

STOLL
KEENON
OGDEN
P L L C

300 WEST VINE STREET
SUITE 2100
LEXINGTON, KY 40507-1801
MAIN: (859) 231-3000
FAX: (859) 253-1093

ROBERT M. WATT, III
DIRECT DIAL: (859) 231-3043
DIRECT FAX: (859) 246-3643
Robert.Watt@skofirm.com

March 20, 2014

HAND DELIVERED

Hon. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40601

MAR 21 2014


PUBLIC SERVICE
COMMISSION

Re: Delta Natural Gas Company, Inc.
Case No. 2013-00365

Dear Mr. Derouen:

Please find enclosed for filing an original and ten copies of the Data Requests of Delta Natural Gas Company, Inc. Propounded to Interstate Gas Supply, Inc. and Clean Energy Fuels Corp., Inc. in the above-captioned case. Thank you in advance for your assistance.

Sincerely,



Robert M. Watt, III

rmw:rmw
Enclosures

cc: Mr. John B. Brown (w/o encl.)
Counsel of Record (w/encl.)

005522.147995/4195014.1

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
MAR 21 2014
PUBLIC SERVICE
COMMISSION

In the Matter of:

**THE APPLICATION OF DELTA
NATURAL GAS COMPANY, INC.)
FOR AN ORDER DECLARING)
THAT IT IS AUTHORIZED TO)
CONSTRUCT, OWN AND OPERATE
A COMPRESSED NATURAL GAS)
STATION IN BERE A, KENTUCKY)**

CASE NO. 2013-00365

* * * * *

**DATA REQUESTS OF
DELTA NATURAL GAS COMPANY, INC.
PROPOUNDED TO INTERSTATE GAS SUPPLY, INC.
AND CLEAN ENERGY FUELS CORP., INC.**

Delta Natural Gas Company, Inc. ("Delta") respectfully submits the following data requests to Interstate Gas Supply, Inc. ("IGS") and Clean Energy Fuels Corp., Inc. ("Clean Energy") to be answered by the date specified in the procedural schedule established by the Kentucky Public Service Commission ("Commission") in this matter on February 24, 2014.

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, IGS and Clean Energy, their witnesses, or their counsel.
2. Please identify by name, title, position, and responsibility the person or persons answering each of these data requests.

3. These requests shall be deemed continuing so as to require further and supplemental responses if IGS or Clean Energy 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 a computer printout, spreadsheet, or other form of electronic media, please identify each variable contained in the document or file that would not be self-evident to a person not familiar with the document or file.

6. If IGS or Clean Energy objects to any request on the ground that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel 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 IGS or Clean Energy, its counsel, or its 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 such a document was 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 a reference to the record where the document is located.

Data Requests

1. What kind of business organization is IGS CNG Services?
 - (a) Please identify all shareholders, members, partners, joint venturers, owners, as applicable, of IGS CNG Services.
 - (b) Does Clean Energy or any of its affiliates have any ownership or equity interest in IGS CNG Services?
 - (i) If so, please quantify such ownership interest.
2. Please produce a corporate organization chart for IGS and all of its affiliated entities.
3. Please produce a corporate organization chart for Clean Energy and all of its affiliated entities.
4. Please describe in detail the relationship, if any, between IGS and Clean Energy.
5. For each compressed natural gas (“CNG”) refueling station owned by IGS or IGS CNG Services, please provide the following:
 - (a) The location of each station;
 - (b) The identity of the operator of each station;
 - (c) The electric compression costs per gasoline gallon equivalent (“GGE”) (in KWH and monthly fixed KW demand charges) of each station;
 - (d) The state and federal road taxes per GGE for each station;
 - (e) Maintenance cost per GGE for the compressor(s) at each station;
 - (f) Natural gas transportation costs per GGE at each station;
 - (g) Credit card transaction merchant fees per GGE at each station;
 - (h) The current sales price of CNG per GGE at each station;
 - (i) The amount of profit or loss for each station for each fiscal year that it has been in operation;

(j) The amount of federal, state and local government tax attributes, credits, rebates, grants and similar incentives that promote the use of natural gas and CNG as a vehicle fuel received, if any, that are attributable to each station.

