

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 SUPPLEMENTAL DATA REQUESTS
DATED DECEMBER 28, 2018**

FILED: January 7, 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 OWNERSHIP AND CONTROL OF PNG COMPANIES LLC AND DELTA NATURAL GAS COMPANY, INC.

CASE NO. 2018-00369

**Joint Response to the Attorney General's Supplemental Data Requests
Dated December 28, 2018**

Question No. 1

Responding Witness: Christopher H. Franklin / Morgan K. O'Brien / John B. Brown

Q-1. Reference the response to AG 1-2. Explain how the proposed divestiture of: (i) SteelRiver Infrastructure Fund North America LP; (ii) SteelRiver LDC Investmenst LP; and (iii) LDC Parent LLC, of any and all interests in PNG and Delta will affect the ability of the Joint Applicants to possess the technical, and managerial abilities to provide reasonable service.

A-1. The proposed divestiture of: (i) SteelRiver Infrastructure Fund North America LP; (ii) SteelRiver LDC Investmenst LP; and (iii) LDC Parent LLC, of any and all interests in PNG and Delta will have no effect on the ability of the Joint Applicants to possess the technical and managerial abilities to provide reasonable service. Aqua America intends to retain the experienced management and leadership teams currently with PNG and Delta, who have already demonstrated that they possess the ability to provide reasonable service to their customers.

As a point of clarification, for each of the questions that refers to the commitments and post-Proposed Transaction actions of the Joint Applicants, please note that SteelRiver Infrastructure Fund North America LP, SteelRiver LDC Investments LP, and LDC Parent LLC will have divested PNG, Delta, and Peoples Gas KY and therefore make no commitments or representations regarding the future operations of PNG, Delta and Peoples Gas KY.

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Question No. 2

Responding Witness: Morgan K. O'Brien

- Q-2. Reference the response to AG 1-6(b). Explain why PNG is no longer utilizing the services of Peoples Service Co.
- a. Identify the service company, if applicable, that PNG's LDC operating entities other than Delta will utilize.
 - b. Identify any and all service agreements by and among PNG's LDC operating entities other than Delta.
- A-2. In an effort to simplify the corporate structure, all employees of Peoples Service Co. are now employees of PNG Companies LLC. PNG Companies LLC provides the same management and administrative services to the LDC operating entities that was previously provided by Peoples Service Co.
- a. PNG's LDC operating entities utilize PNG Companies LLC.
 - b. PNG's LDC operating entities, with the exception of Delta, are party to an Operational Service Agreement which allows for the provision of operational services between the LDCs. The agreement includes operational services such as field operations, measurement, construction, field customer service and compression.

Each LDC operating entity is party to an intercompany services agreement with PNG Companies LLC, which provides for the provision of certain administrative and management services.

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Question No. 3

**Responding Witness: Christopher H. Franklin / Daniel J. Schuller / Morgan K.
O'Brien / John B. Brown**

- Q-3. Reference the response to AG 1-9.
- a. Identify any planned or anticipated “. . . necessary and appropriate future changes and improvements” regarding Delta’s operations.
 - b. Identify the ways in which Delta’s customers “. . . may also benefit from economies of scale resulting from a larger customer base of both gas and water.”
 - c. Identify any and all planned or anticipated: (i) technology solutions that will enhance customer service tools, other than the SAP Technology Platform identified in the response to AG 1-10; (ii) “. . . design and engineering of pipe replacement programs, mapping of pipelines, and other improvements and work efficiency tools that might not be economical on a standalone basis.”
 - d. Do PNG, Delta, and their affiliates currently have a focus on prudently replacing aged distribution pipe?
 - e. Provide the last five (5) instances Delta has had issues or concerns accessing capital.
 - f. Provide evidence that Delta “will have greater access to capital under Aqua America’s control.”

- g. Provide evidence that Delta will be able to access capital at preferential cost after the proposed transaction than it would without the transaction.
- h. Without the proposed transaction, is Delta unable to use or access the technology solutions or tools mentioned in the response, “including the design and engineering of pipe replacement programs, mapping of pipelines, and other improvements and work efficiency tools that might not be economical on a standalone basis”?
- i. If the response to subpart (h) above confirms that those solutions and tools are unavailable under the current structure, provide citations to the record in Case No. 2017-00125 where the applicants in that matter disclosed those tools and solutions were unavailable upon closing the transaction.

A-3.

- a. Delta will continue to provide safe and reliable service to its customers. Delta utilizes the annual capital budget process to identify the necessary and appropriate future changes and improvements to plan for the coming year. The plans for 2019 are very similar to recent years, with the largest projects being pipeline replacements, relocations and extensions. The priorities of pipeline replacement are primarily dictated by the criteria of Delta’s Pipeline Replacement Program. Relocation projects are generally mandated by the activity of the state highway department. Extension projects are largely dependent on the extent of construction activity, residential and commercial, in our service territory. In addition to these pipeline projects, Delta plans during 2019 to upgrade its electronic monitoring and measurement capabilities throughout the system.
- b. Delta’s customers may benefit in a number of ways from economies of scale resulting from a larger customer base of both gas and water. For example, Aqua America will likely explore ways to increase Delta’s purchasing power by integrating Delta’s purchase of main replacement materials with Aqua America’s. Purchasing a significantly larger quantity of materials could result in lower materials pricing overall.

Aqua America will likely also explore leveraging main replacement contractors, some of whom have a regional presence, across the combined company, which could also drive efficiencies.
- c. Aqua America does not currently have any specific plans regarding Delta’s technology solutions and/or work efficiency tools, other than the SAP Technology Platform that is already underway, but will evaluate these matters further after the proposed transaction closes.

- d. Both PNG and Delta have in place Commission-approved pipeline replacement programs which focus on prudently and efficiently replacing aged distribution pipe.
- e. Delta's issues or concerns regarding accessing capital have been limited to the cost of capital. Delta's smaller size may have resulted in higher capital costs than its larger peers.
- f. Delta is currently privately owned. While a private equity fund may have sources of additional equity capital, when needed, a publicly traded company like Aqua America can more easily raise capital because of the availability of public stock issuances. After the closing of the proposed transaction, PNG and Delta, through Aqua America, will have access to equity capital that can be raised in all market environments from a large, diverse pool of United States and international investors. The increased scale provided by the proposed transaction will result in even greater access to equity capital than Aqua America enjoys today.
- g. PNG, Peoples KY, and Delta will have greater access to capital under the control of Aqua America than under current ownership. Because Delta will be part of a larger, publicly traded entity after closing, its capital costs may be reduced.
- h. In general, Delta will be able to use or access the technology solutions or tools mentioned in the response even without the proposed transaction, as these technologies are currently employed by PNG.
- i. Not applicable.

