid Balance as of Jan 20 \$0.00

Current Charges Summary

OTC Triple Play Extreme \$129.97
 Additional Landline Charges \$5.00
 Additional Cable TV Charges \$51.54
 Additional Internet Service Charges \$34.99
 Other Charges and Credits \$117.34
 Taxes and Surcharges \$12.19
Total Current Charges Due by Feb 10 \$351.03

Total Amount Due \$351.03

P A I D
 JAN 04 2015
 CK 7776

Please make checks payable to Gearheart Communications



Gearheart Communications
 P.O. Box 160
 Harold, KY 41635

Page: 3 of 5
 Account: 1002581
 Bill Date: Feb 01 2015
 Name: BUD RIFE
 Telephone: 606 478-5233

Account and Service Summary

	Service	Other	Usage	Taxes and Surcharges	Total
CTC Triple Play Extreme	129.97	87.02			216.99
Landline 606 478-5233	5.00	.00	.00	6.32	11.32
Cable TV	51.54	38.23	.00	6.19	95.96
Internet Service isp-6064785233	34.99	19.16	.00	.32CR	53.83
CTC Digital Triple Play Extreme	.00	93.85CR			93.85CR
Landline 606 478-5233	.00	.00	.00	.00	.00
Cable TV	.00	38.23CR	.00	.00	38.23CR
Internet Service isp-6064785233	.00	19.99CR	.00	.00	19.99CR
Account Service	.00	125.00	.00	.00	125.00
Total	221.50	117.34	.00	12.19	351.03

Preferred Service Providers

Your current Intralata long distance carrier is Coalfields Long Distance
 Your current Interlata long distance carrier is Coalfields Long Distance

Bundled Services

Charges from Feb 01 through Feb 28

CTC Triple Play Extreme		129.97
Landline Charges for 606 478-5233		
1000 Min Talk Plan for Pkg **		Included
Fed Access Recovery-Res		Included
Federal Access		Included
CUSTOMER SELECT SERVICE PKG (R)		Included
LOCAL SERVICE RESIDENCE		Included
USURES SECOND IP ADDRESS		5.00
Cable TV Charges for		
BASIC CABLE SERVICE **		Included
SB MAINT-SUPPORT FEES **		Included
CIN-HBO-SHO-TMC-STRZ ALL **		41.80
DTEA-DTA EXPBAS 3 OR MORE **	(3 @ 1.25)	3.75
FCC FEES **		Included
HIGH DEFINITION TV **		Included
Prem-Expanded Basic TV **		Included
SA DIG BAS-PACKAGE **		Included
2ND SA SETTOP BOX RENTAL **		5.99
Internet Service Charges for isp-6064785233		
BUSINESS EXTRA IP ADDRESS **		10.00
DSL BROADBAND10/1.0 Addt Srvs **		24.99
MODEM SUPPORT FEE **		Included
COALFIELDS DSL 6.1/1024 **		Included
Total		221.50

** Indicates an item for which non-payment will result in disconnection of basic service.
 The total for these items above is \$188.06

Other Charges and Credits

CTC Digital Triple Play Extreme	(Jan 09 - Jan 31)	**	93.85CR
CTC Triple Play Extreme	(Jan 09 - Jan 31)	**	87.02
Cable TV			
CIN-HBO-SHO-TMC-STRZ ALL	(Jan 09 - Jan 31)	**	31.01CR
DTEA-DTA EXPBAS 3 OR MORE	(Jan 09 - Jan 31)	**	2.78CR
2ND SA SETTOP BOX RENTAL	(Jan 09 - Jan 31)	**	4.44CR
Total for			38.23CR



Gearheart Communications
 P.O. Box 160
 Harold, KY 41635

Page: 4 of 5
 Account: 1002581
 Bill Date: Feb 01 2015
 Name: BUD RIFE
 Telephone: 606 478-5233

Internet Service isp-6064785233 RESIDENTIAL 10MG DN 1MGUP Total for isp-6064785233	(Jan 08 - Jan 31)	**	19.99CR 19.99CR
Cable TV [REDACTED] CIN-HBO-SHO-TMC-STRZ ALL DTEA-DTA EXPBAS 3 QR MORE END SA SETTOP BOX RENTAL Total for [REDACTED]	(Jan 09 - Jan 31)	**	31.01
	(Jan 09 - Jan 31)	**	2.78
	(Jan 09 - Jan 31)	**	4.44
			38.23
Internet Service isp-6064785233 EXL BROADBAND10/10 Addt Srvs Total for isp-6064785233	(Jan 09 - Jan 31)	**	19.16 19.16
Total Other Charges and Credits			7.66CR

** Indicates an item for which non-payment will result in disconnection of basic service.



**COALFIELDS
 TELEPHONE
 & BROADBAND**

Usage Summary

1000 Long Distance Minutes	1000:00 minutes	
- Commitment	40:00 minutes	
- Lead		
Total Usage Charges		.00
- Usage for 2 calls are not itemized.		
Total Coalfields Long Distance Charges		.00



**COALFIELDS
 TELEPHONE
 & BROADBAND**

Other Charges and Credits

Account Service CONTRACT TERMINATION FEE	125.00
Total for Account Service	125.00
Total Other Charges and Credits	125.00
Total Coalfields Telephone Charges	125.00



Gearheart Communications
P.O. Box 160
Harold, KY 41635

Page: 5 of 5
Account: 1002581
Bill Date: Feb 01 2015
Name: BUD RIFE
Telephone: 606 478-5233

Taxes and Surcharges

Landline	
Taz County 911	1.41
Federal Excise Tax	.85
Federal Universal Service Charge	1.34
Cost Recovery Ky. Comm. Surchg	.45
Emergency Lifeline Support	.08
State Sales Tax	2.15
TRAP AP Surcharge	.04
Cable TV	
Cost Recovery Ky. Comm. Surchg	2.75
Ky. State Video Excise Tax	3.44
Internet Service	
Cost Recovery Ky. Comm. Surchg	.14CR
Ky. State Video Excise Tax	.18CR
Total Taxes and Surcharges	12.19
Total for Account	351.03

FILE ONLY IF YOU ARE MAKING A PAYMENT WITH FORM 1040. RETURN THIS VOUCHER WITH CHECK OR MONEY ORDER PAYABLE TO THE "UNITED STATES TREASURY." PLEASE WRITE YOUR SOCIAL SECURITY NUMBER, DAYTIME PHONE NUMBER, AND "2014 FORM 1040" ON YOUR CHECK OR MONEY ORDER. PLEASE DO NOT SEND CASH. ENCLOSE, BUT DO NOT STAPLE OR ATTACH, YOUR PAYMENT WITH THIS VOUCHER.