6. For each CNG refueling station operated (but not owned) by IGS or IGS CNG Services, please provide the following information:

- (a) The location of each station;
- (b) The identity of the owner of each station;
- (c) The electric compression costs per GGE (in KWH and monthly fixed KW demand charges) of each station;
- (d) The state and federal road taxes per GGE for each station;
- (e) Maintenance cost per GGE for the compressor(s) at each station;
- (f) Natural gas transportation costs per GGE at each station;
- (g) Credit card transaction merchant fees per GGE at each station;
- (h) The current sales price of CNG per GGE at each station;
- (i) The amount of profit or loss for each station for each fiscal year that it has been in operation;
- (j) The amount of federal, state and local government tax attributes, credits, rebates, grants and similar incentives that promote the use of natural gas and CNG as a vehicle fuel received, if any, that are attributable to each station.

7. For each CNG refueling station owned by Clean Energy, please provide the following:

- (a) The location of each station;
- (b) The identity of the operator of each station;
- (c) The electric compression costs per GGE (in KWH and monthly fixed KW demand charges) of each station;
- (d) The state and federal road taxes per GGE for each station;
- (e) Maintenance cost per GGE for the compressor(s) at each station;
- (f) Natural gas transportation costs per GGE at each station;
- (g) Credit card transaction merchant fees per GGE at each station;

- (h) The current sales price of CNG per GGE at each station;
- (i) The amount of profit or loss for each station for each fiscal year that it has been in operation;
- (j) The amount of federal, state and local government tax attributes, credits, rebates, grants and similar incentives that promote the use of natural gas and CNG as a vehicle fuel received, if any, that are attributable to each station.

8. For each CNG refueling station operated (but not owned) by Clean Energy, please provide the following information:

- (a) The location of each station;
- (b) The identity of the owner of each station;
- (c) The electric compression costs per GGE (in KWH and monthly fixed KW demand charges) of each station;
- (d) The state and federal road taxes per GGE for each station;
- (e) Maintenance cost per GGE for the compressor(s) at each station;
- (f) Natural gas transportation costs per GGE at each station;
- (g) Credit card transaction merchant fees per GGE at each station;
- (h) The current sales price of CNG per GGE at each station;
- (i) The amount of profit or loss for each station for each fiscal year that it has been in operation;
- (j) The amount of federal, state and local government tax attributes, credits, rebates, grants and similar incentives that promote the use of natural gas and CNG as a vehicle fuel received, if any, that are attributable to each station.

9. Does IGS or IGS CNG Services own or operate any CNG refueling stations in Kentucky?

- (a) If so, please provide the location of each station.
- (b) If not, does IGS or IGS CNG Services have any plans to own or operate any such stations in Kentucky?
- (c) If not, what is the reason(s) that IGS and IGS CNG Services have no such stations in Kentucky?

10. Does Clean Energy own or operate any CNG refueling stations in Kentucky?
- (a) If so, please provide the location of each station.
- (b) If not, does Clean Energy have any plans to own or operate any such stations in Kentucky?
- (c) If not, what is the reason(s) that Clean Energy has no such stations in Kentucky?
11. If Delta were to withdraw its application to construct and operate a CNG refueling station in Berea, Kentucky, in this case, will IGS/IGS CNG Services or Clean Energy commit to construct and operate a CNG refueling station in or near Berea, Kentucky?
- (a) If not and if Delta's application is denied, what options are available to persons in or near Berea, Kentucky, who would like to utilize natural gas vehicles ("NGV")?
- (b) If not, does IGS or Clean Energy believe that it is better for the residents of Berea, Kentucky, to have no access to CNG as a motor vehicle fuel than having the opportunity to purchase from a station built, owned and operated by the local utility?
12. Does either IGS or Clean Energy object to a one station CNG refueling pilot project in Berea, Kentucky?
- (a) If so, state in detail the grounds for such objection.
13. Does either IGS or Clean Energy believe that a one station CNG refueling pilot project in Berea, Kentucky, poses a competitive threat to other CNG refueling stations in the vicinity?
- (a) If so, how many miles away from Berea does the pilot project cease to be a competitive threat to other CNG refueling stations?
14. Please refer to the testimony of Mr. Mrowzinski. Is there a page 2 to his testimony?
15. Please refer to page 3, lines 6-10, of the testimony of Mr. Mrowzinski.
- (a) Is Mr. Mrowzinski a certified public accountant?
- (b) Identify and describe the curriculum of all courses in accounting that Mr. Mrowzinski has completed.
16. Please provide the identification of all employers of Mr. Mrowzinski prior to his employment by the IGS companies together with a complete description of each position held and his duties in such positions.
- (a) Are any such employers regulated utilities?

17. Has Mr. Mrowzinski ever prepared, or supervised the preparation of, any studies, memoranda, testimony or other material regarding regulated utility ratemaking, including, without limitation, revenue requirements, cost of service and cost of capital?

(a) If so, please provide a copy of each document containing such memoranda, testimony or other material regarding regulated utility ratemaking, including, without limitation, revenue requirements, cost of service and cost of capital.

18. Has Mr. Mrowzinski ever completed any course of study regarding regulated utility ratemaking, including without limitation, revenue requirements, cost of service and cost of capital?

(a) If so, for each such course of study, please provide the title of the course, the date(s), the identity of the entity that sponsored or presented the course, the identity of the instructor(s) and the curriculum of the course.

19. Has Mr. Mrowzinski ever prepared, or supervised the preparation of, any studies, memoranda, testimony or other material regarding anti-competitive conduct or business practices?

(a) If so, please provide a copy of each document containing such memoranda, testimony or other material regarding anti-competitive conduct or business practices.

20. Please refer to page 4, lines 3-4, of Mr. Mrowzinski's testimony: "I have overseen the construction of several CNG stations for IGS SNG and I understand both the technical and financial aspects of building, owning and operating CNG stations."

(a) Please set forth in detail all of the technical and financial criteria Mr. Mrowzinski uses when deciding to build a CNG station.

21. Please refer to page 4, line 14, of Mr. Mrowzinski's testimony: "Delta overstates the benefits of building a CNG station for Delta customers."

(a) Please state which benefits of a CNG station that Delta identifies in this case that Mr. Mrowzinski believes are overstated and state the extent to which each is overstated.

(b) Please state which benefits of a CNG station that NGVAmerica identifies in the PowerPoint exhibit to Mr. Mrowzinski's testimony that Mr. Mrowzinski believes are overstated and state the extent to which each is overstated.

22. Please refer to page 7, line 21, through page 8, line 7, of Mr. Mrowzinski's testimony.

(a) Please provide details of the calculations by which Mr. Mrowzinski determined the costs per GGE for electric compression, state and federal road tax, maintenance for the compressor, natural gas transportation and credit card transaction merchant fees set forth in his answer.

(b) Please provide the cost per KWH and the amount of the fixed KW monthly demand charges, together with the identity of the utility, set forth in his answer.

(c) Please produce all work papers, source documents, spreadsheets or other documents utilized to determine the costs, taxes and fees set forth in his testimony. Please provide all spreadsheets in Microsoft Excel format with formulas intact.

23. Please refer to page 9, lines 9-12, in Mr. Mrowzinski's testimony in which he makes reference to variable costs set forth on slide 50 of the NGV America PowerPoint exhibit to his testimony.

(a) How many CNG stations were used to develop the data on slide 50 of the NGV America exhibit?

(b) How many of those CNG stations are owned or operated by regulated utilities?

24. Please refer to page 10, lines 10-15, of Mr. Mrowzinski's testimony.

(a) What is the basis for his statement that the additional \$10,000 for each NGV Delta intends to purchase should be part of the cost of the proposed CNG Station instead of part of depreciation expense as proposed by Delta?

(b) Please include citations to the Uniform System of Accounts and Generally Accepted Accounting Principles in his response.

25. Please refer to page 10, lines 18-19, of Mr. Mrowzinski's testimony: "Given the very limited detail provided on the CNG station Delta intends to build, it is difficult for me to tell whether Delta's CNG station costs are reasonable."

(a) Please explain why the detailed listing of construction costs set forth in Wesolosky Exhibit 1 are insufficient for Mr. Mrowzinski to tell if they are reasonable.

26. Please refer to page 10, lines 20-22, of Mr. Mrowzinski's testimony: "Costs tend to run over when constructing stations, particularly when it is the first CNG station that is being built by a particular entity."

(a) Please provide a list of construction cost overruns by station owned or operated by Clean Energy and identify which cost overruns are attributable to the fact that it was "the first CNG station being built by a particular entity."

(b) Please provide a list of construction cost overruns by station owned or operated by IGS or IGS CNG Services and identify which cost overruns are attributable to the fact that it was "the first CNG station being built by a particular entity."

(c) If the Commission permits Delta to construct, own and operate the station in this case, would IGS or Clean energy, or any of their affiliates, be willing to submit a proposal to construct the station for Delta?

27. Please refer to page 12, lines 7-8, of Mr. Mrowzinski's testimony. What is the basis for his statement that "approval of Delta's CNG Station application will hinder the development of CNG infrastructure over the long run?" The response should include bases in addition to those set forth on page 13, lines 3-11, if any. Please provide copies of, or citations to, all source documents for your answer.

28. Please refer to page 13, lines 4-5, of Mr. Mrowzinski's testimony. What is the basis for his statement that "NGDC's enjoy a lower cost of capital due to the fact that ratepayers will bear all of the risk for CNG station costs?" Please provide copies of, or citations to, all source documents for your answer.

29. Please refer to page 14, lines 2-5, of Mr. Mrowzinski's testimony: "Further, in states that have allowed the NGDCs to recover costs through rate base, you may see ownership of CNG stations from NGDCs, but you see very limited ownership of CNG stations from other private entities."

(a) Please identify each state to which Mr. Mrowzinski refers in this testimony.

(b) For each state identified, please state the number of CNG stations owned by NGDCs and the number of CNG stations owned by "other private entities."

30. Please refer to page 14, lines 5-6, of Mr. Mrowzinski's testimony: "I should note that a vast majority of states do not allow the NGDC to recover CNG station costs through the NGDC rate base."

(a) Please identify each state to which Mr. Mrowzinski refers in this testimony.

(b) For each state identified, please provide citation to the statute, regulation, order or court opinion that does "not allow the NGDC to recover CNG station costs through the NGDC rate base."

Dated: March 21, 2014

Respectfully submitted,

Robert M. Watt, III
Monica H. Braun
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, KY 40507
859-231-3000
robert.watt@skofirm.com
monica.braun@skofirm.com

By Robert Watt

Counsel for Delta Natural Gas Company,
Inc.

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 persons on this 21st day of March 2014.

Dennis G. Howard, II, Esq.
Angela M. Goad, Esq.
Jennifer Black Hans, Esq.
Lawrence W. Cook, Esq.
Assistant Attorneys General
1024 Capital Center Drive
Suite 200
Frankfort, KY 40601-8204

William H. May, III
Matthew R. Malone
Hurt, Crosbie & May, PLLC
The Equus Building
127 West Main Street
Lexington, KY 40507

Robert Watt

Counsel for Delta Natural Gas Company,
Inc.