

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.) CASE No.
FOR APPROVAL OF AN ACQUISITION OF) 2017-00125
OWNERSHIP AND CONTROL OF DELTA)
NATURAL GAS COMPANY, INC.)

ATTORNEY GENERAL’S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Data Requests to PNG Companies LLC, Drake Merger Sub. Inc., and Delta Natural Gas Co., Inc. [hereinafter “Joint Applicants”] to be answered by the date specified in the Commission’s Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Identify the witness who will be prepared to answer questions concerning each request.
- (3) Repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for Joint Applicants with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information

within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or 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.

(6) If you believe any request appears confusing, request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports;

memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which

they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis 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.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, 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 destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,

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Certificate of Service and Filing

Counsel certifies that: (a) the foregoing is a true and accurate copy of the same document being filed in paper medium; (b) pursuant to 807 KAR 5:001 § 8(7)(c), there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and (c) the original and six (6) copies in paper medium are being filed with the Commission within two business days of the date certified below.

this 7th day of April, 2017



Assistant Attorney General

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1. Reference the application pp. 5-6, wherein it is stated: "Upon closing, PNG may cause Delta to transfer ownership of its three unregulated wholly-owned subsidiaries directly to PNG or such subsidiaries may be merged into Delta."
 - a. Compare this statement with the statement on p. 7 of the application that, "[a]s a result of the Proposed Transaction, PNG will acquire control of all assets of Delta." Explain whether the statement on p. 7 was intended to include Delta's unregulated subsidiaries.
 - b. Identify the number of individuals employed by each of Delta Resources, Inc.; Delgasco, Inc.; and Enpro, Inc.
 - c. State the impact on the number of jobs in each of Delta's existing subsidiaries under both scenarios regarding future ownership of the three unregulated subsidiaries.
 - d. Discuss the tax consequences of either scenario regarding future ownership of the three unregulated subsidiaries.
 - i. Under the scenario of ownership being vested in PNG, will any of the taxes which the three unregulated subsidiaries have been paying to the Commonwealth of Kentucky instead be paid to the Commonwealth of Pennsylvania?
 - e. In the event ownership of Enpro, Inc. is transferred to PNG, will payment of any gas royalties be made to PNG instead of to Delta? Discuss in full.
 - f. With regard to PNG's existing utilities, does PNG currently exercise any or all of the functions which Delta's three unregulated subsidiaries exercise?
 - i. If the answer to the question immediately above is "yes," discuss how likely it is that the post-merger PNG would allow duplicative functions to be exercised by Delta's three unregulated entities.
2. Reference the application, p. 12, wherein Joint Applicants discuss the possibility of entering into a services agreement between Delta and Peoples Service Company. In the event the Commission approves the contemplated transaction, and in the further event that Peoples Service Company begins executing some functions on Delta's behalf:
 - a. state how many job Kentucky-based job positions will be lost; and
 - b. identify all measures that service company employees will undertake to become familiar with Kentucky utility laws and regulations, including regulatory accounting requirements.
3. Assuming the contemplated transaction is approved, will Delta and its ratepayers be exposed to any increased costs for shared corporate services that it otherwise would not have faced but for the approval? If so, identify all such costs as completely as possible.

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4. Reference the application, p. 7, wherein it is stated: “. . . the acquisition by PNG of control over Delta will have no adverse impact on the provision of service by Delta to Delta's customers.” Identify all additional benefits Delta ratepayers will receive as a result of the transfer of control.
5. Reference the application, p. 7, wherein it is stated, “PNG has the financial ability to: leverage the significant technology investments in the areas of customer service . . . to improve the level of customer service”
 - a. Identify all customer service-related measures PNG is prepared to employ in Delta's Kentucky service territory that will improve Delta's existing customer service.
 - b. Provide the total number of employees currently working in Delta's customer service centers. Please differentiate between full-time, part-time, and seasonal employees.
6. Reference the application, p. 8, the third bullet point, wherein Joint Applicants pledge to, “[e]xpand Delta's partnerships and working relationships with economic development leaders within the communities and within government to help drive and support the further success and growth of the communities within the Delta footprint.”
 - a. Do the Joint Applicants also pledge to expand Delta's partnerships and working relationships with Kentucky-based community action centers and other low-income advocate support groups? If not, why not?
7. Provide the current capital structure of PNG and each of its utility subsidiaries.
8. Provide Delta's current capital structure.
9. Provide the intended capital structure of Delta in the event the Commission approves the contemplated transaction.
10. In the event the Commission approves the contemplated transaction, if Delta's parent entities and/or its affiliates experience any changes in their equity-to-capital ratio, please describe any potential effect on Delta and its ratepayers.
11. Provide a chart depicting Joint Applicants' organizational structure, including all subsidiaries, affiliates, and all parent companies (including SteelRiver Infrastructure Fund North America LP).

