

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Investigation of B & H Gas Company)
and Bud Rife, Individually and as an Officer of) **Case No. 2019-00055**
B & H Gas Company Alleged Violation of KRS 278.300)

RESPONSES TO ATTORNEY GENERAL’S INITIAL DATA REQUESTS

Comes B&H Gas Company and Bud Rife, Individually and as an Officer of B&H Gas Company (“Respondents”), by counsel, and for their Response to the Attorney General’s Initial Data Requests respectfully state as follows:

1. a. No
- b. Yes
- c. Yes
- d. No
- e. No
- f. No
2. Yes. Refer to **Exhibit 2 (a-d)**.¹
3. Refer to **Exhibit 3**.
4. No.
5. No.
6. Refer to Exhibit 2 (j-l) in response to staff data request.

¹ Exhibits are numbered the same as the numbers of the Data Requests to which they correspond.

7.
 - a. 25 percent
 - b. 0
 - c. 0
 - d. 50 percent
 - e. 50 percent
8. Refer to **Exhibit 8 (a-e)**. However, unable to provide 10 years due to loss of records in fire.
9. Refer to **Exhibit 9 (a-g)**. However, unable to provide 10 years due to loss of records in fire.
10. B & H has 2 employees.
 - a. 2 full time employees.
 - b. Payroll, 1 employee is provided health insurance and 1 employee is provided life insurance, and both employees receive a Christmas bonus.
 - c. These employees perform any duties required to remain operational.
11.
 - a. 3 full time employees.
 - b. 0
 - c. 1 Manager
 - d. 0
12.
 - a. Refer to Exhibit 2. J-l in response to staff data request.
 - b. Services are provided on an hourly, daily, and monthly depending which service.
 - c. Time is allocated on work orders.
13.
 - a-c. Refer to **Exhibit 13**.
 - d. Refer to **Exhibit 13 (d)**.
14.
 - a-d. Refer to **Exhibit 14**.
 - e. Refer to **Exhibit 13 (d)**.
15. a-d. Refer to **Exhibit 14**.

- e. Refer to **Exhibit 13 (d)**.
- 16. The physical address is 497 George Road, Betsy Layne, KY 41605.
 - a. Johnson County Gas Company, Inc.
 - b. JCG 50 percent and B&H 50 percent.
 - c. Bud Rife
 - d. Office rent changed from \$1,000.00 to \$2,000.00 per month in January 2018. The increase was due to a recalculation of expenses for insurance, taxes, and a mortgage on the building.
- 17.
 - a. Refer to **Exhibit 17 (a)**.
 - b. Refer to **Exhibit 17 (b)**.
 - c. 7500 square feet
 - d. JCG and B&H
- 18.
 - a. P.O. Box 155, Harold, KY 41635
 - b. P.O. Box 447, Betsy Layne, KY 41605
 - c. P.O. Box 155, Harold, KY 41635
 - d. P.O. Box 447, Betsy Layne, KY 41605
 - e. P.O. Box 155, Harold, KY 41635
- 19.
 - a. 1862 Mare Creek, Stanville, KY 41659
 - b. 497 George Road, Betsy Layne, KY 41605
 - c. 1862 Mare Creek, Stanville, KY 41659
 - d. 497 George Road, Betsy Layne, KY 41605
 - e. 1862 Mare Creek, Stanville, KY 41659
- 20. The do not overlap as they are two separate companies operating in two different counties.
- 21. None
- 22. Mr. Rife does all the functions and duties necessary to operate both companies.

23.
 - a. Refer to Exhibit 2 (j-l) in the responses to staff data request to see Bud Rife payroll.
 - b. It does not include secretarial help.
24.
 - a. Refer to Exhibit 2 (j-l) response to staff data request to see payroll and health insurance for Bud Rife.
25.
 - a. none from HSH, \$72,000 from JCG, \$42,400 from BRC, none from B&S, \$31,800 from B&H.
26. None
27. No
28.
 - a. Bud Rife only. Refer to Exhibit 2 (j-l) staff request to see payroll and health insurance for Bud Rife.
29.
 - a. See response to 28(a).
30. Never.
31. See Responses to Data Requests in Case No. 2019-00056.
32. Yes, it was.
 - a. There is no relationship between B&S and Bradco Oil Co.
33. Refer to Exhibit 5 (f) in response to staff data request.
 - a. No, as JCG switched to a wireless home number so it can be called locally.
 - b. The lines are shared and used to communicate gas related emergencies and work orders as the staff utilizing the lines are not full-time employees of the gas companies and are not always on the premises during the day-to-day operations to receive calls directly.
 - c. B&S has no phone lines.
34. B&S's only client is B&H. Refer to Exhibit 3 (a-e) in response to staff data request.
35.
 - a.
 - i-iii. Refer to Exhibit 2 (a-e) in response to staff data request and **Exhibit 35 (a. i-iii)**.
 - iv. No interest was charged.
 - v. The loans were advances which were necessary to remain operational.
 - b. i-iii. Refer to **Exhibit 35 (a. i-iii)** and Exhibit 2 (a-e) in response to staff data request.

