

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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MAR 21 2014

PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL GAS)
COMPANY, INC. FOR AN ORDER DECLARING)
THAT IT IS AUTHORIZED TO CONSTRUCT,)
OWN AND OPERATE A COMPRESSED)
NATURAL GAS STATION IN BEREA, KENTUCKY)

CASE NO: 2013-00365

ATTORNEY GENERAL'S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Data Requests for Information to Interstate Gas Supply Inc. ("IGS") and Clean Energy Fuel Corp. ("Clean Energy") to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following instructions:

(1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.

(2) Please identify the witness (es) who will be prepared to answer questions concerning each request.

(3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for IGS and/or Clean Energy with an electronic version of these data requests, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts

thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other

forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

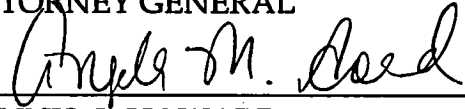
(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

(14) The Attorney General reserves the right to pose additional preliminary data requests on or before the due date specified in the Commission's procedural schedule.

Respectfully submitted,
JACK CONWAY
ATTORNEY GENERAL

A handwritten signature in cursive script, appearing to read "Angela M. Goad", written over a horizontal line.

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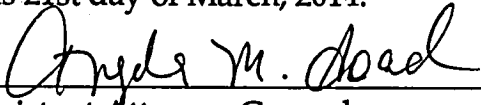
Certificate of Service and Filing

Counsel certifies that an original and ten photocopies of the foregoing were served and filed by hand deliver to Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. mail, postage pre-paid, to:

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this 21st day of March, 2014.



Assistant Attorney General

Attorney General's Initial Request for Information to Interstate Gas Supply Inc. and
Clean Energy Fuel Corp.
Case No. 2013-00365

1. Please reference the testimony of Mr. Mrowzinski in general. Provide a copy of the witness' curriculum vitae.
2. Please reference the testimony of Mr. Mrowzinski at page 1. The page displays the following: "Direct Testimony of Dave Mrowzinski" and "On behalf of IGS CNG Services and Clean Energy Fuels Corp." Is the witness testifying on behalf of both parties? If so, explain the nature of his testimony which indicates that he is employed by IGS CNG and does not, at any point in his testimony, reference Clean Energy.
3. Please reference the testimony of Mr. Mrowzinski in general. Provide a chart illustrating the corporate structure of IGS including the relationship between IGS and IGS CNG Services (IGS CNG).
4. Please reference the testimony of Mr. Mrowzinski at page 3, lines 9-11. Describe in detail IGS CNG's "25 years of experience serving retail natural gas customers and has extensive institutional knowledge about the operations of natural gas markets in Kentucky and in other states" and at page 4, lines 3-5 whereat he states "I have overseen the construction of several CNG stations for IGS CNG and I understand both the technical and financial aspects of building, owning, and operating CNG stations." In the description, provide at least the following:
 - a. Years of experience in the operations and maintenance of compressed natural gas fueling stations **for the public**,
 - b. Specific details of the experience,
 - c. Number of stations, with locations for each one (by state and city), owned by IGS CNG,
 - d. Number of stations, with locations for each one (by state and city), operated by IGS CNG,
 - e. Number of stations, with locations for each one (by state and city), maintained by IGS CNG, and

Attorney General's Initial Request for Information to Interstate Gas Supply Inc. and
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Case No. 2013-00365

- f. A listing of the IGS CNG's competitors in the compressed natural gas fuelling station industry in each state in which it has a fueling station.
5. Please reference the testimony of Mr. Mrowzinski in general. Provide a chart illustrating the corporate structure of Clean Energy Fuels Corp.
6. Please reference the testimony of Mr. Mrowzinski in general. Regarding Clean Energy Fuels Corp., provide the following:
 - a. Years of experience in the operations and maintenance of compressed natural gas fueling stations **for the public,**
 - b. Specific details of the experience,
 - c. Number of stations, with locations for each one (by state and city), owned by Clean Energy Fuels Corp.,
 - d. Number of stations, with locations for each one (by state and city), operated by Clean Energy Fuels Corp.,
 - e. Number of stations, with locations for each one (by state and city), maintained by Clean Energy Fuels Corp., and
 - f. A listing of the competitors in the compressed natural gas fuelling station industry in each state in which Clean Energy has a fueling station.
7. Please reference the testimony of Mr. Mrowzinski at page 3, line 21 whereat he states "I have worked at IGS companies for the past six years..." Provide the positions that Mr. Mrowzinski has held with a description of the responsibilities he has held "over the past six years" and designate under which IGS Company each specific position was held.

