

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC APPLICATION OF DELTA |) | |
| NATURAL GAS COMPANY, INC. FOR AN |) | |
| ADJUSTMENT OF ITS RATES AND A |) | |
| CERTIFICATE OF PUBLIC |) | CASE NO. 2021-00185 |
| CONVENIENCE AND NECESSITY |) | |

DELTA NATURAL GAS COMPANY, INC.’S
DATA REQUESTS TO ATTORNEY GENERAL

In accordance with the Public Service Commission’s (“Commission”) August 6, 2021 Order, Delta Natural Gas Company, Inc. (“Delta”) propounds the following data requests upon the Attorney General of Kentucky (“AG”). The AG shall respond to these requests in accordance with the provisions of the Commission’s August 6, 2021 Order and the instructions set forth below.

INSTRUCTIONS

1. In producing documents and things responsive to these requests, the AG shall respond in accordance with the requirements set forth in the Commission’s June 16, 2021 Order and the production shall be organized and labeled to correspond with the data requests to which they are responsive, regardless of whether these documents and things are possessed directly by you or by your present or past agents, employees, companies, licensees, representatives, investigators, or attorneys.

2. If the attorney-client privilege or work product immunity is asserted as to any document or thing, or if any document or thing is not produced in full, produce the document or thing to the extent the request for production is not objected to, and, in so doing, state the following:

- (a) the specific ground(s) for not producing the document or thing in full;

- (b) the basis for such a claim of privilege or immunity and the facts supporting that basis; and
- (c) fully identify the information or material contained within the document or thing for which such privilege or immunity is asserted, including as applicable, the name of any document or thing; its date; the name, address and job title of each author or other person involved in its preparation, each addressee and each person to whom a copy of the document or thing has been sent or received; and the general nature of the document or thing (e.g., memoranda, letter).

3. Where an objection is made to a request, state all grounds upon which your objection is based.

4. If, after exercising due diligence, you are unable to determine the existence of any documents or things falling within a specific request, you shall so state in your written response.

5. With respect to each of the following requests, you shall identify and/or produce all documents which are known to you or which can be located or discovered by you through diligent effort on your part, including, but not limited to, all documents which are in your business, personnel, and/or personal files or those of your present or past employees or contained or stored within a computer in your possession or those of your present or past representatives, attorneys, or accountants, or accessible to you or your present and past employees, or its representatives, attorneys, or accountants.

6. Whenever used herein, the singular shall be deemed to include the plural and the plural shall be deemed to include the singular and the disjunctive shall be deemed to include the conjunctive and the conjunctive shall be deemed to include the disjunctive so as to elicit all information potentially responsive to the request for production.

REQUESTS

1. Please provide copies of all testimony prepared by Mr. Baudino for the last 5 years on the cost of capital.
2. Please provide copies of all testimony prepared by Mr. Ostrander in the last 5 years.
3. Please provide a summary of Mr. Baudino's recommendations for each case where he has provided testimony on the cost of capital over the past five years. In this summary please include:
 - (a) Date filed
 - (b) Docket
 - (c) Company
 - (d) Mr. Baudino's recommended ROE
 - (e) Mr. Baudino's recommended capital structure
 - (f) Authorized ROE
 - (g) Authorized capital structure
4. Referencing Exhibit RAB-2 through Exhibit RAB-5, please provide an electronic copy of all of Mr. Baudino's exhibits in their native format (i.e., Microsoft Excel, Lotus 1-2-3, etc.) with all formulas intact.
5. Referencing page 18, lines 16-21 of Mr. Baudino's testimony and Exhibit RAB-2, please provide a copy of the source documents for the dividends per share and prices per share for the companies in the gas distribution group.
6. Referencing page 19, lines 14-16 of Mr. Baudino's testimony and Exhibit RAB-3, please provide the source documents from Zacks and Yahoo! Finance that were employed in this schedule.
7. Referencing page 19, lines 14-16 Mr. Baudino's testimony, is Mr. Baudino aware of any additional sources of analysts' forecasts of growth? If so, name them and explain why they were not used.
8. Referencing page 22, lines 10-13 of Mr. Baudino's testimony, please provide quantification for the percentage of total investment risk that is represented by systematic risk measured by beta.
9. Referencing page 24, footnote 9 of Mr. Baudino's testimony, please provide a copy of *A Random Walk Down Wall Street* by Burton Malkiel, p. 218, 2019 edition.

10. Referencing page 24, footnote 10 of Mr. Baudino's testimony, please provide a copy of *Cost of Capital*, Shannon Pratt and Roger Grabowski, 5th Edition, page 288, published by Wiley.
11. Referencing page 26, lines 1-3 of Mr. Baudino's testimony and page 2 of Exhibit RAB-4, please provide an electronic copy of the workpapers that supports the Value Line median annual total return of 9.00% and the average annual total return of 9.84%. The electronic workpapers should have all formulas intact.
12. Referencing page 6, lines 5-12 of Mr. Baudino's testimony and Exhibit RAB-5, please provide the Duff and Phelps compiled study of historical returns on the stock market in its Cost of Capital Navigator: U.S. Cost of Capital Module.
13. Referencing page 43, lines 5-6 of Mr. Baudino's testimony, please provide the source document or other empirical evidence that flotation costs are already accounted for in current stock prices.
14. Referencing page 52, lines 7-9 and footnote 24 of Mr. Baudino's testimony, please provide a copy of *Summary Statistics of Annual Total Returns, Income Returns, and Capital Appreciation Returns of Basic U.S. Asset Classes, 1926 - 2020*, Cost of Capital Navigator: U.S. Cost of Capital Module.

Dated: October 13, 2021

Respectfully submitted,



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Inc.

CERTIFICATE OF COMPLIANCE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on October 13, 2021; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means

Maura H. Braun

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