COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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 Berea, Kentucky	)))	**Case. 2013-00365**

INTERSTATE GAS SUPPLY INC.'S AND CLEAN ENERGY FUEL CORP.'S CERTIFICATE OF SERVICE REGARDING DATA REQUEST RESPONSES TO THE ATTORNEY GENERAL

Comes Interstate Gas Supply, Inc. and Clean Energy Fuel Corp., by counsel, and hereby certifies that an original and twelve (12) copies of the attached data request responses to the AG were served via hand-delivery upon Jeff Derouen, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40602-0615; furthermore, it was served by mailing a copy by first class U.S. Mail, postage prepaid, on the following, and by electronic mail where available all on this 11th day of April 2014.

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IGS CNG Services and
Clean Energy Fuels Corp.

COMMONWEALTH OF KENTUCKY
BEFORE THE 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,	)	CASE NO.
OWN AND OPERATE A COMPRESSED NATURAL	)	2013-00365
GAS STATION IN BEREA, KENTUCKY	)	

RESPONSE OF INTERSTATE GAS SUPPLY, INC. AND CLEAN ENERGY FUEL CORP. TO THE FIRST SET OF DISCOVERY FROM ATTORNEY GENERAL

FILED: April 11, 2014

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the matter of:	:	CASE NO. 2013-00365
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 BEREA, KENTUCKY	:	

AFFIDAVIT OF DAVE MROWZINSKI

Comes the undersigned, Dave Mrowzinski, being duly sworn, deposes and states that he is the CNG Program Manager for IGS CNG, that he has personal knowledge of the matters set forth in the foregoing discovery responses, said responses were prepared by him and under his direction and supervision, if inquiries were made as to the facts in said responses he would respond as therein set forth and the answers contained therein are true and correct to the best of his knowledge.

Dave Mrowzinski

STATE OF OHIO)
COUNTY OF Franklin)

Subscribed and sworn to me this 11 day of April, 2014, by Dave Mrowzinski.

Notary Public

My Commission Expires: N/A

RONALD L. WATERMAN
Attorney At Law
Notary Public, State of Ohio
My Commission Has No Expiration
Section 147.03 R.C.

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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 Berea, Kentucky	))))	Case No. 2013-00365

RESPONSE OF INTERSTATE GAS SUPPLY, INC. AND CLEAN ENERGY FUEL CORP. TO THE FIRST SET OF DISCOVERY FROM ATTORNEY GENERAL

In response to Attorney General's ("AG") First Set of Discovery to Interstate Gas Supply Inc. ("IGS") and Clean Energy Fuel Corp ("Clean Energy") collectively ("The Parties") submits the following:

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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 Berea, Kentucky	))))	Case No. 2013-00365

Question No. 1 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.1. Please reference the testimony of Mr. Mrowzinski in general. Provide a copy of the witness' curriculum vitae.

RESPONSE:

Please see CV attached as IGS Request for Document Production 1.

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Question No. 2 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.2. Please reference the testimony of Mr. Mrowzinski at page 1. The page displays the following: "Direct Testimony of Dave Mrowzinski" and "On behalf of IGS CNG Services and Clean Energy Fuels Corp." Is the witness testifying on behalf of both parties? If so, explain the nature of his testimony which indicates that he is employed by IGS CNG and does not, at any point in his testimony, reference Clean Energy.

RESPONSE:

Mr. Mrowzinski is employed by IGS CNG Services but his testimony is on behalf of both IGS and Clean Energy Fuels Corp. IGS and Clean Energy have agreed to participate in this proceeding jointly (although we reserve our right to participate individually) to save resources, avoid duplicative arguments and save the time and resources of other parties participating in the proceeding and the Commission.

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Question No. 3 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.3. Please reference the testimony of Mr. Mrowzinski in general. Provide a chart illustrating the corporate structure of IGS including the relationship between IGS and IGS CNG Services (IGS CNG).

RESPONSE:

Please see corporate structure chart attached as IGS Request for Document Production 2.

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Question No. 4 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.4. Please reference the testimony of Mr. Mrowzinski at page 3, lines 9-11. Describe in detail IGS CNG's "25 years of experience serving retail natural gas customers and has extensive institutional knowledge about the operations of natural gas markets in Kentucky and in other states" and at page 4, lines 3-5 whereat he states "I have overseen the construction of several CNG stations for IGS CNG and I understand both the technical and financial aspects of building, owning, and operating CNG stations." In the description, provide at least the following:

a. Years of experience in the operations and maintenance of compressed natural gas fueling stations for the public,

Approximately 2 ½ years.

b. Specific details of the experience,

IGS entered an agreement to partner with the City of Dublin for the construction of a CNG station over 3 years ago. IGS began operation a CNG station open to the public, in a partnership with the City of Dublin approximately 2 years ago. IGS has since completed constructed and owns and operates 3 CNG stations in West Virginia. IGS also is currently constructing a station in Youngstown, Ohio which will open in June and just announced the construction of another station in Findlay, Ohio. IGS also supplies the natural gas to a number of other CNG stations.

c. Number of stations, with locations for each one (by state and city), owned by IGS CNG,

See response to discovery request 4(b).

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Question No. 4(d)-(f) of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

d. Number of stations, with locations for each one (by state and city), operated by IGS CNG,

See response to discovery request 4(b).

e. Number of stations, with locations for each one (by state and city), maintained by IGS CNG, and

See response to discovery request 4(b).

f. A listing of the IGS CNG's competitors in the compressed natural gas fuelling station industry in each state in which it has a fueling station.

Objection this question is overly broad, overly burdensome and vague. Without waiving these objections, the following is a list of major competitors of IGS CNG Services throughout the United States: Clean Energy, Trillium Fuels, U.S. Oil and Gain Clean Fuels., O' Ring. Further, www.cngnow.com contains a list of active and planned user reported stations.

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Question No. 5 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.5. Please reference the testimony of Mr. Mrowzinski in general. Provide a chart illustrating the corporate structure of Clean Energy Fuels Corp.

RESPONSE:

Please see corporate structure chart attached as Clean Energy Request for Document Production 1.

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Question No. 6 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.6. Please reference the testimony of Mr. Mrowzinski in general. Regarding Clean Energy Fuels Corp., provide the following:

a. Years of experience in the operations and maintenance of compressed natural gas fueling stations for the public,

Clean Energy Fuels Corp. is a publicly traded company and a description of Clean Energy's experience can be found in its 10 K on its investor relations website at: http://investors.cleanenergyfuels.com/sec.cfm

b. Specific details of the experience,

See response to question 6(a)

c. Number of stations, with locations for each one (by state and city), owned by Clean Energy Fuels Corp.,

Objection, this question is overly broad burdensome in that Clean Energy owns, operates or supplies hundreds of stations large and small and public and private with varying different contractual relationships for each station. Without waiving this objection as of December 2013 Clean Energy Clean Energy owned, operated or supplied 471 natural gas stations in 38 different states and Canada. A Clean Energy station locator can be found at the following website:

http://www.cnglngstations.com/

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Question No. 6(d)-(f) of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

d. Number of stations, with locations for each one (by state and city), operated by Clean Energy Fuels Corp.,

See response to discovery question 2(c).

e. Number of stations, with locations for each one (by state and city), maintained by Clean Energy Fuels Corp., and

See response to discovery question 2(c).

f. A listing of the competitors in the compressed natural gas fuelling station industry in each state in which Clean Energy has a fueling station.

See response to discovery question 2(c).

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Question No. 7 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.7. Please reference the testimony of Mr. Mrowzinski at page 3, line 21 whereat he states "I have worked at IGS companies for the past six years..." Provide the positions that Mr. Mrowzinski has held with a description of the responsibilities he has held "over the past six years" and designate under which IGS Company each specific position was held.

RESPONSE:

Please refer to Mr. Mrowzinski's attached CV attached as IGS Request for Document Production 1.

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Question No. 8 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.8. Please reference the testimony of Mr. Mrowzinski at page 4, lines 1-3 whereat he states: "Currently, I oversee the business development and strategic build out of the IGS CNG stations and corridor development." Explain in detail what the witness means with this statement.

a. Does this statement also apply to Clean Energy? If not, explain why not?

No. Mr. Mrowzinski does no work for Clean Energy.

b. If not, provide the name and title of the person at Clean Energy who has a similar position.

Jeff Ricketts - Director of Construction at Clean Energy.

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Question No. 9 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.9. Please reference the testimony of Mr. Mrowzinski at page 4, lines 5-6 whereat he states: "I have also had the opportunity to participate in dozens of CNG related panels and technical presentations throughout the region."

a. Provide a list of the panels in which the witness has participated.

List of Public Panels and Presentations Mr. Mrowzinski participated in over the last two years listed below.

i. Ohio Society of Professional Engineers
ii. IMFA Presentation
iii. TBEIC Builders Exchange (4 presentations around Ohio over the course of 2 weeks)
iv. Ohio Gas Association Tech Seminar (3 years in a row)
v. Ohio Gas Association Market Seminar
vi. Presentation to the Southern Weights & Measurers Association
vii. City of Dublin, Ohio Lunch and Learn
viii. Independence Ohio Lunch and Learn
ix. Youngstown State University Sustainable Energy Forum
x. Toledo "NGV Day" presentation
xi. Greater Cleveland Auto Dealers Association
xii. Brookfield, OH Lunch and Learn
xiii. Advanced Energy Economy Symposium Moderator
xiv. SS&G Natural Gas Briefing panel
xv. West Virginia "NGV Expo"
xvi. GCEC Cambridge NGV Panel
xvii. NOPEC Lunch and Learn
xviii. Dayton Ohio "NGV Day"
xix. General Electric's "Home Fueling Summit"
xx. Lorain County Community College "NGV Day"
xxi. Cincinnati "NGV Day"

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Question No. 9(b) of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

b. Provide copies of any and all materials that the witness drafted, produced, sponsored or in which the witness otherwise participated that were produced or presented at or during the panels.

Please see presentation materials attached as IGS Request for Document Production 3.

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Question No. 10 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.10. Please reference the testimony of Mr. Mrowzinski in general. Identify any and all certifications that he has in operating and running a CNG fueling station. If the witness does not possess any such certifications, please identify who, by name and title, at IGS CNG does possess such certifications and identify those certifications and licenses.

RESPONSE:

Mr. Mrowzinski possesses the following certifications:

i. *ANGI Training School (IGS' main equipment vendor)*
ii. *Ariel School - CNG Mechanics Training*
iii. *CSA Certified CNG Fuel Systems Inspector*

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Question No. 11 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.11. Please reference the testimony of Mr. Mrowzinski in general. Identify any and all certifications that Clean Energy has in operating and running a CNG fueling station. Please identify who, by name and title, at Clean Energy who possess(es) any certifications and identify those certifications and licenses.

Objection. This question is overly broad, unduly burdensome and vague. Clean Energy is publicly traded company that over a thousand of employees that are involved with the operation on CNG at various different levels and it would be unreasonable to require Clean Energy to provide a list by name of all Clean Energy Employees and their certifications that relate to CNG.

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Question No. 12 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.12. Please reference the testimony of Mr. Mrowzinski at page 7, lines 2-4. Provide any and all resource documents that definitively confirm the following statement by the witness: "the rule of thumb in the industry is that 1 CCF of gas will yield approximately 0.8 GGE. This is common knowledge for anyone that owns and operates a CNG station, and it also comports with the calculations made above showing that 1 CCF = 0.79 GGE."

RESPONSE:

Please visit the U.S. Department of Energy site listed on page 5, line 4 of Delta's, Witness Wesolosky and review the conversion equation which states:

"126.67 cu. ft. of CNG has 100% of the energy of one gallon of gasoline"

Using that conversion ratio , which Delta relies on in its testimony, 1 CCF = 0.79 GGE.

The department of energy site can be found at:

http://www.afdc.energy.gov/fuels/fuel_comparison_chart.pdf

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Question No. 13 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.13. Reference the testimony of Mr. Mrowzinski at page 7, lines 9-13. Please provide the analyses, reports, studies or other documentation the witness relies upon to support his assertions that "[w]hile, we have seen 38 cents per CCF of natural gas in the past, historically, the NYMEX has traded much higher. Also, the forward curves on the NYMEX indicates that future prices of natural gas will be significantly higher than 38 cents a CCF. Therefore, I believe a more reasonable estimate for the cost of gas is 50 cents per CCF over the long run, if not higher."

RESPONSE:

In the last 10 years the overall average price for natural gas during that period was 56 cents per CCF. Please see:

http://www.eia.gov/dnav/ng/hist/rngwhhdA.htm

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Question No. 14 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.14. Please reference the testimony of Mr. Mrowzinski at page 7, lines 16-18. Provide a mathematical breakdown of how the witness arrives at his estimation of actual cost of the CNG per GGE as 62.5 cents, which is over 100% higher than the 30 cents per GGE Mr. Wesolosky estimates.

RESPONSE:

Mr. Mrowinski arrives at 62.5 cents by taking the 50 cents per CCF cost of gas and then using the 0.8 conversion ration from CCF to GGE. This leads to an equation of 50/0.8=62.5 cents.

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Question No. 15 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.15. Reference the testimony of Mr. Mrowzinski at pages 7 and 8 whereat he testifies that Delta's witness does not include numerous cost components in his calculations. Please provide all analyses, reports, studies or other documentation of how Mr. Mrowzinski reaches his estimates of compression costs, state/federal road tax, maintenance for the compressor, natural gas transportation costs, and credit card transaction merchant fees.

RESPONSE:

Objection this question is overly burdensome, overly broad and overly vague. Without waiving objections, Mr. Mrowzinski's estimates are based on variables that go into electric compression including, demand charges, KWH charges, utility customer's fees, and station usage. Mr. Mrowzinski's estimates on maintenance are based on, schedules site visits, oil costs and wear and tear on equipment among other miscellaneous maintenance costs that are associated with the station. Credit card fees are a percentage of total amount charged and typically run 1.5 to 3 percent. Credit card fee estimates are based on vendors that IGS deals with at its stations. Natural gas transportation estimates are based on utility natural gas utility transportation costs and station usage. Mr. Mrowzinski's tax estimates are based on publicly available information on state and federal road taxes in Kentucky; provided Mr. Mrowzinski or IGS CNG Services does not provide tax advice. Accordingly, any discussion of U.S. tax matters included herein (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) promoting, marketing, or recommending to another party any transaction or matter addressed herein, or (ii) avoiding U.S. tax-related penalties.

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Question No. 16 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.16. Reference the testimony of Mr. Mrowzinski at page 10, lines 19-22. Please provide documentation/explanation supporting the following testimony: "Construction costs for CNG stations can range from $700,000 to $4,000,000 or more. However from my experiences, costs tend to run over when constructing stations, particularly when it is the first CNG station that is being built by a particular entity." Please provide specific examples that support the testimony.

