

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC JOINT APPLICATION OF PNG)	
COMPANIES LLC, DRAKE MERGER SUB INC.)	
AND DELTA NATURAL GAS COMPANY, INC.)	
FOR APPROVAL OF AN ACQUISITION OF)	CASE NO.
OWNERSHIP AND CONTROL OF DELTA)	2017-00125
NATURAL GAS COMPANY, INC.)	

JOINT RESPONSE OF
PNG COMPANIES LLC, DRAKE MERGER SUB INC.,
STEELRIVER INFRASTRUCTURE FUND NORTH
AMERICA LP, STEELRIVER LDC VENTURES LLC
AND DELTA NATURAL GAS COMPANY, INC.
TO THE
COMMISSION STAFF'S THIRD REQUEST
FOR INFORMATION TO JOINT APPLICANTS
DATED MAY 19, 2017

FILED: May 30, 2017

**PNG COMPANIES LLC, DRAKE MERGER SUB INC., STEELRIVER
INFRASTRUCTURE FUND NORTH AMERICA LP, STEELRIVER LDC
VENTURES LLC AND DELTA NATURAL GAS COMPANY**

CASE NO. 2017-00125

**May 30, 2017 Joint Response to the
Commission Staff's Second Set of Data Requests
Dated May 19, 2017**

Question No. 001

Responding Witness: Morgan K. O'Brien

Q-001 Refer to Joint Applicants' response to the Attorney General's Second Request for Information ("Response to Attorney General's Second Request"), Item 2, regarding PNG's discussions with existing holders of Delta's Note Purchase and Private Shelf Agreement dated December 8, 2011 ("Delta's Note") to exchange Delta's Note for a note issued by PNG with the same principal, amortization schedules, and interest rate as Delta's Note. Confirm that Delta will seek Commission approval, pursuant to KRS 278.300, if Delta issues any securities or evidences of indebtedness with PNG.

A-001 Yes.

**PNG COMPANIES LLC, DRAKE MERGER SUB INC., STEELRIVER
INFRASTRUCTURE FUND NORTH AMERICA LP, STEELRIVER LDC
VENTURES LLC AND DELTA NATURAL GAS COMPANY**

CASE NO. 2017-00125

**May 30, 2017 Joint Response to the
Commission Staff's Second Set of Data Requests
Dated May 19, 2017**

Question No. 002

Responding Witness: Morgan K. O'Brien

Q-002 Refer to the Direct Testimony of John McGuire, pages 4-5, which describe how Joint Applicants ring-fence the lines of business and state, "Delta will be within the local gas distribution company platform with the other PNG operating utilities." State whether Joint Applicants ring-fence each of the local gas distribution companies owned by PNG from the other local gas distribution companies owned by PNG.

A-002 Each of the local gas distribution companies owned by PNG (the Peoples Utilities) is a separate legal entity that is operated and monitored individually. Each regulatory body that regulates the Peoples Utilities requires prior approval of any transactions involving the affiliates of the regulated utility. In addition, each of the Peoples Utilities has agreed with its regulatory body that it will not guarantee the debt of any other Peoples Utility.

VERIFICATION


COMMONWEALTH OF PENNSYLVANIA)
) **SS:**
COUNTY OF ALLEGHENY)

MORGAN K. O'BRIEN, being duly sworn, deposes and says that he is the President and Chief Executive Officer of PNG Companies LLC ("PNG") and a Vice President of Drake Merger Sub Inc. ("Drake"); that he has read the foregoing responses for which he is identified as the witness and knows the matters contained therein relating to PNG and Drake and their affiliates; and that said matters are true and correct to the best of his information, knowledge and belief.



MORGAN K. O'BRIEN

Subscribed and sworn to before me, a Notary Public in and for the above County and State, on this 30th day of May, 2017.



Notary Public

My Commission Expires:
8/20/17

COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Andrew Welsner, Notary Public
Hampton Twp., Allegheny County
My Commission Expires Aug. 20, 2017
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES