

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE JOINT APPLICATION OF)	
AQUA AMERICA, INC.,)	
STEELRIVER INFRASTRUCTURE)	CASE NO. 2018-00369
FUND NORTH AMERICA LP,)	
STEELRIVER LDC INVESTMENTS)	
LP, LDC PARENT LLC, LDC)	
FUNDING LLC, LDC HOLDINGS)	
LLC, PNG COMPANIES LLC,)	
PEOPLES GAS KY LLC, AND)	
DELTA NATURAL GAS COMPANY,)	
INC. FOR APPROVAL OF AN)	
ACQUISITION OF OWNERSHIP)	
AND CONTROL OF PNG)	
COMPANIES LLC AND DELTA)	
NATURAL GAS COMPANY, INC.)	

**JOINT RESPONSE OF AQUA AMERICA, INC., STEELRIVER
INFRASTRUCTURE FUND NORTH AMERICA LP, STEELRIVER LDC
INVESTMENTS LP, LDC PARENT LLC, LDC FUNDING LLC, LDC
HOLDINGS LLC, PNG COMPANIES LLC, PEOPLES GAS KY LLC, AND
DELTA NATURAL GAS COMPANY, INC. FOR APPROVAL OF AN
ACQUISITION OF OWNERSHIP AND CONTROL OF PNG COMPANIES LLC
AND DELTA NATURAL GAS COMPANY, INC.
TO THE ATTORNEY GENERAL'S POST-HEARING DATA REQUESTS
DATED FEBRUARY 18, 2019**

FILED: February 25, 2019

AQUA AMERICA, INC., STEELRIVER INFRASTRUCTURE FUND
NORTH AMERICA LP, STEELRIVER LDC INVESTMENTS LP, LDC
PARENT LLC, LDC FUNDING LLC, LDC HOLDINGS LLC, PNG
COMPANIES LLC, PEOPLES GAS KY LLC, AND DELTA NATURAL GAS
COMPANY, INC. FOR APPROVAL OF AN ACQUISITION OF
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Joint Response to the Attorney General's Post-Hearing Data Requests
Dated February 18, 2019

Question No. 1

Responding Witness: Daniel J. Schuller

- Q-1. Provide the 2018 figures depicting Aqua America ["Aqua"]'s total assets.
- A-1. Aqua America is in the process of finalizing its 10K, which includes Aqua's total assets as of December 31, 2018. Aqua America anticipates having this information no later than February 26, 2019, and will supplement this response at that time.

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Question No. 2

Responding Witness: Daniel J. Schuller

Q-2. Reference Mr. Schuller's confidential hearing testimony beginning [BEGIN
CONFIDENTIAL]

[REDACTED]

[REDACTED]

A-2.

[REDACTED]

[END CONFIDENTIAL]

The confidential attachment labeled KYOAG-2-CONF contains highly confidential and proprietary information, and is the subject of a motion for confidential treatment.

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Question No. 3

Responding Witness: Christopher H. Franklin / Daniel J. Schuller

- Q-3. Refer to Mr. Schuller's direct testimony at p. 14. Provide copies of Aqua's Corporate Governance Guidelines, and Code of Ethics.
- a. Does Aqua anticipate any revisions to these documents in light of the proposed acquisition of the PNG Companies? If so discuss in complete detail.
- A-3. Please refer to the attachment labeled KY-OAG-3. Aqua does not anticipate any revisions to these documents in light of the proposed acquisition of the PNG Companies.

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Question No. 4

Responding Witness: Daniel J. Schuller

- Q-4. Reference Mr. Schuler's hearing testimony beginning at 10:31:20, wherein he discusses potential costs arising from the proposed transaction which Aqua may allocate, but says such costs have yet to be evaluated. Is Aqua willing to pledge that no costs arising from the transaction will be allocated to Delta? If not, why not?
- A-4. Aqua pledges that no costs arising from the Proposed Transaction (i.e., Aqua's acquisition of PNG Companies and its affiliates, including Delta Natural Gas Company, Inc.) will be allocated to Delta.

Concerning the ongoing operation of Delta, Aqua is still evaluating what services will be provided to the gas companies, including Delta, and will file and seek Commission approval of any affiliated interest agreements.

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Question No. 5

Responding Witness: Christopher H. Franklin / John B. Brown

- Q-5. In light of the fact that Kentucky has ample gas supplies available via multiple gas transportation mains located in the Commonwealth, is Aqua willing to commit to aggressively expand Delta's service territory to areas that currently have no gas service?
- A-5. After closing of the Proposed Transaction, Aqua will work with Delta to continue to explore opportunities for expansion of Delta's service territory in a way that makes operational and business sense for Aqua and Delta.

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Question No. 6

Responding Witness: John B. Brown

- Q-6. Reference the Brown direct testimony at p. 6, wherein he states Delta has added 600 customers since PNG took control of Delta. Provide a table or chart depicting Delta's growth over the past five years, in terms of both customer count and gas consumption.
- A-6. Please refer to the attachment labeled KY-OAG-6. Please note that the 600 customer additions referenced in Mr. Brown's direct testimony dated from the day PNG took control of Delta (September 21, 2017). Accordingly, some of the customer additions are reflected in Delta's 2017 new customer data.

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Question No. 7

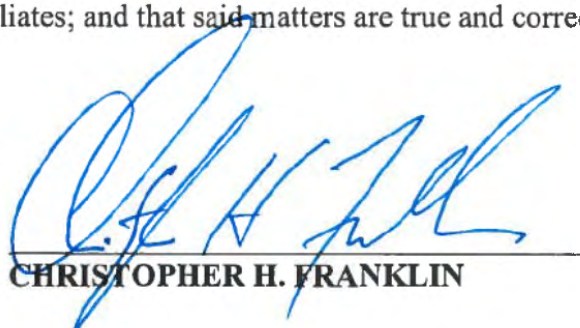
Responding Witness: John B. Brown

- Q-7. Reference the Brown hearing testimony, and the response to AG 1-92. Discuss the potential for savings in the renewal of Delta's liability insurance program.
- A-7. Delta's current insurance policies are scheduled for renewal in March 2019. An evaluation is currently being done to determine whether the existing policies will be extended or new policies put in place through September 2019 in order for Delta's insurance policy period to coincide with PNG's. Quotes have not yet been received; therefore costs or potential savings are not quantifiable at this time.

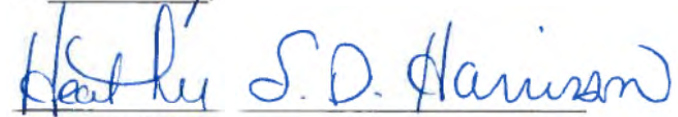
VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF MONTGOMERY)

CHRISTOPHER H. FRANKLIN, being duly sworn, deposes and says that he is the Chairman, Chief Executive Officer, and President of Aqua America, Inc. ("Aqua America"), that he has read the foregoing Responses to Requests for Information and knows the matters contained therein relating to Aqua America and its affiliates; and that said matters are true and correct to the best of his knowledge and belief.


CHRISTOPHER H. FRANKLIN

Subscribed and sworn to before me, a Notary Public in and for the above County and State, on this 22 day of February, 2019.


Notary Public

My Commission Expires:
Feb. 3, 2021

