

**DELTA NATURAL GAS COMPANY, INC.**  
**CASE NO. 2019-00366**

**RESPONSES TO DATA REQUEST**  
**ORDER DATED JANUARY 31, 2020**

1. Refer to Community Action of Kentucky, Inc.'s (CAK) response to Staff's First Request for Information, Attachment A, which contains CAK's recommendations for revisions to HEA programs. If the Commission were to implement each recommendation, explain how implementing the recommendation would impact your utility, addressing in detail any perceived benefits, adverse consequences, or impediments to implementing the recommendations.

Response:

See Exhibit A attached.

Sponsoring Witness:  
Jenny Lowery Croft

**Exhibit A**

**Response to No. 1 of the Staff's Third Data Request to Delta**

Delta's HEA program is a recurring benefit (SLOT) program. CAK made recommendations in the areas listed below. Delta's responses to these recommendations are also provided below:

Recommendation	Perceived Benefits to Delta	Adverse Consequences	Impediments
<i>Client Prioritization</i>	No impact. See notes below.	Potentially increased administrative costs	None
<b>Notes:</b>	<p>Our program is currently implemented on a first come, first served basis with no prioritization among eligible ratepayers. Additionally, our program does not prioritize HEA funds before or after other benefits such as LIHEAP or WinterCare.</p> <p>Historically, prioritization would have no impact on Delta's program as not all slots were filled in each of the last five program years. Delta has no issue with adding the prioritization as proposed.</p>		
<i>Eliminate the recertification concept</i>	No impact	None	None
<b>Notes:</b>	<p>We agree that dropping the waitlist and performing re-enrollment is preferable to "recertifying" clients, as this promotes fairness. Delta has no issue with eliminating the recertification concept.</p>		
<i>Timeframe</i>	No change	No change	No change
<b>Notes:</b>	<p>Currently, LIHEAP eligibility is used to qualify applicants. Utilizing LIHEAP eligibility streamlines the application process for eligible customers.</p> <p>If our customer qualifies for Delta's HEA at any point during the program year when there are slots available, Delta provides the funds for the entire program year, except in the instance that all slots were filled and one opened up to a new participant. In such an instance we would provide that new participant the funds for only the remaining months. As such, discrimination of ratepayers based on last name does not occur in the Delta program.</p>		
<i>Client Credits</i>	No change	No change	No change
<b>Notes:</b>	<p>These recommendations would not result in a change to Delta's HEA program.</p> <p>Delta does not receive a list of participants each month. Refer to number 3 of the Staff's Data Request dated October 28, 2019. Delta and the Community Action Council (CAC) each share relevant information as modifications are needed to the program enrollment. CAC notifies Delta throughout the year of any additions or removals in the event that a participant no longer qualifies. Delta notifies CAC if service is discontinued for a participant.</p> <p>Additionally, Delta holds the funds for the HEA program and is responsible for determining and applying the amount of the credit to the client's account each month.</p>		

Exhibit A

Response to No. 1 of the Staff's Third Data Request to Delta

Recommendation	Perceived Benefits to Delta	Adverse Consequences	Impediments
<b><i>Drop the Weatherization ("WX") application requirement</i></b>	No change	No change	No change
<b>Notes:</b>	This recommendation would not result in a change to Delta's HEA program, as we do not have a WX application requirement.		
<b><i>Drop the budget plan enrollment requirement</i></b>	No change	No change	No change
<b>Notes:</b>	This recommendation would not result in a change to Delta's HEA program, as we do not require budget plan enrollment.		
<b><i>Implement consistent eligibility requirements</i></b>	Decrease administrative costs	None	Current funding level could prove inadequate to meet need.
<b>Notes:</b>	We agree with the recommendation to use a consistent method to determine the fixed monthly benefits and follow LIHEAP so that the eligibility requirements are also consistent. This could increase enrollments in Delta's HEA program, as the LIHEAP requirements allow applicants to be at or below 130% of federal poverty income guidelines, while the Delta program requires participants to be at or below 110% of the federal poverty income guidelines. Delta has no issue with implementing this recommendation.		
<b><i>Consistent benefits</i></b>	No impact	Refer to notes below.	None
<b>Notes:</b>	Delta has no issue with the Commission establishing a consistent method of determining benefit amounts across programs and energy types. This change could impact the number of slots and number of customers who can be assisted prior to running out of funds.		
<b><i>Drop the requirement to direct the LIHEAP payments to the utility</i></b>	None	See notes below.	None
<b>Notes:</b>	Delta's program currently has this requirement. This could result in less money being applied to Delta customer's bills and could increase the number of service disconnections.		
<b><i>Drop the requirement to apply for LIHEAP</i></b>	None	See notes below.	None
<b>Notes:</b>	We agree with the points made by CAK. We suggest instead of dropping the requirement to apply for LIHEAP, the program be modified to allow applicants to apply for the HEA program in the event that no LIHEAP funds are available. Dropping the requirement to apply for LIHEAP all together could result in less money being applied to Delta's customer's bills and could increase the number of service disconnections.		