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Question No. 4

Responding Witness: Morgan K. O'Brien / John B. Brown

- Q-4. Reference the response to AG 1-10 (a), which discusses the SAP Technology Platform's provision of chat, email, mobile billing and payment, text and a customer portal.
- a. Explain whether the Joint Applicants are aware that many of Delta's customers do not have access to computers and/or other digital technologies, and still rely on hand-written letters, telephone calls, and in-person visits to Company offices.
 - b. Explain what is meant by the portion of the response that states, "The customer portal will allow customers to . . . elect their Customer Choice options."
- A-4.
- a. Delta and PNG agree that many of Delta's customers will still rely on hand-written letters, telephone calls, and in-person visits to Delta's offices after the SAP system is implemented. Delta, however, does not anticipate any headcount reductions in Delta's customer service function areas as a result of the SAP system, but is instead enhancing its existing customer service with new channels for its customers to conduct business.
 - b. Please refer to the response to Question 5 of the Commission Staff's Supplemental Request for Information.

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Question No. 5

Responding Witness: Daniel J. Schuller

Q-5. Reference the Joint Applicants' response to AG 1-12. The initial request sought "Aqua's current capital structure," while the response provided only "The capital structures for Aqua America's utility operating subsidiaries."

- a. Provide Aqua's current capital structure.
- b. Provide Aqua's anticipated or estimated post-closing capital structure.
- c. Provide the dates of the Applications for the "most recent rate cases" cited in the response.
- d. For those capital structures that are stated to be 50/50, confirm that was the actual capital structure, and not the capital structure used for ratemaking purposes.
 - i. If the 50/50 mix was for ratemaking purposes, provide the actual capital structure for each operating subsidiary.

A-5.

- a. Aqua America, Inc.'s capital structure, as set forth in its 2017 annual report, is 52.3% long-term debt and 47.7% equity.
- b. 48.1% equity / 51.9% debt
- c. Aqua PA: Final Order dated June 7, 2012.
Aqua NJ: Final Order dated July 29, 2016.

Aqua VA: Final Order dated October 19, 2018.
Aqua NC: Final Order dated December 18, 2018.
Aqua OH: Final Order dated January 18, 2017.
Aqua IN: Final Order dated January 1, 2017.
Aqua IL: Final Order dated March 7, 2018.
Aqua TX: Final Order dated July 17, 2014.

- d. The operating subsidiary capital structures provided in response to AG 1-12 were the structures used for ratemaking purposes. Actual capital structures for Aqua's operating subsidiaries are as follows (equity/debt):

Aqua PA: 55.1/44.9

Aqua NJ: 54.6/45.4

Aqua VA: 48.4/51.6

Aqua NC: 55.7/44.3

Aqua OH: 57.0/43.0

Aqua IN: 50.6/49.4

Aqua IL: 50.9/49.1

Aqua TX: 51.7/48.3

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Question No. 6

Responding Witness: Christopher H. Franklin

- Q-6. Reference the response to AG 1-16, Attachment KYOAG-16-A. In the event the Commission should approve the Proposed Transaction, will any of the entities identified on this Attachment seek to register to transact business in the Commonwealth of Kentucky? If so, identify all such entities.
- A-6. Aqua America does not currently have plans to seek to register any of the entities identified on Attachment KYOAG-16-A to transact business in Kentucky.

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Question No. 7

Responding Witness: Christopher H. Franklin

- Q-7. Reference the response to AG 1-16, Attachment KYOAG-16-P. In the event the Proposed Transaction receives all necessary approvals from all regulatory authorities, including the Kentucky Commission, identify all changes that will occur in the corporate structure.
- a. Provide an organizational chart identifying all such changes.
- A-7. Upon closing of the proposed transaction, Aqua America will acquire all of the issued and outstanding membership interests of LDC Funding LLC. Accordingly, SteelRiver LDC Ventures LLC and LDC Parent LLC will be divested of their interests in Funding and its direct and indirect subsidiaries. Aqua America does not currently anticipate any other changes in the organizational structure set forth in Attachment KYOAG-16-P.

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Question No. 8

Responding Witness: Christopher H. Franklin / Morgan K. O'Brien

- Q-8. Reference the response to AG 1-19. Provide biographical summaries of the members of each board of directors can be accessed. Internet links to existing pages that include the biographical information requested may satisfy this response.
- A-8. **Morgan O'Brien:** Morgan O'Brien is president and chief executive officer of PNG Companies LLC, and affiliated utilities serving approximately 700,000 customers in southwestern Pennsylvania, West Virginia and Kentucky. In that capacity, he is responsible for the company's strategic, operational and financial performance. Prior to joining Peoples Natural Gas in February 2010, Mr. O'Brien served as President and CEO of Duquesne Light Holdings from September 2001 to January 2010. At Duquesne Light, Morgan refocused the company as a solidly performing electricity utility and community partner. He joined Duquesne Light in 1991, holding several senior executive positions before becoming CEO. Prior to his tenure at Duquesne, he served in various management positions at PNC Bank and major accounting firms. A Pittsburgh native, Mr. O'Brien earned a bachelor's degree in Business Administration and master's degree in Taxation from Robert Morris University. He is active in civic organizations throughout the region, including the Board of Trustees of his alma mater. He also serves on many boards, some which include the Pennsylvania Energy Association, The Pittsburgh Cultural Trust, The Pittsburgh Foundation, and the Leukemia & Lymphoma Society Western PA Chapter. Morgan is also very engaged as a Board member for the United Way of Allegheny County and the Allegheny Conference on Community Development. Mr. O'Brien and his wife, Kathy, have four children and live in downtown Pittsburgh.

