

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 OFFICER OF JOHNSON COUNTY GAS ) CASE NO. 2019-00056  
COMPANY, INC. ALLEGED VIOLATION OF KRS )  
278.300, A COMMISSION ORDER, AND A TARIFF )

NOTICE OF FILING

Notice is given to all parties that the following materials have been filed into the record of this proceeding:

- The digital video recording of the evidentiary hearing conducted on April 24, 2019 in this proceeding;
- Certification of the accuracy and correctness of the digital video recording;
- All exhibits introduced at the evidentiary hearing conducted on April 24, 2019 in this proceeding;
- A written log listing, *inter alia*, the date and time of where each witness' testimony begins and ends on the digital video recording of the evidentiary hearing conducted on April 24, 2019.

A copy of this Notice, the certification of the digital video record, hearing log, and exhibits have been electronically served upon all persons listed at the end of this Notice.

Parties desiring to view the digital video recording of the hearing may do so at:

[http://psc.ky.gov/av\\_broadcast/2019-00055-00056/2019-00055-00056\\_24Apr19\\_Inter.aspx](http://psc.ky.gov/av_broadcast/2019-00055-00056/2019-00055-00056_24Apr19_Inter.aspx).

Parties wishing an annotated digital video recording may submit a written request by electronic mail to [pscfilings@ky.gov](mailto:pscfilings@ky.gov). A minimal fee will be assessed for a copy of this recording.

Done at Frankfort, Kentucky, this 6<sup>th</sup> day of May 2019.

A handwritten signature in cursive script that reads "Gwen R. Pinson".

---

Gwen R. Pinson  
Executive Director  
Public Service Commission of Kentucky

Bud Rife  
Manager  
Johnson County Gas Company, Inc.  
P. O. Box 447  
Betsy Layne, KY 41605

Johnson County Gas Company, Inc.  
P. O. Box 447  
Betsy Layne, KY 41605

Bud Rife  
Johnson County Gas Company, Inc.  
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COMMONWEALTH OF KENTUCKY  
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In the Matter of:

ELECTRONIC INVESTIGATION OF JOHNSON )	
COUNTY GAS COMPANY, INC. AND BUD RIFE, )	CASE NO.
INDIVIDUALLY AND AS AN OFFICER OF )	2019-00056
JOHNSON COUNTY GAS COMPANY, INC. )	
ALLEGED VIOLATION OF KRS 278.300, A )	
COMMISSION ORDER, AND A TARIFF )	

CERTIFICATION


I, KaBrenda L. Warfield, hereby certify that:

1. The attached DVD contains a digital recording of the Hearing conducted in the above-styled proceeding on April 24, 2019. Hearing Log, Exhibit List and Witness List are included with the recording on April 24, 2019.
2. I am responsible for the preparation of the digital recording;
3. The digital recording accurately and correctly depicts the Hearing of April 24, 2019.
4. The Hearing Log attached to this Certificate accurately and correctly states the events that occurred at the Hearing of April 24, 2019 and the time at which each occurred.

Signed this 2<sup>nd</sup> day of April, 2019.



KaBrenda L. Warfield, CKP  
Paralegal Consultant

  
Jacqueline Hartzell, Notary Public  
State at Large  
Commission Expires: July 25, 2022  
ID#: 605476





# Session Report - Detail

2019-00055 & 2019-00056  
24April2019

**B&H Gas Company (B&H), Bud Rife, and Johnson County Gas Company (Johnson County)**

Date:	Type:	Location:	Department:
4/24/2019	Show Cause Hearing	Hearing Room 1	Hearing Room 1 (HR 1)

Judge: Bob Cicero; Talina Mathews; Michael Schmitt  
 Witness: Bud Rife  
 Clerk: KaBrenda Warfield

Event Time	Log Event	
8:33:30 AM	Session Started	
8:33:32 AM	Session Paused	
8:54:56 AM	Session Resumed	
8:54:57 AM	Chairman Schmitt Note: Fields, Angela	Chairman Schmitt stating preliminary remarks and introduction of Vice Chairman Cicero and Commissioner Mathews.
8:55:13 AM	Chairman Schmitt Note: Fields, Angela	We are here today for the purpose of [click on the link for Chairman Schmitt's remarks.]
8:57:07 AM	Chairman Schmitt Note: Fields, Angela	Alright at this time would Counsel for Mr. Rife, B&H Gas, and Johnson County Gas Company please identify himself and his client?
8:57:29 AM	Chairman Schmitt Note: Fields, Angela	You may be seated Mr. Rife. Thank you.
8:57:31 AM	Chairman Schmitt Note: Fields, Angela	For the Kentucky Attorney General's Office?
8:57:37 AM	Chairman Schmitt Note: Fields, Angela	And Counsel for Staff?
8:57:43 AM	Chairman Schmitt Note: Fields, Angela	Are there any motions to be heard prior to beginning this proceeding?
8:57:51 AM	Chairman Schmitt Note: Fields, Angela	Mr. Childers?
9:02:12 AM	Chairman Schmitt Note: Fields, Angela	Any response?
9:03:26 AM	Chairman Schmitt Note: Fields, Angela	Mrs. Vinsel?
9:04:04 AM	Atty Childers Bud Rife, B&H Gas Company (B&H) and Johnson County Gas Company (Johnson County) Note: Fields, Angela	May I just briefly respond your honour? [Click on the link for remarks.]
9:05:18 AM	Chairman Schmitt Note: Fields, Angela	Well my opinion is that [click on the link for Chairman Schmitt's remarks.]
9:07:10 AM	Chairman Schmitt Note: Fields, Angela	Alright if there is nothing further are you prepared to move forward at this time Mrs. Vinsel?
9:07:17 AM	Asst. GC Vinsel PSC Note: Fields, Angela	ISSUES
9:09:45 AM	Chairman Schmitt Note: Fields, Angela	Thank you.

9:09:47 AM	Chairman Schmitt Note: Fields, Angela	Is this in the record now? The prior Commission Order?
9:10:04 AM	Chairman Schmitt Note: Fields, Angela	Do you plan on moving forward now in putting this into evidence or waiting until Mr. Rife testifies?
9:10:18 AM	Chairman Schmitt Note: Fields, Angela	Well I thought if you did Mr. Childers will have an opportunity to see those and that might be a better way to do it.
9:10:29 AM	Asst. GC Vinsel PSC Note: Fields, Angela	The Commission has four exhibits [click on the link for remarks.]
9:11:48 AM	Chairman Schmitt Note: Fields, Angela	One thing Mr. Childers I would like to say is [click on the link for Chairman Schmitt's remarks.]
9:13:13 AM	Atty Childers Bud Rife, B&H and Johnson County Note: Fields, Angela	I think in response to that [click on link for remarks.]
9:13:25 AM	Chairman Schmitt Note: Fields, Angela	Well to there are so many things filed here [click on the link for Chairman Schmitt's remarks.]
9:13:51 AM	Chairman Schmitt Note: Fields, Angela	Okay alright thank you.
9:13:52 AM	Chairman Schmitt Note: Fields, Angela	Alright Mr. Childers do you have enough information?
9:14:33 AM	Chairman Schmitt Note: Fields, Angela	Mrs. Vinsel I guess it is your intent to file these materials as Staff Exhibits as 1,2,3,4 into evidence?
9:14:46 AM	Chairman Schmitt Note: Fields, Angela	Is there any objection?
9:14:49 AM	Chairman Schmitt Note: Fields, Angela	Alright let the exhibits be marked as filed as Staff's Exhibits 1,2,3, and 4 respectively. Alright Mr. Childers you may call your witness.
9:15:05 AM	Chairman Schmitt Note: Fields, Angela	Swearing in of witness.
9:15:35 AM	Chairman Schmitt Note: Fields, Angela	Please be seated.
9:15:38 AM	Atty Childers Bud Rife, B&H and Johnson County - witness Rife Note: Fields, Angela	Direct Examination.
9:22:32 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	They disbarred your lawyer is that what you are saying?
9:24:51 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Direct Continued.
9:26:25 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	I could pass the witness just on this quarterly tariff now [click on link for remarks.]
9:26:34 AM	Chairman Schmitt Note: Fields, Angela	Why don't we do that. I want to let Staff Counsel Cross Examine first.
9:26:45 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Cross Examination.
9:31:05 AM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife We'll be glad to provide that in a Post Data Request. A copy of the document that reopened the bankruptcy case and indicated that it was paid.
9:32:10 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Cross Continued.