Form 1040-V Payment Voucher

MAKE YOUR CHECK PAYABLE TO THE "UNITED STATES TREASURY" AND MAIL FORM 1040-V PAYMENTS TO:

PAID
SEP 18 2015
CK 8026
PAID
SEP 18 2015
3735.00

INTERNAL REVENUE SERVICE
P.O. BOX 931000
LOUISVILLE, KY 40293-1000

Form 1040-V (2014)

▼ Detach Here and Mail With Your Payment and Return ▼

Sincerely,

DARRELL MADDEN, CPA

PSC
Exhibit 5

DARRELL MADDEN, CPA
PO BOX 529
HINDMAN, KY 41822
(606) 785-5046

July 16, 2015

BUD RIFE
P.O. BOX 155
HAROLD, KY 41635

Dear Bud,

Your 2014 Federal Individual Income Tax return will be electronically filed with the Internal Revenue Service upon receipt of a signed Form 8879 - IRS e-file Signature Authorization. There is a balance due of \$3,735.

Make your check payable to the "United States Treasury" and mail your Form 1040-V payment voucher on or before October 15, 2015 to:

INTERNAL REVENUE SERVICE
P.O. BOX 931000
LOUISVILLE, KY 40293-1000

Under the Affordable Care Act, you and each member of your household had either health coverage or an exemption for each month during 2014. No individual shared responsibility payment is due with the filing of this return.

Your 2014 Kentucky Individual Income Tax Return will be electronically filed with the State of Kentucky. There is a balance due of \$125.

Make your check payable to the "Kentucky State Treasurer" and mail your Kentucky payment voucher on or before October 15, 2015 to:

KENTUCKY DEPARTMENT OF REVENUE
FRANKFORT, KY 40620-0011

Please be sure to call if you have any questions.

Sincerely,

DARRELL MADDEN, CPA

B/S



Department of the Treasury
Internal Revenue Service
P.O. Box 9019
Holtsville, NY 11742-9019

Notice	CP14
Tax Year	2014
Notice date	September 21, 2015
Social Security number	[REDACTED]
To contact us	1-800-829-8374
Your Caller ID	422291
Page 1 of 4	9H

280216 596929 77537 25065 1 AB 0.416 796



BUD RIFE
PO BOX 155
HAROLD KY 41635-0155

PAID
OCT 08 2015
CK 8037

280216

You have unpaid taxes for 2014
Amount due: \$3,896.18

Our records show you have unpaid taxes for the tax year ending on December 31, 2014 (Form 1040).

Billing Summary

Tax you owed	\$13,254.00
Payments and credits	-9,519.00
Failure-to-pay penalty	112.05
Interest charges	49.13
Amount due by October 12, 2015	\$3,896.18

paid 3735.00
161.18

What you need to do immediately

Pay immediately

Send us the amount due of \$3,896.18 by October 12, 2015, to avoid additional penalty and interest charges.

Continued on back...

- You gave us complete and accurate information.
- You received written advice from us.
- You relied on our written advice and were penalized based on that advice.

To request removal of penalties based on erroneous written advice from us, submit a completed Claim for Refund and Request for Abatement (Form 843) to the IRS service center where you filed your tax return. For a copy of the form or to find your IRS service center, go to www.irs.gov or call 1-800-829-8374.

Continued on back...

EXPLANATION OF NOTICE, CONTINUED
TAXPAYER ID: [REDACTED]
NOTICE NUMBER: 107862011

TOTAL PAYMENTS & CREDITS	TOTAL AMOUNT TO		TOTAL PMTS/C
	PEN	10.00-	
	TOT		10.00-
TOTAL DUE AS OF: 10/17/2015	TOTAL AMOUNT OF		BALANCE DUE
	PEN	90.00	
	TOT		90.00

APPEAL PERIOD HAS EXPIRED.

THIS ASSESSMENT CANNOT BE PROTESTED.

PLEASE RETURN THE NOTICE OF TAX DUE STUB WITH PAYMENT TO:
DEPARTMENT OF REVENUE, FRANKFORT, KENTUCKY 40619.

TO PAY BY PHONE, PLEASE CALL (502) 564-4921, EXT. 5357. CARDS

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF REVENUE
FRANKFORT, KY 40619

NOTICE DATE	ORIG NOTICE	PERIOD	CASE	TAX
10/02/2015	08/17/2015	01/01/2014-12/31/2014	000840845	SALES AND USE TAX
NOTICE #		RETURN DUE	TAXPAYER-ID	TAXPAYER NAME
107862011		01/20/2015	[REDACTED]	B & S OIL & GAS CO

FOR QUESTIONS REGARDING THIS NOTICE, PLEASE CONTACT:

DIVISION OF COLLECTIONS
DEPARTMENT OF REVENUE
STATION NUMBER 41
P O BOX 491
FRANKFORT KY 40602

TEL: (502) 564-4921 EXTENSION 5359
OFFICE HOURS: 8:00 A.M. TO 5:00 P.M. EASTERN TIME

PAID
OCT 09 2015
CK 8038
90.00

EXPLANATION OF NOTICE

THE KENTUCKY SALES & USE TAX RETURN FOR THE ABOVE PERIOD WAS RECEIVED LATE.

AMOUNT SUBJECT TO TAX				0.00
TAX LIABILITY				TAX LIABILITY 0.00
PENALTY TYPE	STATUTORY CITE	ASSESSED	ACCRUED TO	PENALTY
FILED LATE	KRS 131.150	01/21/2015	08/26/2015	100.00
TOTAL LIABILITY				TOTAL LIABILITY 100.00
LATE PAYMENTS AND CREDITS	CREDIT DATE	VALIDATING#	AMOUNT TO	
PAID WITH RETURN/REPORT	08/26/2015	005632881	PEN 10.00-	

<<<< EXPLANATION OF NOTICE CONTINUED ON NEXT PAGE >>>>

3600 B & H Gas Company 01/01/2015 - 12/31/2015

Gas Purchases (Accts 804,805) (Ref Page: 14)

Name of	Point of	FERC rate(c)	(d)	(e)	(f)	(g)	BTU per cu	MCF of Gas	Amount (j)	cent/MCF (k)
B & S OIL AND GAS							0	13,047	\$122,381.00	9.0000
EQT							0	1,376	\$6,237.00	5.0000
Total							0	14,423	\$128,618.00	0.0000

PSC
Exhibit

4

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00367 DATED **NOV 24 2015**

2008-101

B & H GAS COMPANY

P. O. Box 339
Harold, KY 41635
Phone (606) 478-5851
Fax (606) 478-3266

March 18, 2008

RECEIVED

MAR 19 2008

PUBLIC SERVICE
COMMISSION

Ms. Beth O'Donnell
Executive Director Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40602-0615

Dear Ms. O'Donnell:

Please find enclosed one original and three copies B & H Gas Company's proposed Gas Cost Adjustment and supporting calculations.