- iv. There was not set pay date for B&H.
 - v. No interest was charged.
 - Vi. The loans were advances necessary to remain operational.
- c. i-iv. Refer to **Exhibit 35 (a. i-iii)** and Exhibit 2 (a-e) in response to staff data request.
- d. Refer to response to staff data request Exhibits 2 (a-e) and 1 (a-e).
 - e. Refer to staff request Exhibit 2 (j-l).
 - f. None were forgiven.
36. a. i-ii. Refer to response to staff data request Exhibit 2 (a-e) and **Exhibit 35 (a. i-ii)**.
- iii. Payments were to be made as funds became available, no set date.
 - iv. No interest was charged.
 - v. To allow B&H to continue to operate.
- b. Refer to response to staff data request Exhibit 2 (j-l).
- c. i-iii. Refer to response to staff data request Exhibit 2 (a-e) and **Exhibit 35 (a. i-iii)**.
- iv. Payments were made as funds were available, no set date.
 - v. No interest was charged.
 - vi. The work had to be done in order to continue operations.
- d. i-iv. Refer to **Exhibit 35 a. i-iii**, response to staff data request Exhibit 2 (a-e), and staff request Exhibit 1 (a-e).
- e. Refer to response to staff data request Exhibit 2 (a-e).
 - f. Refer to response to staff data request Exhibit 2 (a-e).
 - g. No loans were forgiven.
37. a. i-ii. Refer to response to staff data request Exhibits 3 (a-e) and 4 (a-c).
- iii. No dates were set for payments.
 - iv. No interest was charged.

- v. There were not enough funds to pay invoices.
 - b. Refer to response to staff data request Exhibit 2 (j-l).
 - c.
 - i-iii. Refer to response to staff data request Exhibits 3 (a-e) and 4 (a-c).
 - iv. No dates were set for payments.
 - v. No interest was charged.
 - vi. The services were needed to provide gas to B&H customers.
 - d.
 - i-ii. Refer to response to staff data request Exhibit 3 (a-e).
 - iii. There were no scheduled payment dates.
 - iv. No interest was charged.
 - v. The initiation of action to collect the debt would result in B&H becoming inoperable and unable to provide gas services to its customers.
 - vi. B&S was attempting to assist B&H in remaining operational to provide its customers with gas as they have no other source of heat and some are elderly and disabled.
 - e.
 - i-iii. Refer to response to staff data request Exhibits 4 (a-c) and 3 (a-e).
 - f. Refer to response to staff data request Exhibits 4 (a-c) and 3 (a-e).
 - g. Refer to response to staff data request Exhibit 2 (j-l).
 - h. No loans were forgiven.
38. 2011
39. 2009
40. 2009
41. The work is different, and time is spent servicing the wells of each company.
42. No
43. Refer to **Exhibit 43**.
44. Bud Rife \$31,800, President; and Suda Allen \$21,600, Secretary. There have been no pay increases and both employees receive 2 weeks paid vacation. Bud Rife's health insurance is paid and Suda Allen's life insurance is paid.

45. No relatives work for B&H.
46. No
47. None
48. B&H is responsible for its own expenses per the 2017 annual report and JCG pays its own expenses.
 - a-g. 0
49. a-e. 0
50. 2017 annual report shows no such advances.
51. Refer to **Exhibit 51**.
52. B&H does not pay liability insurance on leased vehicles
53. Refer to **Exhibit 53**.
54. Refer to **Exhibit 14**.
55. No retirement benefits are provided for B&H employees or Mr. Rife.
56. John Bradley, Bud Rife, and Annice Lee Welch
57. a-e. Refer to **Exhibit 57**.
58. a-e. Refer to **Exhibit 57**.

VERIFICATION

I hereby verify that each answer and response given to the Attorney General's First Data Requests is true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



BUD RIFE

CERTIFICATE OF SERVICE

This is to certify that the foregoing copy of the foregoing responses to the Attorney General's first data requests is a true and accurate copy of the document being filed in paper medium; the electronic filing was transmitted to the Commission on April 4, 2019; there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and the filing in paper medium is being delivered to the Commission via U.S. mail.



JOE F. CHILDERS