Attorney General's Initial Request for Information to Interstate Gas Supply Inc. and
Clean Energy Fuel Corp.
Case No. 2013-00365

8. Please reference the testimony of Mr. Mrowzinski at page 4, lines 1-3 whereat he states: "Currently, I oversee the business development and strategic build out of the IGS CNG stations and corridor development." Explain in detail what the witness means with this statement.
 - a. Does this statement also apply to Clean Energy? If not, explain why not?
 - b. If not, provide the name and title of the person at Clean Energy who has a similar position.
9. Please reference the testimony of Mr. Mrowzinski at page 4, lines 5-6 whereat he states: "I have also had the opportunity to participate in dozens of CNG related panels and technical presentations throughout the region."
 - a. Provide a list of the panels in which the witness has participated.
 - b. Provide copies of any and all materials that the witness drafted, produced, sponsored or in which the witness otherwise participated that were produced or presented at or during the panels.
10. Please reference the testimony of Mr. Mrowzinski in general. Identify any and all certifications that he has in operating and running a CNG fueling station. If the witness does not possess any such certifications, please identify who, by name and title, at IGS CNG does possess such certifications and identify those certifications and licenses.
11. Please reference the testimony of Mr. Mrowzinski in general. Identify any and all certifications that Clean Energy has in operating and running a CNG fueling station. Please identify who, by name and title, at Clean Energy who possess(es) any certifications and identify those certifications and licenses.

Attorney General's Initial Request for Information to Interstate Gas Supply Inc. and
Clean Energy Fuel Corp.
Case No. 2013-00365

12. Please reference the testimony of Mr. Mrowzinski at page 7, lines 2-4. Provide any and all resource documents that definitively confirm the following statement by the witness: "the rule of thumb in the industry is that 1 CCF of gas will yield approximately 0.8 GGE. This is common knowledge for anyone that owns and operates a CNG station, and it also comports with the calculations made above showing that 1 CCF = 0.79 GGE."
13. Reference the testimony of Mr. Mrowzinski at page 7, lines 9-13. Please provide the analyses, reports, studies or other documentation the witness relies upon to support his assertions that "[w]hile, we have seen 38 cents per CCF of natural gas in the past, historically, the NYMEX has traded much higher. Also, the forward curves on the NYMEX indicates that future prices of natural gas will be significantly higher than 38 cents a CCF. Therefore, I believe a more reasonable estimate for the cost of gas is 50 cents per CCF over the long run, if not higher."
14. Please reference the testimony of Mr. Mrowzinski at page 7, lines 16-18. Provide a mathematical breakdown of how the witness arrives at his estimation of actual cost of the CNG per GGE as 62.5 cents, which is over 100% higher than the 30 cents per GGE Mr. Wesolosky estimates.
15. Reference the testimony of Mr. Mrowzinski at pages 7 and 8 whereat he testifies that Delta's witness does not include numerous cost components in his calculations. Please provide all analyses, reports, studies or other documentation of how Mr. Mrowzinski reaches his estimates of compression costs, state/federal road tax, maintenance for the compressor, natural gas transportation costs, and credit card transaction merchant fees.
16. Reference the testimony of Mr. Mrowzinski at page 10, lines 19-22. Please provide documentation/explanation supporting the following testimony: "Construction costs for CNG stations can range from \$700,000 to \$4,000,000 or more. However from my experiences, costs tend to run over when constructing stations, particularly when it is the first CNG station that is being built by a particular entity." Please provide specific examples that support the testimony.

Attorney General's Initial Request for Information to Interstate Gas Supply Inc. and
Clean Energy Fuel Corp.
Case No. 2013-00365

17. Please reference the testimony of Mr. Mrowzinski at page 10, lines 22-24, "Delta does not propose to limit the rate payer risk for any excess station costs and thus presumably ratepayers will be exposed to the risk of cost overruns." Please elaborate on what is meant by "risk of cost overruns."
18. Reference the testimony of Mr. Mrowzinski at page 10 whereat he testifies that "Delta does not appear to account for the incremental costs of purchasing natural gas vehicles ("NGV") in its revenue requirement calculations. Typically the NGVs of the size Delta would be utilizing cost approximately \$10,000 more than the incremental vehicle costs estimated in the analysis that Delta needs to recover from ratepayers in order to break even. Because Delta intends to purchase 11 natural gas vehicles as part of its project, Delta should add an additional \$110,000 to its project costs." Please provide any and all analyses, reports, studies or other documentation that support the above testimony, that the size of the natural gas vehicle(s) that Delta needs would cost approximately \$10,000 more than the incremental vehicle costs estimated in the analysis.
19. Reference the testimony of Mr. Mrowzinski at page 11, lines 3-7 whereat he testifies that he does not expect Delta to get the public use it needs to meet its revenue requirements for the CNG station. Specifically, Mr. Mrowzinski testifies that "From my experience it takes a long time for public station usage to ramp up. Also, typically before a station is built, a station owner will obtain firm commitments from a number of surrounding fleets to use that station. Delta does not appear to have done this, other than from its own small fleet. In my opinion it will be extremely difficult for Delta to obtain the public sales it needs to meet its projected revenue requirements." Please provide typical examples of what IGS and/or Clean Energy Fuel Corp. have as "surrounding fleets with firm commitments."
20. Please provide the projected cost for natural gas, gasoline (RBOB), and diesel for as many years as available from the EIA, and provide IGS and Clean Energy Fuel Corp.'s own forecasts, and any other forecasts relied upon in the testimony.

