

**Delta Natural Gas Company, Inc.**  
**CASE NO. 2018-00086**

**ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUEST**  
**DATED JUNE 18, 2018**

1. Reference the response to AG 1-1. Under the alternative completion date of 2036, provide a dollar figure:
  - a. State whether the dollar figure for a 2036 completion date includes carrying costs. If not, provide the amount of projected carrying costs, together with any and all other costs necessary to produce an "all-in" figure.

Response:

Please refer to AG1-18 which calculates the total PRP surcharge to range between \$44.65 and 78.63 million based on the amounts disclosed in PSC 1-2(d). PSC 1-2(d) includes the direct costs (as disclosed in PSC1-2(c) and applies the weighted average cost of capital to derive an "all-in" surcharge, inclusive of carrying costs. Delta estimates the total surcharge range to be the same under the alternative completion date. However, rather than recovering the total surcharge amount over fifteen years, the total amount would be recovered over eighteen years.

Sponsoring Witness:

Matthew D. Wesolosky

**Delta Natural Gas Company, Inc.**  
**CASE NO. 2018-00086**

**ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUEST**  
**DATED JUNE 18, 2018**

2. Reference the response to AG 1-19. Provide Delta's rate base for each year since the PRP's inception date (not just the rate base provided through the PRP).

Response:

See attached.

Sponsoring Witness:

Matthew D. Wesolosky

**Delta Natural Gas Company, Inc.**  
**Case No. 2018-00086**  
**AG2-2**  
**Rate Base by Year**

	<b>12/31/2010</b>	<b>12/31/2011</b>	<b>12/31/2012</b>	<b>12/31/2013</b>	<b>12/31/2014</b>	<b>12/31/2015</b>	<b>12/31/2016</b>	<b>12/31/2017</b>
<b>Rate base (inclusive of PRP)</b>	<b>109,793,348</b>	<b>109,792,768</b>	<b>107,673,469</b>	<b>108,088,088</b>	<b>110,058,003</b>	<b>108,574,034</b>	<b>106,477,719</b>	<b>107,987,444</b>
Actual Return	6.40%	7.09%	6.62%	7.41%	7.41%	6.16%	6.73%	3.24%
Allowed return on rate base (Case No. 2010-00116)	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%	7.97%
Over (Under) Earning %	-1.57%	-0.88%	-1.35%	-0.56%	-0.56%	-1.81%	-1.24%	-4.73%

**Delta Natural Gas Company, Inc.**  
**CASE NO. 2018-00086**

**ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUEST**  
**DATED JUNE 18, 2018**

3. Reference the response to AG 1-12. Since the PRP's inception date, state whether construction crews have been able to complete the pipe prioritized for replacement as high-risk in each given year and were able to additionally take on secondary priority pipe, which was identified as the oldest vintage.

Response:

Since the PRP's inception date, construction crews have been able to complete the replacement of the priority pipe each year. In general, Delta's construction crews have not been able to take on the replacement of secondary priority pipe (Aldyl-A or other vintage plastic pipe). In addition to pipe replacement, Delta's construction crews perform extensions, leak repair and mandatory relocations. The resources allocated for replacing pipe have been focused on replacing bare and unprotected coated steel. Occasionally, secondary priority pipe has been replaced but this is due to special circumstances such as leak history or other external factors.

Sponsoring Witness:

John B. Brown

**Delta Natural Gas Company, Inc.**  
**CASE NO. 2018-00086**

**ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUEST**  
**DATED JUNE 18, 2018**

4. Reference the response to AG 1-13. Describe the factors Delta thinks may have contributed to the recent rate of decline in its lost and unaccounted-for-gas.

Response:

Many factors, including pipe replacement, could contribute to decreased (or increased) lost and unaccounted for gas. Other examples include the timing of meter reading in relation to period end, the amount of retainage provided by transportation customers, the BTU content of gas, leak repair, pipe replacement and line breaks.

Sponsoring Witness:

Matthew D. Wesolosky

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

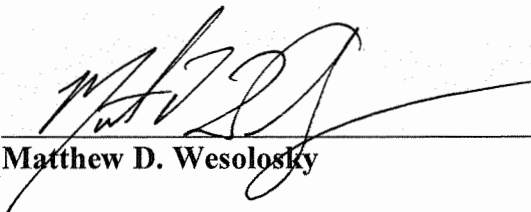
**ELECTRONIC ADJUSTMENT OF THE PIPE            )**  
**REPLACEMENT PROGRAM RIDER OF            )** **CASE NO. 2018-00086**  
**DELTA NATURAL GAS COMPANY, INC.        )**

---

**VERIFICATION**

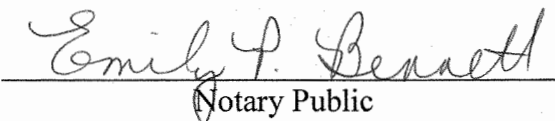
---

The undersigned, **Matthew D. Wesolosky**, being duly sworn, deposes and states that he is Vice President – Controller of Delta Natural Gas Company, Inc. and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

  
\_\_\_\_\_  
**Matthew D. Wesolosky**

STATE OF KENTUCKY    )  
  )  
COUNTY OF CLARK    )

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 21<sup>st</sup> day of June, 2018.

 (SEAL)  
\_\_\_\_\_  
Notary Public

My Commission Expires:

6/20/20



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC ADJUSTMENT OF THE PIPE )
REPLACEMENT PROGRAM RIDER OF ) CASE NO. 2018-00086
DELTA NATURAL GAS COMPANY, INC. )

VERIFICATION

The undersigned, John B. Brown, being duly sworn, deposes and states that he is President, Secretary and Treasurer of Delta Natural Gas Company, Inc. and that he has personal knowledge of the matters set forth in the responses for which he is identified as the witness, and the answers contained therein are true and correct to the best of his information, knowledge and belief.

[Handwritten signature of John B. Brown]
John B. Brown

STATE OF KENTUCKY )
COUNTY OF CLARK )

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 27th day of June, 2018.

[Handwritten signature of Emily P. Bennett] (SEAL)
Notary Public

My Commission Expires:

6/20/20

