

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF ULICE BUD)
RIFE, JR., AND JOHN M. BRADLEY AND)
DEBBIE L. BRADLEY FOR THE APPROVAL)
OF THE ACQUISITION OF B & H GAS) CASE NO. 89-018
COMPANY, INC. OF STANVILLE, FLOYD)
COUNTY, KENTUCKY, BY ULICE BUD)
RIFE, JR.)

O R D E R

On January 24, 1989, Ulice Bud Rife, Jr. and John M. Bradley and Debbie L. Bradley filed a joint application for approval of the acquisition of B & H Gas Company, Inc. ("B & H Gas").

In order to properly consider the application, the Commission finds that more information is needed and that due to time constraints, an informal conference should be held on March 21, 1989 at 10:30 a.m., Eastern Daylight Time, in the Commission's offices at Frankfort, Kentucky. The Commission further finds that B & H Gas should be prepared to respond to the following questions and provide necessary documentation to support its responses.

IT IS THEREFORE ORDERED that B & H Gas shall appear at 10:30 a.m., Eastern Daylight Time, on March 21, 1989, in the Commission's offices at Frankfort, Kentucky, prepared to respond and provide support for the following:

1. Is Bud Rife Construction Company, Inc. or Bud Rife, Jr. personally making the acquisition of B & H Gas?

2. Provide documentation and amounts regarding the anticipated increase in operating cost as a result of the acquisition (i.e., repair description and costs, salary changes, etc.).

3. What salary will Bud Rife be receiving from B & H Gas?

4. a. Provide documentation of the use of the proceeds of the \$116,260 amount to be borrowed for the purchase of B & H Gas.

b. How was the purchase price of \$100,000 determined?

5. Does Bud Rife currently own Bradley and Son Oil and Gas ("Bradley and Son")?

6. Who is the transporter for the gas that B & H Gas is purchasing from Equitable Resources ("Equitable")? Provide the transportation contract.

7. Under the terms of the contract, B & H Gas must buy a minimum quantity of gas from Equitable every month. Does this mean that B & H Gas will be purchasing from Equitable during the summer months, when in the past it had purchased only from Bradley and Son in the summer?

8. The purchase agreement provided by B & H Gas does not specify which assets will be purchased by Bud Rife nor does it indicate who will maintain the current assets and liabilities after the acquisition. Provide complete details of assets to be purchased and liabilities to be assumed by B & H Gas.

9. The financial statement of Bud Rife does not provide a breakdown of assets and liabilities. Provide a financial statement of Bud Rife, by account.

10. Provide a detailed explanation and calculations of the journal entries to effect the transfer of B & H Gas to John M. and Debbie L. Bradley on June 1, 1986.

Done at Frankfort, Kentucky, this 17th day of March, 1989.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Executive Director