Exhibit A

Response to No. 1 of the Staff's Third Data Request to Delta

Recommendation	Perceived Benefits to Delta	Adverse Consequences	Impediments
<b><i>Administrative Recommendations</i></b>			
<b><i>Streamlined consistent deliverables</i></b>	Potential reduced administrative costs.	None, provided that Delta is provided sufficient information. See notes below.	None
<b>Notes:</b>	Delta does not have an issue with this recommendation, provided that deliverables enable Delta to properly apply funds to all qualified enrollees, eliminate enrollees who no longer qualify for HEA, fulfil annual PSC reporting requirements, and ensure CAC is correctly and appropriately administering the HEA program.		
<b><i>Create and use standardized contract templates</i></b>	Reduced administrative costs	None	None - See notes below.
<b>Notes:</b>	We agree that standardized contract templates could be used; however, Delta would like to be provided the contract template prior to finalizing for comments and concerns from our legal representation and management.		
<b><i>Include legal fees</i></b>	None	Increased administrative costs. See notes below.	None
<b>Notes:</b>	Bills currently include various administrative costs. Delta does not have an issue with legal fees being included in these administrative costs, provided the portion of legal fees allocated to Delta appears reasonable and does not include litigation expenses.		
<b><i>Standardize invoices and invoicing procedures</i></b>	None	None	None
<b>Notes:</b>	Delta has no issue with this; however, CAC should provide the same level of detail on the invoice or supporting schedule as is currently provided.		
<b><i>Fees paid to organizations for processing applications should be consistent across programs</i></b>	None	None	None
<b>Notes:</b>	Delta does not have an issue with changes to fees, provided the fee is reasonable and the Commission provides approval.		
<b><i>Implement a mechanism to pay for ongoing maintenance of IT and computer systems</i></b>	No change	No change	No change
<b>Notes:</b>	This expense appears to be included in the administrative expenses billed annually by CAC.		
<b><i>Implement a mechanism to pay for support of the system</i></b>	No change	No change	No change
<b>Notes:</b>	This expense appears to be included in the administrative expenses billed annually by CAC.		

**DELTA NATURAL GAS COMPANY, INC.**  
**CASE NO. 2019-00366**

**RESPONSES TO DATA REQUEST**  
**ORDER DATED JANUARY 31, 2020**

2. Identify any other bill payment assistance programs, other than those listed on the attached spreadsheet, that your utility funds either through customer donations or shareholder funds. Describe all funding sources for the program(s); state whether the program is a crisis program or recurring benefit program; provide the eligibility criteria, and state whether any fees are paid to administer the program(s).

Response:

Delta participates in the WinterCare program. WinterCare is a crisis program funded by customer donations. Customers may indicate on their bill if they elect to donate to the WinterCare program and include the additional funds with their bill payment. The program is administered by Community Action Council (CAC) and the Community Action Agencies (CAA). The donated funds are sent to CAC annually via a WinterCare Post Office Box. The CAA awards and distributes the funds to qualified applicants. To receive a benefit under the WinterCare program, an applicant must have a disconnect notice and be at or below 150% of federal poverty income guidelines. Delta does not pay an administrative fee to CAC or a CAA.

Delta's HEA program and WinterCare are the only shareholder and customer donation funded programs which Delta offers.

Sponsoring Witness:  
Jenny Lowery Croft

**DELTA NATURAL GAS COMPANY, INC.  
CASE NO. 2019-00366**

**RESPONSES TO DATA REQUEST  
ORDER DATED JANUARY 31, 2020**

3. Explain the WinterCare program.

Response:

See Delta's response the number 2 above.

