

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

Electronic Investigation of Johnson County Gas)	
Company, Inc. and Bud Rife, Individually and as an)	Case No. 2019-00056
Officer of Johnson County Gas Company, Inc.)	
Alleged Violation of KRS 278.300 and its Tariff)	

RESPONSE TO ATTORNEY GENERAL’S INITIAL DATA REQUESTS

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

1. JCG affiliation status to the following companies are as follows:
 - a. B&H Gas Co. (“B&H”); – Shared Office Space
 - b. B&S Oil & Gas Co. (“B&S”); - No affiliation
 - c. Bud Rife Constuction (“BRC”); - Contracted for performing Gas Company related work on mains, transmission lines, and customer service equipment, (meters / regulators, service lines)
 - d. Hall, Stephens, & Hall; - Natural Gas Provider for JCG
 - e. Bradco Oil Co; - Natural Gas Provider for Routes 1&2 of JCG
 - f. Bradley & Son Oil & Gas Co.; - Never affiliated. Closed in 1989
2. BRC keeps its status active in West Virginia in case a fencing job comes available in the state. As of now BRC has had no work in the state of West Virginia in the past 5 years.
 - a. No Articles of Incorporation for the State of West Virginia, BRC is only a licensed

contractor for the state.

b. None

c. None

d. See documents attached hereto as **Exhibit 1**

3. See documents attached hereto as **Exhibit 2**

4. No.

5. No.

6. See responses to Commission Staff's First Data Request (Exhibits 1, 3, & 4)

a. See responses to Commission Staff's First Data Request (Exhibit 3)

b. See responses to Commission Staff's First Data Request (Exhibit 4)

c. JCG does not pay anything to B&H, unless there is an accounting error and a payment posts on the wrong account.

d. Bud Rife is d/b/a B&S Oil & Gas, but JCG does not conduct business with B&S Oil & Gas.

e. See responses to Commission Staff's First Data Request (Exhibit 1).

7. BRC = 25%, H.S.H. = 100%, B&H = 0%, Bud Rife and D.B.A. B&S = 40%

8. Total debt is as follows:

a. See responses to Commission Staff's First Data Request (Exhibit 3)

b. See responses to Commission Staff's First Data Request (Exhibit 4)

c. JCG does not conduct business with B&H

d. JCG does not conduct business with B&S

e. See responses to Commission Staff's First Data Request (Exhibit 1).

9. JCG has 0 employess

a. Bud Rife is the managing officer

- b. Mr. Rife receives no benefits from JCG, his Annual Salary is \$72,000.00
 - c. Mr. Rife's management duties are: pay bills and invoice for gas sales, read meters, patrol lines, perform leak surveys and nominate gas purchases
- 10 a. BRC = 3 full time employees
- b. H.S.H. = 0
 - c. B&H = 2 full time employees
 - d. B&S = 0
11. See responses to Commission Staff's First Data Request (Exhibit 2)
12. Shared costs are as follows:
- a. See documents attached hereto as **Exhibit 3**
 - b. None
 - c. See documents attached hereto as **Exhibit 4**
 - d. See documents attached hereto as **Exhibit 3**
13. Accounts receivable are as follows:
- a. See responses to Commission Staff's First Data Request (Exhibit 2)
 - b. See documents attached hereto as **Exhibit 3**
 - c. None
 - d. See documents attached hereto as **Exhibit 4**
 - e. See documents attached hereto as **Exhibit 3**
14. Balances sheets are as follows:
- a. See documents attached hereto as **Exhibit 5**
 - b. See documents attached hereto as **Exhibit 3**
 - c. None
 - d. See documents attached hereto as **Exhibit 4**