Preston Poljak: Preston Poljak is Senior Vice President and Chief Financial Officer of PNG Companies. In that capacity, he is responsible for the company's accounting, tax, treasury, financial planning, enterprise risk management, customer relations, governmental affairs and regulatory affairs. Preston began his career in the assurance practice at Deloitte & Touche LLP and served a variety of audit clients in numerous industries. In 2005, Preston began working in the utility industry for T.W. Phillips Gas and Oil Co. (now Peoples TWP), holding financial management positions including Vice President and Corporate Controller before being named Vice President, Treasurer of Peoples Natural Gas in 2011. In that capacity, Preston helped lead the financial integration of both companies. Preston is a native of Pittsburgh and holds a Bachelor's of Science in Accounting from The Pennsylvania State University. He is also a Certified Public Accountant in the Commonwealth of Pennsylvania and is a member of the Pennsylvania Institute of Certified Public Accountants and American Institute of Certified Public Accountants. Preston is currently a member of the Greensburg Community Development Corporation board of directors. He and his wife, Lainie, and their four children reside in North Huntingdon, PA.

Joe Gregorini: Joe Gregorini began his career as an economist with the Federal Energy Regulatory Commission in Washington, DC, and has 35 years of experience in the utilities and natural gas industries. He has been with Peoples since 1987. As Peoples' Senior Vice President and COO, Joe is responsible for directing Gas Operations, Customer Operations, as well as overseeing the company's Sales, Marketing, and Business Development efforts. Peoples' recently-developed management function dedicated to Reliability, involving the optimization of all the company's gas flow assets, also falls under Joe's direction. Joe earned a Bachelor's of Science degree in Mineral Economics from Penn State University and serves on the board of the Energy Association of Pennsylvania. He is active as a Big Brother and has served as a board member of Big Brothers Big Sisters of Greater Pittsburgh for five years. Joe and his wife of 32 years, Susan, reside in the Pittsburgh area. They have three children - Stefanie, Julie and Joseph.

Ruth DeLost-Wylie: Ruth DeLost-Wylie is Senior Vice President, Chief Information Officer and Chief Administrative Officer of PNG Companies. In addition to the company's Information Technology Department, Ruth is also responsible for Customer Service, Billing, Credit & Collection, Construction, Corporate Services, Human Resources and Legal. Ruth has over 30 years of experience in Information Technology and more than 19 years of experience in the utility industry. After joining Peoples Natural Gas in early 2010, Ruth and her team designed, built and implemented 72 systems essential to the company's operation and established a new Customer Service Center in Pittsburgh's North Side. Since 2010, she has led IT and her other departments through two more

acquisitions. In 2012, Ruth received Pittsburgh's Enterprise Sector CIO of the Year Award and she is the 2015 recipient of Pittsburgh's Business Women's First Award. Ruth is a Western Pennsylvania native, an alumna of Pennsylvania State University and very active in community service. She is also an active member of the United Way's Women's Leadership Council and is on the Information Systems Management Board at Duquesne University. In addition, Ruth is on the Boards of Leadership Pittsburgh and the Pittsburgh Technology Council.

Rodney Short: Rodney Short has served on Delta's Board since 2015 and was a member of Delta's audit committee prior to the PNG acquisition of Delta. He has been a successful real estate entrepreneur in Berea, Kentucky for over twenty years. Mr. Short is the President and owner of Red-Colt Property and Investments, Inc., which develops subdivisions and operates rental properties, and he is the President and owner of Rodney Short Builders, Inc., which builds homes and commercial properties. Mr. Short also markets and sells properties through his company, Short Real Estate Group, Inc. Since 2010, Mr. Short has served on the Berea Utility Advisory Board and is a past board member of the Madison County Home Builders Association. As the sole owner of these real estate businesses, Mr. Short provides extensive leadership, financial and operational experience in real estate to our Board. Further, as a registered builder and member of the Berea Utility Advisory Board, Mr. Short has extensive experience with policy issues affecting utility service and operation.

John McGuire: John McGuire is a Partner and serves as General Counsel and Chief Compliance Officer of SteelRiver. He focuses on acquisitions and financing of energy and gas transmission and distribution and marine port assets. In 2006, he joined Babcock & Brown in a similar role. Prior to 2006, he worked at Cleary Gottlieb Steen & Hamilton LLP. Previously, John was a Research Associate at Harvard Business School, and he also clerked for former Chief Judge Alex Kozinski of the U.S. Court of Appeals for the Ninth Circuit. John holds a Bachelor of Arts in International Economics from Tufts University and a Juris Doctorate from New York University School of Law, where he was Editor-in-Chief of the Law Review.

Christopher Kinney: Christopher Kinney is a Senior Managing Partner of SteelRiver. He has over 30 years of experience in investment management, investment banking and financial administration. Prior to establishing SteelRiver, Chris joined Babcock & Brown in 2006 and worked to establish, structure and raise SRIFNA I as its founding CEO. Before his tenure at Babcock & Brown, Chris served as Chief Financial Officer of the City of Knoxville where he was on the City's Pension Board of Trustees. Previously, he was a Managing Director in the investment banking groups at JPMorgan Chase and Barclays Capital where he specialized in power, utilities and infrastructure. Chris holds a Bachelor of Science in Finance from the University of Tennessee and a Chartered Financial Analyst designation.

Dennis Mahoney: Dennis Mahoney is a Senior Managing Partner of SteelRiver. Prior to establishing SteelRiver, Dennis joined Babcock & Brown in 2005 where he led origination and execution of infrastructure transactions in North America and worked to establish, structure and raise SRIFNA I in a senior capacity. Prior to 2005, Dennis was a Director at JP Morgan Securities in the mergers and acquisitions group and Barclays Capital in the corporate finance group. Dennis holds a Bachelor of Science from Columbia University and a Master of Business Administration from New York University.

Victor Roque: Victor Roque is a retired executive at Duquesne Light Company, and Independent Director to the Board of Directors of its PNG Companies LLC. From 1994-2003, Roque worked for Duquesne Light Company beginning as the company's General Counsel. After serving in various executive positions, he served from 2001-2003 as President of Duquesne Light and Executive Vice President of Duquesne Light Holdings, Inc. Since retiring from Duquesne, Roque has dedicated his time to serving the Pittsburgh metropolitan community. Roque received his J.D. at New York University, and his Bachelor's degree in Engineering at City College of New York. He has also been employed at Orange and Rockland Utilities, Inc. in New York, the New York Power Authority, and as a County District Attorney in the state.

