

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF THE GAS COSTS OF B&H GAS)	
COMPANY PURSUANT TO KRS 278.2207 AND THE)	CASE NO.
WHOLESALE GAS PRICE CHARGED BY ITS AFFILIATE,)	2015-00367
B&S OIL AND GAS COMPANY, PURSUANT TO KRS 278.274)	

ORDER

This matter comes to the Commission on the June 1, 2016 motion of B&H Gas Company ("B&H") and B&S Oil and Gas Company ("B&S") (collectively, "Companies") for an extension of time to file responses to the Commission Staff's Second Request for Information ("Staff's Second Request") and to the Supplemental Data Requests of the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention ("AG"). The responses to both Commission Staff ("Staff") and the AG were originally required to be filed May 12, 2016, pursuant to the Commission's Order of April 13, 2016, establishing a procedural schedule for the processing of this matter. On May 27, 2016, the Commission issued its Order addressing the Companies' failure to file responses to Staff's Second Request and the AG's Supplemental Request, and requiring the Companies to file their responses within seven days. Then on June 1, 2016, the Companies filed their pending motion requesting an extension of time until June 6, 2016, to file their responses to Staff's Second Request¹ and until June 13, 2016, to file responses the AG's Supplemental Request. In support of their motion, the

¹ The Companies' responses to Staff's Second Request were filed June 6, 2016.

Companies state that they have been working to gather information for an Alternative Rate Filing (“ARF”), which they claim has hampered their ability to timely file responses in this case.

As recounted in the Commission’s May 27, 2016 Order, Staff issued its First Request for Information (“Staff’s First Request”) to the Companies on February 10, 2016. The Companies were required to file responses to Staff’s First Request within 14 days of the date of the request, or on or before February, 24, 2016. After receiving no response or request for an extension of time to respond to Staff’s First Request from the Companies, the Commission issued an Order on March 8, 2016, directing the Companies to provide the requested information within ten days of the date of that Order or be subject to a show cause proceeding and potential penalties pursuant to KRS 278.990 for their failure to respond to the request. The Companies then filed their responses to Staff’s First Request on March 18, 2016.

The Commission notes that, since the initiation of this proceeding to investigate the affiliated wholesale cost of gas from B&S to B&H, it has been necessary to issue two Orders requiring the Companies’ responses to Staff and the AG’s requests for information. In its Order of April 18, 2016, the Commission denied the Companies’ request to hold this case in abeyance pending the completion of B&H’s planned ARF proceeding. The Commission does not intend to further delay the instant case in response to the Companies’ continued claims that the delay is caused by its efforts to compile its ARF information. The wholesale cost of gas, which is the subject of this proceeding, is recovered through B&H’s Gas Cost Adjustment mechanism and has no

bearing on the recovery of B&H's base rate revenues, which will be the subject of the oft-referenced but not yet filed ARF application.

FINDINGS AND ORDERS

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. To the extent that the Companies have already filed their responses to Staff's Second Request, their request for an extension of time should be granted.

2. To the extent that the AG has raised no objection to the Companies' motion, their request for an extension of time to file their responses to the AG's Supplemental Request by June 13, 2016, should be granted.

3. If responses to the AG's request for information are not received by June 13, 2016, a show cause proceeding may be initiated to determine whether there are any reasons why penalties should not be imposed upon the Companies pursuant to KRS 278.990 for their failure to comply with this Order.

IT IS THEREFORE ORDERED that:

1. The Companies' motion requesting an extension of time to file their responses to Staff's Second Request and the AG's Supplemental Request is granted.

2. The Companies shall file their responses to the AG's Supplemental Request by June 13, 2016.

ATTEST:

Aaron D. Gruenewald

Acting Executive Director

By the Commission

ENTERED ^{ma}
JUN 08 2016
KENTUCKY PUBLIC
SERVICE COMMISSION

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