

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL GAS	)	
COMPANY, INC. FOR AN ORDER DECLARING	)	CASE NO.
THAT IT IS AUTHORIZED TO CONSTRUCT,	)	2013-00365
OWN AND OPERATE A COMPRESSED	)	
NATURAL GAS STATION IN BEREA,	)	
KENTUCKY	)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION  
TO INTERSTATE GAS SUPPLY INC. AND CLEAN ENERGY FUELS CORP.

Interstate Gas Supply, Inc. ("IGS") and Clean Energy Fuels Corp. ("Clean Energy") (hereinafter collectively "Movants"), pursuant to 807 KAR 5:001, are to file with the Commission the original and 12 copies of the following information, with a copy to all parties of record. The information requested herein is due on or before April 11, 2014. Responses to requests for information shall be appropriately bound, tabbed and indexed. 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 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.

Movants shall make timely amendment to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Movants fail or refuse to furnish all or part of the requested information, they 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.

1. State the number of Compressed Natural Gas (“CNG”) facilities that IGS CNG Services (“IGS”) has built, has currently under construction, or is actively planning. How many of these facilities are in Kentucky? List the locations of existing or future IGS CNG facilities in Kentucky.

2. List the total number of CNG fueling stations that IGS provides fuel to in Kentucky. The response should include the location of each of these CNG fueling stations.

3. State the number of CNG facilities that Clean Energy Fuel Corp. (“Clean Energy”) has built, has currently under construction, or is actively planning. How many of these facilities are in Kentucky? The response should include the location of the existing or future facilities.

4. List the total number of CNG fueling stations that Clean Energy provides fuel to in Kentucky. The response should include the location of each of these CNG fueling stations.

5. Refer to Movant's Motion to Intervene, page 2, first full paragraph, which states ". . . Clean Energy is the largest provider of natural gas fuel for transportation in North America, fueling of over 30,000 vehicles each day at approximately 400 plus fueling stations throughout the United States and Canada." List how many are CNG fueling stations and how many are liquefied natural gas ("LNG") fueling stations. How many of each are located in the United States? How many of each are located in Kentucky?

6. Refer to page 7, lines 9-10, of the Direct Testimony of Dave Mrowzinski, ("Mrowzinski Testimony") specifically, the sentence that states, "While, we have seen 38 cents per CCF of natural gas in the past, historically, the NYMEX has traded much higher." Identify the historic period being referenced.

7. Refer to page 7, lines 12-13, of the Mrowzinski Testimony, specifically, the sentence that states, "Therefore, I believe a more reasonable estimate for the cost of gas is 50 cents per CCF over the long run, if not higher." Identify the period of time Mr. Mrowzinski considers to be "the long run."

8. Refer to the paragraph beginning at page 7, line 21, and ending at page 8, line 7, of the Mrowzinski Testimony.

a. Provide calculations and/or reference documents which support the estimate of "about 20 cents per GGE" for electric compression costs. Explain the

reasonableness of this estimate given the national range of four to 12 cents stated in the NGVAmerica slide provided as Exhibit 1 to the testimony.

b. Provide calculations and/or reference documents which support the estimate of 49 cents per gas gallon equivalent (“GGE”) for state and federal road tax in Kentucky.

c. The NGVAmerica slide provided in Exhibit 1 shows a range of 20 to 50 cents per GGE for compressor maintenance. Provide any other calculations and/or reference documents which support the estimate of 30 cents per GGE for compressor maintenance, and explain whether this estimate is consistently applicable regardless of the GGE volumes.

9. Refer to the first full sentence on page 14 of the Mrowzinski Testimony, which begins, “Further, in states that have allowed the NGDCs to recover costs through the rate base. . . .”

a. Identify all of the states that have allowed natural gas distribution companies (“NGDCs”) to recover station costs through their rate base.

b. For each state identified in the response to part a. of this request, provide the number of CNG stations owned by NGDCs and the number of CNG stations owned by other private entities.

10. Refer to the sentence on page 14, lines 5-6, of the Mrowzinski Testimony, which states “. . . a vast majority of states do not allow the NGDC to recover CNG station costs through the NGDC rate base.”

a. Provide the number of states that do not allow CNG station costs to be recovered by the NGDC through NGDC’s rate base.

b. Identify the states that have expressly denied a NGDC's request to recover CNG station costs through rate base or have enacted legislation prohibiting such recovery.

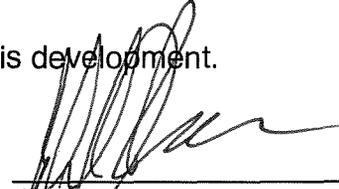
11. Refer to page 15, lines 9-10, of the Mrowzinski Testimony. Describe the different tax credits that are available for CNG and natural gas vehicles in Utah.

12. Refer to page 7, lines 14-23, of the Direct Testimony of John B. Brown, ("Brown Testimony") and to Brown Exhibit III, which describe a study by the Science Application International Corporation prepared for the American Gas Foundation in September 2012, titled "Natural Gas as a Transportation Fuel – Models for Developing Fueling Infrastructure," which addresses three models of CNG vendors: Commercial models, Non Rate-based models, and Rate-based models. According to Mr. Brown, Delta believes that the Rate-based Model is the appropriate model for Delta's proposed fueling station. Do Movants agree with Delta's position? Explain.

13. Refer to Exhibit 1 of the Direct Testimony of Matthew D. Wesolosky, ("Wesolosky Testimony") which shows the estimated CNG project cost for Delta's proposal. Do IGS and Clean Energy agree with these estimated costs? Explain whether each listed item would reasonably be required for the proposed project and whether each listed item is reasonably priced.

14. Refer to page 12, lines 7-9 of the Mrowzinski Testimony, which state "approval of Delta's CNG station application will hinder the development of CNG infrastructure over the long run, and should be rejected for this reason as well." Describe the existing and historical development of private, self-supporting CNG infrastructure in Kentucky, built and operated without ratepayer subsidization.

15. Describe the history and current status of commercial CNG fueling stations in Kentucky, and state how previous approval of a rate-based CNG project such as that proposed by Delta would have altered this development.



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Public Service Commission  
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DATED MAR 21 2014

cc: Parties of Record

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