RESPONSE:

Objection this question is overly burdensome, overly broad and overly vague. Without waiving objections, IGS CNG Services considers its own construction cost of stations confidential information. Quotes for suitable fast-fill stations can be obtained from a number of CNG packagers. ANGI, JW Power, and Bauer just to name a few. The range given was based on real life numbers from station design/build quotes where Mr. Mrowzinski's has been involved.

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Question No. 17 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.17. Please reference the testimony of Mr. Mrowzinski at page 10, lines 22-24, "Delta does not propose to limit the rate payer risk for any excess station costs and thus presumably ratepayers will be exposed to the risk of cost overruns." Please elaborate on what is meant by "risk of cost overruns."

RESPONSE:

Mr. Mrowzinski means by "risk of cost overruns", that any additional costs that Delta will incur by constructing, owning and operating CNG station, in excess of the cost estimates Delta has provided in its testimony, will be borne by Delta ratepayers, and not by Delta.

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Question No. 18 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.18. Reference the testimony of Mr. Mrowzinski at page 10 whereat he testifies that "Delta does not appear to account for the incremental costs of purchasing natural gas vehicles ("NGV") in its revenue requirement calculations. Typically the NGVs of the size Delta would be utilizing cost approximately $10,000 more than the incremental vehicle costs estimated in the analysis that Delta needs to recover from ratepayers in order to break even. Because Delta intends to purchase 11 natural gas vehicles as part of its project, Delta should add an additional $110,000 to its project costs." Please provide any and all analyses, reports, studies or other documentation that support the above testimony, that the size of the natural gas vehicle(s) that Delta needs would cost approximately $10,000 more than the incremental vehicle costs estimated in the analysis.

RESPONSE:

NGV America in the presentation cited in Mr. Mrowzinski's testimony lists conversion costs at approximately $10,000 in excess of the tradition gasoline vehicles for the type of vehicles Delta seeks to convert. Further, any EPA certified CNG conversion company, which will give a quote for conversions in this range. The following companies can provide a quote: IMPCO Automotive; AGA Systems, Inc.; NatGASCar.

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Question No. 19 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.19. Reference the testimony of Mr. Mrowzinski at page 11, lines 3-7 whereat he testifies that he does not expect Delta to get the public use it needs to meet its revenue requirements for the CNG station. Specifically, Mr. Mrowzinski testifies that "From my experience it takes a long time for public station usage to ramp up. Also, typically before a station is built, a station owner will obtain firm commitments from a number of surrounding fleets to use that station. Delta does not appear to have done this, other than from its own small fleet. In my opinion it will be extremely difficult for Delta to obtain the public sales it needs to meet its projected revenue requirements." Please provide typical examples of what IGS and/or Clean Energy Fuel Corp. have as "surrounding fleets with firm commitments."

RESPONSE:

For example, IGS has obtained commitments for companies like Antero Resources, Chesapeake Energy and EQT for its stations in West Virginia to commit to using a minimum amount of CNG at the station before the station has been constructed. Further, IGS has invested in hiring 3 sales representatives (one recent hire whose territory is in Kentucky) to promote the stations we build so that we can achieve suitable returns for our large investment in CNG infrastructure. IGS has chosen to make this investment in sales representatives because we believe it is necessary for the success of our industry.

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Question No. 20 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.20. Please provide the projected cost for natural gas, gasoline (RBOB), and diesel for as many years as available from the EIA, and provide IGS and Clean Energy Fuel Corp.'s own forecasts, and any other forecasts relied upon in the testimony.

RESPONSE:

The only forecasts that IGS and Clean Energy rely on are from the NYMEX futures prices. Below are the websites for EIA and NYMEX for information on futures prices.

http://www.eia.gov/ *http://www.cmegroup.com/company/nymex.html*

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Question No. 21 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.21. Please reference Mr. Mrowzinski's testimony at page 12, lines 17-19 where he affirms "Yes, I do agree with Witness Brown that there are great benefits derived from using CNG as a vehicle fuel. CNG is domestically produced and creates less air pollution than gasoline or diesel." Provide a copy of any and all analyses, reports, studies or other documentation that support this statement.

RESPONSE:

This statement is supported from the slide presentation Mr. Mrowzinski included in his presentation from NGV America.

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Question No. 22 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.22. Reference the testimony of Mr. Mrowzinski at page 13, lines 23-24 and page 14, lines 1-2 where he declares that "IGS CNG will not enter a market where a NGDC is the owner and operator of a CNG station. It makes no economic sense for IGS CNG to invest its dollars in a market where an NGDC can recover its station costs through all distribution ratepayers while IGS CNG would have to recover its station costs through actual CNG sales." Please provide a list of examples of IGS CNG not entering the market where a NGDC already owned and operated a CNG station.

RESPONSE:

Objection this question is overly vague and overly burdensome. Without waiving the objection, none of the CNG stations that IGS owns or operates are in territories that contain CNG stations owned by a NGDC.

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Question No. 23 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.23. Please reference Mr. Mrowzinski's testimony at page 13, lines 14-20, whereat he testifies that "CNG station owners must work with the NGDC before the CNG station is constructed and disclose confidential and competitively sensitive information to the NGDC, such as potential station site. Further, the NGDC would have incentive to not cooperate with a potential competitive CNG station owner on things such as pipeline extension and interconnection for a CNG station, because the new station would be competing against the NGDC's station. All of this would put privately built stations at an undue competitive disadvantage in the market place."

a. Please provide a list of the required confidential and competitively sensitive information that a CNG station must disclose to a NGDC before the CNG station is constructed.

Before any company wishes to build a CNG station, they must check with the utility to determine whether potential CNG sites have adequate natural gas pipeline pressure and volume. Therefore, a CNG owner must disclose to the utility potential locations which the owner believes would be good to construct a CNG before CNG construction plans are finalized. Much like any retail business, location is extremely important. Therefore, the utility would have the opportunity to know where good locations are to build CNG stations, which otherwise would not be available to the public.

b. Provide specific examples of a NGDC not cooperating with a potentially competitive CNG station owner on issues such as pipeline extension and interconnection for a CNG station, due to competition issues between the NGDC and potential CNG station.

IGS does not operate CNG stations in markets with utilities own and operate CNG stations, thus IGS does not have specific examples of this occurring.

BEFORE THE PUBLIC SERVICE COMMISSION

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 Berea, Kentucky	))))	Case No. 2013-00365

Question No. 24 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.24. Please reference Mr. Mrowzinski's testimony at page 14, lines 2-6 whereat he asserts "in states that have allowed the NGDCs to recover costs through the rate base, you may see ownership of CNG stations from NGDCs, but you see very limited ownership of CNG stations from other private entities. 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 provide specific examples of states that have allowed the NGDCs to recover costs through rate base with limited ownership of CNG stations by private entities.

Utah is an example.

b. Provide a list that references the "vast majority of states" that do not allow the NGDC's to recover the CNG station costs through the rate base.

Objection, this question is overly broad and overly burdensome, in that to answer this question, The Parties would have to know the operations of every utility in every state, which amounts to hundreds, if not thousands, of utilities. Without waiving this objection, Utah is the only state The Parties are aware of that has a large percentage of CNG stations recovered through the rate base. The Parties are also aware that some utilities in California and Georgia are able to recover the cost of CNG compression equipment in the rate base, but other station costs are not recovered through the rate base, and the utility does not own the CNG station in these states. The Parties are not aware of any other state that has widespread recovery of CNG station costs through the rate base. The Parties are also aware of some utilities holding companies own and operate CNG stations, including DTE Gas in Michigan, but the cost of ownership of those stations are borne by utility shareholders, and not ratepayers.

BEFORE THE PUBLIC SERVICE COMMISSION

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 Berea, Kentucky	))))	Case No. 2013-00365

Question No. 25 of AG Data Requests to IGS/Clean Energy

Responding Witness: Dave Mrowzinski

Q.25. Please reference Mr. Mrowzinski's testimony at page 15, lines 8 to 9, whereat he states: "there is a state statute in Utah that allows NGDCs to recover the costs of station infrastructure. Kentucky has no statute." As to this statement, please reference House Bill 560, which was introduced on March 4, 2014, during the current 2014 Regular Session of the Kentucky General Assembly. See: http://www.lrc.ky.gov/record/14RS/HB560.htm.

a. Provide a statutory reference for the "state statute in Utah" and copy of the statute.

Delta's Witness Brown provides the state statute Utah Code §§ 54-4-13.1 and 54-4-13.4 on page 4 of his testimony.

b. Please state whether the witness has reviewed House Bill 560, proposing "to establish a mechanism whereby a natural gas utility may recover part of the cost of building out infrastructure to fueling stations so that the station may offer natural gas as a vehicle fuel"?

Mr. Mrowzinski has not reviewed this language.

c. If yes, and without providing a legal opinion, is the language proposed by House Bill 560 the same or similar to the Utah statute? If not, please explain the differences as understood by the witness.

See response to 25(b).

BEFORE THE PUBLIC SERVICE COMMISSION

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 Berea, Kentucky	))))	Case No. 2013-00365

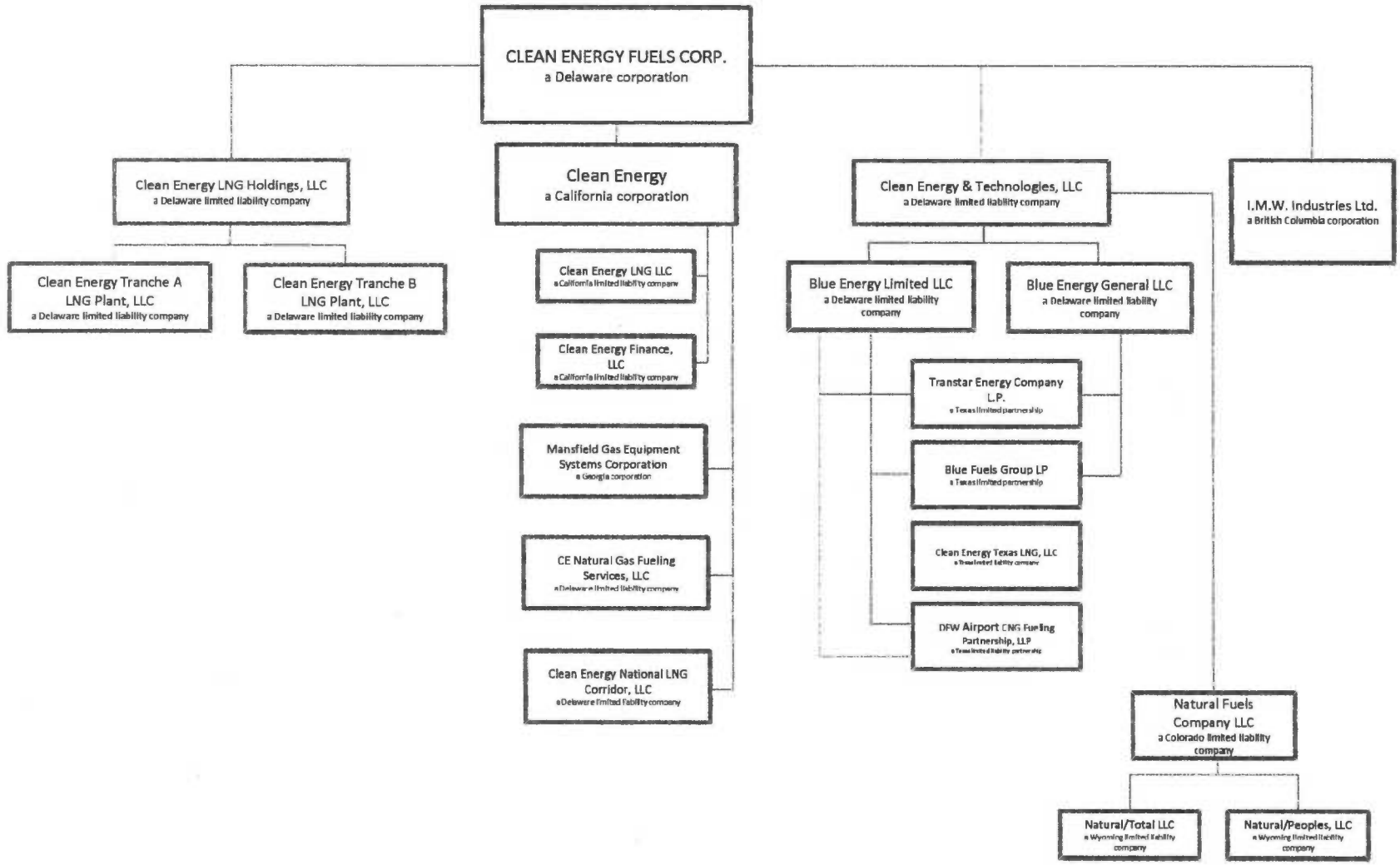
Question No. 25(d) of AG Data Requests to IGS/Clean Energy

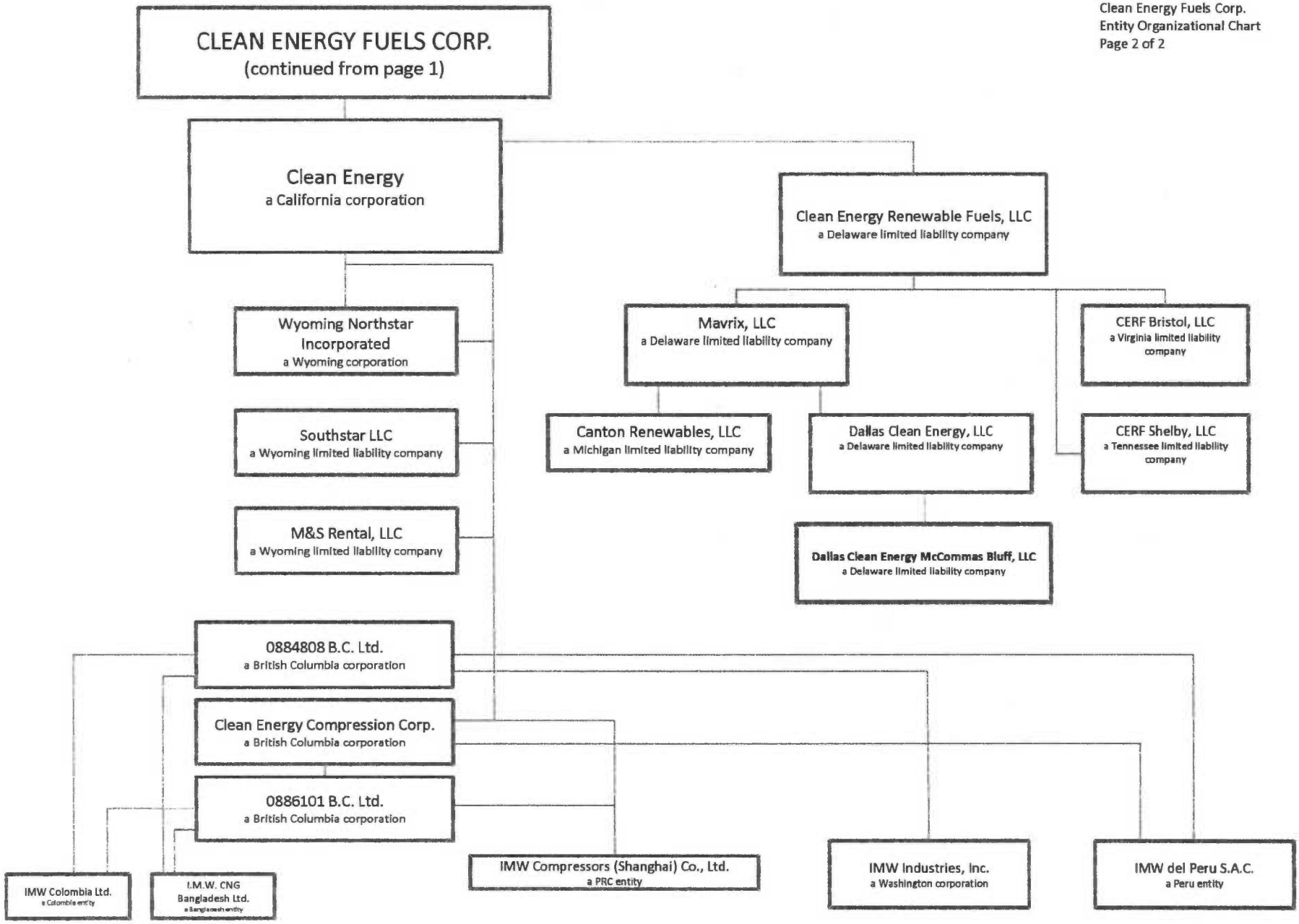
Responding Witness: Dave Mrowzinski

d. Have Interstate Gas Supply, Inc., and/or Clean Energy Fuel Corp., testified regarding House Bill 560 or otherwise provided information to any state legislators regarding House Bill 560? If yes, please provide copies all statements, analyses, documents, correspondence or other material supplied by the companies regarding House Bill 560.

Objection this is overly broad and overly burdensome. Without waiving this objection, The Parties have not testified regarding HB 560.

Clean Energy Fuels Corp.
Entity Organizational Chart
Page 1 of 2




CLEAN ENERGY FUELS CORP.
(continued from page 1)
Clean Energy
a California corporation
Clean Energy Renewable Fuels, LLC
a Delaware limited liability company
Wyoming Northstar Incorporated
a Wyoming corporation
Mavrix, LLC
a Delaware limited liability company
CERF Bristol, LLC
a Virginia limited liability company
Southstar LLC
a Wyoming limited liability company
Canton Renewables, LLC
a Michigan limited liability company
Dallas Clean Energy, LLC
a Delaware limited liability company
CERF Shelby, LLC
a Tennessee limited liability company
M&S Rental, LLC
a Wyoming limited liability company
Dallas Clean Energy McCommas Bluff, LLC
a Delaware limited liability company
0884808 B.C. Ltd.
a British Columbia corporation
Clean Energy Compression Corp.
a British Columbia corporation
0886101 B.C. Ltd.
a British Columbia corporation
IMW Colombia Ltd.
a Colombia entity
I.M.W. CNG Bangladesh Ltd.
a Bangladesh entity
IMW Compressors (Shanghai) Co., Ltd.
a PRC entity
IMW Industries, Inc.
a Washington corporation
IMW del Peru S.A.C.
a Peru entity

DAVID MROWZINSKI

EDUCATION

Ohio State University - Fisher College of Business

- Major: Bachelor of Science in Business Administration
- Specializations: Marketing and Transportation Logistics
- Member and President of Alpha Kappa Psi Professional Business Fraternity, Member of The Logistics Association

CSA Certified CNG Fuel System Inspector

- CSA Certified to inspect high pressure vehicle cylinders and other high pressure components to verify conformance with local and state laws.

Ariel CNG Mechanics Training

- Trained to work on Ariel reciprocating compressors, specializing in Ariel's line of CNG compressors

WORK EXPERIENCE

IGS Energy April 2008 – Present Dublin, OH

Rotational Analyst, Business Analyst, Program Manager

- **IGS CNG Services (Program Manager – May 2011 to Present)**
  - Studied in detail the CNG industry in order to assess the market potential for IGS Energy
  - Responsible for the successful design and construction of all IGS CNG stations while remaining in budget
  - Frequent travel to establish strong relationships with CNG customers, land owners and CNG equipment vendors
  - Created a baseline for the financial model that IGS uses to determine the viability of a CNG station
  - Strong understanding of CNG station economics and financial modeling
  - Created a maintenance program stressing uptime to maximize customer satisfaction
  - Participated on dozens of CNG related panels and technical presentations through the Midwest.
- **Project Management (Business Analyst – April 2010 to May 2011)**
  - Assisted in the development of a new utility billing system for a subsidiary of IGS Energy
  - Developed the requirements for documentation and report generation for metrics
  - Utilized Agile software development methodology to write requirements and run projects
  - Served the C&I department as the dedicated project support rep by gathering requirements for reports, new project requests, and developing enhancements for current software systems
- **Supply Department (Rotation Analyst – December 2009 to March 2010)**
  - Managed the nomination of gas on three pipelines and one utility (Panhandle, Trunkline, Texas Eastern Transmission & Dominion Utility)
  - Responsible for the transportation of roughly 210 million dollars' worth of natural gas during my time in the department
  - Created new spreadsheets to graphically track 15 day forecast changes in order to provide better information to management regarding daily position changes
- **Risk Department (Rotation Analyst – June 2009 to November 2009)**
  - Quickly learned various aspects of the position including, financial trading/hedging skills, financial forecasting, and information about the natural gas and energy industry
  - Responsible for the decision to buy or sell over 1,500 natural gas futures contracts totaling approximately $75 million
  - Utilized advanced Excel skills along with VBA programming skills to improve deal sheets resulting in increased accuracy and efficiency of Commercial and Industrial (C&I) sales representatives
  - Enhanced hedge position sheets in order to more effectively communicate hedge positions and minimize the opportunity for contract purchase mistakes
  - Worked closely with the C&I sales team as well as the operations and legal departments
- **Marketing Department (April 2008 to May 2009)**
  - Vastly expanded and managed IGS Energy's Google AdWords campaign which led to an increase in conversions by over 300%

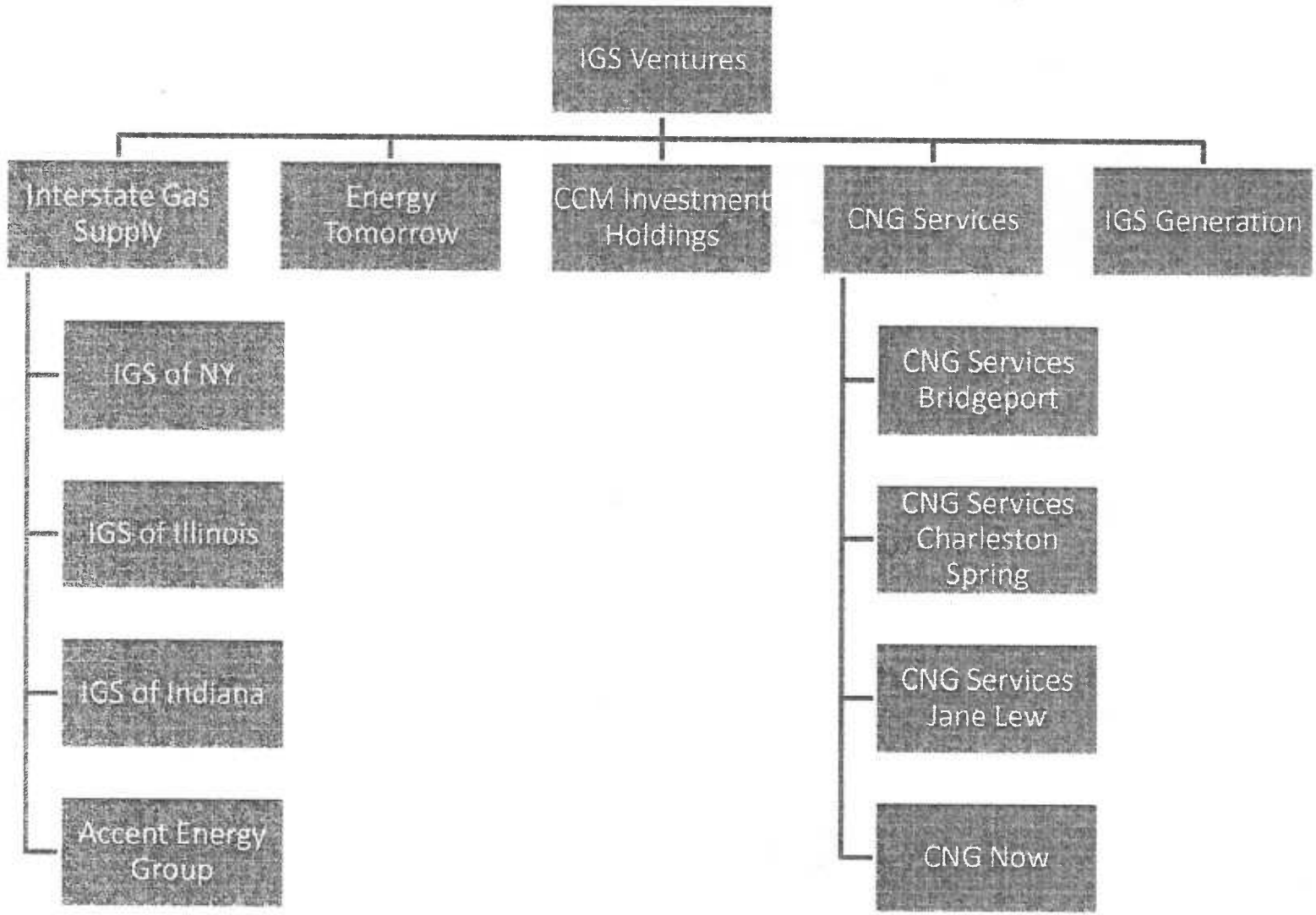
- Assisted in the management of sponsorships with the Columbus Blue Jackets, Cleveland Browns, Columbus Crew and the Dublin Irish Festival
- Designed many different promotional products and worked with various vendors. Placed orders for over $100,000 worth of promo products during my time in the marketing department
- Developed metrics to track the overall success of the different marketing outlets used

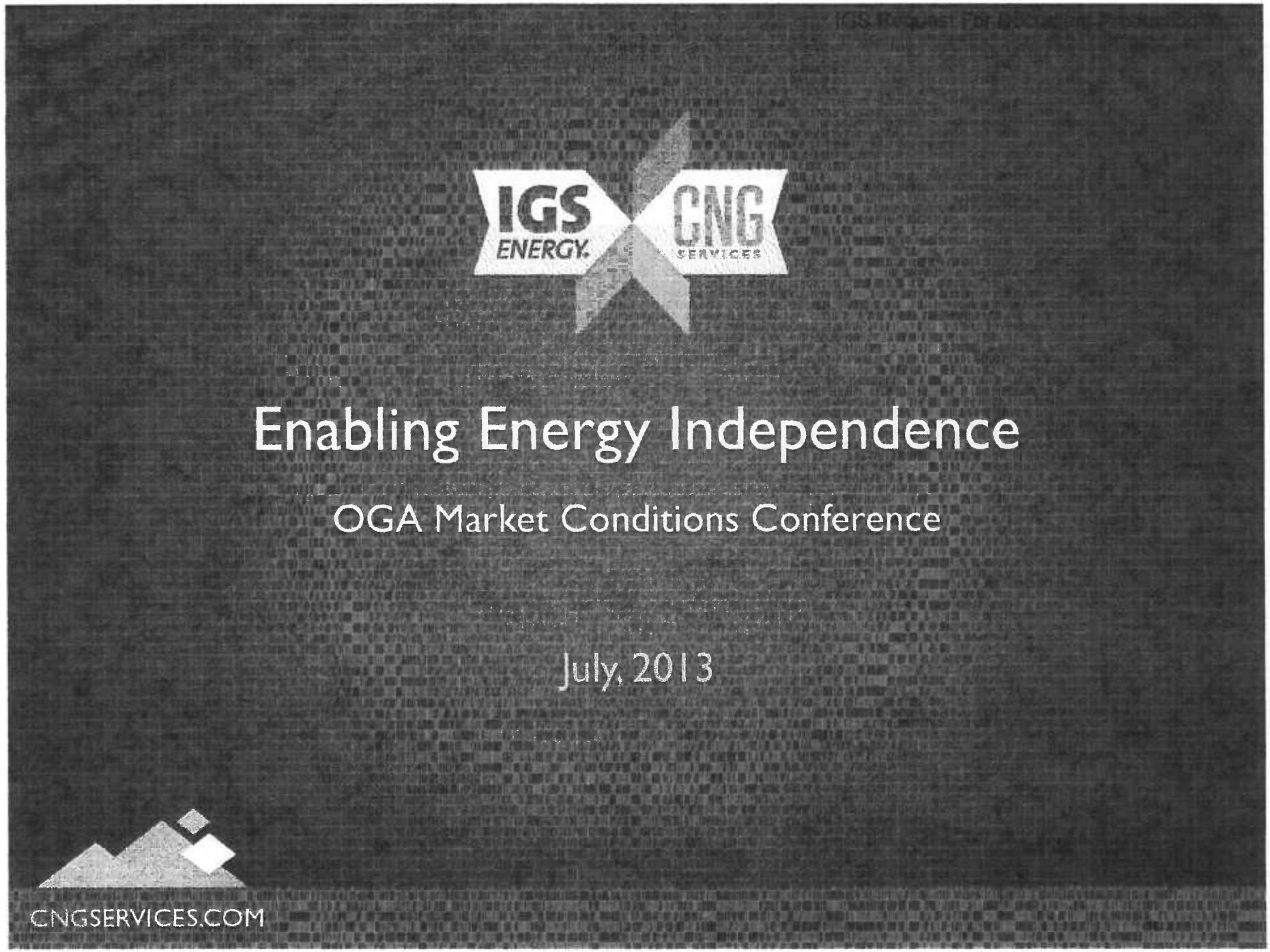
Ashland Inc. June 2006 – April 2008 Dublin, OH

Intern for Ashland Distribution in the Composites Purchasing Department

- Quickly learned necessary skills needed to use SAP computer software and Lotus Notes email system
- Communicated with hundreds of shipping companies and vendors in order to successfully facilitate the transportation of products from vendor manufacturing plants into Ashland warehouses
- Design reports to assist in the more efficient use of inventory which saved the company an average of $100,000 per month
- Utilized SAP databases along with Excel's Macro Visual Basic Application (VBA) in order to maximize the efficiency of users in order to save time and money

IGS Entity Hierarchy




IGS ENERGY
CNG SERVICES
Enabling Energy Independence
OGA Market Conditions Conference
July, 2013
CNGSERVICES.COM

Natural Gas Vehicle Terminology?

