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COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

JAN **29** 2016

PUBLIC SERVICE COMMISSION

In the Matter of

AN INVESTIGATION OF THE GAS COSTS OFCASE NO.B&H GAS COMPANY PURSUANT TO KRS2015-00367278.2207 AND THE WHOLESALE GAS PRICE ITISIS CHARGED BY ITS AFFILIATE, B&S OIL ANDGAS COMPANY, PURSUANT TO KRS 278.274

MOTION OF B&H GAS COMPANY AND B&S OIL AND GAS COMPANY TO HOLD THIS MATTER IN ABEYANCE PENDING THE FILING OF AN ALTERNATIVE RATE FILING ("ARF") PROCEEDING PURSUANT TO 807 KAR 5:076

Comes B&H Gas Company ("B&H"), and B&S Oil and Gas Company ("B&S"), by and through counsel, and respectfully move the Commission to hold this matter in abeyance pending the filing of an Alternative Rate Filing ("ARF") proceeding by B&H, pursuant to 807 KAR 5:076, requesting an increase in base rates. In support of this motion, B&H and B&S state that the totality of the rates charged by B&H to its customers does not exceed the totality of rates charged by like-sized gas utilities in Kentucky. The gas cost portion of B&H's average customer's bill does seem high in comparison to other like-sized gas utilities; however, the base rates are much lower, resulting in B&H's bills being similar or lower than like-sized gas utilities.

B&H intends to file an ARF proceeding no later than April 10, 2016, in order to utilize data from 2015 in requesting an increase in rates. The Commission will have six months from the date of filing to consider the ARF application before the proposed rates may go into effect. 807 KAR 5:076 Section 7. Therefore, B&H and B&S respectfully request that the Commission hold this case in abeyance until six months from the date that B&H's ARF application is filed.

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From the date this proceeding was filed, and during the period of abeyance, B&H respectfully requests that the Commission suspend its intention to order any refunds to B&H customers as a result of customers' bills containing allegedly higher than average gas costs. In support of this request, B&H states that the current bill structure results in an operating loss notwithstanding the allegedly higher charges to customers for gas. B&H is a small utility that would not be able to withstand an order requiring substantial refunds to customers.

This request to hold this matter in abeyance will be withdrawn if B&H has not filed for an ARF proceeding rate increase on or prior to April 10, 2016.

Respectfully submitted,

In DERS

JOE F. CHILDERS & ASSOCIATES The Lexington Building 201 West Short Street Suite 300 Lexington, Kentucky 40507 Telephone: (859) 253-9824 Facsimile: (859) 258-9288 childerslaw81@gmail.com