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12. Identify the type[s] of gas meters currently in place in each of PNG's utility territories.
 - a. State whether Joint Applicants plan to initiate any meter upgrades within Delta's service territory.
13. State whether any of PNG's utilities employ decoupling and/or any other forms of alternative ratemaking in their respective service territories, and if so, identify them.
14. Identify the members of the following boards of directors:
 - a. Delta (the current board);
 - b. Delta (the board which will be formed in the event the Commission approves the contemplated transaction);
 - c. People's Gas KY LLC;
 - d. Drake Merger Sub Inc.;
 - e. People's Natural Gas, LLC;
 - f. People's TWP, LLC;
 - g. People's Gas WV, LLC; and
 - h. PNG.
15. Provide a complete copy of any filings associated with the contemplated transaction made pursuant to the Hart-Scott-Rodino Antitrust Improvements Acts of 1976 (15 U.S.C.A. § 18a; together with regulations promulgated thereunder at 16 CFR §§ 801-803) (hereinafter jointly referred to as "the Act").
 - a. In the event the U.S. Department of Justice Antitrust Division and/or the Federal Trade Commission determine(s) that further inquiry is necessary and pursuant to the Act issues a second request for documents to the Joint Applicants, will the Joint Applicants agree to supply the Kentucky Commission and the Kentucky Attorney General's Office with copies of any documents produced in response to such a request, regardless of when the Joint Applicants make their response? If not, why not?
16. Provide copies of any and all filings made to any state or federal agency regarding the contemplated transaction.
17. Provide a copy of the most recent audited financial statements for:
 - a. Delta;
 - b. People's Gas KY, LLC;

- c. All other PNG utility affiliates;
 - d. People's Natural Gas, LLC; and
 - e. PNG.
18. In the event the Commission approves the contemplated transaction, state whether Delta will honor all contractual and regulatory commitments which Delta entered into prior to the closing of the transaction.
19. Reference the testimony of Morgan K. O'Brien, p. 8, lines 12-14. Specify whether all costs associated with the transaction will be kept out of Delta's rates.
20. Reference the testimony of Morgan K. O'Brien, p. 11, lines 1-3. Identify the amount of Alydyl-A pipe to be replaced on Delta's system.
21. Reference the testimony of Preston D. Poljak, p. 8, lines 17-19, wherein he states, "PNG will invest significant sums in Delta's IT systems to cause customer service operations to meet the standards of the customer service operations of the Peoples Utilities."
- a. In what regards is Delta's existing customer service operations insufficient to meet the needs of its customers?
 - b. Identify the precise aspects of Delta's existing customer service operations that do not "meet the standards of the customer service operations of the Peoples Utilities."
 - c. Provide a cost estimate of the "significant sums" PNG plans to invest in Delta's customer service system.
 - d. Provide a cost-benefit analysis for all programs and investments PNG plans to make in Delta's operations and in its service territory.
 - e. Confirm that Delta's ratepayers will pay for all such improvements.
22. Will Delta give clear and conspicuous notice to Kentucky consumers regarding any change in services resulting from the contemplated transaction? If not, why not?
23. Reference the Jennings testimony, p. 6, line 19 wherein he references the "no impact period." Define the term "no impact period," including its length of time, when it will expire, what the period is predicated upon, and what will or may happen at the time of expiration.
24. State the amount of termination fees, and / or any, and all other fees and expenses either party, any combination of parties, or all parties would have to pay if the contemplated transaction is not consummated.

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- a. Of those fees, state the amount for which Delta ratepayers would, or could, become responsible.
 - b. If Delta ratepayers would be responsible for any such fees / expenses, state whether the company would have to file a rate case to recover such sums.
25. Identify the ways in which the following LLCs have chosen to be taxed by the IRS:
- a. People's Gas KY LLC;
 - b. People's Natural Gas, LLC;
 - c. People's TWP, LLC;
 - d. People's Gas WV, LLC; and
 - e. PNG Companies, LLC.
26. State whether: (i) PNG Companies, LLC; and/or (ii) Delta has or have reserved the right to adjust their regular dividends or distributions, as the case may be, pending completion of the transaction. If so:
- a. For how long will any modification to the dividend / distribution remain in effect?
 - b. Provide, in complete detail, the rationale for any such adjustment.
 - c. State whether that entity intends on seeking Commission approval of same, and if not, why not.
 - d. As a result of any potential increase in dividend / distribution, state:
 - (i) how much additional funding for corporate expenses of any type or sort that entity will seek from Delta's ratepayers; and
 - (ii) whether any such adjustment will cause Delta to file a rate case, and if so, when.
27. State how much additional stock of any class Delta or its affiliates will issue as a condition of the transaction's consummation. If any, state the effect on Delta's ratepayers.
28. State when Joint Applicants expect to receive full approval of the contemplated transaction from FERC, SEC, FCC, the U.S. Justice Dept., and all relevant state and federal regulatory authorities.
29. As a result of the contemplated transaction, will Delta ratepayers be asked in any manner whatsoever to contribute toward any costs associated with

