

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE JOINT APPLICATION OF PNG)	
COMPANIES LLC, DRAKE MERGER SUB)	
INC., AND DELTA NATURAL GAS)	
COMPANY, INC. FOR APPROVAL OF AN)	CASE NO. 2017-00125
ACQUISITION OF OWNERSHIP AND)	
CONTROL OF DELTA NATURAL GAS)	
COMPANY, INC.)	

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**MOTION OF DELTA NATURAL GAS COMPANY, INC.
FOR CONFIDENTIAL TREATMENT OF DISCLOSURE SCHEDULE**

Delta Natural Gas Company, Inc. (“Delta”) respectfully submits this motion pursuant to 807 KAR 5:001, Section 13 for confidential treatment of certain information relating to the Joint Application in this case. In support of this motion, Delta states as follows:

1. On this date, PNG Companies LLC (PNG”), Drake Merger Sub Inc. (“Drake”) and Delta (collectively the “Applicants”) filed their Joint Application for approval of an acquisition of ownership and control of Delta with the Commission pursuant to KRS 278.020(6) and (7).

2. The proposed acquisition that is the subject of the Joint Application will occur, subject to the approval of Delta’s shareholders, the Commission and other regulatory agencies, under the terms of an Agreement and Plan of Merger by and among PNG, Delta and Drake dated as of February 20, 2017 (the “APM”). A fully executed copy of the APM is attached to the Joint

Application as Exhibit A. The Parent Disclosure Schedule of PNG is attached to the Joint Application as Exhibit B.

3. The other attachment to the APM is the Company Disclosure Schedule of Delta, which is designated Exhibit C-Conf. Exhibit C-Conf contains confidential and proprietary information relating to Delta, and its business and the business of its unregulated subsidiaries, as well as personal information relating to Delta employees. In order to receive confidential treatment of Exhibit C-Conf, Delta is filing with the Commission this Motion for Confidential Treatment.

4. Much of the information in Exhibit C-Conf is not publicly disseminated and public disclosure of this information would harm Delta, its subsidiaries and its employees. In the event that the Commission does not approve the transaction, or in the event that the transaction otherwise does not close, Delta would suffer harm if this information were made public and therefore accessible to other potential purchasers, as it could lessen competition in a subsequent bidding process and allow other purchasers to bid down the price of Delta. Further, information in Exhibit C-Conf includes details regarding pricing between Delta and its subsidiaries and third parties and other detailed business information about Delta and its subsidiaries that could be used by competitors to the disadvantage of Delta and its subsidiaries.

5. Under KRS 61.878(1)(c)(1), commercial information, generally recognized as confidential is protected if disclosure would cause competitive injury and permits competitors an unfair commercial advantage. Public disclosure of much of the information in Exhibit C-Conf may cause competitive harm to Delta and its subsidiaries and could cause a lessening of competition in a subsequent bidding process in the event the Commission denies the Joint Application or the proposed acquisition otherwise fails to close.

6. Under KRS 61.878(1)(a), certain personal information is protected from disclosure. Exhibit C-Conf contains personal and private information relating to Delta's employees, including compensation and job descriptions. Public disclosure of the personal information may cause harm to Delta's employees or to Delta by enabling competitors to seek to hire the employees away from Delta.

7. Much of the information in Exhibit C-Conf is treated as confidential by Delta and it is not widely disseminated even among Delta's employees. Only personnel with a business reason to use the confidential information are permitted to view it. The APM was required to be filed by Delta with the Securities and Exchange Commission ("SEC"), but neither of the Disclosure Schedules was required to be filed with the SEC.

8. If the Commission disagrees with Delta that Exhibit C-Conf is exempt from disclosure as confidential commercial and personal information, however, it must hold an evidentiary hearing to protect the due process rights of Delta and permit it to supply the Commission with a complete record to enable it to reach a decision with regard to this matter.

9. Delta does not object to the disclosure of Exhibit C-Conf pursuant to a confidentiality agreement to the Attorney General or any intervenor who can demonstrate a legitimate interest in reviewing the confidential information for the purpose of participating in this proceeding.

10. As permitted by 807 KAR 5:001, Section 13(2)(a)(3)(b), Delta is seeking confidential treatment for Exhibit C-Conf in its entirety due to the confidential and proprietary nature of much of the information contained therein. Even though all of the information contained in Exhibit C-Conf is not confidential, it is impractical to redact and highlight only the confidential portions as they constitute a large percentage of the information contained in Exhibit

C-Conf. In compliance with 807 KAR 5:001, Section 8(3) and 13(2)(e), Delta is filing with the Commission one paper copy of Exhibit C-Conf in its entirety.

11. 807 KAR 5:001, Section 13(2)(a)(2) provides that a motion thereunder shall state the time period in which the material should be treated as confidential and the reasons for this time period. Delta respectfully submits that five years from the date of the filing of the Joint Application is a reasonable period of time for the material in Exhibit C-Conf to be treated as confidential in light of the competitive conditions in the natural gas industry.

WHEREFORE, Delta Natural Gas Company, Inc. respectfully requests that the Commission grant confidential treatment of the information described herein.

Dated: March 16, 2017

Respectfully submitted,



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CERTIFICATE OF COMPLIANCE

This is to certify that Delta Natural Gas Company, Inc.'s March 16, 2017, electronic filing of the Motion for Confidential Treatment is a true and accurate copy of the same document being filed in paper medium; the electronic filing has been transmitted to the Commission on March 16, 2017; that an original and six copies in paper medium of the Motion and one unobscured copy of the material for which confidentiality is sought sealed in an opaque envelope, will be hand delivered to the Commission within two business days.

Marcia H. Braun

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Inc.*