B & H Gas Company respectfully requests that the Commission approve the enclosed Gas Cost Adjustments

Sincerely,



Bud Rife
President B & H Gas Company
attachments

br/db

B & H Gas Company
Cost of Gas Purchased Based on Wholesale Rates
Effective March 1, 2008

Purchased gas adjustment filing reflects changes in rates to be effective March 1, 2008 based on supplier rates effective February 2008 calculated on purchases ** from January 1, 2007 through December 31, 2007

<u>Supplier</u>	<u>MCF</u>	Cost effective October 1, 2004	
		<u>Rate/MCF</u>	<u>Cost of Purchases</u>
B & S Oil And Gas Co.	24,384	\$7.00	\$170,688.00

Cost effective March 1, 2008			
B & S Oil	24,384	\$9.38	\$228,271.92
Increase in rates		\$2.38	

*Attached is a copy of the February 2008 agreement between B & H and B & S Oil and Gas Company. The increased rate reflects the significantly higher market price conditions for natural gas around the country. The rate is lower than the current NYMEX natural gas futures prices (attached). NYMEX prices are prone to wide fluctuations from week to week. B & H Gas is aware that Columbia Gas of Kentucky's IUS rate is currently \$13.47 per MCF and that Equitable Gas Company's most current expected gas cost is \$12.00. B & H believes B & S contract rate to be very reasonable in comparison. Through the contract with B & S, B & H will have the benefit of a fixed price through the heating season while gas costs around the country are predicted to rise in the coming months. B & S has not increased its rate to B & H in three and half (3 1/2) years.

** MCF sales volume for B & H is used for the purchase volume because line loss is so minimal.

P.S.C. Ky. No.

Cancels P.S.C. Ky. No. 2004-00449

B & H Gas Company

Of

Harold, Kentucky 41635

Rates, Rules and Regulations for Furnishing Gas

At

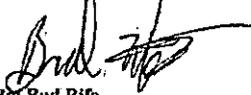
Betsy Layne, Stanville, Ivel, Mare Creek, Ivy Creek

**Filed With Public Service Commission
Of Kentucky**

Issued March 4, 2008

Effective March 31st, 2008

Issued By: B & H Gas Company


By: Bud Rife
President/Manager

BETSY LAYNE, STANVILLE, IVEL, MARE CREEK, IVY CREEK

P.S.C. NO

CANCELLING P.S.C. NO 2004-00449

B&H GAS COMPANY

CLASSIFICATION OF SERVICE

Proposed rates:

Residential

First 2 MCF (minimum bill)	\$23.5538
Next 8 MCF	\$11.3588
Next 20	\$10.9444
Next 30	\$10.7403

DATE OF ISSUE March 4, 2008 DATE EFFECTIVE March 31st, 2008

Issued By: Bud Rife, President / Manager P.O. Box 339 Harold, Ky 41653

Issued by authority of an order of the public service commission of Kentucky.

B & S OIL AND GAS COMPANY
PO BOX 155
HAROLD, KY 41635

AGREEMENT

THIS AGREEMENT, Made and entered into this 14th, day of February, 2008 by and between B & S Oil and Gas Company of Harold, KY; and B & H Gas Company, a Kentucky Corporation of Harold, KY.

WHEREAS, the B & S Oil and Gas Company is the owner of producing gas wells, and

WEREAS, B & H Gas Company is desirous of purchasing gas for resale in the Floyd and Pike County areas.

IT IS NOW, THEREFORE AGREED, by and between the parties that in consideration of the sum of nine dollars & thirty eight cents (\$9.38) per MCF. B & S Oil and Gas Company will sell to B & H Gas Company, a Kentucky Corporation, such amount of natural gas as the B & H Gas Company may desire; provided that said B & S Oil and Gas Company has such amount of natural gas available. Kentucky West VA meter charge for B & H Gas Company is .38 cents per MCF. With the total charge to the customer to be \$9.38 per MCF.

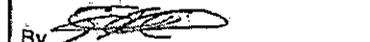
B & H Gas Company is to accept delivery of said gas at the metering point of each of the producing wells which B & S Oil and Gas Company own and said B & H Gas Company shall be responsible for maintaining the lines from the metering point.

It is understood that B & S Oil and Gas Company agree to furnish gas up to the extent of the production available at such wells, which are or may hereafter be connect to the lines of B & H Gas Company.

Payments shall be made no later than the 20th of each month following the month in which the gas is delivered.

The terms of this agreement shall be for one (1) year from the date of execution of the agreement. At the expiration of one (1) year, September 1, 2008, the parties hereto may negotiate another sales agreement.


Bud Rife
President
B & S Oil and Gas Company

 Bud Rife President B & H Gas Company 3/22/2008 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)
By  Executive Director

Gas Bill

Residential Service

Account Number
10751731 002 000 0
Statement Date:
02/12/2008
6211

Page 1 of 2

Billing & Payment Summary

Billing & Payment Notes
See back of bill for Detail of Charges for Gas Service.

Customer Name Bud Rife	
Previous Amount Due on 01/28/2008	\$109.69
Payments Received by 02/07/2008	\$109.69
Balance on 02/12/2008	\$0.00
Charges for Gas Service This Period	\$118.50
Amount Due by 02/26/2008	\$118.50

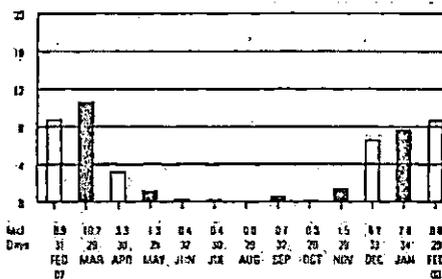
118.50
0.00
118.50

Service Summary

Service Summary Notes
Your next actual meter reading date is between 02/10/2008 - 02/14/2008.

Service Location Main St Harold KY 41835	
Meter Number M4202228	Meter Readings (29 Billing Days) Estimated Reading on 2/12 1409 Actual Reading on 1/14 1321 Gas Used (Mcf) 8.8

Gas Use History



Daily Comparisons

Month	Avg Daily Temp	Avg Daily Usage
Feb 08	32.3°	0.1
Jan 08	33.7°	0.2
Feb 07	28.9°	0.3

Your Average Monthly Usage is 3.5 Mcf

Your Total Annual Usage is 41.9 Mcf

online billing and pay, view statements, and other useful tools.

Billing Options

Budget Payment Plan Reduce the impact of higher, unstable natural gas prices by spreading the cost of winter heating more evenly throughout the year. Know how much to expect to pay each month.

Customer CHOICE Purchase your natural gas from an unregulated supplier and have more control over the gas cost portion of your bill, which amounts to nearly two-thirds of your bill. Columbia Gas will still deliver the gas and provide safe, reliable service.

Payment Options

E-bill Receive and pay your bill online. To enroll, visit our Web site, www.columbiagas.com.

ZipCheck Authorize your bank to pay your bill automatically each month.

Phone, Call NCO EasyPay at 1-800-284-8572 or link from our Web site to pay by credit card, debit card or electronic check. NCO charges a convenience fee for each transaction.

