
S T O L L | K E E N O N | & | P A R K | L L P

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ROBERT M. WATT, III
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July 16, 2004

RECEIVED

JUL 16 2004

PUBLIC SERVICE
COMMISSION

Hon. Elizabeth O'Donnell
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40601

Re: Delta Natural Gas Company, Inc.
Case No. 2004-00067

Dear Ms. O'Donnell:

We enclose for filing an original and 8 copies of the Initial Data Requests for Information of Delta Natural Gas Company, Inc. to the Attorney General in the above-captioned case. Thank you for your attention to this matter. Best regards.

Sincerely,



Robert M. Watt, III

Rmw

Cc: Counsel of Record (w/encl.)
Mr. John F. Hall (w/ encl.)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
JUL 10 2004
PUBLIC SERVICE
COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE RATES)
OF DELTA NATURAL GAS)
COMPANY, INC.) CASE NO. 2004-00067

* * * * *
**INITIAL DATA REQUESTS FOR INFORMATION
OF DELTA NATURAL GAS COMPANY, INC.
TO THE ATTORNEY GENERAL**

Delta Natural Gas Company, Inc. (“Delta”) submits its initial set of data requests for information to the Attorney General of the Commonwealth of Kentucky, by and through his Office for Rate Intervention, (“AG”) to be answered by the date specified in the Commission’s Order of Procedure herein.

Instructions

1. As used herein, “Documents” include all correspondence, memoranda, notes, e-mail, maps, drawings, surveys or other written or recorded materials, whether external or internal, of every kind or description in the possession of or accessible to the AG, his witnesses or his counsel.
2. Please identify by name, title, position and responsibility the person or persons answering each of these data requests for information.
3. These requests shall be deemed continuing so as to require further and supplemental responses if the Attorney General receives or generates additional

information within the scope of these requests between the time of the response and the time of any hearing conducted herein.

4. To the extent that the specific document, work paper or information as requested does not exist, but a similar document, work paper or information does exist, provide the similar document, work paper or information.

5. To the extent that any request may be answered by way of a computer printout, spreadsheet or other form of electronic media, please identify each variable contained in the document or file which would not be self evident to a person not familiar with the document or file.

6. If the AG has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel for Delta as soon as possible.

7. For any document withheld on the ground 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.

8. In the event any document requested has been destroyed or transferred beyond the control of the AG, or any of his witnesses, 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 transferred by reason of a document retention policy, describe in detail the document retention policy.

9. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than refer Delta to the record where the document is located.

Data Requests

Robert J. Henkes

1. Please produce portions of the transcripts of the testimony of Robert J. Henkes (direct, rebuttal, cross-examination or otherwise) presented during the last 10 years during which the following subjects were discussed, including the identification of the case and the date on which the testimony was offered:

- a. Pro forma test year-end customer growth adjustment;
- b. Interest on customer deposits;
- c. Pension expenses;
- d. Directors' fees and expenses;
- e. Expenses related to compliance with the Sarbanes/Oxley Act;
- f. American Gas Association or Edison Electric Institute dues;
- g. Depreciation expense for local gas distribution companies.

2. Please produce copies of articles from books, scholarly works, trade publications or professional publications written, in whole or in part, by Robert J. Henkes during the last 10 years in which the following subjects were discussed, including the identification of the publication and the date on which it was published:

- a. Pro forma test year-end customer growth adjustment;
- b. Interest on customer deposits;
- c. Pension expenses;

- d. Directors' fees and expenses;
- e. Expenses related to compliance with the Sarbanes/Oxley Act;
- f. American Gas Association or Edison Electric Institute dues;
- g. Depreciation expense for local gas distribution companies.

3. Does Mr. Henkes believe that, in determining the revenue requirement, if interest associated with customer deposits is excluded from operating expenses, then customer deposits should be included in rate base? Please explain your answer.

4. Please provide on a diskette or compact disk a working copy of all Excel spreadsheets used to prepare the exhibits to Mr. Henkes's testimony.

Michael J. Majoros, Jr.

5. Please provide a copy of all written testimony submitted by Mr. Majoros in the following proceedings:

- a. Florida – Docket No. 031033-El, Tampa Electric Company;
- b. New Jersey – Docket No. GR03080683, South Jersey Gas Company;
- c. Maryland, Docket No. 8960, Washington Gas Light;
- d. Kentucky, Case No. 2003-00252, Union Light Heat & Power;
- e. Kansas, Docket No. 03-KGSG-602-RTS, Kansas Gas Service;
- f. Kentucky, Docket No. 2002-00145, Columbia Gas.