9:35:03 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	I would like to ask if I could one question. [Click on the link for Chairman Schmitt's remarks.]
9:35:45 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Well I know it is not an issue, but do you know if Mr. Rife or his companies have filed the quarterly gas cost adjustments in B&H since 2013?
9:36:01 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	The question was if you or your employees were filing these gas cost adjustments on a quarterly basis in B&H [click on link for Chairman Schmitt's remarks.]
9:37:36 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	In B&H? Right?
9:38:22 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	The fair market price of natural gas in February 2013 was higher than it is now? Is that fair to say?
9:38:38 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	But if you haven't been filing your quarterly gas cost adjustment information over the years of February 2013 to present you have been charging your customers a higher rate than the market would normally tolerate or bare? Would that be fair to say?
9:39:05 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	I'm talking Johnson County Gas.
9:39:20 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	I'm just talking about the gas. If your rates have not been reduced to reflect the lower cost of natural gas your customers are paying a 2013 price now for a product that the 2019 price should be lower? That's pretty obvious isn't it?
9:41:20 AM	Asst. GC Vinsel Note: Fields, Angela	Chairman I can answer the question about B&H. [Click on the link for remarks.]
9:41:40 AM	Chairman Schmitt Note: Fields, Angela	But in that same year or two period Johnson County has not filed? Correct?
9:41:49 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Just for clarification you're indicating [click on the link for Vice Chairman Cicero's remarks.]
9:44:53 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So you started this off just so I still understand correctly. By saying [click on link for Vice Chairman Cicero's remarks.]
9:45:13 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Is that the statement you are making?
9:45:21 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I'm not sure what you mean by spread it out through the years because.
9:45:32 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	But the problem is at this point you don't know what that average is because you haven't been filing the gas cost adjustment?
9:46:10 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I'm going to give it back to Staff to ask their questions and then I will come back to it. My only reason for asking the question was because I wanted to understand [click on the link for Vice Chairman Cicero's remarks.]

9:47:44 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Do you know what the best part about the GCA is? [Click on the link for Vice Chairman Cicero's remarks.]
9:48:09 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I'm going to let you finish off your questioning and then I'll finish off my line of questioning.
9:48:17 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Cross examination continued.
9:49:31 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Who is your set contract with?
9:49:34 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	That's not a arm's length transaction, that's the problem.
9:51:46 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	What is the structure of B&H and Johnson County Gas?
9:51:59 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	It's a corporation. And you own all of the shares?
9:52:02 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	And do you have any bookkeeper or anything that assist you in the administration of the corporation or do you just have a secretary that is responsible for filing all of the annual reports and everything else?
9:52:33 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	And the secretary has been there I think since you said you changed locations after the fire?
9:53:03 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So between the secretary who has been there five years and the CPA who has been doing your books for how long?
9:53:14 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So neither of those two were aware of the procedure requiring your GCA to be filed? And you as President [click on the link for Vice Chairman Cicero's remarks.]
9:54:48 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Do you have a procedural manual or anything that says here is what has to be done on a monthly basis for those that are working for you?
9:54:56 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So you could have a change in a CPA tomorrow and really you would be back to square one [click on the link for Vice Chairman Cicero's remarks.]
9:55:18 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Is that the reason you are providing that it is not being performed?
9:57:02 AM	Asst. GC Vinsel PSC Note: Fields, Angela	Could I ask that we move on? I think that Mr. Rife has made his point.
9:57:07 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I'm just going to make one more comment. And that is, there was an Order that came out from the PSC instructing you to file a GCA, right?
9:57:20 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	And you would think [click on the link for Vice Chairman Cicero's remarks.]
9:57:52 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Would that be an accurate statement?



9:58:23 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Well, I'm not a CPA with all due respect [click on the link for Vice Chairman Cicero's remarks.]
9:59:04 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So I've finished my line of questioning and I'll turn it back over to you.
9:59:10 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Cross examination continued.
10:02:32 AM	OBJECTION Note: Fields, Angela Note: Fields, Angela	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife I don't think that is what he said.
10:02:56 AM	Chairman Schmitt Note: Fields, Angela	The testimony in essence is [click on the link for Chairman Schmitt's remarks.]
10:03:18 AM	Chairman Schmitt Note: Fields, Angela	Is that is essentially true?
10:03:23 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	And I think he has already answered these questions about the reason.
10:03:29 AM	Chairman Schmitt Note: Fields, Angela	I agree with you. I think he has.
10:03:31 AM	Asst. GC Vinsel PSC Note: Fields, Angela	And actually Staff is finished with its questions on this issue.
10:03:38 AM	Chairman Schmitt Note: Fields, Angela	Mr. Cook do you have questions?
10:03:41 AM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	Cross Examination.
10:04:15 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	You're talking about B&H correct?
10:04:17 AM	Chairman Schmitt Note: Fields, Angela	But the question is about?
10:04:19 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	I think he was asking about B&H.
10:04:21 AM	Vice Chairman Cicero Note: Fields, Angela	He was asking about both.
10:04:23 AM	Asst. Atty Gen Cook Note: Fields, Angela	I was asking about both that is right.
10:04:26 AM	Chairman Schmitt Note: Fields, Angela	Alright go ahead.
10:04:28 AM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	Cross examination continued.
10:05:09 AM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	That's all I have.
10:05:10 AM	Chairman Schmitt Note: Fields, Angela	Commissioner Cicero any other questions on this topic?
10:05:17 AM	Chairman Schmitt Note: Fields, Angela	Commissioner Mathews.
10:05:19 AM	Chairman Schmitt Note: Fields, Angela	I have nothing. Any redirect?
10:05:21 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Redirect.
10:06:25 AM	JOHNSON COUNTY EXHIBIT 01 Note: Fields, Angela Note: Fields, Angela	Johnson County Gas Supply and Payments Spreadsheet. Atty Childers Bud Rife, B&H, and Johnson County - witness Rife

10:09:05 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Your honour I move this into evidence as Johnson County Gas Exhibit number one.
10:09:10 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
10:09:14 AM	Chairman Schmitt Note: Fields, Angela	Let the document be filed into evidence as Johnson County Gas Exhibit 01.
10:09:16 AM	Chairman Schmitt Note: Fields, Angela	Let the document be filed into evidence
10:09:24 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	How many employees does Johnson County Gas have?
10:09:32 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	That's all I have your honour.
10:09:42 AM	Chairman Schmitt Note: Fields, Angela	Anything else? Any recross should be limited to this chart.
10:09:51 AM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	Recross.
10:12:05 AM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	That's all I have.
10:12:08 AM	Chairman Schmitt Note: Fields, Angela	Mrs. Vinsel?
10:12:31 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Recross.
10:13:02 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	That's all the Commission has.
10:13:04 AM	Chairman Schmitt Note: Fields, Angela	Commissioner Cicero questions?
10:13:06 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Can you purchase any amount of gas you want from EQT?
10:13:14 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So why do you pay &6,865 for HSH Gas when you can get EQT Gas for \$4.10?
10:13:32 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So you're saying that your transportation cost to you alone is \$2.37?
10:13:58 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So does the \$4.10 from EQT include 95 cents delivery?
10:14:10 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Well I'm trying to get apples to apples here. Because you made the statement [click on link for Vice Chairman Cicero's remarks.]
10:14:25 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	And then I would be back to my original question which is why you would pay more for gas when you could get it cheaper?
10:14:39 AM	POST HEARING DATA REQUEST Note: Fields, Angela	I would like a more detailed breakdown of what is included in the cost here.
10:15:43 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Vice Chairman Cicero - witness Rife
10:15:44 AM	Chairman Schmitt Note: Fields, Angela	That's all I have.
10:15:49 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Commissioner Mathews?
		Mr. Rife who are the other owners of Hall Stevens and Hall?

10:16:09 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Do you hold an Office or are you on the Board of Directors of Hall Stevens and Hall?
10:16:27 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	I'm just asking you. You're the General Manager of Hall Stevens and Hall right?
10:16:32 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Are you the President? Do you hold an Office in the Company?
10:16:38 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Okay, who's the President?
10:16:41 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Is that a corporation?
10:16:49 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Does Hall Stevens and Hall have an attorney?
10:16:57 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Do you file tax returns?
10:17:17 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Does Hall Stevens and Hall have any customer other than Johnson County Gas?
10:17:23 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	And how many wells does Hall Stevens and Hall have?
10:17:28 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	And where are they located?
10:17:32 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	I have no further questions.
10:17:34 AM	Chairman Schmitt Note: Fields, Angela	Ready to go on to a different subject?
10:17:45 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Redirect
10:18:43 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	That's all.
10:18:44 AM	Chairman Schmitt Note: Fields, Angela	Okay. Would you like to address next issue?
10:18:49 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Could I ask for a short break?
10:18:51 AM	Chairman Schmitt Note: Fields, Angela	Lets take a ten minute break and come back twenty five until eleven.
10:19:00 AM	Session Paused	
10:31:55 AM	Chairman Schmitt Note: Fields, Angela	We are now back on the record. Mr. Childers are you ready to proceed?
10:31:55 AM	Session Resumed	
10:32:00 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Direct.
10:40:25 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	May I approach the witness your honour?
10:41:00 AM	JOHNSON COUNTY GAS EXHIBIT 02 Note: Fields, Angela	Information taken from the Johnson County Gas 2017 Annuul Report.
10:43:05 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Your honour I would move this into evidence as exhibit 02.