operating any PNG utility in any other jurisdiction, including People's KY Gas, LLC?

30. Discuss what effect the proposed transaction will have on the ability of: (i) PNG Companies, LLC; and (ii) Delta to borrow capital.
31. Does Delta currently have the ability to trade its stock? Discuss what effect, if any, the proposed transaction will have on the ability of Delta to trade its stock.
32. Discuss what effect the contemplated transaction, if approved, will have on Delta's ability to access capital.
33. Please provide copies of any reports, analyses or reviews of the cost of capital for Delta after any approval of the application as conducted by any/each of the Joint Applicants.
34. Provide copies of Delta's current credit ratings from the three major ratings agencies.
35. Discuss what effect the contemplated transaction, if approved, will have on Delta's credit ratings.
36. Provide copies of any and all reports, analyses or reviews of the credit profile for Delta after any approval of the application as conducted by any/each of the Joint Applicants.
37. Identify any and all synergies that are expected to result from the contemplated transaction, if approved. Provide copies of any and all reports regarding same.
 - a. State whether any synergy savings, with costs detailed, will be shared with Joint Applicants' customers, and if so, whether this includes Kentucky customers, and how much.
 - b. Did PNG and/or its parent entities assume the existence of any synergies when it made the economic decision to purchase Delta?
38. Provide copies of any and all reports and other documents identifying economies of scale or scope, with costs detailed, expected to result from the contemplated transaction.
 - a. Identify any economies of scope or scale, with costs detailed, affecting the Joint Applicants' Kentucky-based operations; and
 - c. State whether any savings related to economies of scale or scope,

with costs detailed, will be shared with Joint Applicants' customers, and if so, how much.

39. Identify, in detail, any and all tax advantages, benefits and/or savings the Joint Applicants expect to result from the contemplated transaction, and provide any relevant quantifications.
40. Assuming the contemplated transaction receives full approval from all relevant regulatory authorities, will Delta be operating on a stand-alone basis following the transaction's consummation? Will Delta be filing separate tax returns following the transaction's consummation, or will it participate in a consolidated tax return? Please provide documentation demonstrating the anticipated or planned tax return status.
41. Please state whether the Joint Applicants currently have any deferred tax accounts on their respective balance sheets. If "yes," please identify the account(s), the amount carried therein, and provide a summary of the nature of the balance, and the reason for same.
42. For each deferred tax balance identified above, please state what impact the contemplated transaction will have on the account (e.g., will the contemplated transaction result in a loss of any deferred tax credits?).
43. Identify any and all other cost savings for Delta ratepayers that are expected to result from the contemplated transaction, if approved.
44. If the contemplated transaction is approved, state whether Delta would be guaranteeing the credit of any of its affiliates.
45. Do the Joint Applicants agree that there are two categories of costs for the proposed transaction, namely: (1) costs-to-achieve the transaction (e.g., due diligence reports, legal counsel, etc.); and (2) costs-to-achieve cost savings in the post-transaction structure (e.g., systems integration, etc.)? If not, please identify the categories and provide a definition. Regardless of the answer, please provide the following:
 - a. For the costs-to-achieve the transaction, explain how the Joint Applicants determine the costs that are allocated to or the responsibility of their respective owners, and those costs that are allocated to or the responsibility of their respective ratepayers, if any. Include any allocation methodologies.
 - b. For the costs-to-achieve cost savings in the post-transaction structure, explain how the Joint Applicants determine the costs that are allocated to or the responsibility of their respective owners, and

those costs that are allocated to or the responsibility of their respective ratepayers, if any. Include any allocation methodologies.

