

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL GAS	)	
COMPANY, INC. FOR AN ORDER DECLARING	)	CASE NO.
THAT IT IS AUTHORIZED TO CONSTRUCT,	)	2013-00365
OWN AND OPERATE A COMPRESSED	)	
NATURAL GAS STATION IN BEREA,	)	
KENTUCKY	)	

COMMISSION STAFF'S SUPPLEMENTAL REQUEST FOR INFORMATION  
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 12 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before January 24, 2014. 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 request to which Delta fails or

refuses to furnish all or part of the requested information, it 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Refer to the response to Item 1, part b., of the Commission Staff's First Request for Information ("Staff's First Request") which indicates that Delta's capital projects totaled \$7.2 million in its 2013 fiscal year. Provide the total amount of Delta's capital expenditures for each of the years from 2009 through 2012.

2. Refer to the attachment to the response to Item 4 of Staff's First Request. Explain how Delta developed the incremental cost of \$9,350 for all the different vehicles that will operate on natural gas

3. Refer to Delta's Response to Item 5 of Staff's Initial Request for Information ("Staff's Initial Request") and Delta's Response to Item 89 of the Attorney General's First Request for Information ("Attorney General's First Request") regarding Delta's award of a \$250,000 tax credit from the Kentucky Cabinet for Economic Development through its Office of Compliance, Financial and Administrative Services Incentive Assistance Division ("Cabinet for Economic Development").

a. Provide a list identifying all types of taxes to which the \$250,000 credit awarded by the Cabinet for Economic Development can be applied.

b. Provide all documentation submitted by or on behalf of Delta to the Cabinet for Economic Development seeking financial incentives for its proposed Compressed Natural Gas (“CNG”) Station, including, but not limited to, all correspondence, applications, and supportive documentation.

c. Provide all documentation Delta has received from the Cabinet for Economic Development regarding any and all financial incentives pertaining to its proposed CNG Station.

d. Provide all documentation Delta has submitted to or received from any entity other than the Cabinet for Economic Development regarding financial incentives for its proposed CNG Station.

4. Refer to the response to Item 14 of Staff’s First Request.

a. Identify the specific locations of the stations referenced in the response and describe how they compare to Berea in terms of population and access to interstate highways.

b. Identify which kind of business model (Rate-based Model, Non-Rate-based Model, or Competitive Model) is used by each of the identified utilities, with the exception of Atlanta Gas Light, which is provided in Appendix A of Brown Exhibit II.

5. Refer to Delta’s Response to Staff’s Initial Request, Item 15, regarding Delta’s 1990 CNG fueling station in the Corbin area.

a. What were the dates of operation of this CNG station?

b. How were the construction and operation of this CNG station financed?

c. Identify the third party that Delta states is currently developing a CNG station in Corbin.

d. What is the anticipated timeframe for this station to be open, operating, and available for Delta's proposed dual-fuel vehicles?

6. Refer to Delta's Response to the Attorney General's First Request, Item 12, wherein Delta was asked to describe the need for this certificate of public convenience and necessity. Delta's response quotes, in part, language from a Commission Order in another matter, as defining "need as . . . substantial inadequacy of existing service, involving a consumer market sufficiently large to make it economically feasible for the new system or facility to be constructed and operated."

a. Other than for use by Delta to fuel some of the vehicles it proposes to purchase in the future, what is the consumer market that is sufficiently large to make construction and operation of a CNG Station economically feasible?

b. Absent subsidization from Delta's ratepayers, does Delta consider a CNG Station in Berea, Kentucky, to be economically feasible? If yes, provide any economic analyses that show the economic feasibility of the CNG Station absent subsidization.

7. Refer to the response to Item 53, part iii, of the Attorney General's First Request. The second sentence of the response reads, "Investing shareholder money on a project that benefits the citizens of Kentucky but that is not earning a return is not compatible with the interest of the shareholders." Explain how having ratepayers bear the cost on such a project that is not necessary for the provision of their natural gas service is compatible with the interest of ratepayers.

8. Refer to the response to Item 73 of the Attorney General's First Request. State whether Delta provided the information regarding the cost of conversion for city vehicles in response to the email message from the Berea City Administrator. If so, provide a copy of the information provided or a summary of any verbal response.

*Caron D. Deunwald for*

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DATED JAN 10 2014

cc: Parties of Record

Case No. 2013-00365

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