Authorized Payment Centers Visit DirectLink Services on our Web site or call for the location of an authorized payment center near you. The agent charges a service fee for each transaction.

Mail Detach and return the coupon below with payment to:

Columbia Gas of Kentucky
P.O. Box 2200
Lexington, KY 40588-2200

Gas Meter Information

Actual Reading A meter reader has read the meter. You're required to provide us access to read the meter at least once a year or risk shut-off. Please contact us to make arrangements if access is required.

Estimated Reading During the months we don't read the meter, we accurately estimate your reading based on the history of usage at the service address and normal temperatures for the billing period. We verify the reading the next time we read the meter to make sure you pay only for the energy you've used.

Gas Usage We measure your gas usage in Mcf equal to 1,000 cubic feet.

Gas Bill

Residential Service

Account Number
10751731 002 000 0
Statement Date:
02/12/2008
6211

Page 2 of 2

Detail of Charges for Gas Service

Customer Charge	\$3.30
Gas Delivery Charge	\$15.35
Gas Supply Cost 8.8 Mcf at \$10.58910 per Mcf	\$93.19
Research & Development Factor	\$0.13
Energy Assistance Program Surcharge	\$0.53
Total Charges for Service This Period	\$118.50

Service Charges Notes

The Customer Charge covers a portion of the fixed costs required to ensure that natural gas service is available to your home. This amount is the same with each bill.

Gas Delivery Charges are the costs of delivering the gas to retail customers. The charges for these services are...

Payment Coupon

Turn Me Over for more details about your account.



EQUITABLE ENERGY LLC

Confirmation Date January 31, 2008 14:53

Transaction Confirmation - EXHIBIT A

This Confirmation Letter is being provided in accordance with the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas or the Gas Industry Standards Board Base Contract for Short-Term Sale and Purchase of Natural Gas ("Contract"), which over is applicable, between Equitable Energy, LLC ("EEC") and Counterparty, and constitutes part of and is subject to all terms and provisions of the Contract. In the event the Parties have not executed a Contract, the terms and conditions of the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas and Equitable Energy's Special Provisions (attached if applicable) and this Confirmation Letter shall apply to this Transaction.

Please sign and return one copy of the attached Confirmation to EEC within two (2) Business Days of receipt to the fax number set forth below. The terms of this Confirmation Letter are binding on EEC and Counterparty unless Counterparty objects to EEC in writing within said two (2) Business Days. If you are not in agreement with the above terms, please contact Theresa L. Petersen at 412.395.2635.

Seller	Buyer
EQUITABLE ENERGY LLC 4TH FLOOR 225 NORTH SHORE DRIVE PITTSBURGH, PA 15212-5851	B & H GAS COMPANY PO BOX 155 HAROLD, KY 41635-0135

Deal Maker	BRIAN SHAFRANEK	Attn	BLUD RIFE
Phone	Phone: 412.395.2627	Phone	Phone: (606) 478-5951
Email	Not available - Fax# 412.395.2675	Email	Not available - Fax# (606) 478-5269

Transaction ID
S-B&HGASCO-0004

Delivery Term and Pricing Detail

Service Level	From	To	Price
FIRM	02/01/2008 10:00 am	03/01/2008 10:00 am	\$10.4500

Delivery Point Detail and Volumes

Pipeline	Meter	Total/Avg Daily	Description
KENTUCKY.WV	42Y	175/ 6 Dth	B & H GAS COMPANY
KENTUCKY.WV	42T	175/ 8 Dth	B & H GAS COMPANY

Special Conditions

Buyer shall be required to remit to Seller a prepayment for all natural gas supply in immediately available funds by wire transfer no later than 4 p.m. Eastern Standard Time on January 31, 2008. In the event Buyer fails to remit the Prepayment Amount on the date and time specified above, Seller shall not be required to deliver scheduled quantities to Buyer.

Seller	Buyer
EQUITABLE ENERGY LLC	B & H GAS COMPANY
By Authorized Signer	By Authorized Signer
Title	Title
Sr. Market Specialist	Procurement
Date	Date
January 31, 2008	



Confirmation Date March 03, 2008 09:06

Transaction Confirmation - EXHIBIT A			
<p>This Confirmation Letter is being provided in accordance with the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas or the Gas Industry Standards Board Base Contract for Short-Term Sale and Purchase of Natural Gas ("Contract"), which ever is applicable, between Equitable Energy, LLC ("EEC") and Counterparty, and constitutes part of and is subject to all terms and provisions of the Contract. In the event the Parties have not executed a Contract, the terms and conditions of the North American Energy Standards Board Base Contract for Sale and Purchase of Natural Gas and Equitable Energy's Special Provisions (attached if applicable) and this Confirmation Letter shall apply to this Transaction.</p> <p>Please sign and return one copy of the attached Confirmation to EEC within two (2) Business Days of receipt to the fax number set forth below. The terms of this Confirmation Letter are binding on EEC and Counterparty unless Counterparty objects to EEC in writing within said two (2) Business Days. If you are not in agreement with the above terms, please contact Theresa L. Petersen at 412.395.2635.</p>			
Seller		Buyer	
EQUITABLE ENERGY LLC 4TH FLOOR 225 NORTH SHORE DRIVE PITTSBURGH, PA 15212-5861		B & H GAS COMPANY PO BOX 155 HAROLD, KY 41633-0155	
Deal Maker	BRIAN SHAFRANEK	Attn	BUD RIFE
Phone	Phone: 412.395.2627	Phone	Phone: (806) 479-5851
Email	Not available - Fax# 412.395.2675	Email	Not available - Fax# (806) 479-5268
Transaction ID			
S-B&HGASCO-0005			
Delivery Term and Pricing Detail			
Service Level	From	To	Price
FIRM	03/01/2008 10:00 am	04/01/2008 10:00 am	\$12.0000
Delivery Point Detail and Volumes			
Pipeline	Meter	Total/Avg Daily	Description
KENTUCKY, WV	42Y	37/ 1Dth	B & H GAS COMPANY
KENTUCKY, WV	42T	38/ 1Dth	B & H GAS COMPANY
Special Conditions			
Seller		Buyer	
EQUITABLE ENERGY LLC		B & H GAS COMPANY	
By Authorized Signer		By Authorized Signer	
Title		Title	
Sr. Market Specialist			
Date	March 03, 2008	Date	



Energy Information Administration

Home > Natural Gas > Navigator

Natural Gas Navigator

Summary	Prices	Exploration & Reserves	Production	Imports/Exports & Pipelines	Storage	Consumption	Publications & Analysis
---------	--------	------------------------	------------	-----------------------------	---------	-------------	-------------------------

Natural Gas Futures Prices (NYMEX)

(Dollars per Million BTU)

Period: Daily

Contract	03/04/08	03/05/08	03/06/08	03/07/08	03/10/08	03/11/08	View History
Contract 1	9.353	9.741	9.742	9.769	10.024	10	1994-2008
Contract 2	9.393	9.776	9.792	9.819	10.075	10.064	1994-2008
Contract 3	9.443	9.819	9.851	9.88	10.136	10.134	1994-2008
Contract 4	9.516	9.884	9.915	9.948	10.214	10.222	1994-2008

Last Updated 03/12/2008

- = No Data Reported; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Notes: Prices are based on delivery at the Henry Hub in Louisiana. Official daily closing prices at 2:30 p.m. from the trading floor of the New York Mercantile Exchange (NYMEX) for a specific delivery month. See Definitions, Sources, and Notes link above for more information on this table.