- **CNG** = Compressed Natural Gas
- **NGV** = Natural Gas Vehicle

- **GGE** ≈ 125 cubic feet of natural gas
- **DGE** ≈ 140 cubic feet of natural gas

- **Dedicated**: Vehicle that runs on CNG only
- **Bi-Fuel**: Runs on CNG or Gasoline
- **Dual-Fuel**: Runs on CNG and Diesel

What is CNG?

One GGE of CNG ≈ 125 cubic feet of natural gas @ 3,600 psi

Gasoline
Volume: 1 gallon
BTUs: ~114,000 LHV
Cost: $3.69/gallon

Compressed Natural Gas
Volume: Roughly 3.5 gallons
BTUs: ~114,000 LHV
Cost: $2.10/GGE

CNG provides just as much energy as Gasoline at a reduced cost but it does take up more physical space.

What is CNG?

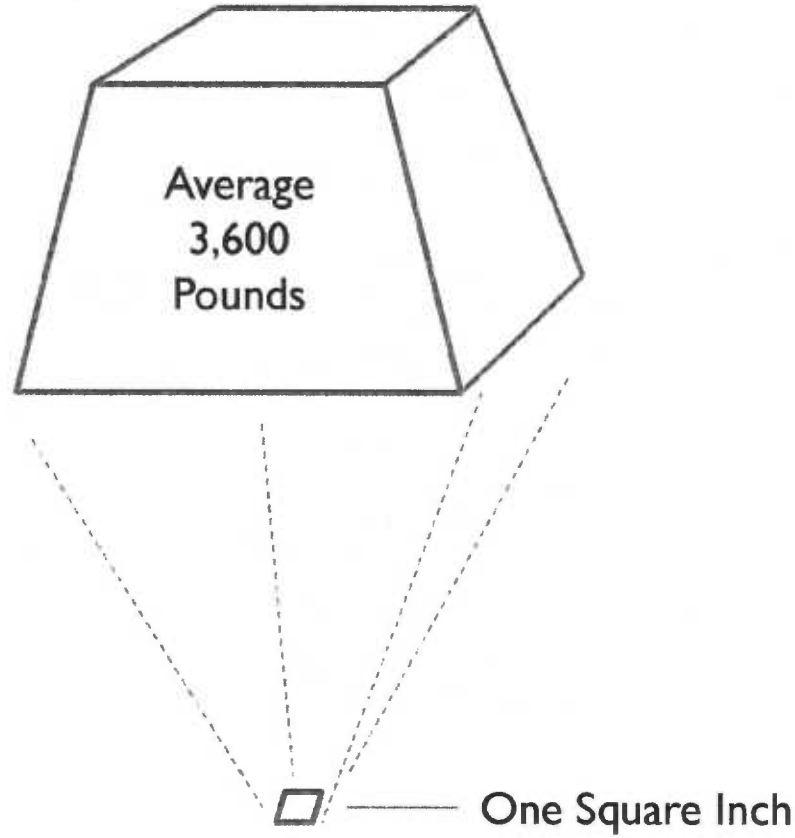
CNG is stored onboard vehicles at **3,600 psi** (US Standard)

Comparable Pressures:

CO2 tanks used in some high-end paintball guns can go up to **4,500 psi**

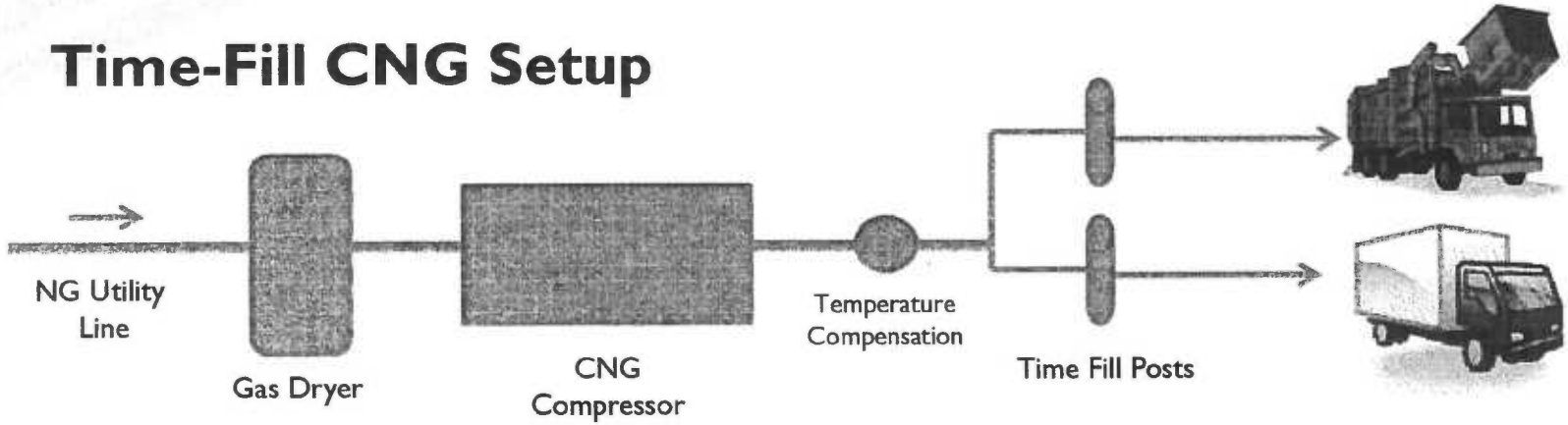
Scuba tanks are pressurized up to **3,000 psi**

Pressure washers can dispense water between **1,000 and 4,000 psi**

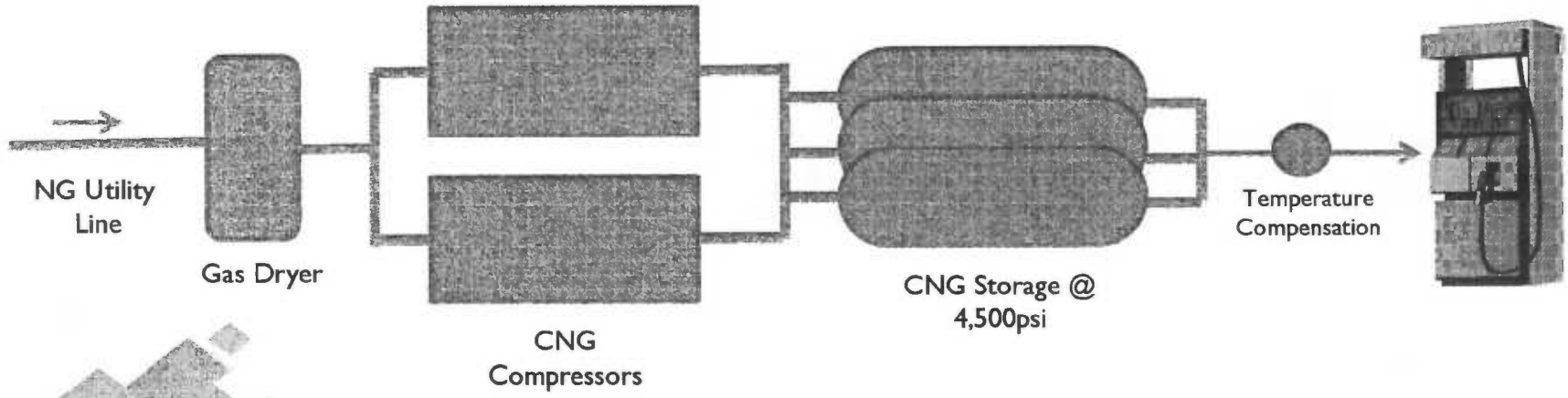


CNG Station Layout

Time-Fill CNG Setup



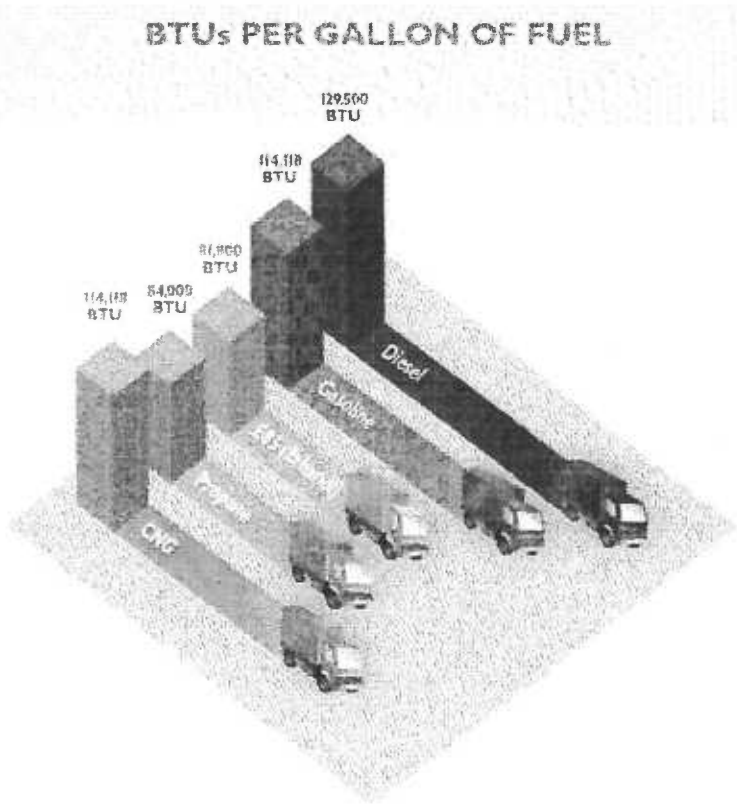
Fast-Fill CNG Setup



CNG vs. Other Fuels

NATIONWIDE AVERAGE PRICE (IN GGEs)

Diesel:	$3.99
E85 (Ethanol):	$4.48
Propane:	$3.70
Gasoline:	$3.69
CNG:	$2.10



Source: U.S. Department of Energy - Clean Cities Alternative Fuel Price Report

Natural Gas Vehicle Use?

Of the 15 million NGVs in the world only 123,000 are located in the United States

People per NGV

South America: 88.8

Europe: 419.95

Asia-Pacific: 517.16

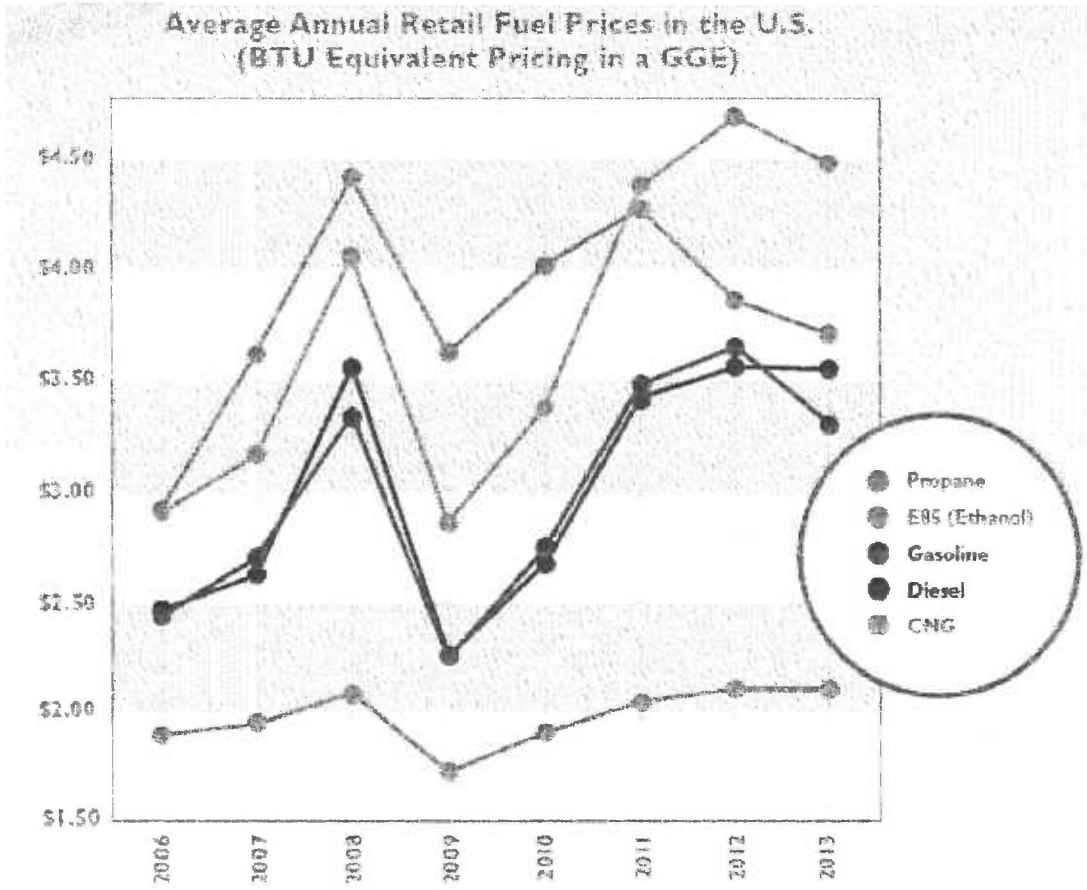
North America: 3,853.5

Africa: 6,496.6

Source: International Association for Natural Gas

Why CNG?

Affordable



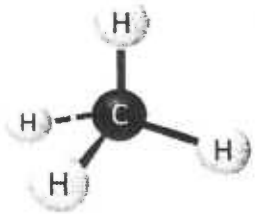
We expect this trend to continue through the foreseeable future.

Source: U.S. Department of Energy, Clean Cities Alternative Fuel Price Report

Why CNG?

Clean

Methane



CH_4

Diesel

$C_{16}H_{34}$

Emissions Reduction

NGVs improve air quality through dramatic reductions in emissions, such as:

- **Reducing carbon dioxide emissions by up to 30%**
- **Reducing carbon monoxide emissions up to 75%**
- **Reducing nitrogen oxide emissions by approximately 50%**
- **Reducing up to 90% of particulate matter emissions**

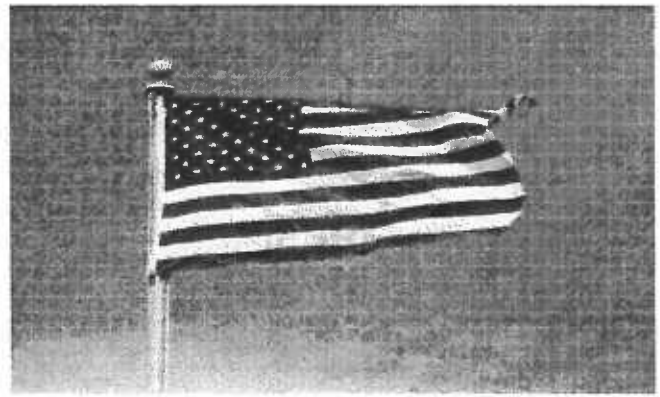
SOURCE: TIAX Report – Full Fuel Cycle Assessment: Well-to-Wheels Energy Inputs, Emissions, and Water Impacts, 08/07 (Prepared for California Energy Commission).

