

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF THE PIPE)	
REPLACEMENT PROGRAM RIDER OF)	CASE NO.
DELTA NATURAL GAS COMPANY, INC.)	2019-00074

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION
TO DELTA NATURAL GAS COMPANY, INC.

Delta Natural Gas Company, Inc. (Delta), pursuant to 807 KAR 5:001, is to file with the Commission the original and four copies in paper medium of the following information, with a copy to all parties of record. The information requested herein is due within ten days of the date of this request. Responses to requests for information in paper medium 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.

Delta shall make timely amendment to any prior response if Delta obtains 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 Delta fails

or refuses to furnish all or part of the requested information, Delta shall provide a written explanation of the specific grounds for its 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. When filing a paper containing personal information, Delta shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Explain how Aqua America, Inc.'s acquisition of indirect ownership and control of Delta, as approved in Case No. 2018-00369,¹ will affect future Pipe Replacement Program (PRP) rider applications filed by Delta.

2. Refer to the application, Schedule I, line 8. Provide the calculation of the 2019 tax expansion factor.

3. Refer to the application, Schedule VIII and Schedule IX, page 2 of 2. Explain why the estimated 2019 PRP Adjustment on Schedule VIII is less than the "Low" estimate for 2019 shown on Schedule IX.

¹ Case No. 2018-00369, *Electronic Joint Application of Aqua America, Inc., Steelriver Infrastructure Fund North America LP, Steelriver LDC Investments Lp, LDC Parent LLC, LDC Funding LLC, LDC Holdings LLC, PNG Companies LLC, Peoples Gas KY LLC, and Delta Natural Gas Company, Inc. for Approval of an Acquisition of Ownership and Control of PNG Companies LLC and Delta Natural Gas Company, Inc.* (Ky. PSC Mar. 13, 2018).

4. Refer to the Application, Schedule IX, page 2 of 2.
 - a. Provide the status of the request for proposal (RFP) for third-party resources issued in 2019. If an agreement has been reached, state the term of the contract and the approximate percentage increase above the contract that terminated in 2018.
 - b. Explain whether Delta subdivides its system when requesting bids for pipe replacement contractors. If Delta only accepts contractors that can service its entire system, explain why.
 - c. Provide the approximate percentage of Delta's PRP work that was performed by third parties for the past three calendar years.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED **MAR 28 2019** _____

cc: Parties of Record

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