6. Please provide on a diskette or compact disk a working copy of all spreadsheets and any working computer models used to prepare Exhibit____(MJM-1) and Exhibit____(MJM-2).

7. Please provide paper copies of all work papers used in the preparation of Exhibit____(MJM-1) and Exhibit____(MJM-2) that were not included in the exhibits to Mr. Majoros’s testimony. If no other work papers exist, please so indicate.

8. Did Mr. Majoros perform Simulated Property Record Balances (“SPR”) analyses of Account Nos. 369, 376, 382 or any other plant account? If so, please provide copies of the analyses and all work papers.

9. Please provide a copy of all analyses conducted by Mr. Majoros of individual plant accounts other than for Account Nos. 369, 376, and 382.

10. Please indicate whether Mr. Majoros performed an analysis such as those included in Exhibit____(MJM-1) for any account other than Account Nos. 369, 376, and 382.

a. If such an analysis was not conducted, please explain in detail why Mr. Majoros did not perform such an analysis for other accounts.

b. If such an analysis was not conducted, please provide a detailed explanation of why Mr. Majoros performed such an analysis of Account Nos. 369, 376, and 382, but not for other accounts.

Charles W. King

11. For each of the ten (10) most recent gas, electric and water rate cases in which Mr. King provided testimony on rate of return on common equity, please provide;

a. Mr. King’s recommended return, or range of returns, on common equity;

b. The rate of return on common equity approved by the regulatory commission (or court);

c. The name of the utility;

- d. The name of the regulatory commission (or court);
- e. The case number;
- f. The date of the order in which the regulatory commission (or court) approved the rate of return on equity.

12. Please provide a copy of all written testimony submitted by Mr. King in the following proceedings:

- a. District of Columbia; Docket No. 989; Washington Gas Light Company;
- b. District of Columbia; Docket No. 1016; Washington Gas Light Company;
- c. Georgia; Docket No. 14311-U; Atlanta Gas Light Company;
- d. Georgia; Docket No. 17066-U; Georgia Power Company;
- e. Illinois; Docket No. 02-0690; Illinois-American Water Company;
- f. Kentucky; Docket No. 2002-00145; Columbia Gas Company of Kentucky;
- g. Kentucky; Docket No. 2003-00252; The Union Light, Heat and Power Company;
- h. Maryland; Docket No. 8855; Baltimore Gas & Electric Company;
- i. Michigan; Docket No. U-13808; Detroit Edison Company.

David H. Brown-Kinloch

13. Please provide on a diskette or compact disk a working copy of all Excel spreadsheets used to prepare the exhibits to Mr. Brown-Kinloch's testimony.

14. Please provide paper copies of all work papers used in the preparation of Mr. Brown-Kinloch's testimony and exhibits that were not included as a part of his testimony.

15. On page 5, lines 6-7, of his testimony, Mr. Brown-Kinloch states, “Compared to similar calculations done on other utilities this customer portion is very high. A customer portion around 20% is more typical”

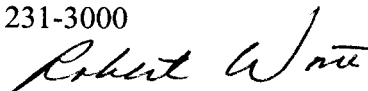
- a. Please provide a copy of all of the “similar calculation done on other utilities” and provide the name of the utility, the date when the calculations were performed, and the analyst or witness who performed the calculations.
- b. For each such “similar calculation,” please describe the methodology that was used; specifically, indicate whether a weighted or unweighted regressions analysis was used.
- c. Please provide all research on which Mr. Brown-Kinloch relied, other than the example in the *NARUC Gas Distribution Rate Design Manual*, to support the statement that a “customer portion around 20% is more typical.”

Dated this 16th day of July 2004.

Respectfully submitted,

Robert M. Watt, III
Roger M. Cowden
Stoll, Keenon & Park, LLP
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000

By



Counsel for Applicant

CERTIFICATE OF SERVICE

This is to certify that the foregoing pleading has been served by mailing a copy of same, postage prepaid, to the following person on this 16th day of July 2004:

Dennis Howard, II, Esq.
Elizabeth E. Blackford, Esq.
Assistant Attorney General
Office of Rate Intervention
1024 Capital Center Drive
Frankfort, KY 40601

Leslye M. Bowman, Esq.
David J. Barberie, Esq.
Lexington-Fayette Urban
County Government
Department of Law
200 East Main Street
Lexington, Kentucky 40507



Counsel for Delta Natural Gas
Company, Inc.