Sponsoring Witness:  
Jenny Lowery Croft

**DELTA NATURAL GAS COMPANY, INC.**  
**CASE NO. 2019-00366**

**RESPONSES TO DATA REQUEST**  
**ORDER DATED JANUARY 31, 2020**

4. Refer to Delta's response to Staff's Second Request for Information, Item 1 (b). Explain how Delta determined the monthly benefit amounts for each month.

Response:

The monthly benefit amounts were set by the Commission's order dated February 1, 2006 issued in case number 2005-00464. Delta developed the monthly benefit amounts with the intent of being able to provide assistance to approximately 300 of its 33,000 customers annually based on estimated consumption. Delta proposed to fund the HEA program at this benefit level with a \$0.05 per Mcf charge for residential customers, in addition to a \$25,000 annual contribution to be made by Delta. The Attorney General expressed concern regarding Delta's proposal to collect energy assistance program funds using a volumetric charge rather than a per meter or per customer charge. Delta responded to the Attorney General's comments and proposed a \$0.30 monthly customer charge and a \$30,000 annual company contribution; however, the Commission approved a lower monthly customer charge of \$0.20. When the Commission approved the monthly benefit amounts totaling \$410 annually, the result was less than 300 slots but still provided for Delta to have a meaningful HEA program.

Sponsoring Witness:  
Jenny Lowery Croft

**DELTA NATURAL GAS COMPANY, INC.  
CASE NO. 2019-00366**

**RESPONSES TO DATA REQUEST  
ORDER DATED JANUARY 31, 2020**

5. Provide the number of residential customers served by Louisville Gas and Electric Company in each of the zip codes provided. Further, to the extent available, provide the average monthly bill for residential customers in those zip codes and the average residential monthly bill system-wide.

Response:

This question requests information for another utility and was inadvertently included in Delta's data request.

Sponsoring Witness:  
Jenny Lowery Croft



**DELTA NATURAL GAS COMPANY, INC.**  
**CASE NO. 2019-00366**

**RESPONSES TO DATA REQUEST**  
**ORDER DATED JANUARY 31, 2020**

6. For each HEA program, provide the following information for each of the last five full program years:
- a. The average monthly bill for all residential customers for each month from November to March.
  - b. The average monthly bill for residential customers receiving HEA benefits for each month from November to March.
  - c. The average monthly bill for residential customers receiving LIHEAP benefits for each month from November to March.

Response:

- a. The average monthly bills for all residential customers are as follows:

	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
<b>2014-2015</b>	\$44.50	\$90.12	\$129.91	\$141.08	\$138.38
<b>2015-2016</b>	\$41.54	\$62.04	\$79.51	\$110.61	\$116.70
<b>2016-2017</b>	\$36.22	\$71.46	\$95.89	\$119.52	\$90.98
<b>2017-2018</b>	\$40.31	\$84.22	\$117.52	\$134.48	\$101.46
<b>2018-2019</b>	\$34.11	\$75.78	\$96.53	\$103.17	\$98.14
<b>2019-2020</b>	\$40.88	\$77.79	\$98.80	N/A	N/A

- b. The average monthly bills for residential customers receiving HEA benefits are as follows:

	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
<b>2014-2015</b>	\$43.97	\$82.83	\$118.23	\$122.06	\$118.51
<b>2015-2016</b>	\$37.68	\$59.86	\$76.29	\$98.29	\$109.08
<b>2016-2017</b>	\$36.33	\$66.96	\$82.45	\$103.83	\$83.48
<b>2017-2018</b>	\$39.44	\$71.94	\$98.42	\$113.60	\$91.87
<b>2018-2019</b>	\$30.94	\$63.33	\$82.59	\$80.63	\$85.19
<b>2019-2020</b>	\$37.68	\$65.84	\$89.48	N/A	N/A

**DELTA NATURAL GAS COMPANY, INC.**  
**CASE NO. 2019-00366**

**RESPONSES TO DATA REQUEST**  
**ORDER DATED JANUARY 31, 2020**

- c. The average monthly bills for residential customers receiving LIHEAP benefits are as follows:

	<b>Nov</b>	<b>Dec</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>
<b>2014-2015</b>	\$45.00	\$89.55	\$137.73	\$150.94	\$129.72
<b>2015-2016</b>	\$42.59	\$59.94	\$85.89	\$113.45	\$114.22
<b>2016-2017</b>	\$36.73	\$69.69	\$101.65	\$128.59	\$96.48
<b>2019-2018</b>	\$41.94	\$86.56	\$132.35	\$135.43	\$102.17
<b>2018-2019</b>	\$33.93	\$72.01	\$112.11	\$115.09	\$99.72
<b>2019-2020</b>	\$43.05	\$76.28	\$109.75	N/A	N/A