James Mahoney: James Mahoney is President and CEO of Energy Market Solutions, Inc., a Florida-based energy advisory company. He was elected to the New York Independent System Operator (NYISO) Board of Directors in December 2007. Mr. Mahoney has more than 30 years of experience in the energy industry. He is a past President and CEO of DPL, Inc., a regional electric energy and utility company whose principal subsidiaries include The Dayton Power and Light Company; DPL Energy, LLC; and DPL Energy Resources, Inc. Mr. Mahoney is also a past President and CEO of EarthFirst Technologies, Inc., an environmental technology company. Mr. Mahoney has held an array of senior management positions with such companies as PG&E Corporation, the New England Electric System, and USX Corporation. His educational credentials include a Ph.D. in physical chemistry from the University of Pittsburgh and a Bachelor of Science in chemistry from Allegheny College.

Daniel Onorato: Daniel A. Onorato is executive vice president of corporate affairs for Highmark Health, a Pittsburgh-based national health and wellness organization and the second largest integrated delivery and financing system in America. Mr. Onorato has a broad portfolio of responsibilities, including public policy, government and regulatory affairs, community investment and corporate communications. He serves as chairman of the Highmark Foundation, executive director of the Highmark Caring Foundation, and on the board of directors and executive committee of the Jefferson Foundation. Mr. Onorato also serves on the board of directors for the Pennsylvania Chamber of Commerce, the Greater Pittsburgh Chamber of Commerce, the Allegheny County Parks Foundation, and

the Catholic Charities for the Diocese of Pittsburgh. In addition, he is a member of the America's Health Insurance Plans policy and regulatory affairs committee. Before joining Highmark Health, Mr. Onorato served two terms as the chief executive for Allegheny County. Prior to that, he served as Allegheny County's controller and two terms on the Pittsburgh city council. Mr. Onorato's professional background also includes work as an attorney and certified public accountant (CPA). Mr. Onorato graduated from Penn State University with a bachelor's degree in accounting. He earned his juris doctorate from the University of Pittsburgh School of Law. Mr. Onorato and his wife, Shelly reside in the Pittsburgh area and are proud parents of three young adults.

Biographical summaries for the members of Aqua America's Board of Directors may be found at <http://ir.aquaamerica.com/board-of-directors>.

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Question No. 9

Responding Witness: Christopher H. Franklin

Q-9. Reference the confidential response to AG 1-20.

- a. State whether the documents provided constitute the entire filing made pursuant to the Hart-Scott-Rodino Antitrust Improvements Act and pertinent regulations. If not, provide the entire filing.

A-9.

- a. The Hart-Scott-Rodino filing contains proprietary information, is exempt from disclosure under the Kentucky Open Records Act, the federal Freedom of Information Act, and is the subject of a motion for confidential treatment. Due to the highly sensitive, proprietary, and confidential nature of the Hart-Scott-Rodino filing, portions of the filing not previously provided can be made available for review in person at a location convenient to the Attorney General's office upon request.

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Question No. 10

Responding Witness: Christopher H. Franklin

- Q-10. Reference the response to AG 1-21, in which the Joint Applicants state that the only filing made to a federal agency was included as a confidential attachment to AG 1-20. [REDACTED] If not, provide the actual filing.
- A-10. Yes, the only filing made to a federal agency in conjunction with the proposed transaction is the Hart-Scott-Rodino filing produced as KYOAG-20-CONF.

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Question No. 11

Responding Witness: Morgan K. O'Brien / John B. Brown

- Q-11. Reference the response to AG 1-23. Provide an illustrative example of how the commitments referenced in Case No. 2017-00125 could potentially be "inconsistent" with any of the commitments the Joint Applicants may agree to in the instant case.
- A-11. The commitments referenced in Case No. 2017-00125 could be inconsistent with certain of the commitments that Delta, PNG, and Aqua America may agree to in the instant case. Principally, SteelRiver Infrastructure Fund North America LP, SteelRiver LDC Investments LP, and LDC Parent LLC will have divested PNG, Delta, and Peoples Gas KY and therefore make no commitments regarding the future operations of PNG, Delta and Peoples Gas KY as in Case No. 2017-00125. As an illustrative example, Delta, PNG, and Aqua America could agree to a different debt-to-capitalization ratio for Delta than in Case No. 2017-00125.

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Question No. 12

Responding Witness: Daniel J. Schuller

- Q-12. Reference the Joint Applicants' response to AG 1-38 and AG 1-40. Are the responses merely indicating Aqua America is publically traded? If not, explain in detail why not.
- A-12. Please refer to the Joint Application, pp. 14-15, the Pre-Filed Testimony of Daniel J. Schuller, p. 8, and the response to Attorney General's Supplemental Request No. 3(f), in which Joint Applicants explain the ways in which Aqua America's ownership will increase PNG and Delta's access to capital.

AQUA AMERICA, INC., STEELRIVER INFRASTRUCTURE FUND
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CASE NO. 2018-00369

**Joint Response to the Attorney General's Supplemental Data Requests
Dated December 28, 2018**

Question No. 13

Responding Witness: Morgan K. O'Brien

Q-13. Reference the response to AG 1-42 and attachment 1-42-CONF-R. Confirm that the IT and Cybersecurity Due Diligence Report, Executive Summary, p. 5 of 57, states that IT initiatives underway at Delta are "large and complex, impact core systems including SAP, and require a significant spend (budget of \$34.9M in FY 18). Unless managed appropriately, there could be delays, cost overruns, potential business disruption, and customer impact."

- a. Confirm whether all of the \$34.9M of IT spend is within the Delta service territory. If not, identify how much is within Delta's territory.
- b. Identify all measures Joint Applicants will employ to minimize business interruption, delays, and cost overruns.

A-13.