Why CNG?

Domestic

America's Vast Supplies of Natural Gas

- Barrels of Oil Imported by the U.S.
  - 296 Million (In March 2013)
- Money Sent Overseas:
  - $32.1 Billion (In March 2013)



CNG Vehicles

Transit Buses
Brands: Gillig
Incremental Cost: $40,000+

Refuse Trucks
Brands: McNeilus, Autocar, others
Incremental Cost: $32,000+

Light Duty Vehicles
Brands: GM, Honda, Ford, Chrysler
Incremental Cost: $10,000+

CNG Vehicles

(Light Duty)

OEM CNG Vehicles

- Honda Civic
- Chevy Silverado 2500
- Chevy Express Van
- Dodge Ram 2500

EPA Certified Kits for

- Chevy Impala, Malibu
- Ford Focus, Fusion
- Ford Transit Connect
- GMC Sierra
- Chevy Silverado
- Ford F-Series
- Ford E-Series
- Ford Expedition
- Chevy Tahoe, Avalanche
- Dodge Ram
- GM Savanna & Express

... And More

CNG Vehicles

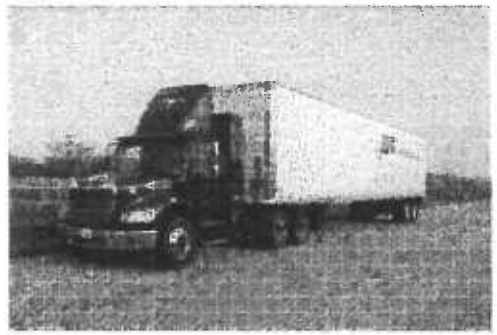
(Heavy Duty)

Cummins ISX12 G

The much anticipated release of this 12L engine is scheduled for August of 2013. This engine will have more power than any other truck CNG engine on the market and dramatically increase CNG penetration.

Cummins ISL-G

8.9L Engine has been the only viable option in the market up until this year. Max payload of 66,000lbs. Ideal for Refuse and Transit markets

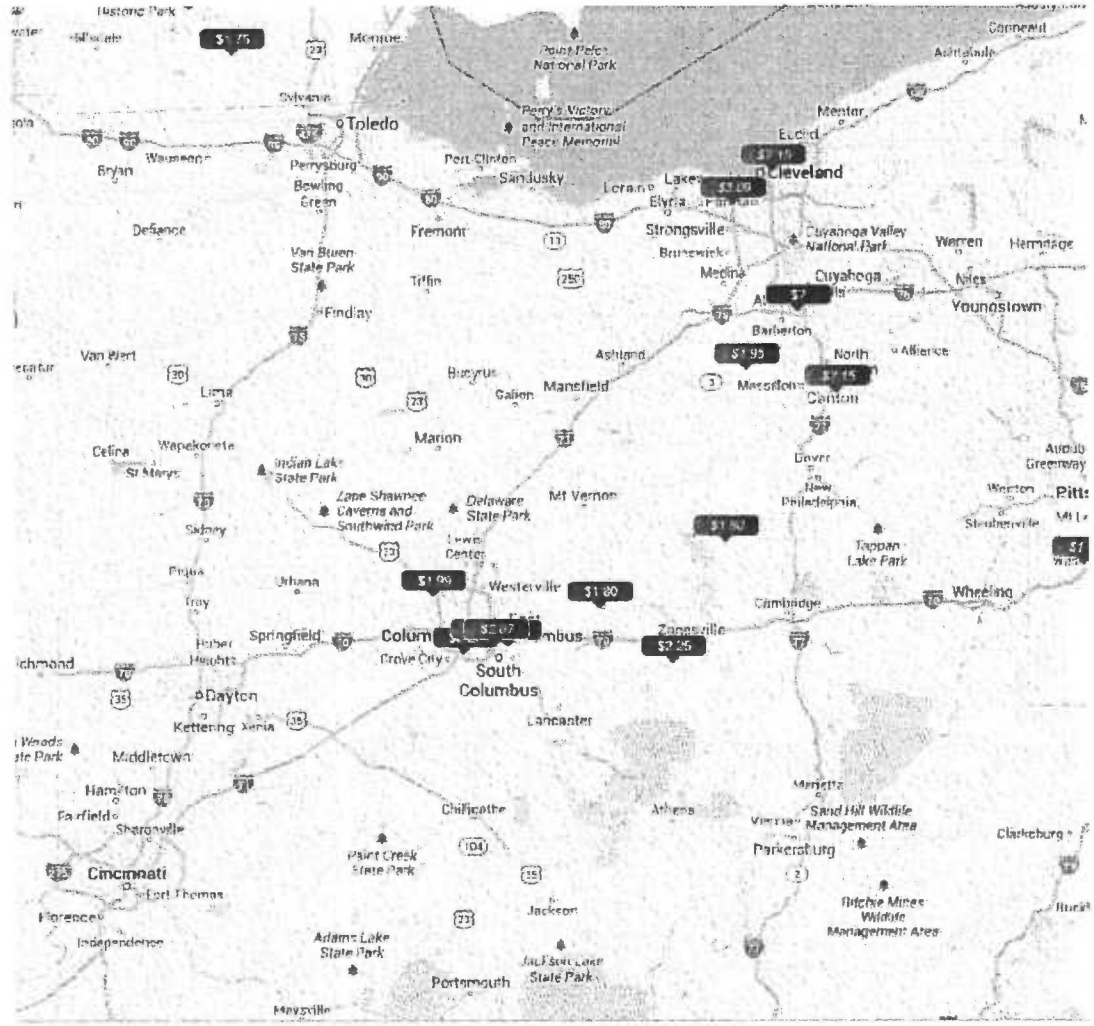


Heavy-Duty Trucking

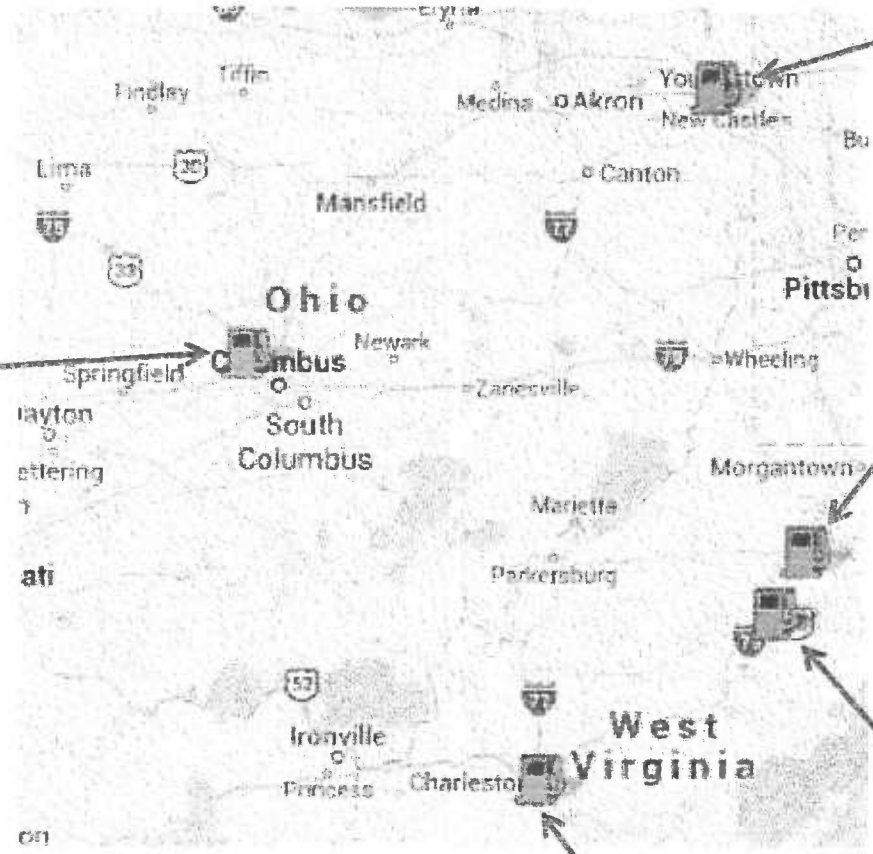
Many CNG options available in the OEM heavy duty truck market. You can by "off the factory line" CNG trucks from brands like Kenworth, Freightliner, Volvo, etc. Incremental Cost: $40,000 +

CNG Stations in Ohio

12 Active Public CNG Stations with more to come!



IGS Energy Station Locations (Existing and Future)

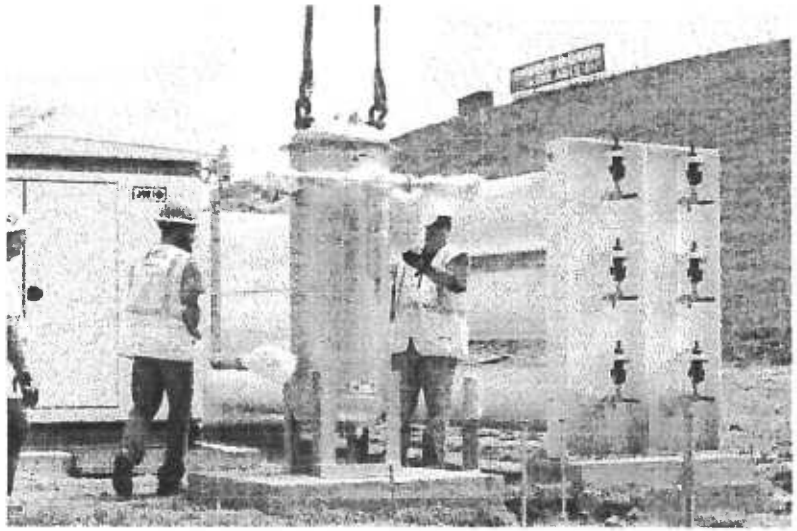


IGS Energy/City of Dublin CNG Station

- Example of a public-private partnership
- Large station with 3 dispensers and room to expand
- IGS Energy CNG Services is providing CNG to the public for $1.99 through a fleet card access system

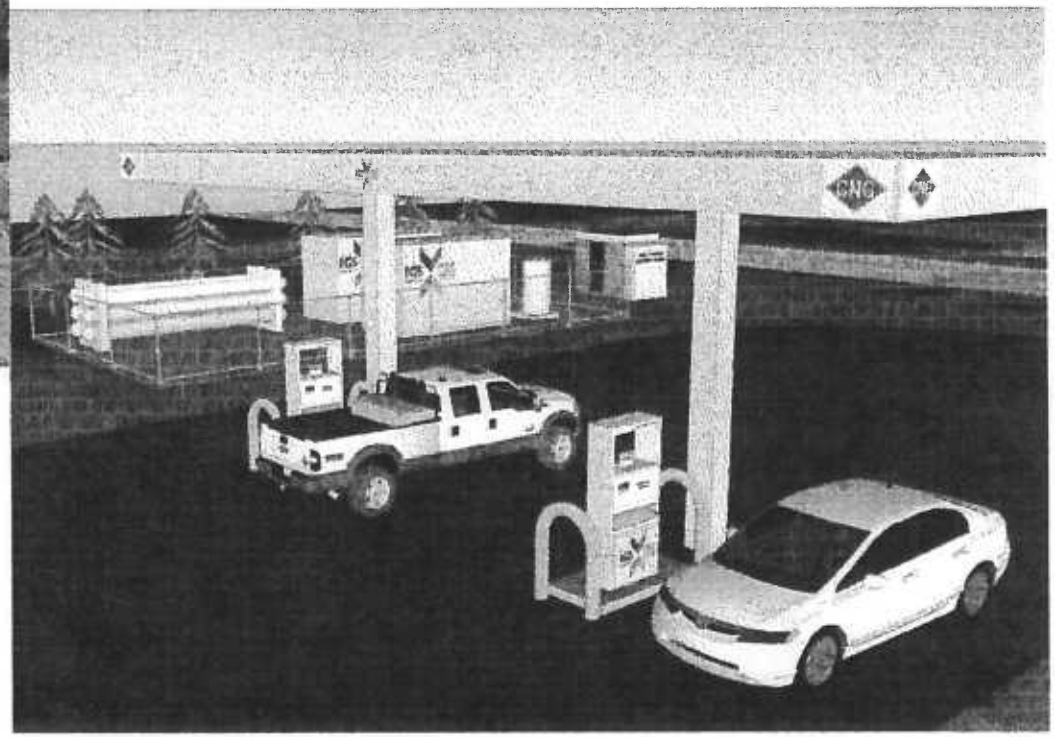
Bridgeport, WV Station

- Two CNG hoses at existing gasoline station/convenience store
- Large Compressor and Storage
- Expected to open in September 2013
- Commitments from EQT, Chesapeake, Antero Resources, State DOH



