

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

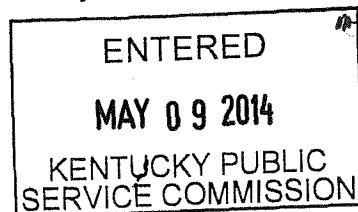
ORDER

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, that it be granted a Certificate of Public Convenience and Necessity, pursuant to KRS 278.020(1), allowing it to construct a CNG station. Delta proposes to use the CNG station to fuel some of its company-owned motor vehicles, as well as to sell CNG as a motor vehicle fuel to the public in the usual course of business. Delta proposes that all the revenue and expenses (including gas costs) associated with the operation of the CNG station be recorded and reported as regulated revenues and expenses, even though it proposes that the sales of natural gas as a motor vehicle fuel to the public be treated as an unregulated activity. Finally, in future rate cases, Delta proposes to include the cost of construction of the CNG station in rate base, expenses (which it estimates will be approximately \$20,000 annually) in cost of service, and to include revenues in the estimated revenue requirement.

Through our Order of November 4, 2013, we required Delta to file testimony and established a procedural schedule, which allowed for two rounds of discovery. On November 22, 2013, the Attorney General of the Commonwealth of Kentucky, through his Office of Rate Intervention (the "AG"), was granted intervention. On December 23, 2013, Delta responded to initial requests for information from Commission Staff ("Staff") and the AG. On January 8, 2014, Interstate Gas Supply, Inc. and Clean Energy Fuel Corp. moved, individually and collectively ("Movants"), to intervene. On January 23, 2014, Delta responded to supplemental requests for information from Staff and the AG. On February 24, 2014, the Commission granted intervention to Movants on a joint basis as one party and amended the procedural schedule. On March 7, 2014, Movants filed direct testimony; and, on April 11, 2014, responded to requests for information from Staff, the AG, and Delta. On April 25, 2014, Delta filed rebuttal testimony. Pursuant to the revised procedural schedule of February 24, 2014, a public hearing may be held in this matter to address any remaining issues.

IT IS THEREFORE ORDERED that Delta, the AG, and the Movants shall have ten days from the date of this Order to request a hearing.

By the Commission



ATTEST:


Executive Director

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