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Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Daniel E. Logsdon Jr.
Commissioner

December 8, 2016

PARTIES OF RECORD

Re: Case No. 2015-00367
AN INVESTIGATION OF THE GAS COSTS OF B & H GAS COMPANY
PURSUANT TO 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

Attached is a copy of Commission Staff's Post-Hearing Data Request that was requested during the Hearing held on December 5, 2016, at the Commission offices at 211 Sower Boulevard, Frankfort, Kentucky. This document was sent electronically to Joe Childers, Rebecca Goodman, and Larry Cook from Virginia Gregg, Commission Staff Attorney and is also attached hereto and is being filed in the record of the above-referenced case. If you have any questions, please contact Virginia Gregg, Staff Attorney, at 502-782-2584.

Sincerely,

A handwritten signature in blue ink that reads "Talina R. Mathews".

Talina R. Mathews
Executive Director

VG/ph

Attachment

Case No. 2015-00367 B&H Gas Company

Post Hearing Data Request – December 8, 2016

1. For each of the seven wells from which B&S Oil and Gas Company (“B&S”) supplies gas to B&H Gas Company (“B&H”), provide the following:

- i. The specific name, identification and location of each well.
- ii. Identify by name and street address every owner and every lessee who has surface rights to the property where each well is located.
- iii. Identify by name and street address every owner and every lessee who has mineral rights to the property where each well is located.
- iv. Identify by name and street address every owner and every lessee who has natural gas and oil rights to the production from each well.
- v. Provide a copy of each deed showing ownership of the oil & gas and also the oil & gas lease, if any, for each of the seven (7) gas wells from which B&S or Bud Rife claim the legal right to produce and sell the natural gas conveyed to B&H and which is resold by B&H to its customers.

2. For each of the seven wells from which B&S or Bud Rife supplies natural gas to B&H, identify by name and street address, each party to whom royalties are paid or are owed.

3. For each of the seven wells from which B&S or Bud Rife supplies natural gas to B&H, describe each of the following:

- i. Royalty payments made or owed by Bud Rife, or any entity in which Bud Rife has an interest, including, but not limited to, ownership or managerial.
- ii. The name and address of those paid or owed.
- iii. The individual amounts paid to those identified in response to paragraph 3.ii. Produce copies of each cancelled check or other document evidencing payment of royalties to each individual or entity entitled there to from each of the seven (7) gas wells for each month from November 2015 through November 30, 2016.

- iv. The basis of the calculations(s) for the royalty payments.
 - v. The volume(s) and recipient(s) of any free gas, and the amounts paid for production, including details of the 1/8 production to surface right owners.
4. Provide all written documentation supporting the royalty payments described in response to paragraph 3 above.
 5. Provide written documentation from EQT supporting Mr. Rife's assertions that EQT does not have the capacity to supply any gas to B&H during the winter months or stating the volume of gas it has the capacity to provide to B&H during the heating season.
 6. Provide B&H's monthly Mcf sales volumes beginning 11/1/2015 through 11/30/2016.
 7. Provide the BTU content reported by other small gas utilities in eastern Kentucky during 2016 that Bud Rife is using for comparison to the B&S gas wells' BTU content and which support his statement that other gas producing wells in the area, region, and state, do not have as high a BTU content as B&S produced gas.
 8. Provide the BTU content for any eastern Kentucky small gas utilities wells for which Bud Rife has knowledge regardless of whether or not that gas producing well was used to support the BTU content comparison to B&S gas wells.
 9. Provide the detail supporting the \$1.608 million Accounts Payable liability shown on B&H's December 31, 2015 balance sheet.
 10. Provide copies of the 2015 and the 2016 Master Services Agreements between Bud Rife Construction and EQT.

11. Provide an explanation of the \$24,000 identified as rent for B&H in Exhibit B to the response to the AG's initial request for information.

12. Explain how Mr. Rife's assertion of "arm's length," which he made during the hearing, applies to the transactions between himself and all his various entities.

Gregg, Virginia W (PSC)

From: Gregg, Virginia W (PSC)
Sent: Thursday, December 08, 2016 10:19 AM
To: Joe Childers (childerslaw81@gmail.com); Goodman, Rebecca (KYOAG); Cook, Larry (KYOAG)
Subject: Case No. 2015-00367 B&H Gas Company
Attachments: 15-367 BH Post Hearing Data Requests 12-7-16_dl_lf2_vcc3_cs_.docx

Tracking:	Recipient	Delivery
	Joe Childers (childerslaw81@gmail.com)	
	Goodman, Rebecca (KYOAG)	Delivered: 12/8/2016 10:19 AM
	Cook, Larry (KYOAG)	Delivered: 12/8/2016 10:19 AM

All:

In compliance with Commission's directive at the close of the evidentiary hearing on December 5, 2016, attached are the post- hearing data requests made at the hearing. Let me know if you have any questions.

Sincerely,

Virginia

Gregg, Virginia W (PSC)

From: Microsoft Outlook
To: Joe Childers (childerslaw81@gmail.com)
Sent: Thursday, December 08, 2016 10:19 AM
Subject: Relayed: Case No. 2015-00367 B&H Gas Company

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Joe Childers (childerslaw81@gmail.com) (childerslaw81@gmail.com)

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