- e. See documents attached hereto as **Exhibit 3**
15. Physical Address – 497 George Road, Betsy Layne, KY 41605 | Mailing Address:
PO Box 144, Betsy Layne, KY 41605
- a. B&H Gas Company
 - b. B&H Gas Company – 50% | JCG – 50%
 - 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. See documents attached hereto as **Exhibit 6**
16. Regarding the building damaged by fires:
- a. See documents attached hereto as **Exhibit 7**
 - b. See documents attached hereto as **Exhibit 7**
 - c. 7500 sq ft
 - d. B&H | JCG
17. Street and mailing addresses are as follows:
- a. 1862 Mare Creek Road, Stanville, KY 41659 | PO Box 155 Harold, KY 41635
 - b. See response for Subpart 15 above
 - c. 1862 Mare Creek Road, Stanville, KY 41659 | PO Box 155 Harold, KY 41635
 - d. See response for Subpart 15 above
 - e. 1862 Mare Creek Road, Stanville, KY 41659 | PO Box 155 Harold, KY 41635
18. Street and mailing addresses are as follows:
- a. See response to 15 above
 - b. See response to 15 above
 - c. See response to 15 above

- d. See response to 15 above
- e. See response to 15 above
- 19. The management duties do not overlap. Each company has its own individual problems and tasks that require personal attention.
- 20. None
- 21. See response for Subpart 9c above
- 22. No
- 23. See responses to Commission Staff's First Data Request (Exhibit 1)
- 24. See responses to Commission Staff's First Data Request (Exhibit 1,2, 3, & 4)
 - a. B&S is a d/b/a. Mr. Rife receives no compensation from B&S
- 25. None
- 26. Unknown
- 27. Its has not issued an RFP within the last 10 years. It has contracts for gas supply. See responses to Commission Staff's First Data Request (Exhibit 6)
- 28. See responses to Commission Staff's First Data Request (Exhibit 6)
- 29. Regarding Case No. 2010-00010:
 - a. Records destroyed in fire
 - b. It is ongoing. Columbia Gas Transmission and Diversified Gas & Oil transport gas on a daily basis.
 - c. Is has been repaired.
 - (i) No. It has already been repaired
 - (ii) There is none. It was communicated via telephone conversations with Columbia Gas Transmission.
 - d. Yes, Columbia Gas Transmission delivered the gas. However the meter that measured

the delivered gas was faulty and did not record the amount delivered.

e. No such contract exists.

30. Bradco Gas Co., Diversified Gas & Oil, Columbia Gas Transmission, Hall, Stephens, & Hall.

31. Yes

32. See responses to Commission Staff's First Data Request (Exhibit 2)

a. In reference to JCG response to PSC 2-6:

(i.) No.

(ii.) 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 premises during the day-to-day operations to receive calls directly.

(iii.) B&S is a d/b/a and has no phone line

33. There are none.

a. See responses to Commission Staff's First Data Request (Exhibit 5)

b. See responses to Commission Staff's First Data Request (Exhibit 5)

34. Yes

a. Lost in office fire

b. Lost in office fire

35. Reference Case No. 2012-00140:

a. Attorney Tom Bunch handled this matter in the bankruptcy case. See responses to Commission Staff's First Data Request (Exhibit 5)

b. No.

36. Reference Case No. 2012-00140:

- a. See responses to Commission Staff's First Data Request (Exhibit 5)
- b. No. Bradco is a separate entity, and is of no relation to B&S, nor Bradley & Sons.
- c. B&S is Bud Rife d/b/a B&S Oil & Gas Co.

37. 2011

38. 2009

39. 2009

40. The entire gas system was rebuilt in 2006

41. No

a. JCG did not conduct business with Hall, Stephens, & Hall at the time of the bankruptcy filing

42. Yes

a. Knott County, KY

b. These records were lost in the office fire

c. No

43. Individually or through and by BRC employees. Install blow drips, work freeze offs, perform well services to maintain constant flow of gas pressure.

44. 1998

45. No. The amount of unpaid management fees stem from 2016-2018. In 2015 Mr. Rife was paid in full for all management fees.

a. See responses to Commission Staff's First Data Request (Exhibit 1)

(i) These were not loans, they were unpaid invoices for management fees, office rent, and truck leases from the years 2016 thru 2018

(ii) See response to Subpart 45(a)(i) above.

