

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

IN THE MATTER OF THE APPLICATION OF )  
DELTA NATURAL GAS COMPANY, INC. FOR )  
AN ORDER AUTHORIZING THE PURCHASE ) CASE NO. 98-613  
OF THE ASSETS OF MT. OLIVET NATURAL )  
GAS COMPANY )

O R D E R

Pursuant to the procedural schedule attached as Appendix A to the Commission's Order of May 11, 1999, IT IS ORDERED that Delta Natural Gas Company, Inc. ("Delta ") shall file the original and 12 copies of the following information with the Commission with a copy to all parties of record no later than June 11, 1999. Delta shall furnish with each response the name of the witness who will be available to respond to questions concerning each item of information requested at a scheduled public hearing.

1. The response to Item 2 of the Commission's Order of May 11, 1999 indicates that Delta's ownership, maintenance, and replacement of customer service lines will be a significant benefit to Mt. Olivet's customers in the future. Provide an estimate, with supporting calculations, of the average financial benefit a Mt. Olivet customer might receive due to no longer having the responsibility for his or her service line.

2. The response to Item 2 of the Commission's Order of May 11, 1999 makes no reference to the condition of the Mt. Olivet system and the need for improvements to the system is not offered as support for Delta's acquisition of the Mt. Olivet system. Has Delta performed any physical assessment of the Mt. Olivet system and, if so, what were the results of such assessment?

3. The response to Item 2 of the Commission's Order of May 11, 1999 indicates that Delta believes it can provide the customers of Mt. Olivet with long-term, secure, safe service. Has Delta made any observations or been made aware of any deficiencies in the service that is currently being provided to the customers of Mt. Olivet? If yes, what are those deficiencies and how was Delta made aware of their existence?

4. Provide your response to question 1(c) of the Commission's nunc pro tunc Order dated May 20, 1999.

5. Explain your parenthetical calculation of maintenance costs in Item 1(e). If the "\_x 2" at the end of the calculation indicates you expect twice the maintenance cost per customer for the Mt. Olivet system contrasted with Delta's other customers, how long do you expect this to continue before a reduction occurs?

6. Provide detailed information of your response to Item 1(e), for the depreciation and the amortization of the plant acquisition, including the amortizeable life and why that time period was chosen.

7. Provide calculations (usage table from billing analysis, etc.) showing how charging the Mt. Olivet customers Delta's effective rates will generate the estimated total revenue requirement determined for Item 1(g).

Done at Frankfort, Kentucky, this 28<sup>th</sup> day of May, 1999.

By the Commission

ATTEST:

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Executive Director