10:43:08 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
10:43:10 AM	Chairman Schmitt Note: Fields, Angela	Then let it be filed into evidence as Johnson County Gas Exhibit 02.
10:43:24 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	May I approach?
10:43:45 AM	JOHNSON COUNTY GAS EXHIBIT 03 Note: Fields, Angela Note: Fields, Angela	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Documents from Johnson County Annual Report 2017 Gas Operations and Maintenance Expenses. Do you see that?
10:47:58 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Your honour I would move this into evidence as Exhibit 03.
10:48:01 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
10:48:02 AM	Chairman Schmitt Note: Fields, Angela	Let it be filed as Johnson County Gas Exhibit 03.
10:48:20 AM	JOHNSON COUNTY GAS EXHIBIT 04 Note: Fields, Angela Note: Fields, Angela	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife 2012-2017 Spreadsheet
10:51:30 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Your honour I move this into evidence as exhibit 04.
10:51:33 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
10:51:36 AM	Chairmain Schmitt Note: Fields, Angela	Let it be so marked and filed.
10:51:47 AM	Asst. Atty Gen Cook Note: Fields, Angela	How did this spreadsheet come about?
10:52:40 AM	JOHNSON COUNTY GAS EXHIBIT 05 Note: Fields, Angela Note: Fields, Angela	2017 Test Year for the ARF Spreadsheet Atty Childers Bud Rife, B&H, and Johnson County - witness Rife
10:54:44 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Your honour I move this into evidence as Johnson County Gas Exhibit 05.
10:54:49 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
10:54:50 AM	Asst. Atty Gen Cook Note: Fields, Angela	No objection, but the same question does this come from bookkeeping software for Johnson County?
10:55:11 AM	Chairman Schmitt Note: Fields, Angela	Let it be marked and filed as Johnson County Exhibit 05.
10:55:36 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Direct Continued.
10:58:25 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Your honour I think that is all the questions I have that relate to Johnson County Gas. I would be happy to pass the witness at this point.
10:58:36 AM	Chairman Schmitt Note: Fields, Angela	Mrs. Vinsel?
10:58:37 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Cross Examination.
10:59:38 AM	POST HEARING DATA REQUEST Note: Fields, Angela	Asst. GC Vinsel PSC - witness Rife

	Note: Fields, Angela	In 2019 were there any payments made towards those promissory notes before they were withdrawn. For both Johnson County and B&H.
11:00:39 AM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Asst. GC Vinsel PSC - witness Rife The document that indicates that the Department of Local Government Long Tern Debt is paid in full.
11:01:13 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Staff has no further questions about the promissory notes in regards to Johnson County.
11:01:20 AM	Chairman Schmitt Note: Fields, Angela	Mr. Cook?
11:01:21 AM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	Cross Examination.
11:07:00 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	An unaffiliated third party?
11:07:06 AM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	Cross examination continued.
11:08:23 AM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	That's all I have Chairman.
11:08:25 AM	Chairman Schmitt Note: Fields, Angela	Commissioner Cicero?
11:08:27 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So just for clarification for me [click on link for Vice Chairman Cicero's remarks.]
11:08:48 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Can you confirm whether there is labor charged or whether its equipment or both?
11:09:13 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So correct me if I am wrong. Then this is a mixed charge? Is the supervisor charged sometimes, always, or never?
11:10:20 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So there is always going to be a supervisor charge and there is always going to be a labor charge and then you are there sometimes and not sometimes but you don't charge for yours?
11:10:31 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Okay so it's going to be sixty [click on link for Vice Chairman Cicero's remarks.]
11:10:46 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Do you have a schedule that shows what you charge for equipment per hour?
11:11:40 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Does Bud Rife Construction do work for the general public, or does it contract to certain companies and Johnson and B&H?
11:11:52 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	How much would you say your business is represented by Johnson and B&H Gas?
11:12:20 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	But presume in addition to your supervisory fee that you charge Johnson County Gas you also have a salary you receive from Bud Rife Construction?
11:12:31 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Is that similar to the seventy two thousand that [inaudible] similar to that amount or is it something different?

11:12:41 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela Higher or lower?

11:12:45 AM POST HEARING DATA REQUEST  
Note: Fields, Angela Vice Chairman Cicero - witness Rife  
Note: Fields, Angela Verify B&H Construction salary.

11:12:51 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela What are interdepartmental sales?

11:14:04 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela So that should be in the line up?

11:14:08 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela When I go to Johnson County Exhibit number three second page [click on link for Vice Chairman Cicero's remarks.]

11:14:32 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela Okay. Are you there?

11:14:35 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela And I compare that to Johnson County Exhibit number four [click on the link for Vice Chairman Cicero's remarks.]

11:15:06 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela What's the difference there?

11:15:36 AM Atty Childers Bud Rife, B&H, and Johnson County - witness Rife  
Note: Fields, Angela Clarification.

11:16:12 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela A good question would be how much is your office rent per month?

11:16:58 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela I'm just trying to [click on the link for Vice Chairman Cicero's remarks.]

11:17:11 AM Atty Childers Bud Rife, B&H, and Johnson County - witness Rife  
Note: Fields, Angela So are you asking for a Post Hearing Data Request?

11:17:17 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela Well I'm trying to determine [click on the link for Vice Chairman Cicero's remarks.]

11:18:58 AM Atty Childers Bud Rife, B&H, and Johnson County - witness Rife  
Note: Fields, Angela And we certainly understand that Commissioner [click on link for remarks.]

11:19:30 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela My only comment back to that [click on link for Vice Chairman Cicero's remarks.]

11:20:02 AM Atty Childers Bud Rife, B&H, and Johnson County - witness Rife  
Note: Fields, Angela And your correct [click on the link for remarks.]

11:20:11 AM Vice Chairman Cicero - witness Rife  
Note: Fields, Angela Given that we all understand what we are trying to do here. I have no further questions.

11:20:19 AM Chairman Schmitt  
Note: Fields, Angela Commissioner Mathews?

11:20:21 AM Chairman Schmitt - witness Rife  
Note: Fields, Angela Mr. Rife you said that gas transported from Knott County to Johnson County required that the gas pass through two pipelines that are owned by other parties. Who are the other parties who own those gas lines?

11:20:44 AM Chairman Schmitt - witness Rife  
Note: Fields, Angela Do you own the office that Johnson County Gas rents?

11:20:56 AM Chairman Schmitt - witness Rife  
Note: Fields, Angela Johnson County Gas pays two thousand a month? Is that correct?

11:20:59 AM Chairman Schmitt - witness Rife  
Note: Fields, Angela What does B&H Gas pay?

11:21:02 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	And this is property at what Betsy Layne?
11:21:07 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	I know you have discussed in some length [click on link for Chairman Schmitt's remarks.]
11:21:38 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	When was the last time Johnson County Gas had a rate case prior to filing this one in December of 2018, do you know?
11:21:51 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Why didn't you consider filing a case to increase rates either during your bankruptcy proceeding or right after it?
11:23:57 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Well just on a personal basis I always believe that attorneys ought to get paid.
11:24:14 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	No further questions.
11:24:18 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Redirect.
11:27:30 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	That's all I have your honour.
11:27:32 AM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Recross.
11:29:30 AM	POST HEARING DATA REQUES Note: Fields, Angela	WITHDRAWN
	Note: Fields, Angela	Asst. Atty Gen. Cook - witness Rife
11:30:28 AM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	I think that is all I have at this time.
11:30:29 AM	Chairman Schmitt Note: Fields, Angela	Mrs. Vinsel?
11:30:30 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Recross.
11:32:18 AM	POST HEARING DATA REQUEST Note: Fields, Angela	An invoice from ? for preparing the 2017 Annual Report.
	Note: Fields, Angela	Asst. GC Vinsel PSC - witness Rife
11:33:50 AM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Staff has no further questions about this matter.
11:33:52 AM	Chairman Schmitt Note: Fields, Angela	Commissioner Cicero?
11:33:54 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So last line of questioning on this [click on link for Vice Chairman Cicero's remarks.]
11:34:43 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	You're charging \$6.40 to your two tenants right?
11:34:47 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I know in the warehouse office space that I have we pay \$3.25 in Northern Kentucky [click on the link for Vice Chairman Cicero's remarks.]
11:35:21 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So I'm curious on the \$6.40 where that number comes from to make it, where somebody decided that was a competitive number?
11:36:05 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So that's okay. You just have the information that came from the bank and whoever you just quoted as being a provider of information. Could we just get a copy of their market value?

