

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, OWN)	2013-00365
AND OPERATE A COMPRESSED NATURAL GAS)	
STATION IN BERA, KENTUCKY)	

ORDER

On October 3, 2013, Delta Natural Gas Company, Inc. ("Delta") filed an application for a declaratory order permitting it to construct, own, and operate a compressed natural gas ("CNG") station to fuel motor vehicles, or, in the alternative, Delta seeks a Certificate of Public Convenience and Necessity ("CPCN"), pursuant to KRS 278.020(1), allowing it to build a CNG station.

Delta avers the CNG station will be constructed at its existing facilities on Glades Road in Berea, Kentucky, at a cost of approximately \$1.3 million, which it intends to finance initially with internally generated cash and short-term debt. Delta estimates the annual cost of operating the CNG station to be approximately \$20,000. Delta plans to fuel some of its company-owned motor vehicles at the CNG Station, but also intends for the public to be able to purchase natural gas for motor-vehicle use at the CNG station. Delta proposes to sell natural gas to the public as an unregulated activity. Delta also proposes that the Commission regulate the revenues and expenses resulting from the operation of the CNG station. It proposes that the transportation of natural gas be regulated under an amended version of its Interruptible Service tariff and its

Transportation of Gas for Others – On System Utilization tariff and requests that the Commission approve its amended tariff sheets.

Delta contends that a CPCN is unnecessary because the public sale of natural gas for motor vehicles is in the usual course of business and because the operation of the CNG station will not adversely affect its costs in a material way or the availability of natural gas to its utility sales customers. However, Delta requests a CPCN if the Commission determines that one is necessary prior to the construction of the CNG station.

Based on a review of the application and being otherwise sufficiently advised, the Commission finds that further proceedings are necessary to determine the reasonableness of Delta's request for a declaratory order allowing it to construct, own, and operate a CNG station, or, in the alternative, whether a CPCN is required to grant Delta authority to build a CNG station. Therefore, the Commission finds that Delta should file prepared testimony in support of its application and that a procedural schedule should be established.

Based on the foregoing, IT IS THEREFORE ORDERED that:

1. The procedural schedule set forth in the Appendix to this Order shall be followed in this proceeding.

2. a. All requests for information and responses thereto shall be appropriately bound, tabbed, and indexed and the original and ten copies shall be filed with the Commission, with copies to all parties of record. Any request for information by letter from the Commission Staff shall be responded to as if set forth in a Commission

Order. All responses shall include the name of the witness responsible for responding to questions related to the information provided.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or 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.

c. A party 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.

d. For any request to which a party fails or refuses to furnish all or part of the requested information that party shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

3. Any party filing testimony shall file an original and six copies with the Commission, with copies to all parties of record.

4. At any public hearing in this matter, neither opening statements nor summarization of direct testimony shall be permitted.

5. Any objections or motions relating to discovery or procedural dates shall be filed within four business days' notice or the filing party shall explain, in writing, why such notice was not possible.

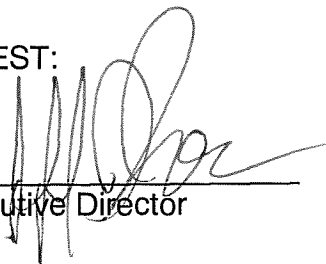
6. Motions for extensions of time with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

7. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission

ENTERED
NOV 04 2013
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2013-00365

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00365 DATED **NOV 04 2013**

Delta testimony in verified prepared form
shall be filed no later than 11/25/13

Initial requests for information to Delta
shall be filed no later than 12/13/13

Delta shall file responses to initial requests
for information no later than 12/27/13

Supplemental requests for information to
Delta shall be filed no later than 01/10/14

Delta shall file responses to
supplemental requests for information no later than 01/24/14

Informal Conference or Public Hearing to be held To Be Scheduled

Honorable Robert M Watt, III
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