

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF)	
ESSENTIAL UTILITIES, INC., LDC FUNDING,)	
LLC, LDC HOLDING LLC, PNG COMPANIES)	CASE NO.
LLC, AND DELTA NATURAL GAS COMPANY,)	2021-00283
INC. FOR APPROVAL OF AN INDIRECT)	
CHANGE OF CONTROL OF DELTA NATURAL)	
GAS COMPANY, INC.)	

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION
TO ESSENTIAL UTILITIES INC., LDC FUNDING, LLC, LDC HOLDING LLC, PNG
COMPANIES, LLC, AND DELTA NATURAL GAS COMPANY, INC.

Essential Utilities Inc. (Essential), LDC Funding, LLC (LDC Funding), LDC Holding LLC (LDC Holding), PNG Companies, LLC (PNG), and Delta Natural Gas Company, Inc. (Delta) (collectively, Joint Applicants), pursuant to 807 KAR 5:001, are to file with the Commission an electronic version of the following information. The information requested is due on August 11, 2021. The Commission directs Joint Applicants to the Commission's July 22, 2021 Order in Case No. 2020-00085¹ regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered

¹ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Joint Applicants shall make timely amendment to any prior response if Joint Applicants obtain information that indicates the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Joint Applicants fail or refuse to furnish all or part of the requested information, Joint Applicants shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Joint Applicants shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Provide copies of all minutes of all board of directors' meetings for each of the Joint Applicants in which the proposed corporate restructuring was discussed.
2. Provide copies of any presentation materials made by Joint Applicants discussing the proposed corporate restructuring.

3. Explain whether the proposed corporate restructuring will require other regulatory approvals and provide copies of any applications filed requesting such approvals.

4. Identify, explain, and quantify any federal, state, or local tax implications or any other expense the proposed changes in Essential's corporate structure would create if the proposed change were approved by the Commission.

5. Refer to the Application, page 5, paragraph 9. Explain and quantify how the consolidation of LDC Funding and LDC Holdings is expected to streamline operations and management within Essential.

6. Identify, explain, and quantify any changes to service Essential expects as part of the proposed changes in corporate structure. If none, explain why Essential believes this proposed change will not impact service.

7. Explain whether the proposed transaction will impact the number of current employees at Delta, and if so, how the number of current employees will be impacted.

8. Explain whether the proposed transaction will have an effect on rates charged by Delta, and if so, what the effect will be.

9. Explain whether the proposed transaction will have an effect on Delta's service to its customers, and if so, what the effect will be.

10. State whether Delta will be directly or indirectly allocated any costs associated with the proposed transaction. If so, provide the estimated costs that will be allocated to Delta.

11. Explain whether Delta or its ratepayers will incur any additional indebtedness or pledge any assets to finance any part of the costs associated with the proposed transaction.

12. Explain whether the proposed transaction will result in any changes to the commitments made by PNG, Essential, previously known as Aqua America, Inc. (Aqua America), and Delta in Case No. 2018-00369.²

13. Explain and quantify how Delta's customers have benefited from economies of scale following the Commission's approval of the acquisition of ownership and control of Delta and PNG by Essential, previously known as Aqua America, in Case No. 2018-00369.³

14. Explain whether the acquisition approved by the Commission in Case No. 2018-00369 has resulted in an acceleration or improved efficiency of Delta's pipeline replacement program.

15. Describe and quantify how the acquisition approved by the Commission in Case No. 2018-00369 has affected Delta's customer service and emergency response.

16. Describe how the acquisition approved by the Commission in Case No. 2018-00369 has affected in Delta's system for mapping and managing pipeline facilities.

17. State how Essential intends to comply with the Commission's finding that Essential, previously known as Aqua America, should arrange for meetings between its

² 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).

³ *Id.*

chief executive and the Commission or Commission Staff at least once every two years.⁴

a. Confirm whether any of the meetings described above have occurred.

b. If yes, list the dates of these meetings.

18. Describe and quantify how the proposed transaction will benefit Delta ratepayers.



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Public Service Commission
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DATED JUL 28 2021

cc: Parties of Record

⁴ *Id.* at 13.

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