11:36:31 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	I'm not sure it is, but we will provide it.
11:36:42 AM	Chairman Schmitt Note: Fields, Angela	Paul David Brown did an appraisal and he either did it for Mr. Rife or he did it for the bank. Where is the bank?
11:36:55 AM	Chairman Schmitt - witness Rife Note: Fields, Angela	Which bank?
11:37:00 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I don't have any other questions.
11:37:00 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I don't have any other questions.
11:37:02 AM	Chairman Schmitt Note: Fields, Angela	Commissioner Mathews?
11:37:05 AM	Chairman Schmitt Note: Fields, Angela	I have no questions.
11:37:06 AM	Chairman Schmitt Note: Fields, Angela	Any?
11:37:09 AM	Chairman Schmitt Note: Fields, Angela	Alright where are we now?
11:37:18 AM	Chairman Schmitt Note: Fields, Angela	So B&H is limited just to the notes is that correct?
11:37:23 AM	Chairman Schmitt Note: Fields, Angela	Why don't we see if we can do that and try to finish up.
11:37:50 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Direct
11:40:28 AM	B&H EXHIBIT 01 Note: Fields, Angela	A document that comes from the annual report for B&H Gas Company for 2017 titled Statement Income for the Year. Do you see that?
11:42:29 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Your honour I would move this into evidence as B&H Exhibit 01.
11:42:33 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
11:42:34 AM	Chairman Schmitt Note: Fields, Angela	Let it be so filed.
11:42:36 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	May I approach your honour?
11:42:50 AM	B&H EXHIBIT 02 Note: Fields, Angela Note: Fields, Angela	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Gas Operation and Maintenance Expenses From 2017 Annual Report
11:44:09 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Your honour I move this into evidence as exhibit 2.
11:44:11 AM	Chairman Schmitt Note: Fields, Angela	Objection?
11:44:12 AM	Chairman Schmitt Note: Fields, Angela	Let it be filed.
11:44:28 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	May I approach your honour?
11:44:52 AM	B&H Exhibit 03 Note: Fields, Angela Note: Fields, Angela	A spreadsheet BRC Expenses and payments. Atty Childers Bud Rife, B&H, and Johnson County - witness Rife
11:46:26 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Your honour I would move this into evidence as Exhibit 3.



11:46:28 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
11:46:29 AM	Chairman Schmitt Note: Fields, Angela	Let it be filed and marked as B&H Exhibit 3.
11:46:35 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	May I approach?
11:46:46 AM	B&H Exhibit 04 Note: Fields, Angela Note: Fields, Angela	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Gas Purchases from the 2017 Annau Report
11:49:36 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Your honour I move this in as B&H Exhibit 4.
11:49:39 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
11:49:41 AM	Chairman Schmitt Note: Fields, Angela	Let it be filed.
11:49:43 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	May I approach?
11:50:39 AM	B&H EXHIBIT 05 Note: Fields, Angela Note: Fields, Angela	B&S GAS SUPPLY AND PAYMENTS SPREAD SHEET Atty Childers Bud Rife, B&H, and Johnson County - witness Rife
11:52:30 AM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Your honour I move this in as exhibit 5.
11:52:35 AM	Chairman Schmitt Note: Fields, Angela	Any objection?
11:52:36 AM	OBJECTION Note: Fields, Angela Note: Fields, Angela	[Click on link for remarks.] Asst. Atty Gen. Cook
11:52:59 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Can you refer me?
11:54:00 AM	Chairman Schmitt Note: Fields, Angela	Mrs. Vinsel you'll check?
11:54:16 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Looks like the discrepancy is only in the column for gas supply expense correct?
11:54:30 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	They match in column one and column three I believe.
11:54:33 AM	Asst. Atty Gen. Cook Note: Fields, Angela	Well at any rate Mr. Chairman [click on the link for remarks.]
11:54:51 AM	Chairman Schmitt Note: Fields, Angela	Actually this exhibit is [click on the link for Chairman Schmitt's remarks.]
11:55:30 AM	Chairman Schmitt Note: Fields, Angela	If there is a discrepancy, assuming there is. Is it your position that the annual reports would represent the accurate numbers?
11:55:45 AM	Chairman Schmitt Note: Fields, Angela	I assume that maybe [click on link for Chairman Schmitt's remarks.]
11:56:02 AM	Chairman Schmitt Note: Fields, Angela	With your objection noted [click on the link for Chairman Schmitt's remarks.]
11:56:22 AM	Asst. GC Vinsel PSC Note: Fields, Angela	I also want to point out [click on the link for remarks.]
11:56:33 AM	Chairman Schmitt Note: Fields, Angela	Find out where the error was might be possible?

11:56:42 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Can we put that job over on staff?
11:56:58 AM	Chairman Schmitt Note: Fields, Angela	Let this exhibit be marked as B&H Gas exhibit 5 and filed into evidence.
11:57:06 AM	Atty Childers Bud Rife, B&H, and Johnson County Note: Fields, Angela	Your honour I think at this point I will pass the witness.
11:57:10 AM	Chairman Schmitt Note: Fields, Angela	Mrs. Vinsel questions?
11:57:15 AM	Asst. GC Vinsel - witness Rife Note: Fields, Angela	Cross Examination.
11:57:27 AM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Asst. GC Vinsel - witness Rife Invoices that reflect both companies.
11:57:44 AM	Asst. GC Vinsel - witness Rife Note: Fields, Angela	Cross Continued.
11:59:33 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So why is it still showing in the annual report?
11:59:58 AM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	The annual report is wrong. [Click on link for Vice Chairman Cicero's remarks.]
12:00:28 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	No. It doesn't work that way [click on the link for Vice Chairman Cicero's remarks.]
12:01:05 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So can you provide some evidence from the Department of Local Government that shows that this debt is forgiven?
12:01:41 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	I'm not sure that we have that document. May I ask the witness a question? [Click on the link for question.]
12:02:35 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Let me ask you this did Mr. Bunch negotiate on this for you for B&H?
12:02:48 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	So I don't know that anything exist.
12:02:50 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	When do you think the debt was forgiven or written off?
12:03:06 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	As far as you know [click on the link for Chairman Schmitt's remarks.]
12:03:21 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	Can't we contact Local Government Kentucky Infrastructure or somebody ourselves and get that information?
12:03:50 PM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Cross Continued.
12:05:54 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Asst. GC Vinsel - witness Rife An explanation of where that amount came from and a copy of the note and what the terms were.
12:05:59 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	K WHERE AMOUNT CAME FROM.
12:06:30 PM	Asst. GC Vinsel PSC - witness Rife Note: Fields, Angela	Staff has no further questions.

12:06:32 PM	Chairman Schmitt Note: Fields, Angela	Mr. Cook?
12:06:38 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	May I approach?
12:07:22 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Cross Examination.
12:08:44 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Asst. Atty Gen. Cook - witness Rife Explain how the rental rate was charged for the three vehicles that were mentioned and the amount of the increases that occurred on October 1, 2017.
12:09:07 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Cross Continued.
12:09:45 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	Do they pay the taxes and insurance on the buildings?
12:09:55 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Cross Continued.
12:13:48 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I can give you some help [click on the link for Vice Chairman Cicero's remarks.]
12:14:16 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Asst. Atty Gen. Cook - witness Rife An explanation.
12:14:19 PM	POST HEARING Note: Fields, Angela	TO EXPLAIN
12:15:00 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Cross Continued.
12:15:02 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Is there evidence of that debt and showing what it is for? Clarify. Asst. Atty Gen. Cook - witness Rife
12:17:13 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Cross Continued.
12:19:02 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Provide a more detailed explanation for the differences in the two documents. Asst. Atty Gen. Cook - witness Rife
12:19:08 PM	New Event Note: Fields, Angela	PROVIDE A MORE DETAILED
12:19:13 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Cross Continued.
12:22:05 PM	POST HEARING DATA REQUEST Note: Fields, Angela Note: Fields, Angela	Are there contracts between B&H and Bud Rife and B&S and Bud Rife Construction Company for services? Asst. Atty Gen. Cook - witness Rife
12:22:58 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Cross Continued.
12:25:38 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	Has Goss Sandford been paid or not paid?
12:25:49 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	But that payments been made by you personally or by B&H?
12:25:54 PM	POST HEARING REQUEST Note: Fields, Angela Note: Fields, Angela	Asst. Atty Gen. Cook - witness Rife Provide a copy of the agreement between Goss Sandford and B&H.

