



497 George Rd,
Betsy Layne, KY 41605
Phone: (606)478-5851
Fax: (606)478-5266

February 15th, 2018

Mr. Matthew Baer
Kentucky Public Service Commission
PO Box 615
211 Sower Blvd
Frankfort, KY 40602

RECEIVED

FEB 20 2018

**PUBLIC SERVICE
COMMISSION**

Case No. 2018-00073

Mr. Baer,

Pursuant to Public Service Commission Order in Case No. 2015-00367, B&H Gas Company ("B&H") encloses, for filing with the Commission an original and ten (10) copies of data submitted pursuant to the requirements of the Gas Cost Adjustment Provision contained in B&H's tariff for its March quarterly Gas Cost Adjustment ("GCA").

B&H proposes to decrease its current rates to tariff sales customers by (-\$0.4746) per Mcf effective with its April 2018 billing cycle on April 1st, 2018.

Also, B&H is submitting three (3) Natural Gas Analysis for its active wells. For the purpose of adjusting its Heat Differential.

Please feel free to contact me at (606)478-5851 or bandhgas@mikrotec.com if there are any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Bud Rife", with a long horizontal flourish extending to the right.

Bud Rife
President

Enclosures

Company Name
B&H Gas Company

Quarterly Report of Gas Cost
Recovery Rate Calculation

RECEIVED

FEB 20 2018

**PUBLIC SERVICE
COMMISSION**

Date Filed:

February 15th, 2018

Date Rates to be Effective:

April 1st, 2018

Reporting Period is Calendar Quarter Ended:

December 31st, 2017

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.3643
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		<u>5.3643</u>
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)	\$	<u>74177.81</u>
÷	Sales for the 12 months ended _____	Mcf	<u>13,828</u>
=	Expected Gas Cost (EGC)	\$/Mcf	<u>5.3643</u>

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 December 31, 2017

(1) Supplier	(2) Dth	(3) BTU Conversion Factor	(4) Mcf	(5)** Rate	(6) (4) X (5) Cost
B&S Oil + Gas		1.275	14392	\$5.1541	\$74,177.81

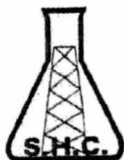
Totals			<u>14,392</u>		<u>\$74,177.81</u>
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Line loss for 12 months ended Dec. 31, 2017 is 1% based on purchases of 14392 Mcf and sales of 13828 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	74,177.81
÷ Mcf Purchases (4)	Mcf	14,392
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.1541
x Allowable Mcf Purchases (must not exceed Mcf sales ÷ .95)	Mcf	14392
= Total Expected Gas Cost (to Schedule IA)	\$	74,177.81

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

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



**Southern
Hydrocarbon
Corporation**

SERVICES & PRODUCTS

Apt. B, 934 Little Coal River
Alum Creek, West Virginia 25003
Tel.: (304) 756-3171 • Fax: (304) 756-1364

Chandler Engineering Co.
Model 292/2920 BTU Analyzer

Test time: Jan.08 18 10:29
Test #:3739

Calibration #: 230
Location No. :3

	Standard/Dry Analysis				Saturated/Wet Analysis		
	Mole%	BTU*	R.Den.*	GPM**	Mole%	BTU*	R.Den.*
Methane	68.615	694.64	0.3801	--	67.421	682.55	0.3734
Ethane	18.768	332.91	0.1949	5.0160	18.442	327.11	0.1915
Propane	8.702	219.46	0.1325	2.3959	8.550	215.64	0.1302
i-Butane	0.485	15.80	0.0097	0.1586	0.476	15.53	0.0096
n-Butane	1.910	62.45	0.0383	0.6021	1.877	61.37	0.0377
i-Pentane	0.236	9.48	0.0059	0.0865	0.232	9.32	0.0058
n-Pentane	0.310	12.44	0.0077	0.1121	0.304	12.22	0.0076
(C6+)	0.331	16.80	0.0105	0.1425	0.325	16.51	0.0103
Moisture	0.000	0.00	0.0000	--	1.740	0.88	0.0108
Nitrogen	0.439	0.00	0.0042	--	0.431	0.00	0.0042
(CO2)	0.204	0.00	0.0031	--	0.201	0.00	0.0030

Ideal 100.00 1364.0 0.7869 8.5137

* : Uncorrected for compressibility at 60.0F & 14.730PSIA.