Charleston, WV Station

- Expected to open November, 2013

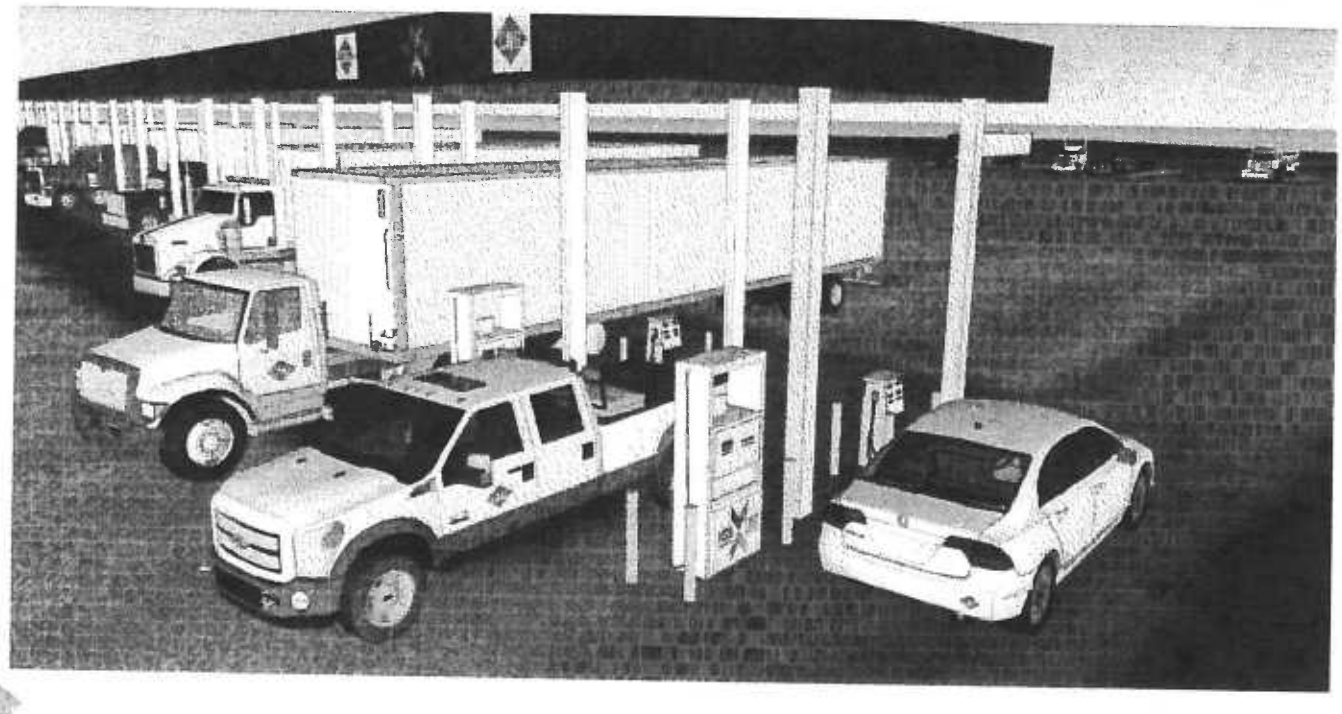


Jane Lew, WV Station

Expected to open in December, 2013

Youngstown, OH Station

- Located at Mr. Fuel, existing gasoline/diesel station
- Excellent Freeway access and user experience
- Target opening in first quarter of 2014



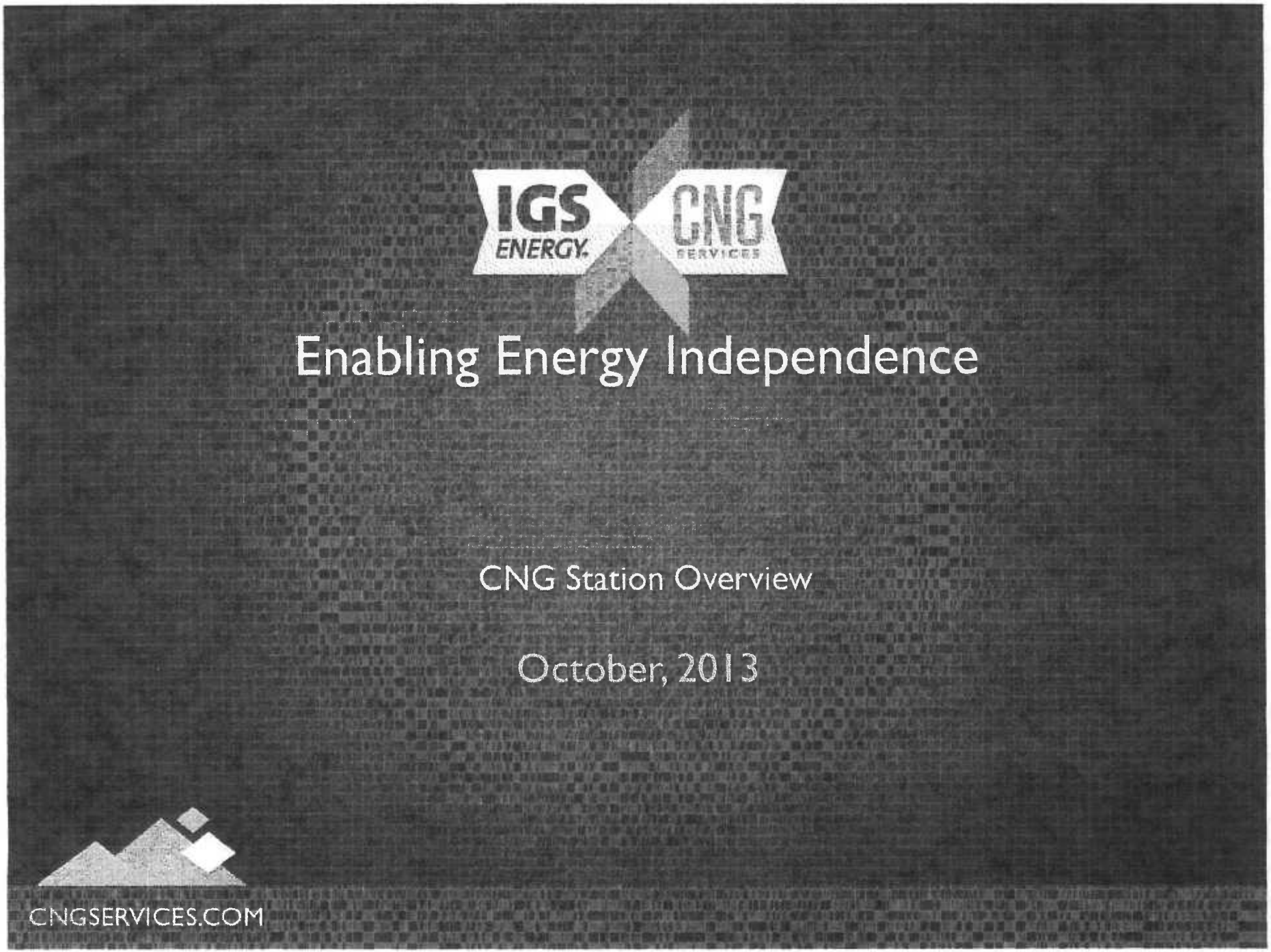
The Future... ?

Where do we go from here?

What can you do to make a difference?

Thank You!

Dave Mrowzinski
CNG Program Manager
Office: 614-659-5196
Dmrowzinski@CNGServices.com


IGS ENERGY
CNG SERVICES
Enabling Energy Independence
CNG Station Overview
October, 2013
CNGSERVICES.COM

Natural Gas Vehicle Terminology

- **CNG** = Compressed Natural Gas
- **NGV** = Natural Gas Vehicle
- **GGE/DGE** = Gasoline/Diesel Gallon Equivalent

- **GGE** ≈ officially 5.66 LBS or 114,100 BTUs LHV which is roughly 115 to 125scf of natural gas. The GGE standard has been in place since 1994
- **DGE** ≈ unofficially 6.38 LBS or 128,700 BTUs LHV which is roughly 130 to 140 cubic feet of natural gas. Currently a DGE is not an adopted standard

- **Dedicated**: Vehicle that runs on CNG only
- **Bi-Fuel**: Runs on CNG or Gasoline
- **Dual-Fuel**: Runs on CNG and Diesel

What is CNG?

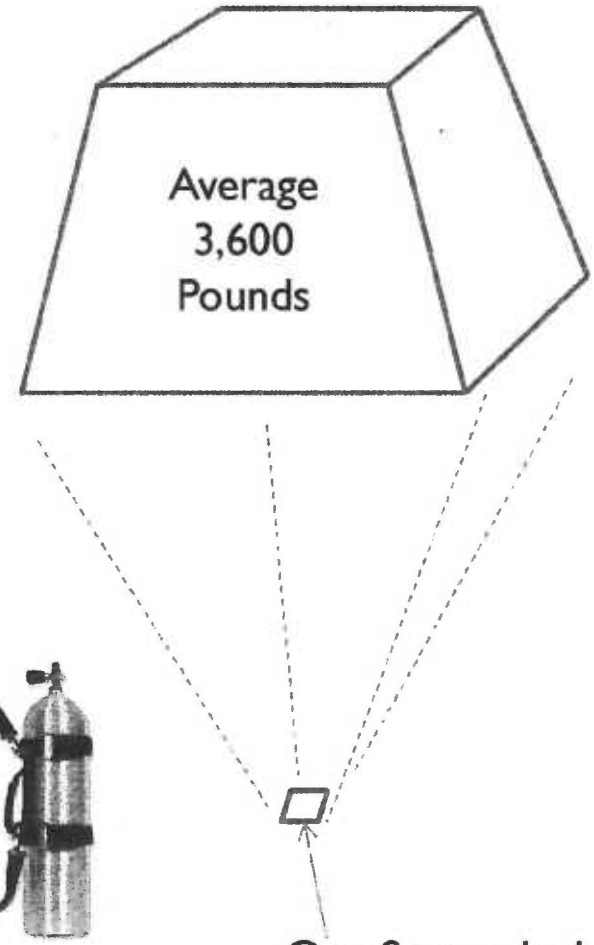
CNG is stored onboard vehicles at **3,600 psi** (US Standard for a full fill @ 70 deg F)

Per NGV2 standards tanks can be safely filled to 4,500psi to compensate for heat of compression

Comparable Pressures:
CO2 tanks used in some high-end paintball guns can go up to **4,500 psi**

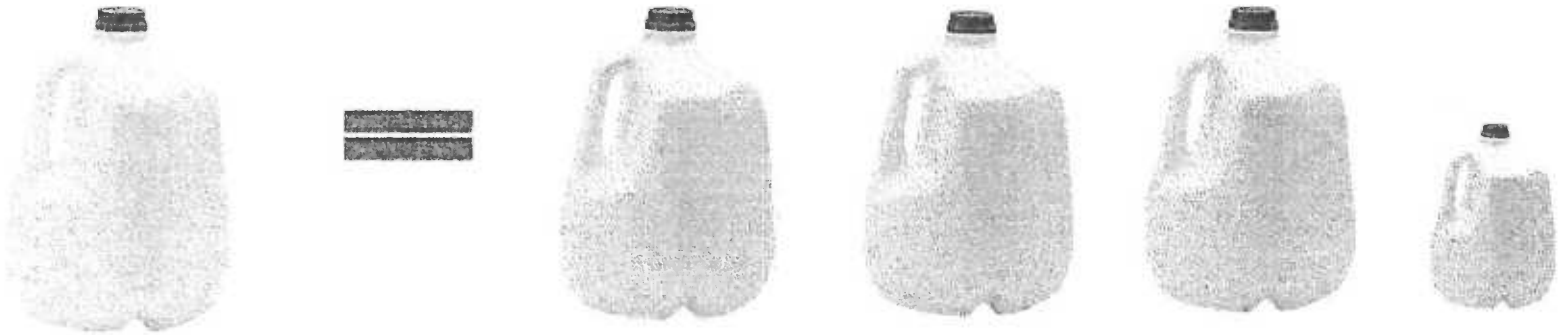
Scuba tanks are pressurized up to **3,000 psi**

Pressure washers can dispense water between **1,000 and 4,000 psi**



What is CNG?

One GGE of CNG ≈ 125 cubic feet of natural gas @ 3,600 psi



Gasoline
Volume: 1 liquid gallon
BTUs: ~114,000 LHV
Cost: $3.69/gallon

Compressed Natural Gas
Volume: Roughly 3.5 liquid gallons
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Cost: $2.10/GGE

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CNG vs. Other Fuels

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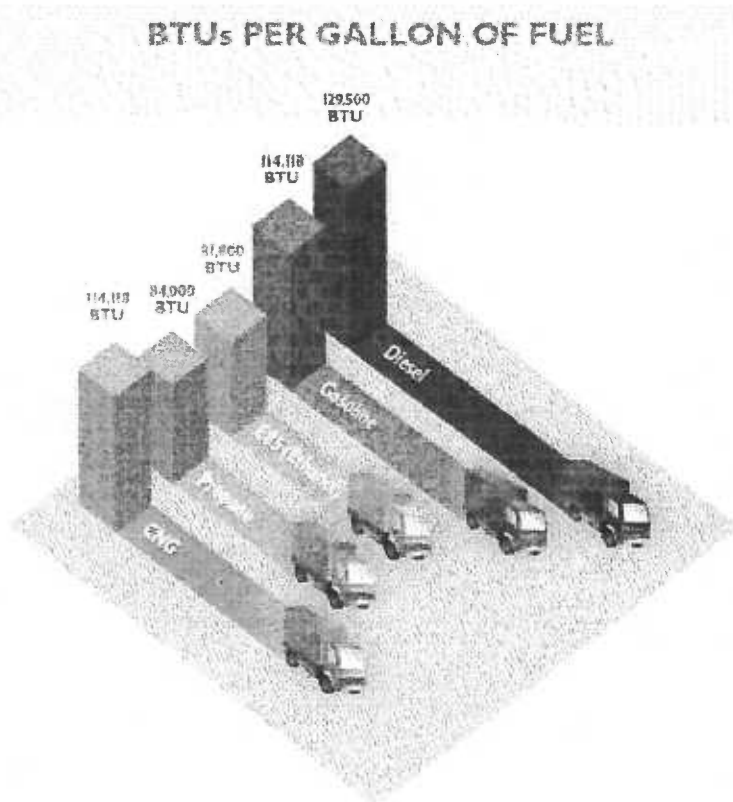
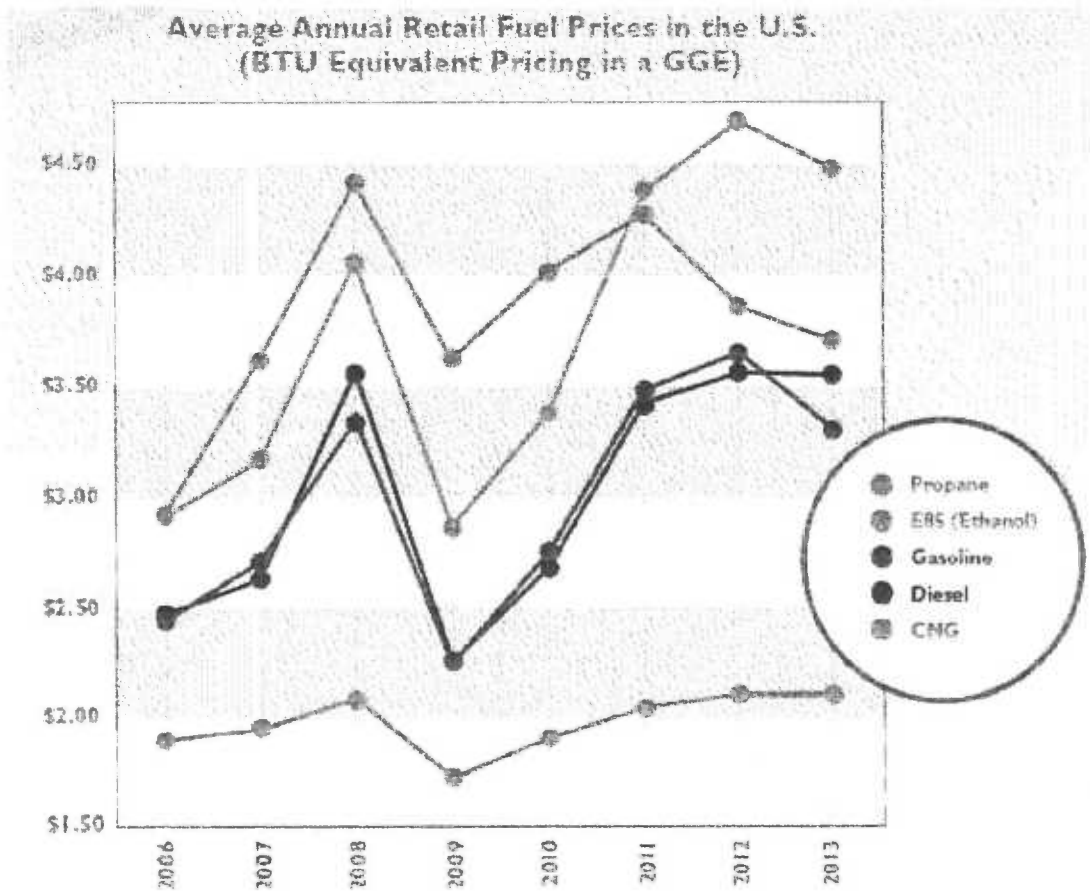


Source: US Department of Energy - Clean Cities Alternative Fuel Price Report

Why CNG?