12:26:52 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Cross Continued.
12:27:47 PM	Asst. Atty Gen. Cook - witness Rife Note: Fields, Angela	Chairman I believe that is all I have.
12:27:50 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Cicero?
12:27:51 PM	Vice Chairman Cicero Note: Fields, Angela	Just one clarification [click on link for Vice Chairman Cicero's remarks.]
12:27:52 PM	VC	
12:28:01 PM	Vice Chairman Cicero Note: Fields, Angela	Inaudible [click on link for Vice Chairman Cicero's remarks.]
12:28:11 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So just a couple of quick questions. Why would B&H take it all the way back to 1999 and for Johnson County you only gave us the year 2017?
12:28:53 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	When I looked at B&H Exhibit 04 [click on the link for Vice Chairman Cicero's remarks.]
12:29:29 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	And I'm wondering where those 564 MCF got lost in the accounting records?
12:30:30 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	So an explanation of what happened to that would be good.
12:30:35 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Then as a house keeping matter [click on link for Vice Chairman Cicero's remarks.]
12:31:02 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I guess we are going to make a call to Kentucky Local Government to find that out?
12:31:07 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Okay. So we'll let you know how that comes out.
12:31:11 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	The last thing that I have [click on the link for Vice Chairman Cicero's remarks.]
12:32:00 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	Why are you still in business sir?
12:33:14 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	It's more than double than what you are currently charging [click on the link for Vice Chairman Cicero's remarks.]
12:33:30 PM	Commissioner Mathews - witness Rife Note: Fields, Angela	You're not going to make that up on volume.
12:33:38 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	That's just a comment of mine. The numbers don't work.
12:33:52 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I think she is still right you can't make it up in volume.
12:33:57 PM	Vice Chairman Cicero - witness Rife Note: Fields, Angela	I don't have any other questions.
12:33:58 PM	Chairman Schmitt Note: Fields, Angela	Commissioner Mathews?
12:34:01 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	From whom did you purchase Johnson County Gas?
12:34:12 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	They had taken over Johnson County Gas?

12:34:15 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	Who owned it before them?
12:36:02 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	That's another one of Brown's companies?
12:36:39 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	In the end you got the gas company from the Department of Local Government [click on link for Chairman Schmitt's remarks.]
12:37:08 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	Thank you that's all I have.
12:37:09 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Just a couple of follow up your honour.
12:37:10 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Redirect.
12:39:45 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Thank you that's all.
12:39:46 PM	Chairman Schmitt Note: Fields, Angela	Anything else from anybody?
12:39:48 PM	Asst. GC Vinsel PSC Note: Fields, Angela	I need to withdraw one of our Post Hearing Data Request. I'll be filing into the case file an email from General Counsel Department of Local Government in regards to the Johnson County Note. That amount is paid in full.
12:40:04 PM	Vice Chairman Cicero Note: Fields, Angela	It is paid in full?
12:40:11 PM	Vice Chairman Cicero Note: Fields, Angela	So when we look at the 2018 Annual Report that will be zero on the balance sheet?
12:40:20 PM	Vice Chairman Cicero Note: Fields, Angela	Thank you Mr. Childers.
12:40:22 PM	Chairman Schmitt Note: Fields, Angela	I don't know, I'm no accountant but [click on the link for Chairman Schmitt's remarks.]
12:40:38 PM	Chairman Schmitt Note: Fields, Angela	Alright is there anything further?
12:40:39 PM	Asst. Atty Gen Cook - witness Rife Note: Fields, Angela	In light of everything that we have talked about today. Have you ever given any thought to selling one or both companies?
12:41:38 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Bud would you explain to the Commission very briefly just what health procedures you've had in the last few months?
12:44:22 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	That's all.
12:44:25 PM	Atty Childers Bud Rife, B&H, and Johnson County - witness Rife Note: Fields, Angela	Anything else?
12:44:29 PM	Chairman Schmitt Note: Fields, Angela	Can you get your Data request in the record and to Mr. Childers by Friday April 26th? Or do you need more time?
12:44:55 PM	Chairman Schmitt Note: Fields, Angela	What about you Mrs. Vinsel?
12:45:01 PM	Chairman Schmitt Note: Fields, Angela	How much time will you and your client need Mr. Childers to respond?
	Note: Fields, Angela	What about May 17th?

12:45:46 PM	Chairman Schmitt - witness Rife Note: Fields, Angela	Okay if there is nothing further you may step down and be excused Mr. Rife.
12:45:54 PM	Chairman Schmitt Note: Fields, Angela	And if there is nothing else then this hearing is hereby concluded and adjourned.
12:46:02 PM	Session Paused	
12:46:09 PM	Session Ended	



## Exhibit List Report

2019-00055 & 2019-00056  
24April2019

**B&H Gas Company (B&H), Bud  
Rife, and Johnson County Gas  
Company (Johnson County)**

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<b>Name:</b>	<b>Description:</b>
AG Exhibit 01	B&H Gas Supply and Payments
B&H Exhibit 01	2017 B&H Gas Company: Statement of Income for the Year
B&H Exhibit 02	2017 B&H Gas Company: Gas Operation and Maintenance Expenses
B&H Exhibit 02	2017 B&H Gas Company: Gas Operation and Maintenance Expenses
B&H Exhibit 03	2017 BRC Expenses & Payments Spreadsheet
B&H Exhibit 04	2017 B&H Gas Company: Gas Purchases
B&H Exhibit 05	2017 B&S Gas Supply and Payments Spreadsheet
Johnson County Exhibit 01	JCG Gas Supply and Payments
Johnson County Exhibit 01	JCG Gas Supply and Payments Spreadsheet
Johnson County Exhibit 02	2017 Johnson County Gas Company: Statement of Income for the Year
Johnson County Exhibit 03	2017 Johnson County Gas Company: Gas Operation and Maintenance Expenses
Johnson County Exhibit 04	2012-2017 Expenses Spreadsheet
Johnson County Exhibit 05	Johnson County Gas Spreadsheet
PSC Exhibit 01	2017 B&H Gas Company: Long-Term Debt Sheet
PSC Exhibit 02	2017 B&H Gas Company: Notes Payable
PSC Exhibit 03	2017 Johnson County Gas Company: Long Term Debt Sheet
PSC Exhibit 04	Final Order in Case No. 2011-00184

Exh 3 (a-c) P. 56/60  
 Case No. 2019-00055

**B & S GAS SUPPLY AND PAYMENTS**

Year	Total MCF Sold	Gas Supply Expense	Paid to B & S	Owed to B & S
2019			\$0.00	
2018			\$0.00	
2017	13,828 MCF	\$113,928.00	\$23,128.51	(\$90,799.49)
2016	14,275 MCF	\$133,899.50	\$36,519.30	(\$97,380.20)
2015	14,423 MCF	\$128,618.00	\$41,401.72	(\$87,216.28)
2014	17,373 MCF	\$162,959.00	\$62,717.78	(\$100,241.22)
2013	17,269 MCF	\$163,392.00	\$88,101.78	(\$75,290.22)
2012	16,937 MCF	\$146,919.00	\$68,474.00	(\$78,445.00)
2011	10,402 MCF	\$103,236.00	\$98,498.00	(\$4,738.00)
2010	20,033 MCF	\$204,254.00	\$97,861.34	(\$106,392.66)
2009	24,423 MCF	\$227,984.00	\$50,159.50	(\$177,824.50)
2008	21,365 MCF	\$200,188.00	\$67,392.02	(\$132,795.98)
2007	24,763 MCF	\$198,107.00	\$169,163.00	(\$28,944.00)
2006	16,286 MCF	\$114,000.00	\$124,400.00	\$10,400.00
2005	25,465 MCF	\$111,761.00	\$97,252.00	(\$14,509.00)
2004	21,041 MCF	\$126,248.00	\$85,520.00	(\$40,728.00)
2003	21,985 MCF	\$131,910.00	\$104,244.00	(\$27,666.00)
2002	21,632 MCF	\$129,792.00	\$101,124.00	(\$28,668.00)
2001	22,679 MCF	\$136,548.00	\$139,998.00	\$3,450.00
2000	25,955 MCF	\$94,794.00	\$78,152.00	(\$16,642.00)
1999	23,378 MCF	\$85,390.00	\$51,972.50	(\$33,357.50)
<b>TOTAL</b>	<b>373,512 MCF</b>	<b>\$2,599,939.50</b>	<b>\$1,562,950.94</b>	<b>(\$1,036,988.56)</b>