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STEO Table Browser

Date Published : March 11, 2008
 Next Update : April 8, 2008

Select another STEO Table to view:
 Table **5c. U.S. Regional Natural Gas Prices**

Frequency: Start Year: End Year:
 Annual
 Monthly
 Quarterly

Table 5c. U.S. Regional Natural Gas Prices	
Dollars per Thousand Cubic Feet	
	2008
Wholesale/Spot	
U.S. Average Wellhead	7.24
Henry Hub Spot Price	8.18
Residential	
New England	17.49
Middle Atlantic	15.91
East North Central	12.50
West North Central	12.85
South Atlantic	17.26
East South Central	15.02
West South Central	13.31
Mountain	11.79
Pacific	12.71
U.S. Average	13.84
Commercial	
New England	14.66
Middle Atlantic	13.08
East North Central	11.55
West North Central	11.43
South Atlantic	13.95
East South Central	13.27
West South Central	11.06
Mountain	10.73
Pacific	11.56
U.S. Average	12.26
Industrial	
New England	13.21
Middle Atlantic	11.57
East North Central	10.33
West North Central	8.91
South Atlantic	10.24
East South Central	9.66
West South Central	7.92
Mountain	9.63
Pacific	9.08

APPENDIX E

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00367 DATED NOV 24 2015

**278.2207 Transactions between utility and affiliate -- Pricing requirements --
Request for deviation.**

- (1) The terms for transactions between a utility and its affiliates shall be in accordance with the following:
 - (a) Services and products provided to an affiliate by the utility pursuant to a tariff shall be at the tariffed rate, with nontariffed items priced at the utility's fully distributed cost but in no event less than market, or in compliance with the utility's existing USDA, SEC, or FERC approved cost allocation methodology.
 - (b) Services and products provided to the utility by an affiliate shall be priced at the affiliate's fully distributed cost but in no event greater than market or in compliance with the utility's existing USDA, SEC, or FERC approved cost allocation methodology.
- (2) A utility may file an application with the commission requesting a deviation from the requirements of this section for a particular transaction or class of transactions. The utility shall have the burden of demonstrating that the requested pricing is reasonable. The commission may grant the deviation if it determines the deviation is in the public interest.
- (3) Nothing in this section shall be construed to interfere with the commission's requirement to ensure fair, just, and reasonable rates for utility services.

Effective: July 14, 2000

History: Created 2000 Ky. Acts ch. 511, sec. 5, effective July 14, 2000.

278.274 Review of natural gas utility's purchasing practices in determining reasonableness of proposed rates -- Reduction of rates by commission.

- (1) In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.
- (2) When proposing new rates, the utility shall be required to prove that the proposal is just and reasonable in accordance with the requirements of this section.
- (3) It shall be presumed that natural gas purchases from affiliated companies are not conducted at arm's length.
 - (a) For purposes of this subsection, affiliated companies shall be defined as those in which one (1) or more of the owners control or have the right to control the business affairs of all affected companies.
 - (b) In instances in which a utility purchases natural gas from an intrastate affiliate, the commission shall assume jurisdiction of the affiliated company as though it were a utility as defined in KRS 278.010. The commission's jurisdiction shall extend to that extent necessary to ensure that the rates charged the utility and ultimately to the consumer are just and reasonable.
 - (c) If the commission determines that the rates charged by the utility are not just and reasonable in that the cost of natural gas purchased from the affiliated company is unjust or unreasonable, the commission may reduce the purchased gas component of the utility's rates by the amount deemed to be unjust or unreasonable.
 - (d) The commission may also reduce the rate charged by the affiliated company by the same amount.

Effective: July 13, 1984

History: Created 1984 Ky. Acts ch. 40, sec. 1, effective July 13, 1984.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE GAS COSTS	)	CASE NO.
OF B & H GAS COMPANY PURSUANT TO	)	2015-00367
KRS 278.2207 AND THE WHOLESALE GAS)	
PRICE IT IS CHARGED BY ITS AFFILIATE,)	
B & S OIL AND GAS COMPANY, PURSUANT)	
TO KRS 278.274)	

ORDER

On November 24, 2015, pursuant to KRS 278.274, the Commission opened this case to investigate the gas costs of B&H Gas Company ("B&H") and the wholesale gas price it is charged by its affiliate, B&S Oil and Gas Company ("B&S"), (collectively, "the Companies"). The Order initiating this proceeding found that B&H has been charging a gas cost of \$9.38 since 2008, and that the gas costs of other small gas utilities have averaged \$4.84 from 2012 through 2014, and ordered B&H to "collect the Gas Cost Adjustment component of its rates subject to refund effective for bills rendered after the date of this Order until further Commission Order."¹

The processing of this case has been delayed on several occasions by the Companies' failure to respond to requests for information issued by both the Commission and the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, ("AG") in a timely fashion. The Commission notes that the Companies have given several reasons for these delays, including: 1) that they never received the February 10, 2016 Commission Staff's First Request for

¹ Order (KY. PSC Nov. 24, 2015) at 6.

Information and were unaware that it had been issued; 2) that business and financial records of the Companies were destroyed in two fires that occurred in the building the Companies shared at the end of 2014 and the beginning of 2015;² 3) that B&H is in the process of seeking an increase in rates through the alternative rate adjustment procedures available to small utilities ("ARF"), but is waiting for information from the Companies' accountant needed for the ARF filing;³ and 4) that answering the AG's "extensive data requests" has been time consuming and has taxed the resources of the Companies.⁴ The Commission is concerned that the Companies' delay in responding to the requests for information noted above has allowed B&H to continue charging its customers the same Gas Cost Adjustment ("GCA") rate which is the basis of this investigation.

Upon the Commission's receipt of the late-filed response⁵ of the Companies to the AG's Supplemental Data Request, the actions contemplated in the existing procedural schedule in this proceeding were complete except for allowing the parties an opportunity to request a formal evidentiary hearing.⁶ The Commission notes that in other cases, it has given the parties an opportunity to request a hearing and, if no

² Informal Conference Memorandum (Ky. PSC Jan. 21, 2016) at 1-2.

³ Notice by B&H Gas Company and B&S Oil and Gas Company of Status of Filing ARF and Status of Filing Responses to AG's Data Requests (filed Apr. 13, 2016) at 1.

⁴ *Id.* at 2.

