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July 6, 2007

Hon. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615

Re: Delta Natural Gas Company, Inc.
Case No. 2007-00089

Dear Ms. O'Donnell:

We deliver herewith for filing an original and ten (10) copies of the Petition of Delta Natural Gas Company, Inc. for Confidential Protection of Information Responsive to Item 19 of the Attorney General's Initial Request for Information. A highlighted version of the confidential material is provided under seal with the original version of the Petition. The other ten copies of the confidential information have been redacted. The volume numbers on the labels of the binders correspond to the volume numbers of Delta's corporate minute books. Best regards.

Sincerely,

Robert M. Watt, III

Rmw
Encl.

Cc: Mr. Glenn R. Jennings (w/ encl.)
Dennis Howard, II, Esq. (w/encl.)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL)
GAS COMPANY, INC. FOR) CASE NO. 2007-00089
AN ADJUSTMENT OF RATES)

* * * * *

PETITION OF DELTA NATURAL GAS COMPANY, INC.
FOR CONFIDENTIAL PROTECTION OF INFORMATION
RESPONSIVE TO ITEM 19 OF THE ATTORNEY GENERAL'S
INITIAL REQUEST FOR INFORMATION

Delta Natural Gas Company, Inc. ("Delta") petitions the Kentucky Public Service Commission ("Commission") pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1)(a) and 61.878(1)(c)(1) to grant confidential protection to certain information responsive to Item 19 of the Attorney General's Initial Request for Information dated June 7, 2007, herein. In support of this Petition, Delta states as follows.

1. Item 19 of the Attorney General's Initial Request for Information calls for the production of all of the minutes of Delta's Board of Directors meetings from 2004 to date. Pursuant to a confidentiality agreement, Delta produced those minutes to the Attorney General for the period 2005 to date. The Attorney General designated those pages he wanted copied and delivered to him. Those pages contain confidential information exempt from the Open Records Act. Therefore, Delta has redacted the confidential information from the requested pages and is submitting them with this Petition for Confidential Protection pursuant to 807 KAR 5:001, Section 7.

2. The confidential information falls into two categories: (i) salary and bonus information relating to specifically identified individuals and (ii) budget and business planning information.

3. This information should be accorded confidential protection because it is (i) information of a personal nature where the public thereof would constitute a clearly unwarranted invasion of personal privacy (KRS 61.878(1)(a)) and (ii) information generally recognized as confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to Delta's competitors (61.878(1)(c)(1)). As to the compensation, Delta is not seeking confidential protection of total employee compensation or even the ranges of salaries considered for certain positions. It believes, however, that an individual's specific compensation is private and should be protected. The budgets and other business planning information would clearly reveal Delta's business planning and such information would give Delta's competitors an unfair competitive advantage since Delta has no access to such information from those competitors.

4. In addition, the budget and planning information, of course, is forecasted or predicted information. Delta's stock is publicly traded and Delta is regulated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 and the regulations promulgated thereunder. One of those regulations is Regulation FD, which prohibits selective disclosure of information by companies such as Delta. Delta does not report to the general investing public forecasts or predictions about operations, capital spending or the like, but, rather, reports historical information. The filing of budgets and business planning information in the record in this proceeding will place Delta in

jeopardy of having made a selective disclosure of such information in violation of Regulation FD.

5. The information for which Delta is seeking confidential treatment is not known outside of Delta and it is not disseminated within Delta except to those employees with a legitimate business need to know and act upon the information.

6. The information provided as set forth in paragraphs 1 through 4 hereof demonstrates on its face that it merits confidential protection. If the Commission disagrees, however, it must hold an evidentiary hearing to protect the due process rights of Delta and supply the Commission with a complete record to enable it to reach a decision with regard to this matter. Utility Regulatory Commission v. Kentucky Water Service Company, Inc., Ky. App., 642 S.W.2d 591, 592-94 (1982).

7. In accordance with the provisions of 807 KAR 5:001, Section 7, one copy of Delta's supplemental response to Item 19 of the Attorney General's Initial Request for Information with the confidential information highlighted is submitted under seal and ten copies of Delta's response without the confidential information are filed herewith.

WHEREFORE, Delta prays that the Commission grant confidential protection to the minutes of its Board of Directors meetings submitted herewith.

Respectfully submitted,

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and

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By Robert Ware
Counsel for Applicant

CERTIFICATE OF SERVICE

This is to certify that the foregoing pleading has been served by mailing a copy of same to the following persons on this 6th day of July 2007:

Dennis Howard, II, Esq.
Lawrence W. Cook, Esq.
Assistant Attorneys General
Office of Rate Intervention
1024 Capital Center Drive
Frankfort, KY 40601

Robert Ware
Counsel for Applicant