3600 B & H Gas Company 01/01/2017 - 12/31/2017

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
<b>OPERATING REVENUES</b>			
Residential Sales (480)	233	10,569	\$126,388.00
Commercial and Industrial Sales (481)	25	3,259	\$37,108.00
Interdepartmental Sales (484)			
Total Sales to Ultimate Consumers	258	13,828	\$163,496.00
Sales for Resale (483)			
Total Gas Service Revenues	258	13,828	\$163,496.00
<b>OTHER OPERATING REVENUES</b>			
Forfeited Discounts (487)			
Miscellaneous Service Revenues (488)			
Revenues From Transportation of Gas of Others (489)			
Revenues From Natural Gas Processed by Others (491)			
Rent From Gas Property (493)			
Other Gas Revenues (495)			
Total Other Operating Revenues			\$0.00
Total Gas Operating Revenues			\$163,496.00
<b>OPERATING EXPENSES</b>			
Total Gas Operation and Main Expenses (from pg 11 )			\$327,560.00
Depreciation Expense (403)			\$690.00
Amortization and Depletion Expense (from pg 12) (404-407)			
Taxes Other Than Income taxes (from pg 12) (408.1)			\$11,431.00
Total Income Taxes-Utility Operations (from pg 12)			
Total Gas Operating Expenses			\$339,681.00
Net Operating Income			(\$176,185.00)
<b>OTHER INCOME</b>			
Other NonUtility Income - Net (415-418)			
Interest and dividend Income (419)			

3600 B & H Gas Company 01/01/2017 - 12/31/2017

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
Miscellaneous Nonoperating Income (421)			
Other Accounts (Specify Acct. No & Title)			
REIMBURSEMENTS			\$0.00
Total Other Income			\$0.00
OTHER DEDUCTIONS			
Interest on Long-Term Debt (427)			
Amort. of Debt Discount and Expense (428)			
Other Nonutility Deductions 426.1-426.5			
Other Interest Expense (431)			
Total Income Taxes-Nonutility Operations (from pg 12)			
Other Accounts (Specify Acct. No. and Title)			
Taxes Other than Income Taxes 408.2 (from pg 12)			
Total Other Deductions			
Net Income			(\$176,185.00)

**3600 B & H Gas Company 01/01/2017 - 12/31/2017**  
**Gas Operation and Maintenance Expenses (Ref Page: 10)**

	Amount (b)
<b>MANUFACTURED GAS PRODUCTION</b>	
Total Acct. 710-742 (Attach Sched by Accounts)	
<b>NATURAL GAS PRODUCTION AND GATHERING</b>	
Total Acct. 750-791 (Attach Sched. by Accounts)	
<b>EXPLORATION AND DEVELOPMENT EXPENSES</b>	
Total Acct. 795-798 (Attach Sched by Accounts)	
<b>STORAGE EXPENSES</b>	
Total Acct. 740-747 (Attach Sched by Account)	
<b>OTHER GAS SUPPLY EXPENSES</b>	
Natural Gas City Gate Purchases (804)	\$113,928.00
Other Gas Purchases (805)	
Purchased Gas Cost Adjustments (805.1)	
Purchased Gas Expenses (807)	
Gas Withdrawn From Storage-Debit (808.1)	
Gas Delivered to Storage-Credit (808.2)	
Gas Used for Other Utility Operations - Credit (812)	
Other Gas Supply Expenses (813)	
Total Other Gas Supply Expenses	\$113,928.00
<b>TRANSMISSION EXPENSES</b>	
Operation Supervision and Engineering (850)	
Compressor Station Labor and Expenses (853)	
Measuring and Regulating Station Expenses (857)	
Transmission and Compression of Gas by Others (858)	
Rents (860)	
Maintenance of Mains (863)	
Maintenance of Compressor Station Equipment (864)	
Total Transmission Expenses	
<b>DISTRIBUTION EXPENSES</b>	
Operation Supervision and Engineering (870)	\$32,400.00
Compressor Station Labor and Expenses (872)	
Mains and Services Expenses (874)	
Measuring and Regulating Station Expenses (875)	

3600 B & H Gas Company 01/01/2017 - 12/31/2017

Gas Operation and Maintenance Expenses (Ref Page: 10)

	Amount (b)
Meter and House Regulator Expenses (878)	
Other Expenses (880)	\$243.00
Rents (881)	\$10,636.00
Maintenance Supervision and Engineering (885)	
Maintenance of Mains (887)	\$29,037.00
Maintenance of Services (892)	
Maintenance of Meters and House Regulators (893)	
Maintenance of Other Equipment (894)	
Total Distribution Expenses	\$72,316.00
CUSTOMER ACCOUNTS EXPENSE	
Meter Reading Labor (902)	
Customer Records and Collection Expenses (903)	
Uncollectible Accounts (904)	
Total Customer Accounts Expense	
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	
Miscellaneous Customer Service and Informational Expenses (910)	
ADMINISTRATIVE AND GENERAL EXPENSES	
Administrative and General Salaries (920)	\$21,600.00
Office Supplies and Expenses (921)	\$8,948.00
Administrative Expenses Transferred - Credit (922)	
Outside Services Employed (923)	\$82,536.00
Property Insurance (924)	\$8,080.00
Injuries and Damages (925)	
Employee Pensions and Benefits (926)	\$9,258.00
Franchise Requirements (927)	
Regulatory Commission Expenses (928)	
Duplicate Charges - Credit (929)	
General Advertising Expenses (930.1)	
Miscellaneous General Expenses (930.2)	\$1,894.00
Rents (931)	\$9,000.00
Maintenance of General Plant (932)	
Total Administrative and General Expenses	\$141,316.00

3600 B & H Gas Company 01/01/2017 - 12/31/2017

Gas Operation and Maintenance Expenses (Ref Page: 10)

	Amount (b)
TOTAL GAS OPERATION AND MAINT. EXPENSES (to pg 9)	\$327,560.00

BRC EXPENSES & PAYMENTS				2017		
Year	Distribution Expense	Paid to BRC	Owed to BRC	Date	Check #	Amount
2019	\$0.00	\$0.00		17-Jan-17	8345	\$3,000.00
2018	\$0.00	\$0.00		25-Jan-17	8350	\$3,500.00
2017	\$72,316.00	\$20,000.00	(\$52,316.00)	8-Feb-17	8364	\$2,500.00
2016	\$64,893.00	\$24,200.00	(\$40,693.00)	13-Feb-17	8367	\$3,000.00
2015	\$210,073.00	\$24,400.00	(\$185,673.00)	21-Feb-17	8382	\$3,000.00
2014	\$100,630.00	\$0.00	(\$100,630.00)	12-Apr-17	8439	\$3,000.00
2013	\$75,882.00	\$24,200.00	(\$51,682.00)	1-May-17	8458	\$1,000.00
2012	\$128,042.00	\$24,400.00	(\$103,642.00)	15-May-17	8468	\$1,000.00
2011	\$74,400.00	\$0.00	(\$74,400.00)			
2010	\$72,827.00	\$21,500.00	(\$51,327.00)			
2009	\$105,135.00	\$102,500.00	(\$2,635.00)			
2008	\$26,226.00	\$0.00	(\$26,226.00)			
2007	\$27,923.00	\$40,000.00	\$12,077.00			
2006	\$38,270.00	\$102,500.00	\$64,230.00			
2005	\$15,136.00	\$0.00	(\$15,136.00)			
2004	\$10,323.00	\$0.00	(\$10,323.00)			
2003	\$30,881.00	\$0.00	(\$30,881.00)			
2002	\$15,490.00	\$0.00	(\$15,490.00)			
2001	\$19,974.00	\$0.00	(\$19,974.00)			
2000	\$10,268.00	\$0.00	(\$10,268.00)			
1999	\$9,382.00	\$0.00	(\$9,382.00)			
<b>TOTALS</b>	<b>\$1,035,755.00</b>	<b>\$363,700.00</b>	<b>(\$672,055.00)</b>	<b>Total</b>		<b>\$20,000.00</b>