Sponsoring Witness:  
Jenny Lowery Croft

**DELTA NATURAL GAS COMPANY, INC.**  
**CASE NO. 2019-00366**

**RESPONSES TO DATA REQUEST**  
**ORDER DATED JANUARY 31, 2020**

AMENDMENT TO THE STAFF'S THIRD REQUEST TO DELTA

1. Refer to Appendix C of the Commission's Order in Case No. 2019-00366 dated October 28, 2019. For the period of January 1, 2015, until December 31, 2019, provide (monthly and annually) the following information:
  - a. Total service termination notices issued.
  - b. Total service terminations.
  - c. Total amount of unique customers issued service termination notices.
  - d. Total amount of unique customers with service terminated.

Response:

- a. See Exhibit B. Termination notices included in the data provided are notices which are provided to the Delta district offices. District office personnel then go through the notices and remove any which have been paid since the time the notices were generated. All remaining notices are worked by Customer Service Representatives (CSR) who visit each location subject to termination of service. If the account is paid or a payment plan is arranged, service is not terminated. If the account is not paid or payment terms are not set and signed, the service is terminated.
- b. See Exhibit B. Service terminations included in this data are the services which were terminated by the CSR as discussed above after trying to collect on-site.
- c. See Delta's response to 'a' above. Delta does not render multiple termination notices on the same account.
- d. See Exhibit B. Unique customers with services terminated include customers who did not pay their bill within seven days after service was terminated. These customers are sent a closing bill and they are no longer considered active customers.

Sponsoring Witness:  
Jenny Lowery Croft

**Exhibit B**

**Response to No. 1 of the Amendment to the Staff's Third Request to Delta**

**a. Total service termination notices issued are as follows:**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yr Total
<b>2015</b>	1,256	2,586	5,200	3,603	2,421	1,259	302	480	403	589	139	436	18,674
<b>2016</b>	1,179	1,680	4,300	2,567	1,583	552	596	464	403	304	348	368	14,344
<b>2017</b>	1,283	2,045	2,186	2,337	2,838	337	628	733	387	396	374	257	13,801
<b>2018</b>	1,951	2,400	4,395	1,002	4,206	1,275	208	809	143	602	273	150	17,414
<b>2019</b>	2,705	2,014	2,048	2,198	1,690	322	899	409	148	540	124	498	13,595

**b. Total service terminations are as follows:**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yr Total
<b>2015</b>	54	33	245	597	377	262	89	105	83	60	40	34	1,979
<b>2016</b>	34	42	254	339	268	256	149	91	116	55	23	22	1,649
<b>2017</b>	49	99	159	336	397	166	148	100	86	66	34	26	1,666
<b>2018</b>	66	119	149	293	441	352	139	103	84	41	25	18	1,830
<b>2019</b>	22	74	114	248	511	166	142	96	58	41	20	21	1,513

**d. Total amount of unique customers with service terminated are as follows:**

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Yr Total
<b>2015</b>	46	30	157	564	377	230	114	94	81	53	40	29	1,815
<b>2016</b>	27	38	184	373	243	225	137	98	105	51	28	17	1,526
<b>2017</b>	53	59	137	326	382	174	145	94	80	62	27	21	1,560
<b>2018</b>	52	96	115	293	384	357	131	106	74	36	33	16	1,693
<b>2019</b>	19	54	123	202	413	206	134	98	49	47	18	16	1,379

**VERIFICATION**

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

The undersigned, Jenny Lowery Croft, being duly sworn, deposes and says that she is Manager – Employee and Regulatory Services of Delta Natural Gas Company, Inc. and that she has personal knowledge of the matters set forth in the responses for which she is identified as the witness and the answers contained therein are true and correct to the best of her information, knowledge and belief.

*Jenny Lowery Croft*  
\_\_\_\_\_  
**Jenny Lowery Croft**

Subscribed and sworn to before me, a Notary Public, in said County and State this 14<sup>th</sup> day of February 2020.

*Emily P. Bennett* (SEAL)  
\_\_\_\_\_  
Notary Public

My Commission Expires:

6/20/20

