

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF DELTA NATURAL)	
GAS COMPANY, INC. FOR AN ORDER)	
AUTHORIZING THE PURCHASE OF THE)	CASE NO. 98-613
ASSETS OF MT. OLIVET NATURAL GAS)	
COMPANY)	

O R D E R

IT IS ORDERED that Delta Natural Gas Company, Inc. (Delta) shall file the original and 12 copies of the following information with the Commission with a copy to all parties of record. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a response requires multiple pages, each page should be indexed appropriately, for example, Item 1(a), page 2 of 4. With each response, include the name of the witness who will be responsible for responding to questions concerning each item of information requested at the public hearing in this matter scheduled on July 1, 1999, at 9:00 a.m., Eastern Daylight Time, in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky. Careful attention should be given to copied material to ensure that it is legible. The response to this request is due on or before May 21, 1999.

1. Provide testimony and exhibits supporting the adjustment of Mt. Olivet customer rates, including but not limited to the following:

a. The embedded cost per customer of existing Delta customers.

b. The embedded cost per customer of Mt. Olivet customers to Delta,

including the plant acquisition adjustment.

c. The estimated total cost per customer of Mt. Olivet customers to Delta, including the plant acquisition adjustment.

d. The total operating costs and cost per existing customer of Delta s existing systems (fully loaded operation and maintenance cost, depreciation, taxes, etc.).

e. The expected costs per Mt. Olivet customer (fully loaded operation and maintenance cost, depreciation, amortization of plant acquisition adjustment, taxes, etc.) for Delta to operate the Mt. Olivet system.

f. The rate of return required on the Mt. Olivet system for Delta to justify its investment in the Mt. Olivet system.

g. A calculation of the estimated total revenue requirement for the Mt. Olivet system, as operated by Delta.

h. A calculation of the estimated total revenue requirement of Delta after including the Mt. Olivet system.

2. Explain why the acquisition of Mt. Olivet is in the best interest of Mt. Olivet customers. Include all expected advantages, such as improved service to customers, improved metering, billing, etc.

3. Explain why the acquisition of Mt. Olivet is in the best interest of Delta customers.

IT IS FURTHER ORDERED that the procedural schedule set forth in Appendix A shall be followed in this case.

Done at Frankfort, Kentucky, this 11th day of May, 1999.

By the Commission

ATTEST:

Executive Director

APPENDIX A

AN APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 98-613 DATED MAY 11, 1999

Applicants and intervenors shall file responses to
information requested in this Order no later than 5/21/99

All supplemental requests for information shall
be filed no later than..... 5/28/99

Responses to all supplemental requests
for information shall be filed no later than..... 6/11/99

Rebuttal testimony, if any, shall be filed no later than 6/18/99

Last day for Delta Natural Gas to
publish notice of hearing date 6/14/99

Public hearing shall begin at 9:00 a.m.,
Eastern Daylight Time, in Hearing
Room 1 of the Commission s offices at
730 Schenkel Lane, Frankfort, Kentucky..... 7/1/99

Briefs shall be filed no later than 7/26/99