

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
DELTA NATURAL GAS COMPANY, INC.) 2013-00114

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO
TO DELTA NATURAL GAS COMPANY, INC.

Delta Natural Gas Company, Inc. ("Delta"), pursuant to 807 KAR 5:001, is to file with the Commission the original and five copies of the following information, with a copy to all parties of record. The information requested herein is due within seven days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed, and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Delta shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any requests to which Delta fails or

refuses to furnish all or part of the requested information, Delta shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Explain the 44.5 percent increase in Delta's Expected Gas Cost ("EGC"), from \$4.5917 per Mcf in its previous Gas Cost Recovery ("GCR") application, to \$6.6351 per Mcf in its current application. The explanation should include the effect of any increases in wholesale gas cost and pipeline supplier cost, as well as any impact of Delta's EGC calculation methodology on the magnitude of the increase.

2. Provide an explanation for Delta's \$1.1424 current quarter Actual Adjustment ("AA"). The explanation should include any unexpected increases in wholesale gas cost during the months of November and December 2012 and January 2013 as compared to the \$4.3119 EGC in effect during those months, as well as any impact of Delta's AA calculation methodology on the magnitude of the adjustment.

3. State whether Delta's proposal to collect its Balance Adjustment over four quarters instead of one is a revision that it has considered proposing on a permanent basis.

4. Explain why the 53 percent increase in the total GCR rate, from \$5.3931 per Mcf to \$8.2522 per Mcf is reasonable, given the continued relatively low price of natural gas.



Jeff Derbuen
Executive Director
Public Service Commission
P.O. Box 615
Frankfort, KY 40602

DATED APR 09 2013

cc: All Parties

Connie King
Mngr. Corporate & Employee Services
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391