- (iii) See responses to Commission Staff's First Data Request (Exhibit 1)
 - (iv) See responses to Commission Staff's First Data Request (Exhibit 1)
 - (v) See responses to Commission Staff's First Data Request (Exhibit 1)
 - b. See responses to Commission Staff's First Data Request (Exhibit 1)
 - c. (i. thru v.) See responses to Commission Staff's First Data Request (Exhibit 1)
 - d. (i. thru v.) See responses to Commission Staff's First Data Request (Exhibit 1)
 - e. See responses to Commission Staff's First Data Request (Exhibit 2)
 - f. See responses to Commission Staff's First Data Request (Exhibit 1)
46. Regarding the promissory note:
- a. The promissory note was for gas purchases invoiced but not paid.
 - (i) See responses to Commission Staff's First Data Request (Exhibit 4)
 - (ii) See responses to Commission Staff's First Data Request (Exhibit 4)
 - (iii) See responses to Commission Staff's First Data Request (Exhibit 4)
 - (iv) No interest
 - (v) See response to Subpart 46a
 - b. See responses to Commission Staff's First Data Request (Exhibit 2)
 - c. With regard to services provided:
 - (i) See responses to Commission Staff's First Data Request (Exhibit 8)
 - (ii) See response to Subpart 46a
 - (iii) See responses to Commission Staff's First Data Request (Exhibit 8)
 - (iv) See responses to Commission Staff's First Data Request (Exhibit 4)
 - (v) No interest
 - (vi) See response to Subpart 46a
 - d. In reference to sales of natural gas:

- (i) See responses to Commission Staff's First Data Request (Exhibit 6)
 - (ii) See responses to Commission Staff's First Data Request (Exhibit 8)
 - (iii) See responses to Commission Staff's First Data Request (Exhibit 4)
 - (iv) No interest
 - (v) H.S.H. was waiting for the outcome of JCG's Application for Alternative Rate Filing PSC Case # 2018-00434.
 - (vi) See response to Subpart 46(d)(v) above.
- e. See responses to Commission Staff's First Data Request (Exhibit 8)
- f.
- (i) See responses to Commission Staff's First Data Request (Exhibit 8)
 - (ii) JCG keeps no such journal
 - (iii) The fact that JCG was able to provide gas to its subscribers without interruption of service. See documents attached hereto as **Exhibit 8**
- g. See responses to Commission Staff's First Data Request (Exhibit 6)
- h. See documents attached hereto as **Exhibit 9**

47. This is correct. The annual report indicates no advances.

48. With reference to JCG's 2017 Annual Report:

(a. thru e) B&H has its own expenses which are listed on its Annual Report

49. With reference to subparts (a) – (e) above:

a. \$0.00

b. See responses to Commission Staff's First Data Request (Exhibit 3)

c. See responses to Commission Staff's First Data Request (Exhibit 4)

d. \$0.00

e. See responses to Commission Staff's First Data Request (Exhibit 1)

50. Yes, See documents attached hereto as **Exhibit 8**
51. No. JCG does not provide any health insurance to Mr. Rife.
- a. N/A
52. No. JCG does not provide Mr. Rife any sort of benefits other than management fees
53. See documents attached hereto as **Exhibit 10**
54. None other than Mr. Rife's management fee
55. None
56. No.
- a. N/A
57. No, its is an expense covered by Mr. Rife.
58. Bradco Oil Co. – Current on invoices and payments | Hall, Stephens, & Hall – Current on invoices, arrears on payments | EQT (Diversified Gas Oil) – Current on Invoices and Payments.
59. We are unclear on the meaning of “excess gas cost revenues.”
60. As to contracts:
- a. See responses to Commission Staff's First Data Request (Exhibit 6)
- b. None exist. H.S.H. does not conduct business with B&H
- c. None exist. H.S.H. does not conduct business with B&S
- d. None exist. H.S.H. does not conduct business with BRC
- e. None
61. As to the test year:
- a. See responses to Commission Staff's First Data Request (Exhibit 6)
- b. None exist. H.S.H. does not conduct business with B&H
- c. None exist. H.S.H. does not conduct business with B&S

d. None exist. H.S.H. does not conduct business with BRC

e. None

62. None.

63. Prior to 1998

a. None of Mr. Branham's relatives are employed by any of Mr. Rife's companies.

64. None. We have no knowledge of these individuals

65. Bud Rife

a. See responses to Commission Staff's First Data Request (Exhibit 1)

66. To the best of my knowledge none were reaffirmed, See responses to Commission Staff's First Data Request (Exhibit 5)

67. None

68. To the best of my knowledge there are no such customers.

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