⁵ Upon this most recent failure of the Companies to comply with a Commission Order, a show cause proceeding was initiated on June 17, 2016, in Case No. 2016-00204, *B&H Gas Company, B&S Oil and Gas Company, and Mr. Bud Rife, Individually and as an Officer of B&H Gas Company and B & S Oil and Gas Company, Alleged Violation of a Commission Order.*

⁶ Pursuant to the schedule in the Commission's April 13, 2016 Order in this proceeding, requests for a formal hearing were to be filed by May 20, 2016. In addressing extension requests and delays since that date, the Commission overlooked the need to extend the date for hearing requests by the parties.

hearing is requested, an opportunity at a later date to submit written comments to state or clarify their position.⁷

The Commission, being otherwise sufficiently advised, finds that B&H's 2014 Annual Report shows that its gas operating expenses exceeded its revenues, resulting in a loss of \$106,075, while its 2015 Annual Report also shows expenses exceeding revenues for a loss of \$218,467. Due to its financial condition, B&H may not be able to make refunds in the event that the Commission determines that refunds should be made. For this reason, the Commission finds that B&H should continue to collect the GCA component of its rates subject to refund, and that all GCA revenues above \$4.84 per Mcf⁸ collected after the date of this Order should be held in an interest-bearing escrow account pending further Order of the Commission. We also find that the parties in this proceeding should be given the option to request a formal hearing or to file comments stating their position on the issues.

IT IS THEREFORE ORDERED that:

1. B&H shall continue to collect the Gas Cost Adjustment ("GCA") component of its rates subject to refund.
2. B&H shall establish an interest-bearing escrow account in which to deposit all GCA revenues above \$4.84 per Mcf collected after the date of this Order.
3. GCA revenues collected pursuant to ordering paragraph 2 above shall remain in the interest-bearing account until further Order of the Commission.

⁷ See Case No. 2016-00053, *Application of WKG Storage, Inc. for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076* (Ky. PSC June 17, 2016).

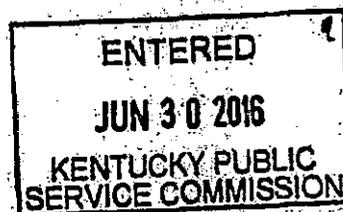
⁸ \$4.84 per Mcf is the average gas cost reported by 11 smaller local distribution companies in their Annual Reports for years 2012, 2013, and 2014, as shown in Appendix G of the initiating Order in this case (Ky. PSC Nov. 24, 2015). It should be noted that natural gas costs have further declined since the computation of this average GCA amount.

4. A request for an evidentiary hearing or statement that a party does not desire a hearing shall be filed by July 8, 2016.

5. If no request for an evidentiary hearing is filed by July 8, 2016, any written comments shall be filed by July 20, 2016.

6. Nothing shall prevent the Commission from issuing further Orders in this matter.

By the Commission



ATTEST:


Acting Executive Director

*B & H Gas Company
P. O. Box 447
Betsy Layne, KY 41605

*B & H Gas Company
B & H Gas Company
P. O. Box 447
Betsy Layne, KY 41605

*B & S Oil and Gas Company
P.O. Box 155
Harold, KENTUCKY 41635

*Joe F Childers
Joe F. Childers & Associates
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201 West Short Street
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*Larry Cook
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1024 Capital Center Drive
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Frankfort, KENTUCKY 40601-8204

*Rebecca W Goodman
Assistant Attorney General
Office of the Attorney General Utility & Rate
1024 Capital Center Drive
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Southern Hydrocarbon Corporation

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 Alum Creek, West Virginia 25008
 Phone: (304) 756-3171 • Fax (304) 756-1364

Chandler Engineering Co.
 Model 292/2920 BTU Analyzer

Test time: Apr.04 16 17:00
 Test #:3024

Calibration #: 30
 Location No. :3

	Standard/Dry Analysis				Saturated/Wet Analysis			
	Mole%	BTU*	R.Den.*	GPM**	Mole%	BTU*	R.Den.*	
Methane	73.625	745.35	0.4078	--	72.344	732.38	0.4007	
Ethane	16.176	286.93	0.1679	4.3233	15.895	281.94	0.1650	
Propane	6.698	168.92	0.1020	1.8441	6.581	165.98	0.1002	
i-Butane	0.357	11.64	0.0072	0.1168	0.351	11.44	0.0070	
n-Butane	1.291	42.23	0.0259	0.4071	1.269	41.49	0.0255	
i-Pentane	0.157	6.29	0.0039	0.0574	0.154	6.18	0.0038	
n-Pentane	0.192	7.71	0.0048	0.0695	0.189	7.57	0.0047	
(C6+)	0.225	11.42	0.0071	0.0969	0.221	11.22	0.0070	
Moisture	0.000	0.00	0.0000	--	1.740	0.88	0.0108	
Nitrogen	1.179	0.00	0.0114	--	1.158	0.00	0.0112	
(CO2)	0.100	0.00	0.0015	--	0.099	0.00	0.0015	

Ideal 100.00 1280.5 0.7396 6.9150

* : Uncorrected for compressibility at 60.0F & 14.730PSIA.

** : Liquid Volume reported at 60.0F.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 21.419	21.360
Relative Density	= 0.7421	0.7401
Compressibility Factor	= 0.9962	0.9961
Gross Heating Value	= 22634. Btu/lb	22317. Btu/lb

Gross Heating Value = 1285.4 Btu/CF 1264.0 Btu/CF

Absolute Gas Density = 56.7909 lbm/1000CF 56.6385 lbm/1000CF

Wobbe Index = 1467.32

Unnormalized Total : 95.788

Last Calibrated with Calgas of 1056.4 Btu/CF Apr.04 16 10:33

C6+ Last Update: GPA 2261-90.

C6+ BTU/CF 5065.8, C6+ lbm/Gal 5.64250, and C6+ Mol.Wt. 92.00.

Client: B & H Gas

Well/Site: Ivel

Measuring Station: _____

District: _____ Pressure: 80

Date: 4/02/2016 Time: 1400

Remarks: _____

DISCLAIMER

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New Pig

U.S.A. PR. Canada and Mexico ordering 1-800-HOT-HOGS (468-4647) / FAX 1-800-821-PIGS (621-7447)
Accounts Receivable + 1-888-468-5207 / FAX + 1-814-684-0644

INVOICE in U. S. Dollars

One Pork Avenue
Tipton, PA 16684-0304

U.S.A. Federal ID # 23-2363423
Cage Code 1JA49

Ordered by

BUD RIFE CONSTRUCTION
497 GEORGE RD
PO BOX 155
HAROLD, KY 41635

CUSTOMER NUMBER	INVOICE NUMBER	INVOICE DATE
4884764	21603475-00	03/02/15

Bill To

BUD RIFE CONSTRUCTION
497 GEORGE RD
PO BOX 155
HAROLD, KY 41635

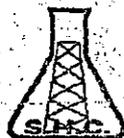
Ship To

BUD RIFE CONSTRUCTION
38 FORTH ST
ATTN BUD RIFE
THACKER AUTO PARTS
HAROLD, KY 41635

Please make checks payable to New Pig Corporation

TERMS	CUSTOMER PURCHASE ORDER NUMBER	ORDER DATE	SHIPPED VIA	DATE SHIPPED	PAGE
Net 30 Days	VERB BUD RIFE	02/27/15	PITT/AVERITT	03/02/15	2

LINE	ITEM DESCRIPTION	QUANTITY ORDERED	QUANTITY SHIPPED	QUANTITY BACKORDERED	UNIT PRICE	TOTAL
	New Pig Corporation One Pork Avenue Tipton, PA 16684					



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Chandler Engineering Co.

