

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN INVESTIGATION OF NATURAL GAS) ADMINISTRATIVE
RETAIL COMPETITION PROGRAMS) CASE NO. 2010-00146

ORDER

This matter arises upon Stand Energy Corporation's ("Stand") motion to compel Delta Natural Gas Company, Inc. ("Delta") to provide complete responses to Stand's data requests issued on July 15, 2010.

Pursuant to the procedural schedule established for this proceeding, Stand issued data requests to Delta on July 15, 2010 and Delta submitted its responses on July 29, 2010. Stand subsequently filed a motion asserting that Delta's data responses were not complete and requesting that the Commission order Delta to file complete responses to Request 1-6 C and Request 1-9 A, B, D, F-1, G, H and I. On September 7, 2010, Delta submitted its response to this motion. The Commission, having reviewed the motion and the response thereto, hereby grants Stand's motion in part and denies in part.

Stand requests, in Request 1-6 C, that Delta identify the total revenues that were paid to and received from Delta's asset manager for 2008 and 2009; identify how the revenues are allocated to the recipients; and identify the nature of the transaction that generated the revenues. In its data response, Delta objects to the request stating that it is not relevant to the subject matter to this proceeding and that disclosure of the requested information would cause competitive harm to Delta, its subsidiaries and its

asset manager. Stand asserts in its motion to compel that Delta has failed to demonstrate how disclosure would harm Delta and that Delta lacks standing to argue harm to its subsidiary. Stand further argues that the requested information is relevant because it will help the Commission and the parties evaluate the lack of competition in Delta's service area and the stranglehold that Delta and its affiliates have on the market share in that area. In its response to the motion to compel, Delta reiterated its argument that the request is irrelevant to this proceeding. The Commission, having considered the arguments of both parties, agrees with Delta that the information is not relevant. The Kentucky General Assembly directed this Commission to investigate whether benefits could be derived from natural gas retail competition programs and how those programs could be designed to derive those benefits. We do not interpret that mandate to include an evaluation on whether there is a current lack of competition. Since we have determined that the information is irrelevant, we do not address Delta's confidentiality arguments.

Stand asserts that Delta should be required to respond to Request 1-9 B, D, F.1, G, H, and I. Since Delta and Stand make the same respective arguments with regard to Request 1-9 B, D and H, we address them together. Delta argues that the information sought in these requests is not relevant to this proceeding and that disclosure could cause Delta and its affiliates competitive harm. Stand asserts that the information requested will not result in competitive harm and that the information is relevant for the purpose of showing that Delta's subsidiaries have a stranglehold on competition in Delta's service area. Having reviewed these requests and the arguments presented, we are not persuaded that competitive harm will result from disclosure nor,

as we explained previously, are we persuaded that the information is relevant for the reason Stand put forth. We do find that the information may assist us in our determination of whether Kentucky's natural gas consumers could benefit from retail competition and, therefore, we direct Delta to provide the information.

With regard to Stand's Request 1-9 F.1, we agree that Delta should provide the requested information. The Commission does not believe that Delta will be harmed by stating whether its gas purchases are made under the same contract with others. We deny Stand's Request 1.9 G that Delta state the percentage of its non-regulated gas supplies that are produced in Kentucky. Stand asserts that this information is relevant to the requirement contained in KRS 278.507. The Commission finds that the information requested is not relevant to this proceeding. Delta's non-regulated affiliate is not subject to the Commission's jurisdiction and is not subject to KRS 278.507.

The Commission finds Stand's request in 1-9 I regarding whether Delta's non-regulated marketing affiliate utilizes Delta's reserved pipeline capacity to deliver gas to its transportation customers is relevant to our investigation herein and we require Delta to respond but deny the remainder of the request as irrelevant. We find that information regarding the availability of Delta's reserved pipeline capacity for the purpose of moving a competitor's gas is relevant, but find also that protective measures regarding codes of conduct can be structured and implemented in any program without expanding the scope of these proceedings.

IT IS THEREFORE ORDERED that:

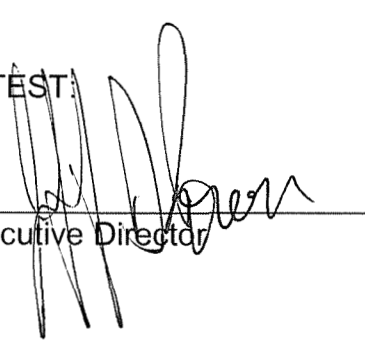
1. Stand's motion to compel is granted in part and denied in part as set forth herein.

2. Delta shall provide the responses to Stand's Request 1.9 B, D, H, F.1, and the first part of I within five days of the date of this Order.

By the Commission

ENTERED *M*
OCT - 1 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Lonnie E Bellar
VP - State Regulation an
Louisville Gas and Electric Company
220 W. Main Street
P. O. Box 32010
Louisville, KY 40202

Mark David Goss
Frost, Brown, Todd, LLC
250 West Main Street
Suite 2700
Lexington, KY 40507

John B Park
Kathernine K. Yunker
Yunker & Park, PLC
P.O. Box 21784
Lexington, KY 40522-1784

John B Brown
Chief Financial Officer, Treasurer
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

Michael T Griffith
ProLiance's
111 Monument Circle Suite 2200
Indianapolis, IN 46204

Carroll M Redford III
Miller, Griffin & Marks, PSC
271 W Short Street, Suite 600
Lexington, KY 40507

Judy Cooper
Manager, Regulatory Services
Columbia Gas of Kentucky, Inc.
2001 Mercer Road
P. O. Box 14241
Lexington, KY 40512-4241

Honorable Lisa Kilkelly
Attorney at Law
Legal Aid Society
416 West Muhammad Ali Boulevard
Suite 300
Louisville, KY 40202

Iris G Skidmore
415 W. Main Street, Suite 2
Frankfort, KY 40601

Rocco D'Ascenzo
Senior Counsel
Duke Energy Kentucky, Inc.
139 East 4th Street, R. 25 At II
P. O. Box 960
Cincinnati, OH 45201

Jeanne Kingery
Duke Energy Business Services, Inc.
155 East Broad Street, 21st Floor
Columbus, OH 43215

Holly Rachel Smith
Hitt Business Center
3803 Rectortown Road
Marshall, VA 20115

Honorable John M Dosker
General Counsel
Stand Energy Corporation
1077 Celestial Street
Building 3, Suite 110
Cincinnati, OH 45202-1629

Brooke E Leslie
Columbia Gas of Kentucky, Inc.
200 Civic Center Drive
P.O. Box 117
Columbus, OH 43216-0117

Honorable Robert M Watt, III
Attorney At Law
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KY 40507-1801

Trevor L Earl
Reed Weitkamp Schell & Vice PLLC
500 West Jefferson Street
Suite 2400
Louisville, KY 40202-2812

Honorable Matthew R Malone
Attorney at Law
Hurt, Crosbie & May PLLC The Equus Building
127 West Main Street
Lexington, KY 40507

Katherine K Yunker
John B. Park
Yunker & Park, PLC
P.O. Box 21784
Lexington, KY 40522-1784

Thomas J FitzGerald
Counsel & Director
Kentucky Resources Council, Inc.
Post Office Box 1070
Frankfort, KY 40602

Mark Martin
VP Rates & Regulatory Affairs
Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303