- a. Most of the budgeted \$34.9 million IT spend in 2018 does not relate to Delta's service territory. The response to Question No. 28 from the Attorney General's Initial Request stated that PNG had invested \$2.2 million through November 2018 on the Delta SAP integration of a total project estimate between \$6 million and \$7 million.
- b. As was pointed out in the question, PNG is accustomed to managing a large annual IT spend (i.e. \$34.9 million for 2018) and the Delta project is relatively small in comparison to many of the projects PNG undertakes. PNG is utilizing the same experienced IT staff and consultants to manage the Delta project as have managed their previous conversions and currently oversee their other significant projects in process. While unforeseen circumstances can always occur during system conversions,

the framework PNG utilizes has a track record of minimizing business interruption, delays, and cost overruns.

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**Joint Response to the Attorney General's Supplemental Data Requests
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Question No. 14

Responding Witness: John B. Brown

Q-14. Reference the response to AG 1-42-CONF-R. Confirm that the IT and Cybersecurity Due Diligence Report, Executive Summary, p. 5 of 57, states that “. . . eight to ten compressor stations are controlled by an outdated program and hardware that is no longer supported by the vendor. Replacing the application requires the engine to be rewired with new sensors, remote terminal units, and possibly replacing the engine itself; the total cost would be \$500,000 or more per station. The IT Capex project list did not include upgrade of these systems.”

a. Confirm how many of the above-described compressor stations are located in the Delta service territory.

A-14.

a. There are no compressor stations meeting this description in Delta's service territory.

Delta currently manually operates 11 compressor stations. Only three of these stations are rated greater than 1,000 horsepower, the largest of which is rated 2,100 horsepower. Each station rated greater than 1,000 horsepower is equipped with an automated emergency shutdown device system, compliant with both state and federal regulations. Additionally, all of these stations are equipped with low and high pressure kill switch devices, and with emergency relief valves, in order to provide any associated facilities with overpressure protection. Delta currently does not have any remote control devices within any compressor station facility. All stations are maintained and operated manually, and are within reasonable proximity of personnel that can respond to the stations in an acceptable response time if needed.

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**Joint Response to the Attorney General's Supplemental Data Requests
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Question No. 15

Responding Witness: Daniel J. Schuller

- Q-15. Reference the response to AG 1-65. Identify specifically where in Aqua's attachment KYOAG-65, the subject of remuneration of any type or sort that would be awarded in the event the Proposed Transaction is approved can be found.
- A-15. Please refer to p. 51 of KYOAG-65, under the heading "Performance Share Awards." The third performance goal reads, "The achievement of a targeted cumulative level of rate base growth as a result of acquisitions during the performance period ("Rate Base Growth"). Rate Base Growth includes rate base acquired and subsequent capital invested in these acquisitions during the applicable three year period."

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**Joint Response to the Attorney General's First Request for Information
Dated December 7, 2018**

Question No. 16

Responding Witness: John B. Brown

Q-16. Reference the response to AG 1-42, Attachment OAG-42-CONF, the [REDACTED]
[REDACTED]

- a. Confirm that the Executive Summary states that Delta [REDACTED]
[REDACTED]
- b. Confirm that Delta's [REDACTED]
[REDACTED].

A-16.

- a. Confirmed.
- b. Confirmed. Delta supplies customers in every county where it accesses an interstate pipeline.

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Joint Response to the Attorney General's First Request for Information
Dated December 7, 2018

Question No. 17

Responding Witness: John B. Brown

Q-17. Reference the response to AG 1-42, Attachment OAG-42-CONF, [REDACTED]

a. Confirm that the Executive Summary states that when PNG acquired Delta, it did not [REDACTED]

b. Reference further the [REDACTED], p. 4-5, which [REDACTED]

c. [REDACTED]

A-17.

- a. Confirmed.
- b. None of the sites are owned by Delta. The communities of Paris, Mount Sterling, Lexington and Maysville are served by Columbia Gas (Nisource). The community of Richmond is served by Richmond Utilities.

- c. Not applicable. Please see the response to subpart b.




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**Joint Response to the Attorney General's Supplemental Data Requests
Dated December 28, 2018**

Question No. 18

Responding Witness: John B. Brown

Q-18. Reference the response to AG 1-42, Attachment OAG-42-CONF, 
 p. 2-5 and Figure 2-3 

A-18. Delta confirms the referenced report contains the statement referenced in the question. Please see the response to Question No. 21 regarding Delta's gas procurement and costs, which are reviewed quarterly by the Commission. Moreover, Delta does not agree that the other companies listed are peers with respect to gas procurement, given the difference in size and supply availability among the Kentucky utilities.

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**Joint Response to the Attorney General's Supplemental Data Requests
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Question No. 19

Responding Witness: Christopher H. Franklin

- Q-19. Reference the Joint Applicants' response to AG 1-95. The initial request sought information for the past eight (8) years, while the response provided information for only the past three (3). Provide the eight (8) years initially requested or explain in complete detail why the Joint Applicants did not and cannot provide the information as requested.
- A-19. Please see the following links to Aqua America's annual reports for the last eight years. Each report contains sections on economic regulation, rate case management, and revenue surcharges. There are specific sections on economic regulation, rate case management, and revenue surcharges. Each "operating revenues" section contains a summary of all rate activity, DSIC activity, and any material matters.

2017: <http://ir.aquaamerica.com/static-files/0a1e3735-941d-43bb-9c4c-71083f0dbcb2> (pp. 16-17, 24)

2016: <http://ir.aquaamerica.com/static-files/997b930c-7310-4c34-bf7f-8afe2c920437> (pp. 17-18, 25)

2015: <http://ir.aquaamerica.com/static-files/1779f933-1cdc-4089-9628-908bb243e65c> (pp. 17-18, 25)

2014: <http://ir.aquaamerica.com/static-files/ea00b1d1-df5b-4482-ac4e-425e66bfce2b> (pp. 19-20, 27-28)

2013: <http://ir.aquaamerica.com/static-files/cc111bf9-458e-4944-a24f-7ba01f2add38> (pp. 19-20, 27-28)

2012: <http://ir.aquaamerica.com/static-files/b7e4cee8-ec97-4baf-838c-24416f7f1cac> (pp. 19-20, 27-28)

2011: <http://ir.aquaamerica.com/static-files/cb685dca-7ece-4b8e-acf8-e616fea3570d> (pp. 17-18, 24-25)

2010: <http://ir.aquaamerica.com/static-files/0713d75b-ac78-457e-b618-013411e0418b> (pp. 30-31, 37-38)

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CASE NO. 2018-00369

Joint Response to the Attorney General's Supplemental Data Requests
Dated December 28, 2018

Question No. 20

**Responding Witness: Christopher H. Franklin / Morgan K. O'Brien / John B.
Brown**

Q-20. Confirm that in Case No. 2018-00317,¹ the Kentucky Public Service Commission Staff posed multiple data requests to Delta regarding its gas procurement practices.