3600 B & H Gas Company 01/01/2017 - 12/31/2017

Gas Purchases (Accts 804,805) (Ref Page: 14)

Name of	Point of	FERC rate(c)	(d)	(e)	(f)	(g)	BTU per cu	MCF of Gas	Amount (j)	cent/MCF (k)
B & S OIL AND GAS							0	13,828	\$109,685.00	8.0000
EQT							0	564	\$4,243.00	8.0000
Total							0	14,392	\$113,928.00	8.0000

**B&H EXHIBIT 04**

**B & S GAS SUPPLY AND PAYMENTS**

**2017**

Year	Total MCF Sold	Gas Supply Expense	Paid to B & S	Owed to B & S	Date	Check #	Amount
2019					16-Jan-17	8343	\$1,407.00
2018					28-Feb-17	8388	\$1,435.14
2017	13,828 MCF	\$109,685.00	\$23,128.51	(\$86,556.49)	7-Mar-17	8398	\$1,622.74
2016	14,275 MCF	\$133,899.50	\$36,519.30	(\$97,380.20)	10-Apr-17	8435	\$966.14
2015	14,423 MCF	\$135,287.74	\$41,401.72	(\$93,886.02)	22-May-17	8473	\$938.00
2014	17,373 MCF	\$162,958.74	\$62,717.78	(\$100,240.96)	1-Nov-17	8610	\$2,710.82
2013	17,269 MCF	\$161,983.22	\$88,101.78	(\$73,881.44)	7-Nov-17	8618	\$924.97
2012	16,937 MCF	\$158,869.06	\$68,474.00	(\$90,395.06)	13-Nov-17	8624	\$2,094.79
2011	10,402 MCF	\$97,570.76	\$98,498.00	\$927.24	14-Nov-17	8627	\$1,082.76
2010	20,033 MCF	\$187,909.54	\$97,861.34	(\$90,048.20)	5-Dec-17	8641	\$1,343.93
2009	24,423 MCF	\$229,087.74	\$50,159.50	(\$178,928.24)	11-Dec-17	8650	\$3,395.18
2008	21,365 MCF	\$198,374.03	\$67,392.02	(\$130,982.01)	12-Dec-17	8653	\$5,207.04
2007	24,763 MCF	\$189,849.67	\$169,163.00	(\$20,686.67)			
2006	16,286 MCF	\$114,002.00	\$124,400.00	\$10,398.00			
2005	25,465 MCF	\$178,255.00	\$97,252.00	(\$81,003.00)			
2004	21,041 MCF	\$127,999.42	\$85,520.00	(\$42,479.42)			
2003	21,985 MCF	\$131,910.00	\$104,244.00	(\$27,666.00)			
2002	21,632 MCF	\$129,792.00	\$101,124.00	(\$28,668.00)			
2001	22,679 MCF	\$136,074.00	\$139,998.00	\$3,924.00			
2000	25,955 MCF	\$155,730.00	\$78,152.00	(\$77,578.00)			
1999	23,378 MCF	\$93,512.00	\$51,972.50	(\$41,539.50)			
<b>TOTAL</b>	<b>373,512 MCF</b>	<b>\$2,723,064.41</b>	<b>\$1,562,950.94</b>	<b>(\$1,160,113.47)</b>			
						<b>Total</b>	<b>\$23,128.51</b>



**JCG GAS SUPPLY AND PAYMENTS**

Year	Total MCF Sold	H.S.H MCF	H.S.H. COST	Paid to H.S.H.	Owed to H.S.H.	BRADCO MCF	BRADCO COST	EQT MCF	EQT COST
2019	MCF								
2018	13,915 MCF	7,203 MCF	\$41,580.00	\$0.00	(\$41,580.00)	4,394 MCF	\$26,364.00	2,318 MCF	\$7,575.92
2017	11,175 MCF	7,388 MCF	\$44,328.00	\$3,300.00	(\$41,028.00)	3,162 MCF	\$18,972.00	625 MCF	\$2,977.00
2016	12,116 MCF	3,093 MCF	\$18,558.00	\$0.00	(\$18,558.00)	3,598 MCF	\$21,582.00	5,425 MCF	\$17,650.00
2015	13,446 MCF	4,307 MCF	\$25,842.00	\$0.00	(\$25,842.00)	2,932 MCF	\$17,556.00	6,207 MCF	\$33,337.00
2014	15,167 MCF	8,281 MCF	\$96,991.00	\$0.00	(\$96,991.00)	3,007 MCF	\$18,042.00	3,879 MCF	\$23,554.00
2013	15,373 MCF	15,373 MCF	\$92,238.00	\$37,492.58	(\$54,745.42)				
2012	12,879 MCF	7,146 MCF	\$42,876.00	\$0.00	(\$42,876.00)	3,159 MCF	\$24,451.00	2,574 MCF	\$1,087.00
<b>TOTAL</b>	<b>94,071 MCF</b>	<b>52,791 MCF</b>	<b>\$362,413.00</b>	<b>\$40,792.58</b>	<b>(\$321,620.42)</b>	<b>20,252 MCF</b>	<b>\$126,967.00</b>	<b>21,028 MCF</b>	<b>\$86,180.92</b>

						<b>2017</b>		
						<b>Check Number</b>	<b>Date</b>	<b>Amount</b>
						2088	2/17/17	\$618.00
						2096	3/17/17	\$2,082.00
						2111	12/26/17	\$600.00
						<b>Total</b>		<b>\$3,300.00</b>

4600 Johnson County Gas Company, Inc. 01/01/2017 - 12/31/2017

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
<b>OPERATING REVENUES</b>			
Residential Sales (480)	266	9,846	\$196,502.00
Commercial and Industrial Sales (481)	13	0	\$0.00
Interdepartmental Sales (484)	0	832	\$15,653.00
Total Sales to Ultimate Consumers	279	10,678	\$212,155.00
Sales for Resale (483)			
Total Gas Service Revenues	279	10,678	\$212,155.00
<b>OTHER OPERATING REVENUES</b>			
Forfeited Discounts (487)			
Miscellaneous Service Revenues (488)			
Revenues From Transportation of Gas of Others (489)			
Revenues From Natural Gas Processed by Others (491)			
Rent From Gas Property (493)			
Other Gas Revenues (495)			
Total Other Operating Revenues			
Total Gas Operating Revenues			\$212,155.00
<b>OPERATING EXPENSES</b>			
Total Gas Operation and Main Expenses (from pg 11 )			\$259,861.00
Depreciation Expense (403)			\$26.00
Amortization and Depletion Expense (from pg 12) (404-407)			
Taxes Other Than Income taxes (from pg 12) (408.1)			\$4,792.00
Total Income Taxes-Utility Operations (from pg 12)			
Total Gas Operating Expenses			\$264,679.00
Net Operating Income			(\$52,524.00)
<b>OTHER INCOME</b>			
Other NonUtility Income - Net (415-418)			
Interest and dividend Income (419)			

4600 Johnson County Gas Company, Inc. 01/01/2017 - 12/31/2017

Statement of Income for the Year (Ref Page: 9)

Description	Average No. Customers (b)	MFC of Nat. Gas sold (c)	Amount (d)
Miscellaneous Nonoperating Income (421)			
Other Accounts (Specify Acct. No & Title)			
Total Other Income			
OTHER DEDUCTIONS			
Interest on Long-Term Debt (427)			
Amort. of Debt Discount and Expense (428)			
Other Nonutility Deductions 426.1-426.5			
Other Interest Expense (431)			
Total Income Taxes-Nonutility Operations (from pg 12)			
Other Accounts (Specify Acct. No. and Title)			
Taxes Other than Income Taxes 408.2 (from pg 12)			
Total Other Deductions			
Net Income			(\$52,524.00)

4600 Johnson County Gas Company, Inc. 01/01/2017 - 12/31/2017

Gas Operation and Maintenance Expenses (Ref Page: 10)

Amount (b)

MANUFACTURED GAS PRODUCTION

Total Acct. 710-742 (Attach Sched by Accounts)

NATURAL GAS PRODUCTION AND GATHERING

Total Acct. 750-791 (Attach Sched. by Accounts)

EXPLORATION AND DEVELOPMENT EXPENSES

Total Acct. 795-798 (Attach Sched by Accounts)

STORAGE EXPENSES

Total Acct. 740-747 (Attach Sched by Account)