Model 292/2920 STU Analyzer

Test time: Apr. 11 16 16:50

Calibration #: 33

Test #: 3047

Location No.: 13

	Standard/Dry Analysis				Saturated/Wet Analysis		
	Mole%	BTU*	R.Den.*	GPM**	Mole%	BTU*	R.Den.*
Methane	67.745	688.82	0.3752	—	66.566	673.89	0.3687
Ethane	18.850	334.36	0.1957	5.0378	18.822	328.54	0.1923
Propane	8.416	212.30	0.1282	2.3177	8.271	208.61	0.1259
i-Butane	0.452	14.72	0.0091	0.1477	0.444	14.47	0.0091
n-Butane	0.457	58.50	0.0091	—	0.457	58.50	0.0091
i-Pentane	—	—	—	—	—	—	—
n-Pentane	—	—	—	—	—	—	—
Hexane	—	—	—	—	—	—	—
Heptane	—	—	—	—	—	—	—
Octane	—	—	—	—	—	—	—
Nonane	—	—	—	—	—	—	—
Tenane	—	—	—	—	—	—	—
CO2	0.159	0.00	0.0024	—	0.157	0.00	0.0024

Ideal = 100.00 1335.0 0.7840 0.3361

* : Uncorrected for compressibility at 60 °F & 14.730PSIA.

** : Liquid Volume reported at 60 °F.

	Standard Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 22.705	22.624
Relative Density	= 0.7870	0.7548
Compressibility Factor	= 0.9457	0.9956
Gross Heating Value	= 22273.8 Btu/lb	21981.1 Btu/lb
Gross Heating Value	= 1341.6 Btu/CF	1319.3 Btu/CF
Absolute Gas Density	= 60.2298 lbm/1000CF	60.0178 lbm/1000CF
Wobbe Index	= 1487.08	
Unnormalized Total	= 98.884	

Last Calibrated with Calgas of 1956.4 Btu/CF, Apr. 11 16 09:33

C6+ Last Update: GPA 2261-90.

C6+ BTU/CF 5065.8, C6+ lbm/Btu (3.6-25), and C6+ Mol.Wt. 92.00.

Client: B & H Gas

Well/Site: Betsey Layne Shop

Measuring Station: _____

District: _____

Pressure: N/A

Date: 4/06/2016

Time: 1650

Remarks: _____

DISCLAIMER

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Chandler Engineering Co.
Model 292/2920 BTU Analyzer

Test time: Apr. 11 16 16:31
Test #: 3046

Calibration #: 33
Location No.: 3

	Standard/Dry Analysis				Saturated/Wet Analysis		
	Mole%	BTU*	R.Den.*	GPM**	Mole%	BTU*	R.Den.*
Methane	76.683	776.30	0.4247	--	75.348	762.80	0.4173
Ethane	14.138	250.78	0.1468	3.7785	13.892	246.41	0.1442
Propane	5.027	126.77	0.0765	1.3840	4.939	124.57	0.0752
i-Butane	0.482	15.72	0.0097	0.1577	0.474	15.44	0.0095
n-Butane	1.188	38.84	0.0238	0.3744	1.167	38.16	0.0234
i-Pentane	0.232	9.32	0.0058	0.0851	0.228	9.16	0.0057
n-Pentane	0.253	10.18	0.0063	0.0918	0.249	10.00	0.0062
(C6+)	0.379	19.23	0.0120	0.1631	0.372	18.89	0.0118
Moisture	0.000	0.00	0.0000	--	1.740	0.88	0.0108
Nitrogen	1.472	0.00	0.0142	--	1.446	0.00	0.0140
(CO2)	0.146	0.00	0.0022	--	0.144	0.00	0.0022

Ideal: 100.00 1247.1 0.7222 6.0346

* : Uncorrected for compressibility at 60.0F & 14.730PSIA.

** : Liquid Volume reported at 60.0F.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 20.915	20.865
Relative Density	= 0.7245	0.7228
Compressibility Factor	= 0.9964	0.9963
Gross Heating Value	= 22576. Btu/lb	22252. Btu/lb
Gross Heating Value	= 1251.6 Btu/CF	1230.8 Btu/CF
Absolute Gas Density	= 55.4416 lbm/1000CF	55.3126 lbm/1000CF
Wobbe Index	= 1446.08	
Unnormalized Total	= 98.804	
Last Calibrated with Calgas of	1056.4 Btu/CF	Apr. 11/ 16 09:33
C6+ Last Update: GPA 2261-90.		
C6+ BTU/CF	5065.8	C6+ lbm/Gal 5.64250, and C6+ Mol.Wt. 92.00.

Client: B & H Gas

Well/Site: Booker (?)

Measuring Station: _____

District: _____

Pressure: N/A#

Date: 4/06/2016

Time: 1600

Remarks: _____

DISCLAIMER

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Chandler Engineering Co.
Model 122-2920 S/G Analyzer

Test time: Apr. 04 16 16:13
Test #: 3021

Calibration #: 30
Location No.: 3

	Standard/Dry Analysis				Saturated/Wet Analysis			
	Mole%	BTU*	R. Den.†	SPH**	Mole%	BTU*	R. Den.†	SPH**
Methane	74.920	758.4	0.4153	—	73.617	745.27	0.4078	—
Ethane	15.662	277.81	0.1628	4.1538	15.389	272.98	0.1598	—
Propane	5.987	151.00	0.0912	1.8488	5.883	148.38	0.0896	—
i-Butane	0.297	9.69	0.0060	0.0972	0.292	9.52	0.0059	—
n-Butane	1.804	32.82	0.0201	0.2164	0.986	32.25	0.0198	—
i-Pentane	0.105	4.22	0.0028	0.0388	0.103	4.15	0.0026	—
n-Pentane	0.120	4.80	0.0030	0.0438	0.118	4.75	0.0029	—
C6+	0.096	4.88	0.0032	0.0438	0.095	4.80	0.0030	—
Moisture	0.000	0.00	0.0000	—	1.740	0.88	0.0108	—
Nitrogen	1.235	0.00	0.0119	—	1.213	0.00	0.0117	—
(CO2)	0.573	0.00	0.0087	—	0.563	0.00	0.0086	—

Ideal 100.00 1145.77 0.7042 12.7415

* : Uncorrected for compressibility at 14.730 PSIA.