- a. Confirm that in Delta's response to the Commission's data request item no. 1, Delta stated, "The Company is a member of a small customer group, represented by Mr. Joshua Menter of McCarter & English, LLP, which represents our interests to Interstate pipelines in an effort to keep interstate pipeline transportation costs as low as possible." Provide an explanation of the services this entity provides to Delta, and state whether Delta has ever issued an RFP for the services this entity provides.
- b. Confirm that in response to PSC data request item no. 2, Delta provided the names of the entities providing commodity supply to Delta.
- c. Confirm that in response to PSC data request item no. 8, Delta acknowledged that it has not undertaken any RFPs for gas supply in the past five (5) years, and that the Company does not have a written procedure for this activity.
- d. Confirm that in response to PSC data request item no. 3, Delta stated that it has no written procedures for nominations and dispatching.
- e. State whether any of the other PNG LDC affiliates engage the services of any entity that provides services similar to McCarter & English, LLP, identified in subpart a. of this question. If so, describe the nature of the services, and identify the PNG affiliate.

¹ *In Re*: Purchased Gas Adjustment Filing of Delta Natural Gas Co., Inc.

- f. State whether any of the other PNG LDC affiliates undertake RFPs for gas supply. If so, state how frequently such RFPs are issued, and provide copies of any written procedures utilized in gas supply procurement.
 - g. State whether any of the other PNG LDC affiliates have written procedures in place for nominations and dispatch.
 - h. State whether the Joint Applicants will require that Delta initiate: (i) RFPs for gas supply on a regular basis; and (ii) written procedures for nominations and dispatch. If not, explain fully why not.
 - i. Identify the page number(s) in the B&V Report which discuss that Delta: (i) has not issued RFPs for gas supply in at least five years; and (ii) lacks written procedures for nominations and dispatch.
- A-20. In Case No. 2018-00317, Delta submitted responses to the data requests set forth in the Commission's July 5, 2018 Order in Case No. 2018-00213 as part of its quarterly Gas Cost Recovery filing. The Commission approved Delta's proposed adjustment, as filed, and the case has been closed.
- a. McCarter & English, LLP provides legal counsel, principally regarding FERC issues, to a group of local distribution companies that purchase gas from Tennessee Gas Pipeline. The group meets periodically to discuss and address common issues. Any expenses are divided among the companies in the group, and Delta is only responsible for approximately 6% of any such expenses based on its size relative to other members in the group. Delta's payments to McCarter & English, LLP were less than \$4,500 for the 12 months ended 9/30/18. Given these minimal costs, no RFP was issued.
 - b. In response to Item No. 2, Delta provided its current contracts for commodity supply.
 - c. Confirmed, but please note that Delta stated in the same response that it planned to initiate a bid process prior to the expiration of the current contracts, which range from 2019-2021. The response also showed that Delta's margin of commodity supply has remained unchanged or decreased over the last five years with its suppliers.
 - d. Not confirmed. Delta's response to Item No. 3 pertained to gas supply and capacity contract summaries. Delta explained its nomination and dispatching process in response to Item 6.
 - e. Yes, Peoples Natural Gas Company LLC, Peoples Gas Company LLC, and Peoples Gas WV LLC have at times retained Post & Schell for legal representation in FERC matters. This is sometimes on an individual

company basis and sometimes on a group basis. In addition, Peoples Natural and Peoples Gas have joined ad hoc customer groups that retain group legal counsel for assistance in participation in individual FERC cases.

- f. Yes, Peoples Natural Gas Company LLC issues RFPs annually for firm delivered winter supply off of Texas Eastern Transmission, LP (TETCO) and Tennessee Gas Pipelines Company, L.L.C. Peoples Natural Gas Company LLC and Peoples Gas Company LLC will also generally undertake an RFP process for expiring interstate transportation and storage capacity contracts where multiple supply options exist. Peoples does not have any written procedures in place.
- g. The PNG LDC affiliates do not have written procedures in place for nominations and dispatch but follow seasonal, monthly and daily gas supply plans that are based on an economic dispatch approach that takes into account reliability, operational requirements and contractual obligations. Under that approach, the companies review the cost of various sources of supply and generally prioritize the use of the least costly source of supply.
- h. Please see responses to subparts c and d and the response to Attorney General's Supplemental Request No. 20.
- i. Please see responses to subparts c and d and the response to Attorney General's Supplemental Request No. 20.

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**Joint Response to the Attorney General's Supplemental Data Requests
Dated December 28, 2018**

Question No. 21

Responding Witness: John B. Brown

- Q-21. Identify all actions Joint Applicants will take to ensure that Delta's gas procurement practices are fully consistent with prevailing industry standards and practices, and will provide Delta's customers with the least cost gas possible.
- A-21. No additional actions are necessary. Delta's gas procurement practices are currently fully consistent with prevailing industry standards and practices, and are designed to provide Delta's customers with the least cost gas possible. The Commission reviews Delta's gas costs each quarter, and in Case No. 2018-00317 the Commission reviewed detailed information regarding Delta's gas procurement practices and recommended no changes.

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Joint Response to the Attorney General's Supplemental Data Requests
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Question No. 22

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

Q-22. Reference the response to AG 1-42, Attachment OAG-42-CONF, the [REDACTED]
entitled, [REDACTED]

- a. Has a final version of the [REDACTED] been completed? If so, provide a copy.
 - b. If the response to subpart a., above, is "no," when do the Joint Applicants anticipate the final version will be completed? Do the Joint Applicants commit to providing the final version of this report when it is completed? If not, why not?
- A-22. The most recent version of the [REDACTED] entitled [REDACTED] [REDACTED] is attached as Attachment KYOAG-22-CONF. This document contains proprietary information and is the subject of a motion for confidential treatment. Aqua America does not anticipate any further updates to this report. If there are any such updates, Aqua America will provide them.