Attorney General's Initial Request for Information to Interstate Gas Supply Inc. and
Clean Energy Fuel Corp.
Case No. 2013-00365

21. Please reference Mr. Mrowzinski's testimony at page 12, lines 17-19 where he affirms "Yes, I do agree with Witness Brown that there are great benefits derived from using CNG as a vehicle fuel. CNG is domestically produced and creates less air pollution than gasoline or diesel." Provide a copy of any and all analyses, reports, studies or other documentation that support this statement.
22. Reference the testimony of Mr. Mrowzinski at page 13, lines 23-24 and page 14, lines 1-2 where he declares that "IGS CNG will not enter a market where a NGDC is the owner and operator of a CNG station. It makes no economic sense for IGS CNG to invest its dollars in a market where an NGDC can recover its station costs through all distribution ratepayers while IGS CNG would have to recover its station costs through actual CNG sales." Please provide a list of examples of IGS CNG not entering the market where a NGDC already owned and operated a CNG station.
23. Please reference Mr. Mrowzinski's testimony at page 13, lines 14-20, whereat he testifies that "CNG station owners must work with the NGDC before the CNG station is constructed and disclose confidential and competitively sensitive information to the NGDC, such as potential station site. Further, the NGDC would have incentive to not cooperate with a potential competitive CNG station owner on things such as pipeline extension and interconnection for a CNG station, because the new station would be competing against the NGDC's station. All of this would put privately built stations at an undue competitive disadvantage in the market place."
 - a. Please provide a list of the required confidential and competitively sensitive information that a CNG station must disclose to a NGDC before the CNG station is constructed.
 - b. Provide specific examples of a NGDC not cooperating with a potentially competitive CNG station owner on issues such as pipeline extension and interconnection for a CNG station, due to competition issues between the NGDC and potential CNG station.
24. Please reference Mr. Mrowzinski's testimony at page 14, lines 2-6 whereat he asserts "in states that have allowed the NGDCs to recover costs through the rate base, you may see ownership of CNG stations from NGDCs, but you see very limited ownership of CNG stations from other private entities. I should note that a vast majority of states do not allow the NGDC to recover CNG station costs through the NGDC rate base."

Attorney General's Initial Request for Information to Interstate Gas Supply Inc. and
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Case No. 2013-00365

- a. Please provide specific examples of states that have allowed the NGDCs to recover costs through rate base with limited ownership of CNG stations by private entities.
 - b. Provide a list that references the "vast majority of states" that do not allow the NGDC's to recover the CNG station costs through the rate base.
25. Please reference Mr. Mrowzinski's testimony at page 15, lines 8 to 9, whereat he states: "there is a state statute in Utah that allows NGDCs to recover the costs of station infrastructure. Kentucky has no statute." As to this statement, please reference House Bill 560, which was introduced on March 4, 2014, during the current 2014 Regular Session of the Kentucky General Assembly.
See: <http://www.lrc.ky.gov/record/14RS/HB560.htm>.
- a. Provide a statutory reference for the "state statute in Utah" and copy of the statute.
 - b. Please state whether the witness has reviewed House Bill 560, proposing "to establish a mechanism whereby a natural gas utility may recover part of the cost of building out infrastructure to fueling stations so that the station may offer natural gas as a vehicle fuel"?
 - c. If yes, and without providing a legal opinion, is the language proposed by House Bill 560 the same or similar to the Utah statute? If not, please explain the differences as understood by the witness.
 - d. Have Interstate Gas Supply, Inc., and/or Clean Energy Fuel Corp., testified regarding House Bill 560 or otherwise provided information to any state legislators regarding House Bill 560? If yes, please provide copies all statements, analyses, documents, correspondence or other material supplied by the companies regarding House Bill 560.