** : Liquid Volume reported at 60.0F.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 22.791	22.708
Relative Density	= 0.7901	0.7873
Compressibility Factor	= 0.9956	0.9955
Gross Heating Value	= 22659. Btu/lb	22361. Btu/lb
Gross Heating Value	= 1370.1 Btu/CF	1347.2 Btu/CF
Absolute Gas Density	= 60.4651 lbm/1000CF	60.2490 lbm/1000CF
Wobbe Index	= 1515.63	
Unnormalized Total :	99.486	
Last Calibrated with Calgas of	1056.4 Btu/CF	Jan.08 18 09:29
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 Company

Well/Site: Tram

Measuring Station: _____

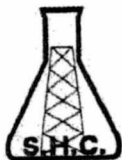
District: _____ Pressure: 5#

Date: 01/02/2018 Time: 1520

Remarks: _____

DISCLAIMER

All analysis are based solely on samples and materials supplied to Southern Hydrocarbon Corporation by the client. Southern Hydrocarbon Corporation, it's 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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Chandler Engineering Co.
Model 292/2920 BTU Analyzer

Test time: Jan.08 18 11:25
Test #:3741

Calibration #: 230
Location No. :3

	Standard/Dry Analysis				Saturated/Wet Analysis		
	Mole%	BTU*	R.Den.*	GPM**	Mole%	BTU*	R.Den.*
Methane	70.382	712.52	0.3898	--	69.157	700.12	0.3831
Ethane	17.646	313.00	0.1832	4.7160	17.338	307.55	0.1800
Propane	8.498	214.33	0.1294	2.3399	8.351	210.60	0.1271
i-Butane	0.473	15.41	0.0095	0.1546	0.465	15.14	0.0093
n-Butane	1.922	62.86	0.0386	0.6060	1.889	61.76	0.0379
i-Pentane	0.237	9.49	0.0059	0.0866	0.232	9.32	0.0058
n-Pentane	0.311	12.50	0.0077	0.1126	0.306	12.28	0.0076
(C6+)	0.329	16.69	0.0104	0.1415	0.323	16.40	0.0103
Moisture	0.000	0.00	0.0000	--	1.740	0.88	0.0108
(CO2)	0.203	0.00	0.0031	--	0.199	0.00	0.0030

Ideal 100.00 1356.8 0.7776 8.1572

* : Uncorrected for compressibility at 60.0F & 14.730PSIA.

** : Liquid Volume reported at 60.0F.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 22.523	22.444
Relative Density	= 0.7807	0.7781
Compressibility Factor	= 0.9956	0.9956
Gross Heating Value	= 22808. Btu/lb	22504. Btu/lb
Gross Heating Value	= 1362.7 Btu/CF	1340.0 Btu/CF

Absolute Gas Density = 59.7485 lbm/1000CF 59.5449 lbm/1000CF
Wobbe Index = 1516.53

Unnormalized Total : 100.306

Last Calibrated with Calgas of 1056.4 Btu/CF Jan.08 18 09:29

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 Company

Well/Site: Betsy Layne Shop

Measuring Station: _____

District: _____ **Pressure:** 5#

Date: 01/02/2018 **Time:** 1142

Remarks: _____

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Chandler Engineering Co.
Model 292/2920 BTU Analyzer

Test time: Jan.08 18 10:44
Test #:3740

Calibration #: 230
Location No. :3

	Standard/Dry Analysis				Saturated/Wet Analysis			
	Mole%	BTU*	R.Den.*	GPM**	Mole%	BTU*	R.Den.*	
Methane	73.609	745.19	0.4077	--	72.328	732.22	0.4006	
Ethane	15.989	283.62	0.1660	4.2734	15.711	278.68	0.1631	
Propane	6.950	175.27	0.1058	1.9135	6.829	172.22	0.1040	
i-Butane	0.420	13.68	0.0084	0.1372	0.412	13.44	0.0083	
n-Butane	1.491	48.77	0.0299	0.4702	1.465	47.92	0.0294	
i-Pentane	0.206	8.26	0.0051	0.0754	0.202	8.12	0.0050	
n-Pentane	0.258	10.37	0.0064	0.0934	0.254	10.19	0.0063	
(C6+)	0.295	14.99	0.0094	0.1271	0.290	14.73	0.0092	
Moisture	0.000	0.00	0.0000	--	1.740	0.88	0.0108	
Nitrogen	0.611	0.00	0.0059	--	0.600	0.00	0.0058	
(CO2)	0.171	0.00	0.0026	--	0.168	0.00	0.0026	

Ideal 100.00 1300.1 0.7473 7.0901

* : Uncorrected for compressibility at 60.0F & 14.730PSIA.

** : Liquid Volume reported at 60.0F.

	Standard/Dry Analysis	Saturated/Wet Analysis
Molar Mass	= 21.644	21.581
Relative Density	= 0.7500	0.7478
Compressibility Factor	= 0.9961	0.9960
Gross Heating Value	= 22743. Btu/lb	22428. Btu/lb
Gross Heating Value	= 1305.3 Btu/CF	1283.6 Btu/CF

Absolute Gas Density = 57.3940 lbm/1000CF 57.2312 lbm/1000CF
Wobbe Index = 1482.15

Unnormalized Total : 99.017

Last Calibrated with Calgas of 1056.4 Btu/CF Jan.08 18 09:29

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 Company

Well/Site: Cornfield

Measuring Station: _____

District: _____ **Pressure:** 6#

Date: 01/02/2018 **Time:** 1440

Remarks: _____

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