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**Joint Response to the Attorney General's Supplemental Data Requests
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Question No. 23

Responding Witness: Christopher H. Franklin

Q-23. Reference the response to AG 1-42, Attachment OAG-42-CONF, the

A-23. Aqua America has no plans to file a rate case on Delta's behalf in the immediate future and has not determined the frequency with which Delta will file rate cases.

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**Joint Response to the Attorney General's Supplemental Data Requests
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Question No. 24

**Responding Witness: Christopher H. Franklin / Morgan K. O'Brien / John B.
Brown**

Q-24. Reference the Joint Applicants' response to PSC 1-6 (c).

- a. Will the Joint Applicants agree to honor the affiliate transaction rules set forth in KRS 278.2201 through 278.2219? If not, why not?

A-24. Yes, Joint Applicants will honor the affiliate transaction rules set forth in KRS 278.2201 through 278.2219.

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**Joint Response to the Attorney General's Supplemental Data Requests
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Question No. 25

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

Q-25. Reference the Final Order in Case No. 2017-00125, Appendix. Explain whether Joint Applicants in this matter will commit to honoring the 43 express commitments set forth therein (some, but not all of which may be duplicative of those set forth in PSC 1-5 and 1-6 in the instant case).

- a. Explain whether Joint Applicants are aware that these, or similar commitments were required in virtually every transfer of control proceeding in the last approximate ten (10) years.
- b. If Joint Applicants are not willing to honor those commitments, explain fully: (i) why they should be excused from honoring the commitments; and (ii) why the Commission should not deny the application.

A-25.

- a. Joint Applicants are generally aware of the practice for applicants to accept commitments in the course of transfer of control proceedings.
- b. Please see the attachment labeled KYOAG-25 for a full explanation of Joint Applicants' positions regarding the 43 commitments in Case No. 2017-00125.

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**Joint Response to the Attorney General's Supplemental Data Requests
Dated December 28, 2018**

Question No. 26

Responding Witness: Morgan K. O'Brien / John B. Brown

- Q-26. Reference the Morgan testimony in Joint Applicants' Pennsylvania application regarding the Proposed Transaction (attachment KYOAG 21 PA), beginning at p. 11 wherein he discusses the Peoples' Companies' programs for assisting customers.
- a. At p. 12, Mr. Morgan states the Peoples Companies "created a suite of programs and services to increase affordability, provide a safety net for limited income homeowners facing a costly gas related repair and, perhaps most importantly, to connect those in need with resources beyond gas service."
 - (i) Why hasn't Delta instituted a similar suite of programs in its service territory?
 - (ii) State whether Joint Applicants would be willing to provide a similar suite of programs in Delta's service territory. If not, why not?
 - b. At p. 12, Mr. Morgan states that the Peoples Companies have partnered with the United Way to allow customers who are challenged to pay their utility bill to also have access to many important social service programs.
 - (i) Provide details of how this program works.
 - (ii) Explain how and provide a timeline for when Delta plans to institute a similar program in its service territory.
 - c. At p. 12, Mr. Morgan states: "We know many of our customers who struggle to pay their gas bills, most likely also struggle for life's basic human needs like food, shelter and health care assistance." Do Joint Applicants acknowledge that many of Delta's ratepayers face the same struggles?

- d. Provide details regarding the Peoples Companies' Customer Assistance Program ("CAP"), discussed briefly at p. 12.
 - (i) Explain how and provide a timeline for when Delta plans to institute a similar program in its service territory.
 - (ii) If Delta has yet to undertake such a program, confirm the Joint Applicants are willing to undertake a similar program and tariff filings for Delta's service territory.
- e. At p. 12. Mr. Morgan states the Peoples Companies advertise the availability of LIHEAP on customer bills.
 - (i) Explain how Delta currently performs the same task. If Delta does not already, confirm Joint Applicants are willing to do the same for Delta's bills?
- f. At p. 13, Mr. Morgan speaks of the emergency heating appliance and gas line program. Provide details regarding this program.

A-26.

- a(i). Delta contributes annually to low-income funding and community involvement, and makes additional charitable contributions each year. In 2018, these totaled \$59,804. While Peoples Natural Gas has contributed more annually through a different suite of programs, Delta must ensure its programs are right-sized and effective for its customers, given that Delta serves approximately 36,000 customers, and Peoples Natural Gas serves approximately 622,000. Moreover, Delta currently has several programs that are comparable to those mentioned in Mr. O'Brien's testimony, including an Energy Assistance Program rider and a budget payment plan.
- a(ii). See the response to (i). Also, given that Aqua, PNG, and Delta agreed in response to OAG 1-5(f) that Delta's current level of community involvement, charitable contributions, and low-income funding will be maintained in Delta's current operating area after the proposed transaction closes, the parties do not believe any additional commitments regarding these issues are necessary.
- b(i). As described in the testimony of Mr. O'Brien, Peoples recognizes that customers who are having difficulty managing utility bills are often struggling in other areas such as rent, food or medical care. Peoples' Customer Service Center employees who receive all incoming calls for the Peoples' companies have been trained to provide referrals to United Way 2-1-1. This United Way program is available in all of the states Peoples serves and acts as a referral service to residents that connects them with providers such as food pantries, local charitable organizations and governmental benefit programs. Employees receive annual poverty awareness and sensitivity training to help them identify customers who

need additional support and share information with them to help them connect to local resources.