OTHER GAS SUPPLY EXPENSES

Natural Gas City Gate Purchases (804)

\$66,277.00

Other Gas Purchases (805)

Purchased Gas Cost Adjustments (805.1)

Purchased Gas Expenses (807)

Gas Withdrawn From Storage-Debit (808.1)

Gas Delivered to Storage-Credit (808.2)

Gas Used for Other Utility Operations - Credit (812)

Other Gas Supply Expenses (813)

Total Other Gas Supply Expenses

\$66,277.00

TRANSMISSION EXPENSES

Operation Supervision and Engineering (850)

Compressor Station Labor and Expenses (853)

Measuring and Regulating Station Expenses (857)

Transmission and Compression of Gas by Others (858)

\$2,441.00

Rents (860)

Maintenance of Mains (863)

Maintenance of Compressor Station Equipment (864)

Total Transmission Expenses

\$2,441.00

DISTRIBUTION EXPENSES

Operation Supervision and Engineering (870)

\$64,000.00

Compressor Station Labor and Expenses (872)

Mains and Services Expenses (874)

Measuring and Regulating Station Expenses (875)

4600 Johnson County Gas Company, Inc. 01/01/2017 - 12/31/2017

Gas Operation and Maintenance Expenses (Ref Page: 10)

	Amount (b)
Meter and House Regulator Expenses (878)	
Other Expenses (880)	\$3,863.00
Rents (881)	\$17,916.00
Maintenance Supervision and Engineering (885)	
Maintenance of Mains (887)	\$69,028.00
Maintenance of Services (892)	
Maintenance of Meters and House Regulators (893)	
Maintenance of Other Equipment (894)	
Total Distribution Expenses	\$154,807.00
CUSTOMER ACCOUNTS EXPENSE	
Meter Reading Labor (902)	
Customer Records and Collection Expenses (903)	
Uncollectible Accounts (904)	
Total Customer Accounts Expense	
CUSTOMER SERVICE AND INFORMATIONAL EXPENSES	
Miscellaneous Customer Service and Informational Expenses (910)	
ADMINISTRATIVE AND GENERAL EXPENSES	
Administrative and General Salaries (920)	
Office Supplies and Expenses (921)	\$6,312.00
Administrative Expenses Transferred - Credit (922)	
Outside Services Employed (923)	\$3,275.00
Property Insurance (924)	\$8,863.00
Injuries and Damages (925)	
Employee Pensions and Benefits (926)	
Franchise Requirements (927)	
Regulatory Commission Expenses (928)	
Duplicate Charges - Credit (929)	
General Advertising Expenses (930.1)	
Miscellaneous General Expenses (930.2)	\$1,886.00
Rents (931)	\$16,000.00
Maintenance of General Plant (932)	
Total Administrative and General Expenses	\$36,336.00

4600 Johnson County Gas Company, Inc. 01/01/2017 - 12/31/2017

Gas Operation and Maintenance Expenses (Ref Page: 10)

Amount (b)

TOTAL GAS OPERATION AND MAINT. EXPENSES (to pg 9)

\$259,861.00

Year	Distribution Expense	Truck Rents Billed	Truck Rents Paid	Invoices for Work	Paid For Work	Supervision Salary	Salary Paid	Still Owed
2019	\$0.00		\$0.00		\$0.00		\$0.00	\$0.00
2018	\$0.00							\$0.00
2017	\$154,807.00	\$11,952.00	\$9,552.00	\$64,333.00	\$54,800.00	\$72,000.00	\$64,000.00	(\$19,933.00)
2016	\$82,359.00	\$11,136.00	\$11,136.00	\$29,510.00	\$47,500.00	\$72,000.00	\$69,000.00	\$14,990.00
2015	\$110,886.00	\$11,136.00	\$12,992.00	\$36,210.00	\$26,900.00	\$72,000.00	\$93,468.17	\$14,014.17
2014	\$42,604.00		\$12,064.00		\$45,500.00	\$72,000.00	\$66,000.00	\$51,564.00
2013	\$17,975.00		\$2,784.00		\$5,000.00	\$72,000.00	\$10,500.00	(\$53,716.00)
2012	\$78,995.00	\$13,494.00	\$0.00	\$45,176.00	\$0.00	\$72,000.00	\$0.00	(\$130,670.00)
<b>Total Owed to BRC</b>								<b>(\$123,750.83)</b>





3600 B & H Gas Company 01/01/2017 - 12/31/2017

Long-Term Debt (Ref Page: 7)

Class and Series	Orig. Issue Amt	Date of Issue (b)	Date of Maturity (c)	Outstanding Balance	Interest Rate (e)	Interest Amt (f)
List each Original Issue Amount Class and Series of Obligation						
COMMONWEALTH OF KENTUCKY	\$0.00	1/1/1995	1/1/2005	\$405,761.00	0.0000	\$0.00
Total	\$0.00			\$405,761.00	0.0000	\$0.00

3600 B & H Gas Company 01/01/2017 - 12/31/2017

Notes Payable (Ref Page: 7)

Name of Payee (a)	Date Of Note (b)	Date of Maturity (c)	Interest Rate (d)	Balance End of Year (e)
BUD RIFE CONSTRUCTION			0.0000	\$26,891.00
<b>Total</b>			0.0000	\$26,891.00

PSC EXHIBIT 02

4600 Johnson County Gas Company, Inc. 01/01/2017 - 12/31/2017

Long-Term Debt (Ref Page: 7)

Class and Series	Orig. Issue Amt	Date of Issue (b)	Date of Maturity (c)	Outstanding Balance	Interest Rate (e)	Interest Amt (f)
List each Original Issue Amount Class and Series of Obligation						
KY DEPT OF LOCAL GOVT.	\$0.00			\$1,269,076.00	0.0000	\$0.00
COLUMBIA GAS OF KY	\$0.00			\$139,958.00	0.0000	\$0.00
<b>Total</b>	<b>\$0.00</b>			<b>\$1,409,034.00</b>	<b>0.0000</b>	<b>\$0.00</b>

PSC EXHIBIT 03

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOHNSON COUNTY GAS COMPANY, INC.	)	
AND BUD RIFE, INDIVIDUALLY AND AS SOLE	)	
OFFICER OF THE UTILITY	)	CASE NO.
_____	)	2011-00184
	)	
ALLEGED FAILURE TO COMPLY WITH	)	
COMMISSION ORDERS	)	

O R D E R

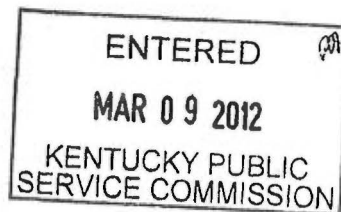
On June 10, 2011, the Commission issued an Order directing Johnson County Gas Company, Inc. ("Johnson County") and Bud Rife, individually and as sole owner of the utility, to show cause why they should not be subject to the penalties set forth in KRS 278.990(1) for Johnson County's alleged failure to comply with prior Commission Orders. Johnson County and Bud Rife filed a response on July 28, 2011 after the Commission had granted an extension of time to file the response. An Informal Conference was held on August 31, 2011 at which Commission Staff requested several documents to be filed by Johnson County. At a second Informal Conference held on February 6, 2012, Commission Staff requested that several additional documents and information be filed regarding Johnson County's pending bankruptcy. Johnson County has filed all of the requested documents and information, is currently in compliance with its required Gas Cost Adjustment ("GCA") filings, and has retained counsel to help ensure its compliance with future Commission directives and periodic filing requirements.

The Commission, being otherwise sufficiently advised, finds that this case should be dismissed and that Johnson County and Bud Rife should continue to file all required documents on time as ordered by the Commission, or required by regulation or statute, and to comply with the requirements of its GCA tariff, including the provision of new or revised gas supply agreements.


IT IS THEREFORE ORDERED that:

1. This case shall be dismissed and removed from the Commission's docket.
2. Johnson County and Bud Rife shall file with the Commission all required documents on time and comply with the filing requirements of Johnson County's GCA tariff.
3. Johnson County and Bud Rife shall file with the Commission any new or revised gas supply contracts or agreements along with Johnson County's GCA filings.

By the Commission



ATTEST

  
\_\_\_\_\_  
Executive Director

Case No. 2011-00184

Bud Rife  
President  
Johnson County Gas Company, Inc.  
P. O. Box 339  
Harold, KY 41635

Honorable Holly C Wallace  
Attorney at Law  
Dinsmore & Shohl, LLP  
101 South Fifth Street  
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\*Bud Rife  
Manager  
Johnson County Gas Company, Inc.  
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