Affordable

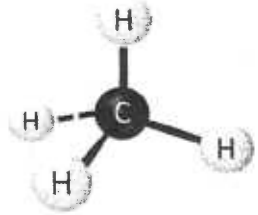


We expect this trend to continue through the foreseeable future.

Why CNG?

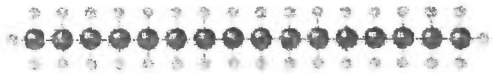
Clean

Methane



CH_4

Diesel



$C_{16}H_{34}$

Emissions Reduction

NGVs improve air quality through dramatic reductions in emissions, such as:

- **Reducing carbon dioxide emissions by up to 30%**
- **Reducing carbon monoxide emissions up to 75%**
- **Reducing nitrogen oxide emissions by approximately 50%**
- **Reducing up to 90% of particulate matter emissions**

SOURCE: TIAX Report – Full Fuel Cycle Assessment: Well-to-Wheels Energy Inputs, Emissions, and Water Impacts, 08/07 (Prepared for California Energy Commission).

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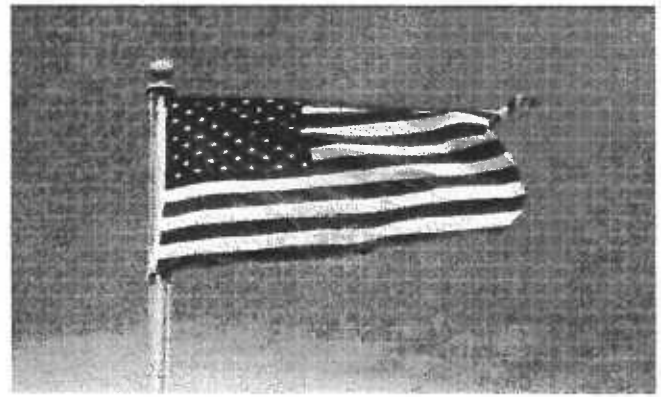


Time-Fill CNG Equipment

Phill

0.4 gge per hour
220v Single Phase
Min inlet pressure: 7"wc

Small Q

1.0 gge per hour
220v Single Phase
Min inlet pressure: 7"wc+

Big Q

4.0 gge per hour
220v Single Phase
Min inlet pressure: 2 psi

Station Overview

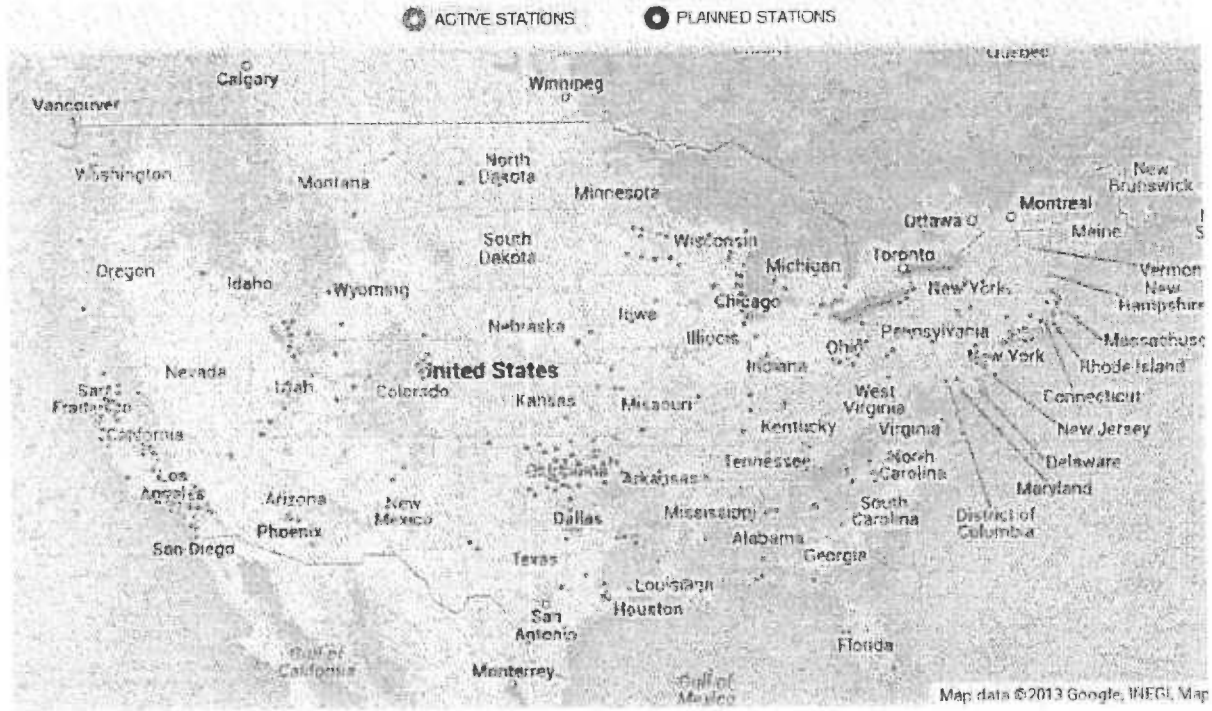
Currently in the United States there are around…

150,000 Gasoline Stations

75,000 Diesel Stations

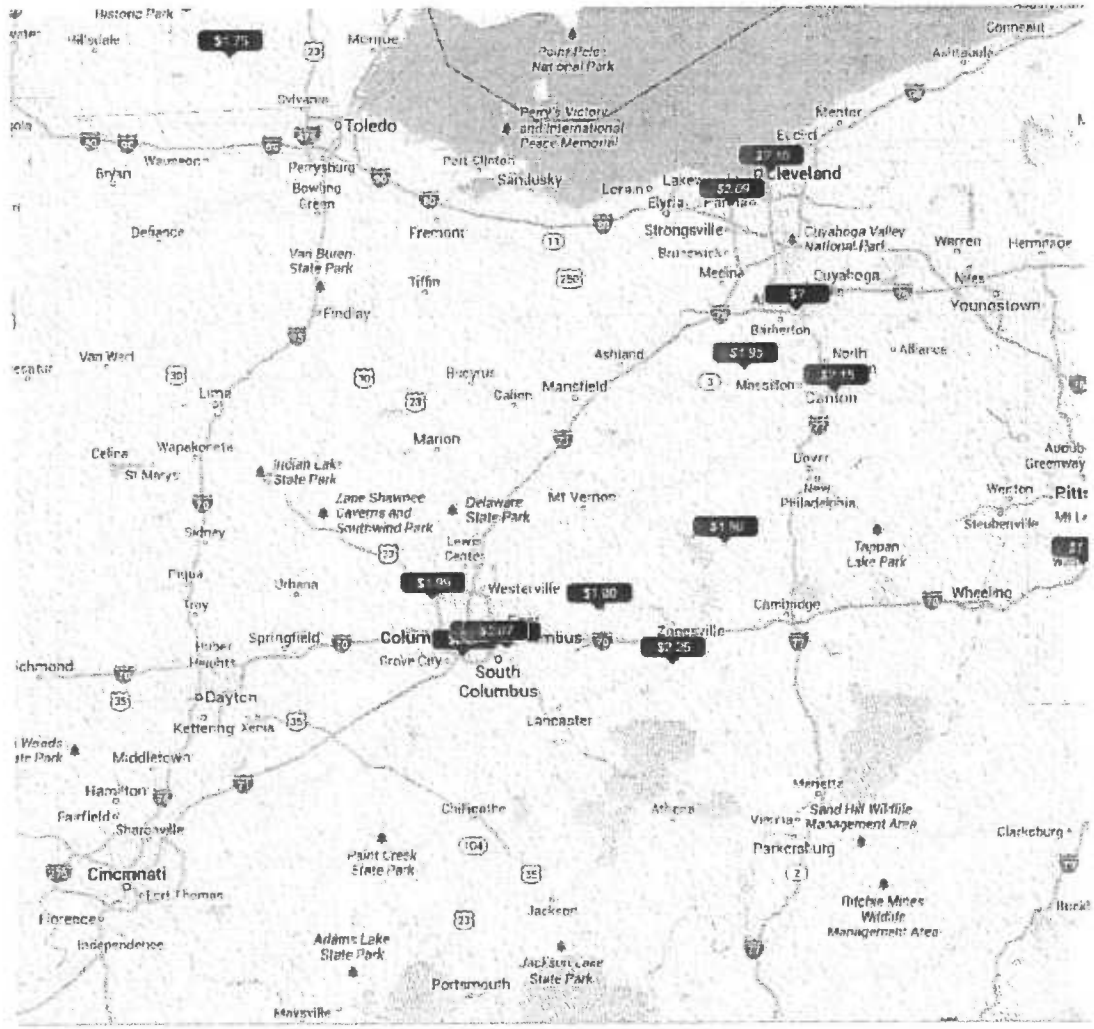
1,200 CNG Stations (only half open to the public)

New stations in the USA are being built at a rate of 15 to 20 per month



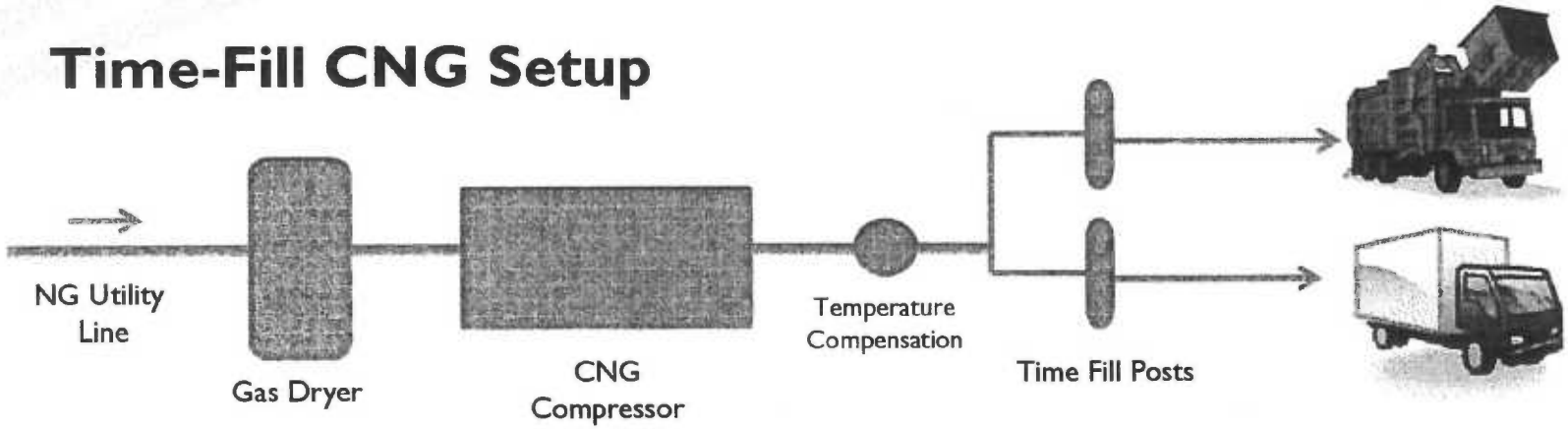
CNG Stations in Ohio

12 Active Public CNG Stations with more to come!

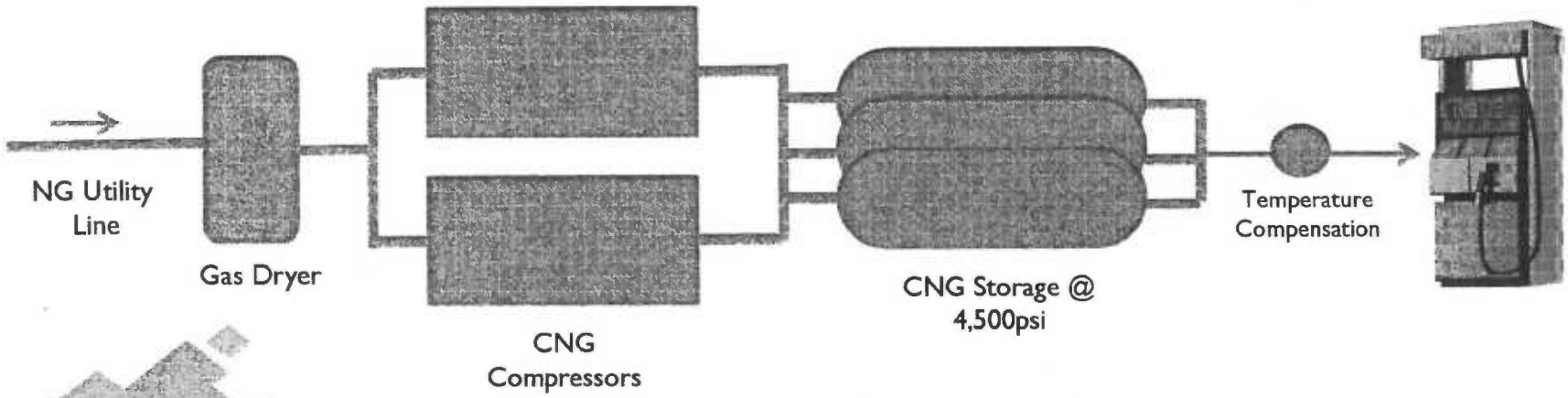


CNG Station Layout

Time-Fill CNG Setup

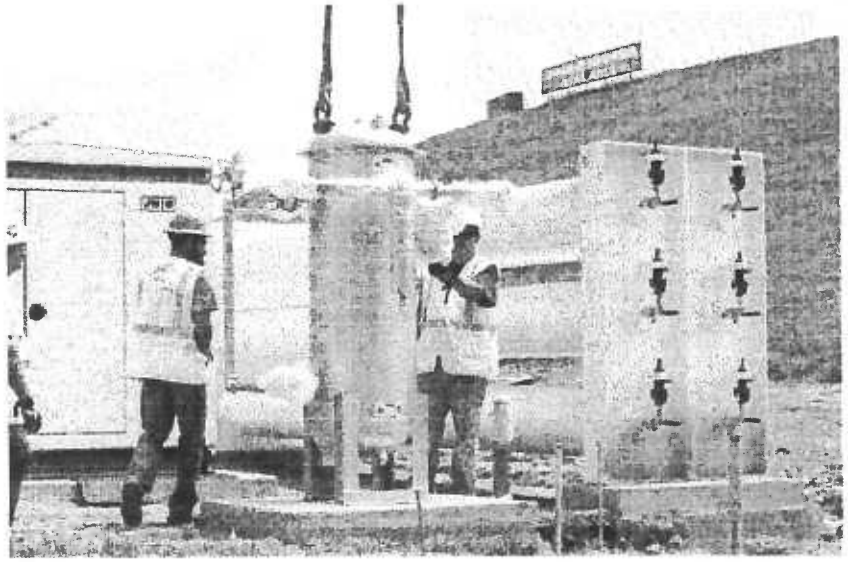


Fast-Fill CNG Setup



Bridgeport, WV Station

- Two CNG hoses at existing gasoline station/convenience store
- Large Compressor and Storage
- Opened in September 2013
- Commitments from EQT, Chesapeake, Antero Resources, State of WV DOH



