

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2019-00364
NATURAL GAS COMPANY, INC.)	

DELTA NATURAL GAS COMPANY, INC.'S
PETITION FOR CONFIDENTIAL PROTECTION

Delta Natural Gas Company, Inc. (“Delta”), by counsel, pursuant to 807 KAR 5:001, Section 13, hereby petitions the Public Service Commission (“Commission”) to grant confidential protection for certain information that is contained in its Quarterly Gas Cost Recovery filing, which is more fully described below:

Delta is filing contemporaneously with this Petition, as required by its tariff governing its Gas Cost Adjustment Clause, a Quarterly Report (“Report”) which contains an updated Gas Cost Recovery Rate. Included in the Report is certain information the disclosure of which would damage Delta’s competitive position and business interests.

The Kentucky Open Records Act exempts from disclosure certain commercial information. KRS 61.878(1)(c). To qualify for this exemption and maintain the confidentiality of the information, a party must establish that disclosure of the commercial information would permit an unfair advantage to competitors of that party.

The Report contains sensitive commercial information, the disclosure of which would injure Delta’s ability to negotiate future gas supply contracts at advantageous prices and, thereby, minimize the price of natural gas to its customers, and would unfairly advantage Delta’s competitors for both gas suppliers and retail gas load. Any impairment of its ability to obtain the most advantageous price possible from natural gas producers and marketers will necessarily

erode Delta's competitive position with other energy suppliers that compete in Delta's service territory, as well as other LDCs with whom Delta competes for new and relocating industrial customers. This sensitive information identifies Delta's natural gas suppliers for the period set forth and links those providers with specific gas volumes delivered and the costs thereof. Redacting the suppliers' names from the Report will prevent other parties from piecing together the sensitive information which Delta seeks to protect from disclosure. Delta therefore requests that the identity of each supplier be kept confidential to the extent necessary to prevent the disclosure of the specific gas volumes delivered and the costs thereof.

Disclosure of the suppliers' identities will damage Delta's competitive position and business interest in two ways. First, it will allow Delta's competitors to know the unit price and overall cost of the gas Delta is purchasing from each supplier. This information is valuable to Delta's competitors because it can alert them to the identity of Delta's low cost suppliers and, if those supply agreements are more favorable than theirs, they can attempt to outbid Delta for those suppliers. This would raise prices to Delta which would hurt its competitive position and harm its ratepayers. Second, disclosure will provide competitors of Delta's suppliers with information which will enable future gas bidding to be manipulated to the competitors' advantage and to the detriment of Delta and its customers. Instead of giving its best price in a bid, a gas supply competitor with knowledge of the recent pricing practices of Delta's other suppliers could adjust its bid so that it just beats other bidders' prices or other terms. As a result, Delta and its customers will pay a higher price for gas than they would have otherwise.

The Commission has previously granted requests for confidential protection of similar information in gas cost adjustment filings.¹

¹ See, e.g., *In the Matter of: Electronic Purchased Gas Adjustment Filing of Louisville Gas and Electric Company*, Case No. 2018-00182, Order (Ky. PSC Sept. 12, 2018).

The information in the Report for which Delta is seeking confidential protection is not known outside of Delta and the relevant suppliers, and is not disseminated within Delta except to those employees with a legitimate business need to know and act upon such information.

As required by 807 KAR 5:001, Section 13(2)(b), Delta is providing one copy of the Report, under seal, with the material for which confidential treatment is requested highlighted, and an original and one copy of the Report with the confidential material removed. Delta is providing a CD containing Excel spreadsheets with confidential information highlighted. In the public version of the Excel spreadsheets, the supplier's names have been redacted.

The public interest will be served by granting this Petition in that competition among Delta's prospective gas suppliers will be fostered and the cost of gas to Delta's customers will thereby be minimized. In addition, the public interest will be served by fostering full and fair competition between Delta and other energy service providers within Delta's gas service territory. For these reasons, Delta respectfully requests that the confidential material should be treated as confidential for an indefinite period of time.

WHEREFORE, Delta Natural Gas Company, Inc. respectfully requests that the Commission classify and protect as confidential for an indefinite period of time the identity of the gas suppliers contained in its Gas Cost Recovery Rate Quarterly Report.

Dated September 27, 2019

Respectfully submitted,

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s/Monica H. Braun
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CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001, Section 8(7), this is to certify that Delta's September 27, 2019 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on September 27, 2019; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; that an original copy in paper medium of the filing are being hand delivered to the Commission within two (2) business days.

s/Monica H. Braun
Counsel for Delta Natural Gas Company,
Inc.