- b(ii). Delta cannot provide a timeline, as Delta has not evaluated this program, or discussed this program with United Way. In reviewing the United Way of Kentucky's website, only a limited number of Kentucky counties are currently serviced by Kentucky 2-1-1, including only 6 of the 23 in which Delta presently provides natural gas service.²
- c. Yes, which is why Delta has an Energy Assistance Program rider, budget payment plan, and makes annual contributions to low-income causes.
- d. Peoples in Pennsylvania has a Pennsylvania Public Utility Commission approved Customer Assistance Program (CAP) which helps limited customers by providing a more affordable monthly bill and the opportunity to reduce arrearages through regular payments. Customers with incomes at or below 200% of Federal Poverty Level are eligible to participate. Participants pay a percentage of their monthly income, or the budget (average) monthly gas bill, whichever is lower as their monthly payment. Any difference between what the customer is required to pay and their actual gas bill is provided as a CAP Credit which allows the customer to maintain service without growing arrearages. Any balance the customer had prior to entering the program is eligible for Arrearage Forgiveness. Under the Arrearage Forgiveness mechanism, customers receive a credit of 1/36th of their pre-program balance each month when their CAP payment is made. The goal of Arrearage Forgiveness is to encourage regular payment habits and eliminate arrearages. Customers participating in CAP with pre-program balances pay an additional \$5 per month, added to their calculated CAP payment, for their pre-program balance.
- d(i). Delta currently has a budget payment plan in its tariff that allows all customers, regardless of income, to participate. Delta also enters into payment term agreements with customers unable to pay large balances but demonstrate a commitment of making regular lower payments towards the balance.
- d(ii). Please see the response to (i).
- e(i). Delta currently advertises the availability of LIHEAP on customer bill inserts rather than on its customer bills, but agrees to evaluate this possibility once the new SAP system is implemented. Delta's Customer Representatives also communicate LIHEAP availability to customers.

² <http://www.uwky.org/211/index.htm>.

- f. Peoples in Pennsylvania has a Pennsylvania Public Utility Commission approved Emergency Furnace & Gas Line Repair Program which provides immediate assistance to homeowners with limited incomes (less than 200% Federal Poverty Level) who experience loss of gas service due to a leaking gas line or lack of heat due to a failed furnace or boiler. The program fully covers the costs of repairs and or replacements as necessary to relieve the emergency.

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**Joint Response to the Attorney General's Supplemental Data Requests
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Question No. 27

**Responding Witness: Christopher H. Franklin / Morgan K. O'Brien / John B.
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- Q-27. Confirm that the Joint Applicants are willing and interested to meet with the low-income energy assistance agencies, and staff of the Office of the Attorney General, for the purpose of discussing programs (including those set forth in the immediately preceding question), to provide assistance to low-income customers.
- A-27. Joint Applicants would welcome the opportunity to meet with relevant low-income energy assistance agencies, and staff of the Office of the Attorney General, for the purpose of discussing programs to provide further assistance to low-income customers.

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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.

CASE NO. 2018-00369

**Joint Response to the Attorney General's Supplemental Data Requests
Dated December 28, 2018**

Question No. 28

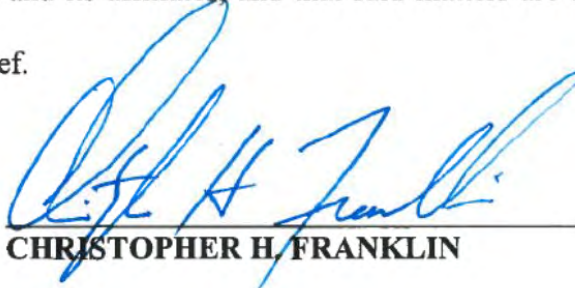
**Responding Witness: Christopher H. Franklin / Morgan K. O'Brien / John B.
Brown**

- Q-28. Reference PSC 1-2 and the Joint Applicants' response to same.
- a. Do Delta, PNG and their current affiliates have the financial ability to provide and implement the state-of-the art tools listed in the response?
- A-28. Yes. However, KRS 278.020(6), the governing statute in this matter, states that the Commission shall grant is approval "if the person acquiring [a] utility has the financial, technical, and managerial abilities to provide reasonable service." The statute does not require that the acquiring party provide and/or implement tools that are not currently available to the utility being acquired. Accordingly, Joint Applicants respectfully submit that the question of whether Delta, PNG, and their current affiliates currently have the financial ability to provide and implement the state-of-the art tools listed in response to PSC 1-2 is not relevant to this proceeding. Delta, PNG, and their current affiliates currently provide a high level of service to their customers, and will continue to do so under Aqua America's ownership.


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 4 day of January, 2019.


Notary Public

My Commission Expires:
Feb. 3, 2021

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Heather S. D. Harrison, Notary Public
Lower Merion Twp., Montgomery County
My Commission Expires Feb. 3, 2021
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

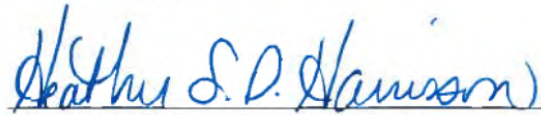
VERIFICATION

COMMONWEALTH OF PENNSYLVANIA)
) SS:
COUNTY OF MONTGOMERY)

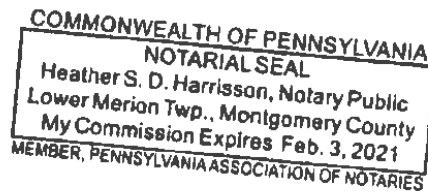
DANIEL J. SCHULLER, being duly sworn, deposes and says that he is the Executive Vice President and Chief Financial Officer of Aqua America, Inc. ("Aqua America"), that he has read the foregoing Responses to Requests for Information and knows the matters contained therein relating to Aqua America and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


DANIEL J. SCHULLER

Subscribed and sworn to before me, a Notary Public in and for the above County and State, on this 4 day of January, 2019.


Notary Public

My Commission Expires:
Feb. 3, 2021




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 that he has read the foregoing Responses to Requests for Information and knows the matters contained therein relating to PNG and its affiliates, including Peoples Gas KY LLC and Delta Natural Gas Company, Inc.; and that said matters are true and correct to the best of his 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 2 day of January, 2019


Notary Public

My Commission Expires:
12/9/20

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Susan M. Griener, Notary Public
City of Pittsburgh, Allegheny County
My Commission Expires Dec. 9, 2020
MEMBER PENNSYLVANIA ASSOCIATION OF NOTARIES

VERIFICATION

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF CLARK) **SS:**

JOHN B. BROWN, being duly sworn, deposes and says that he is the President, Treasurer, and Secretary of Delta Natural Gas Company, Inc. and that he has read the foregoing Responses to Requests for Information and knows the matters contained therein relating to Delta Natural Gas Company, Inc.; and that said matters are true and correct to the best of his knowledge and belief.

John B. Brown

JOHN B. BROWN

Subscribed and sworn to before me, a Notary Public in and for the above County and State, on this 31st day of December, 2018.

Emily P. Bennett

Notary Public

My Commission Expires:
6/20/20