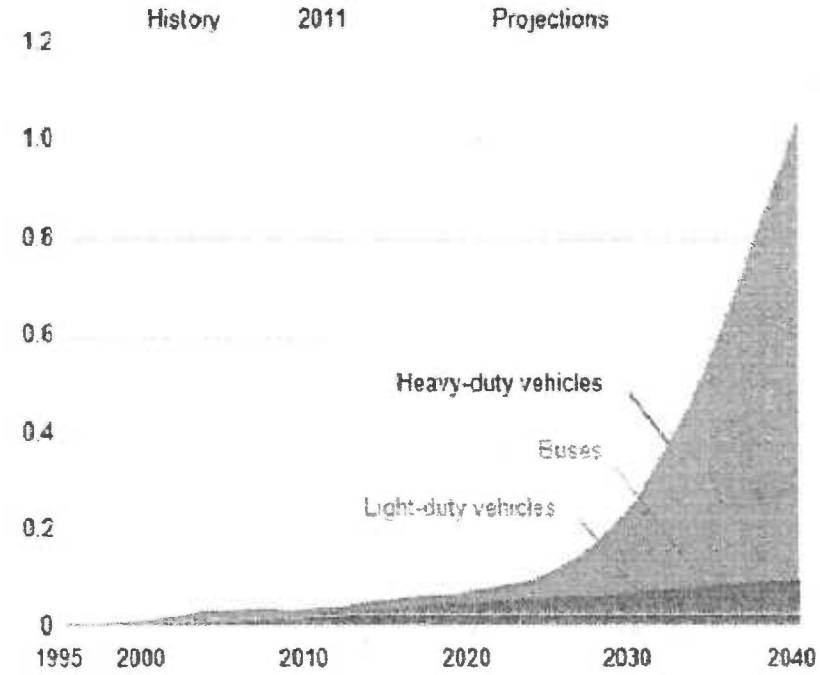
Youngstown, OH Station

- Located at Mr. Fuel, existing gasoline/diesel station
- Excellent Freeway access and user experience
- Target opening in first quarter of 2014

NGV Growth

- 2013 Forecast Natural gas vehicles are the fasting growing fuel in the transportation sector
- 11.9 percent per year growth over forecast
- 14.6 percent average annual growth in HD trucks
- 1 quadrillion Btu by 2040 or 500,000 bls/day of diesel fuel displaced

Figure 74. Natural gas consumption in the transportation sector, 1995-2040 (quadrillion Btu)



eia

Thank You!

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Natural Gas as a Transportation Fuel

Presented by

Dave Mrowzinski
CNG Program Manager

IGS ENERGY®
THE POWER OF TOMORROW.™

About IGS Energy

- Natural Gas and Electricity supplier headquartered in Dublin, Ohio
- Over 300 employees
- Operations in 11 states and over 20 utilities
- Approximately one million gas and electric customers
- Founded in 1989
- Privately held with revenue around $1.5 billion per year
- Corporate headquarters recently awarded LEED Platinum status by the U.S. Green Building Council

Natural Gas Vehicle Terminology

- **Gasoline Gallon Equivalent (GGE)** ≈ 125 cubic feet of natural gas (124,800btu)
- **Diesel Gallon Equivalent (DGE)** ≈ 140 cubic feet of natural gas (138,700btu)

- **Dedicated**: Vehicle that runs on CNG only
- **Bi-Fuel**: Runs on CNG or Gasoline
- **Dual-Fuel**: Runs on CNG and Diesel

- Pressurized in storage cylinders on a vehicle at a max of 3600psi
- GGE is approximately 3-4 times the size of one gallon of gas

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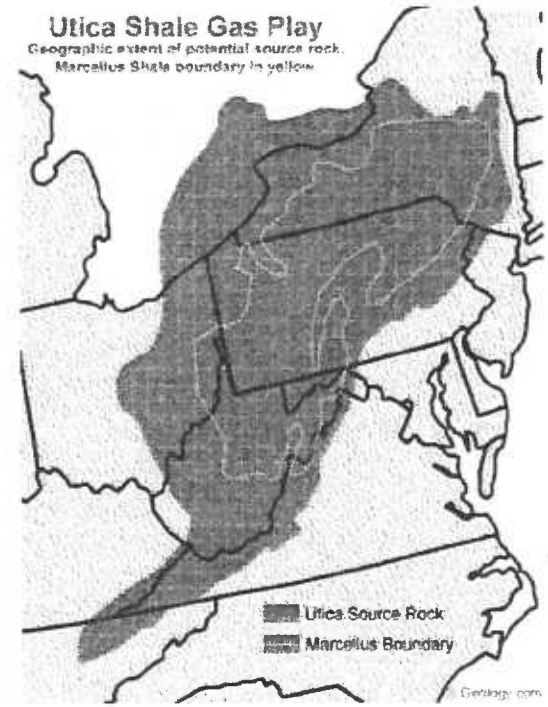
Why CNG?

Advancement in production technology allows previously unobtainable gas to be extracted economically

- **Abundant**: We now have an estimated 100 year supply of natural gas
- **Affordable**: Retail cost of $2.00-$2.50 per GGE
- **Clean**: Reduces CO_2 by 30%, NOx & partial matter by 90%
- **Domestic**: 98% of all natural gas used in the United States comes from North America
- Production has dramatically increased in PA, WV, NY and OH



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CNG landscape

- Approximately 140,000 CNG vehicles currently in the United States.
  - This number is expected to rise
  - Companies like FedEx and AT&T, as well as government entities such as Columbus and Dublin are converting their vehicles
- Over 12 Million CNG vehicles worldwide
  - Pakistan 2.74 Million
  - Iran 1.95 Million
  - Argentina 1.9 Million
  - Brazil 1.6 Million
  - India 1.1 million

Time-Fill CNG Equipment

Phill

0.4 gge per hour
220v Single Phase
Min inlet pressure: 7"wc

Small Q

1.0 gge per hour
220v Single Phase
Min inlet pressure: 7"wc+

Big Q

4.0 gge per hour
220v Single Phase
Min inlet pressure: 2 psi

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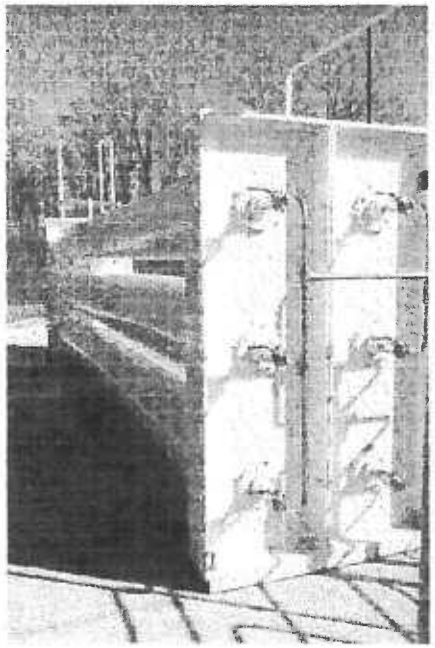
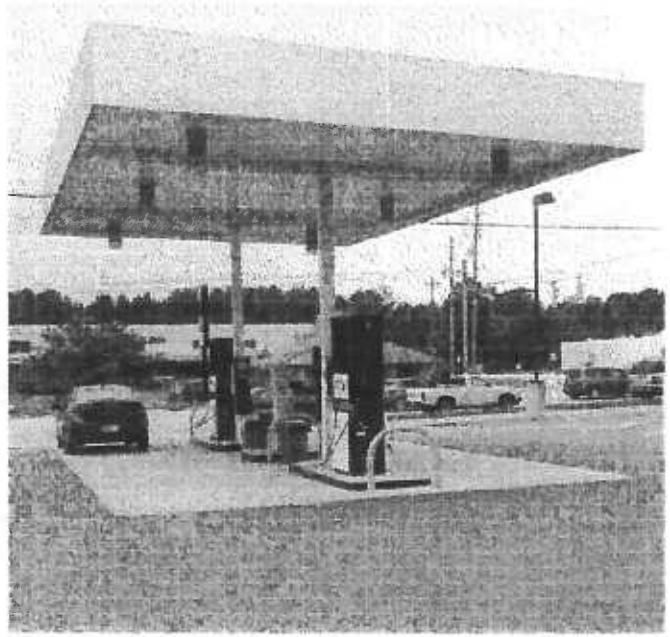
Fast-Fill CNG Stations

Same refueling experience as a traditional gasoline station





- Gas pre-compressed to 4,500 psi in storage tubes or spheres
- Inlet pressure can vary. We like to see at least MP lines at 40-60 psi or greater
- Equipment cost go up with lower inlet pressures
- Temperature Compensated fill

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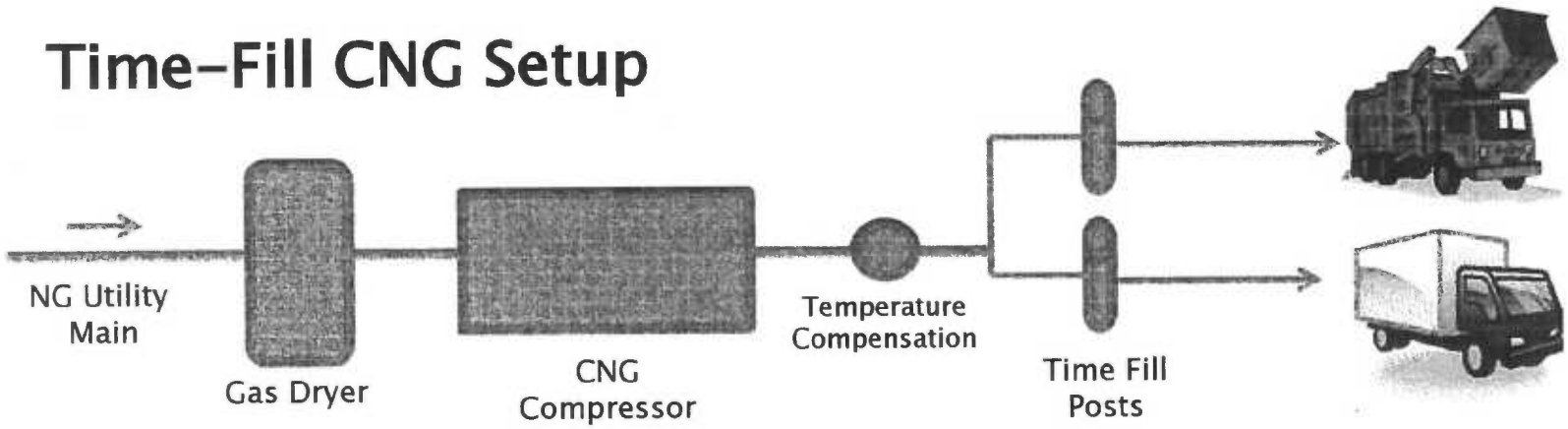
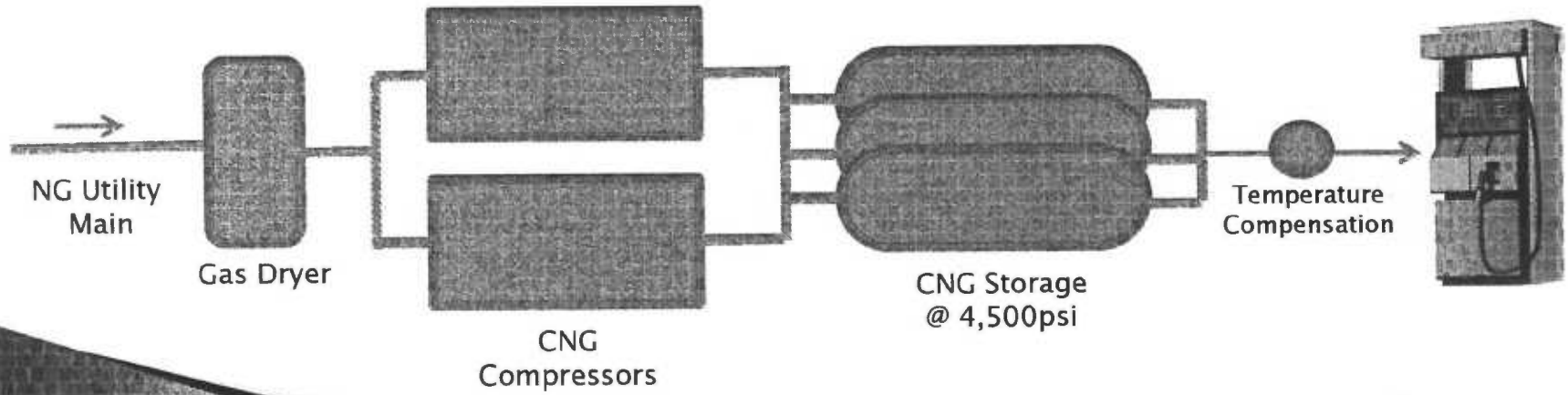
CNG Station Layout

Time-Fill CNG Setup



Fast-Fill CNG Setup



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IGS Energy Current and Potential Product Offerings

- Fixed Price: Insure that CNG users cost for their commodity will continue to stay low for years to come!
- Customized CNG infrastructure solutions
- Fleet management software solutions
- IGS Fleet cards with pre-negotiated rates that customers can use at different CNG refueling locations
- Financing opportunities available for vehicle conversions.
- Consulting services including CNG feasibility studies, vehicle and infrastructure project management, tax credits and grant consulting and vehicle conversion consulting services.

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Thank You

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