** : Liquid volume reported at 27.0 CF.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 20.774	20.922
Relative Density	= 0.7225	0.7248
Compressibility Factor	= 0.9521	0.9963
Gross Heating Value	= 12451.1 Btu/lb	12131.1 Btu/lb
Gross Heating Value	= 1246.2 Btu/CF	1227.5 Btu/CF
Absolute Gas Density	= 55.8973 lbm/1000CF	55.4659 lbm/1000CF
Wobbe Index	= 1440.19	1440.19
Unnormalized Total :	92.337	
Last Calibrated with Calgas at	1056.4 Btu/CF	Apr. 04 16 10:33
C6+ Last Update: GPA 2261-90		
C6+ BTU/CF	5065.8	C6+ lbm/Gal 5.64250, and C6+ Mol.Wt. 92.00.

Client: B & H Gas

Well/Site: Mare Creek

Measuring Station: _____

District: _____

Pressure: 125

Date: 4/02/2016

Time: 1200

Remarks: _____

DISCLAIMER

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Chandler Engineering Co.
Model 292/2920 BTU Analyzer

Test time: Apr.04 16 16:44
Test #:3023

Calibration #: 30
Location No. :3

	Standard/Dry Analysis				Saturated/Wet Analysis			
	Mole%	BTU*	R.Den.*	GPM**	Mole%	BTU*	R.Den.*	
Methane	69.052	699.05	0.3825	--	67.850	686.89	0.3758	
Ethane	18.331	325.16	0.1903	4.8993	18.012	319.50	0.1870	
Propane	8.052	203.08	0.1226	2.2170	7.912	199.54	0.1205	
i-Butane	0.426	13.88	0.0085	0.1393	0.418	13.64	0.0084	
n-Butane	1.545	50.51	0.0310	0.4869	1.518	49.63	0.0305	
i-Pentane	0.178	7.13	0.0044	0.0650	0.175	7.00	0.0043	
n-Pentane	0.217	8.72	0.0054	0.0786	0.213	8.57	0.0053	
(C6+)	0.193	9.79	0.0061	0.0830	0.189	9.62	0.0060	
Moisture	0.000	0.00	0.0000	--	1.740	0.88	0.0108	
Nitrogen	1.830	0.00	0.0177	--	1.798	0.00	0.0174	
(CO2)	0.177	0.00	0.0027	--	0.174	0.00	0.0026	

Ideal 100.00 1317.3 0.7713 7.9692

* : Uncorrected for compressibility at 60.0F & 14.730PSIA.

** : Liquid Volume reported at 60.0F.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 22.338	22.263
Relative Density	= 0.7742	0.7716
Compressibility Factor	= 0.9958	0.9958
Gross Heating Value	= 22327.8 Btu/lb	22028. Btu/lb
Gross Heating Value	= 1322.8 Btu/CF	1300.8 Btu/CF

Absolute Gas Density = 59.2480 lbm/1000CF 59.0511 lbm/1000CF

Wobbe Index = 1479.36

Unnormalized Total : 98.183

Last Calibrated with Calgas of 1056.4 Btu/CF Apr.04 16 10:33

C6+ Last Update: GPA 2261-90.

C6+ BTU/CF 5065.8, C6+ lbm/Gal 5.64250, and C6+ Mol.Wt. 92.00.

Client: B & H Gas

Well/Site: Betsy Lane

Measuring Station: _____

District: _____

Pressure: 45#

Date: 4/02/2016

Time: 1300

Remarks: _____

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Alum Creek, West Virginia 25003

Phone: (804) 758-3171 • Fax (804) 758-1364

Chandler Engineering Co.

Model 292/2920 BTU Analyzer

Test time: Apr.11 16 17:07

Test #:3048

Calibration #: 33

Location No.:3

	Standard/Dry Analysis				Saturated/Wet Analysis		
	Mole%	BTU*	R.Den.*	GPM**	Mole%	BTU*	R.Den.*
Methane	72.943	738.45	0.4040	--	71.674	725.60	0.3970
Ethane	16.119	285.93	0.1674	4.3081	15.839	280.95	0.1644
Propane	6.530	164.69	0.0994	1.7980	6.417	161.83	0.0977
i-Butane	0.346	11.28	0.0069	0.1131	0.340	11.08	0.0068
n-Butane	1.247	40.76	0.0250	0.3930	1.225	40.05	0.0246
i-Pentane	0.151	6.07	0.0038	0.0554	0.149	5.96	0.0037
n-Pentane	0.182	7.33	0.0045	0.0661	0.179	7.20	0.0045
(C6+)	0.213	10.83	0.0068	0.0919	0.210	10.64	0.0067
Moisture	0.000	0.00	0.0000	--	1.740	0.88	0.0108
Nitrogen	2.116	0.00	0.0205	--	2.079	0.00	0.0201
(CO2)	0.152	0.00	0.0023	--	0.149	0.00	0.0023

Ideal 100.00 1265.3 0.7406 6.8256

* : Uncorrected for compressibility at 60.0F & 14.730PSIA.

** : Liquid Volume reported at 60.0F.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 21.450	21.390
Relative Density	= 0.7431	0.7411
Compressibility Factor	= 0.9962	0.9962
Gross Heating Value	= 22334. Btu/lb	22022. Btu/lb
Gross Heating Value	= 1270.1 Btu/CF	1249.0 Btu/CF

Absolute Gas Density = 56.8493 lbm/1000CF 56.7156 lbm/1000CF

Wobbe Index = 1448.89

Unnormalized Total : 98.966

Last Calibrated with Calgas of 1056.4 Btu/CF Apr.11 16 09:33

C6+ Last Update: GPA 2261-90.

C6+ BTU/CF 5065.8. C6- lbm/Gal 5.84250. and C6+ Mol.Wt. 92.00.

Client: B & H Gas

Well/Site: Mare Creek Shop

Measuring Station: _____

District: _____

Pressure: N/A#

Date: 4/06/2016

Time: 1730

Remarks: _____

DISCLAIMER

All analysis are based solely on samples and materials supplied to Southern Hydrocarbon Corporation by the client. Southern Hydrocarbon Corporation, its officers and employees assume no responsibility for and make no warranty as to the productivity, proper operations, or profitability of any gas well or well or other operations or facilities in connection with which these analysis are relied upon. Southern Hydrocarbon Corporation makes no warranty as to the accuracy of these analysis. These analysis reflect the best judgement by Southern Hydrocarbon Corporation



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SAMPLE BAG
SPLIT -
NO ANALYSIS
ATTEMPTED

Client: B & H Gas

Well/Site: Booker

Measuring Station: _____

District: _____

Pressure: 1254

Date: 4/02/2016

Time: 1230

Remarks: _____

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