- c. For the costs-to-achieve the transaction, explain how the Joint Applicants determine the costs that are allocated to or the responsibility of their respective non-regulated operations. Include any allocation methodologies.
- d. For the costs-to-achieve cost savings in the post-transaction structure, explain how the Joint Applicants determine the costs that are allocated to or the responsibility of their respective regulated operations. Include any allocation methodologies.
- e. Do the Joint Applicants agree that there are certain costs associated with the contemplated transaction that are attributable solely to the process of obtaining the approval of the transaction (e.g. legal counsel for the regulatory proceedings)?
- f. Do the Joint Applicants consider the reduction of tax liability or the obtainment of tax benefits as cost savings?
- g. Do the Joint Applicants consider the reduction of a company's or unit's operating loss a cost savings?
- h. Supply an itemized schedule that shows the cost-to-achieve the transaction by year for as many years as your projections provide. (This is a request for a schedule that shows the estimated costs by year, by applicant.)
- i. For the schedule requested under sub-part [h] (the prior question), please identify by year for as many years as your projections provide the following:
 - (1) the assignment of costs to each of the Joint Applicants' owners;
 - (2) the assignment of costs to each of the Joint Applicants' ratepayers, if any; and
 - (3) the breakdown of the assignment of costs between regulated and non-regulated operations of each of the Joint Applicants.
- j. Supply an itemized schedule that shows the costs-to-achieve the cost savings in the post-transaction structure by year for as

many years as your projections provide. (This is a request for a schedule that depicts the estimated costs by year.)

- k. For the schedule requested under sub-part [j] (the prior question), please identify by year for as many years as your projections provide the following:
 - (1) the assignment of costs to each of the Joint Applicants' owners;
 - (2) the assignment of costs to each of the Joint Applicants' ratepayers, if any; and
 - (3) the breakdown of the assignment of costs between regulated and non-regulated operations.
46. For each category of costs to achieve cost savings in the post transaction structure, did the Joint Applicants determine the allocation percentages to separate out the non-regulated cost savings from the regulated costs savings? For example, did the Joint Applicants determine the amount of total staffing cost savings to allocate to regulated operations and the amount to allocate to non-regulated operations?
47. Provide documentation of all allocations. If the Joint Applicants did not do so, please explain why.
48. For each category of costs to achieve cost savings in the post transaction structure, identify the allocation process, including the factors, for allocating costs between regulated and non-regulated operations.
49. For each category of costs to achieve cost savings in the post transaction structure, identify the corresponding amount of cost savings allocated to non-regulated operations for that category.
50. Provide a copy of any and all due diligence report(s) conducted.
51. In the course of conducting their due diligence reviews, did the Joint Applicants identify any facts or circumstances that would have a material adverse effect on their customers? If yes, please identify same and provide the associated documents.
52. If the contemplated transaction is approved, state whether Delta would be required to pledge any of its assets to finance the debt or any purchases of any of its affiliates.

53. If the contemplated transaction is approved, state whether Delta or its current subsidiaries will, as a condition of the contemplated transaction, be required to grant liens or encumbrances, or otherwise pledge any of their assets to finance any or all of the costs of the transaction.
54. Identify how much debt the Joint Applicants, stated independently for each one, plan to incur in order to consummate the proposed transaction. Will Delta ratepayers be required to reimburse one or more Joint Applicants for debt incurred for this purpose? If so, state how much, categorized by each Joint Applicant.
55. Provide a detailed explanation of whether and to what extent, if applicable, the Joint Applicants intend to enhance and / or expand their gas procurement, storage, transportation and distribution programs, regardless of whether regulated or unregulated.
56. If the contemplated transaction is approved, state whether Delta would be required to give any type or sort of preference to its gas suppliers. If so, identify any and all such gas suppliers.
57. Assuming the contemplated transaction is fully approved in every jurisdiction and by every regulatory authority, state whether any officers or directors of joint applicant will receive any bonus, compensation, distributions, retirement matches, incentives, insurance, use of corporate-owned property and/or any other remuneration of any type or sort. Please identify the applicable individuals, the method of remuneration, and the cash value thereof.
58. Assuming the contemplated transaction is approved by all relevant regulatory authorities, explain the process through which Delta will be able to challenge the allocation of a cost from a parent entity or affiliate. If the ability to challenge the allocation of a cost will not exist, then affirmatively state that fact.
59. Please provide all minutes of all meetings held during which the Boards of Directors of: (i) Joint Applicants; and (ii) all of PNG's operating utilities discussed the contemplated transaction.
60. With regard to your response to the question immediately above, provide copies of the resolutions of all Boards of Directors that were required to approve the contemplated transaction.
61. Will the contemplated transaction result in any changes in accounting principles for either of the Joint Applicants or any of their subsidiaries or

