

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DELTA)	
NATURAL GAS COMPANY, INC. FOR)	CASE NO.
APPROVAL OF REVISIONS TO ITS COST)	2020-00108
ALLOCATION MANUAL)	

ORDER

On March 31, 2020, Delta Natural Gas Company, Inc. (Delta) filed an application, pursuant to commitments made in Case No. 2018-00369,¹ requesting that the Commission approve revisions to Delta's Cost Allocation Manual. In Case No. 2018-00369, the Commission approved Aqua America, Inc.'s (Aqua America) indirect acquisition of Delta, subject to certain commitments, including the requirement that Delta seeks approval from the Commission before entering into a services agreement and before modifying Delta's Cost Allocation Manual. Aqua America is now known as Essential Utilities, Inc. (Essential Utilities).

Delta requests approval of its revised Cost Allocation Manual with Essential Utilities; PNG Companies LLC (PNG); and its unregulated affiliates to which Delta provides natural gas transportation services, which include Peoples Gas KY, LLC, a farm tap system; Delta Resources, LLC; Delgasco, LLC; and Enpro, LLC. The Cost Allocation

¹ Case No. 2018-00369, *Electronic Joint Application of Aqua America, Inc., Steelriver Infrastructure Fund North America LP, Steelriver LDC Investments LP, LDC Parent LLC, LDC Funding LLC, LDC Holdings LLC, PNG Companies LLC, Peoples Gas Ky LLC, and Delta Natural Gas Company, Inc. for Approval of an Acquisition of Ownership and Control of PNG Companies LLC and Delta Natural Gas Company, Inc.* (Ky. PSC Mar. 13, 2019).

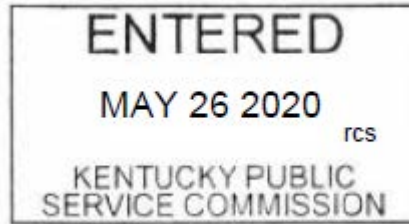
Manual reflects the changes in corporate ownership, in particular, that Essential Utilities is now providing similar services to Delta that were being provided exclusively by PNG. Delta requests approval of modifications to its Cost Allocation Manual chart of accounts.

Having reviewed the application and case record and being otherwise sufficiently advised, the Commission finds that the Cost Allocation Manual is in accordance with KRS 278.2205, which sets forth requirements for cost allocation manuals, and that the Cost Allocation Manual should be approved. The Commission further finds that the modification of Delta's Cost Allocation Manual chart of accounts is reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Delta's request to modify its Cost Allocation Manual is granted.
2. Within 20 days of the date of entry of this Order, Delta shall file an updated Cost Allocation Manual with Appendix I containing the new account numbers for the general ledger chart of accounts.
3. Documents filed pursuant to ordering paragraph 2 shall reference this case number and shall be retained in the post-case correspondence file.
4. This case is now closed and removed from the Commission's Docket.

By the Commission



ATTEST:

A handwritten signature in blue ink, consisting of stylized initials and a surname, written over a horizontal line.

Executive Director

Case No. 2020-00108

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