

Delta Natural Gas Company, Inc.
CASE NO. 2017-00406

FIRST PSC DATA REQUEST
DATED OCTOBER 19, 2017

4. Explain whether Delta explored the option of refinancing the existing notes at a lower interest rate. If so, explain why this option was not chosen. If not, explain why not.

Response:

Delta did review a calculation of the Prudential prepayment premium in the event Delta chose to refinance the existing notes at a lower interest rate. The amount of prepayment premium was such that any benefit from refinancing at a lower interest rate would have been eliminated with the cost of the prepayment premium.

November 8, 2017 Supplemental Response:

A copy of the calculation referenced in the initial response is attached in Excel format. Although interest rates have increased since the calculation was performed, the prepayment premium remained cost prohibitive.

Sponsoring Witness:

John B. Brown