- affiliates? If yes, please summarize the change(s), and identify the impact on Delta ratepayers, whether direct or indirect, if any.
62. Do the Joint Applicants anticipate any substantive changes in any existing contracts of the Joint Applicants with other vendors (e.g., engineering, information technology, maintenance, etc.)? If so, please summarize the changes.
63. Do the Joint Applicants anticipate entering any new contracts as a consequence of the contemplated transaction? If so, will any of the entities with whom the Joint Applicants will enter into said contract(s) be affiliated in any way with the Joint Applicants, or any of their employees, owners, officers, contractors, consultants, or directors?
64. Please provide a copy of any and all materials, including but not limited to transcripts of presentations, recordings or notes of presentations, or other information, regarding any and all financial analyses concerning the transaction.
65. Will the transaction result in any write-ups, write-offs, or a restatement of financial results of Delta, its parent entity, or that of its affiliates? If yes, please explain in detail with all financial ramifications for Delta's ratepayers.
66. Post-transaction, will Delta, its parent entities, or its affiliates be required to make any filings with the Securities and Exchange Commission? If yes, please identify and explain the filing requirement(s).
67. Is Delta currently required to comply with The Sarbanes-Oxley Act of 2002? Will it be required to do so following the closure of the contemplated transaction? Please identify and explain the post-transaction Sarbanes-Oxley-related requirements for Delta (if any), and for its parent entities, and what effect, if any, these requirements will or may have on Delta's ratepayers.
68. Assuming the contemplated transaction receives full approval from all relevant regulatory authorities, will Delta offer any type or sort of retention and / or incentive program for its managers? If so, which of the Joint Applicants will bear any associated costs? Will Delta's ratepayers bear any of those costs, directly or indirectly? Explain in detail along with program and costs.
69. What benefits will Delta's customers receive as a result of the contemplated transaction? Explain in detail with **specific** savings attributable to all **projected** savings.

70. Will Delta, and its parent entities commit to not use “pushdown accounting” in any manner arising from the contemplated transaction? If not, why not?
71. Will the contemplated transaction allow Delta any opportunity to refinance any current outstanding debt? If so, would this translate to higher costs? If so, please explain how much. If not, why not?
72. Assuming the contemplated transaction receives full approval from all relevant regulatory authorities, what amount of liquid assets will Delta's parent entities hold?
73. Identify with specificity each factor, stated-reason, or rationale of the Joint Applicants offered in support of their argument in the instant matter that the contemplated transaction is consistent with the public interest, within the meaning of KRS Ch. 278 et seq.
74. Do the Joint Applicants anticipate, project, or otherwise forecast any additional reorganizations, mergers, change of control, or other transactions involving Delta for the thirty-six (36) month period following any potential approval and consummation of this purchase agreement? If yes, then please describe in detail.
75. Are the Joint Applicants willing to make a commitment that if they do not hold Delta for at least a ten-year (10) period, then they will pay (to the Commonwealth of Kentucky) an exit fee if they voluntarily enter into a subsequent agreement to sell Delta? If not, then please explain why not.
76. Will Delta and / or its ratepayers, directly or indirectly, incur any additional costs, liabilities, or obligations in conjunction with the proposed transaction in connection with the repayment and refinancing of closing indebtedness?
77. With regard to any pending or threatened litigation (including any pending or threatened regulatory review or supervision enforcement actions) involving Delta, its parent entities and its affiliates, are the Joint Applicants making any provisions in which they will agree to fund the defense of pending or threatened litigation? If so, please explain in detail. If not, please explain why not.
78. Assuming the contemplated transaction is approved, will Delta be exposed to any type of contractual liability or obligations that it otherwise would not have faced but for the approval? If so, please describe in detail.
79. Assuming the contemplated transaction is approved, will Delta be exposed to any increased insurance premiums, whether health insurance, disability, life,

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etc., that it otherwise would not have faced but for the approval? If so, please describe in detail.

80. Assuming the contemplated transaction is approved, will Delta be exposed to any additional contributions to any pension plans, medical plans, etc. for employees that it otherwise would not have faced but for the approval? If so, please describe in detail, together with any applicable employee's or officer's name(s), if known, as well as amount.
81. State whether Joint Applicants ever have or currently do retain the services of lobbyists related in any manner to: (a) any employee of the federal government; and / or (b) any employee of the Commonwealth of Kentucky. If so, identify the lobbyist and employee, and explain in detail whether the retention of these services constituted a conflict of interest or potential conflict under any applicable law, and if so, why. Identify any corrective action either or both of the Joint Applicants believe may be required to remedy any conflict or potential conflict.