

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DELTA)	
NATURAL GAS COMPANY, INC. FOR A)	
CERTIFICATE OF PUBLIC)	
CONVENIENCE AND NECESSITY TO)	CASE NO. 2022-00085
CONSTRUCT A PIPELINE TO SERVE THE)	
CITIES OF NICHOLASVILLE AND)	
WILMORE)	

APPLICATION FOR CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Delta Natural Gas Company, Inc. (“Delta”), pursuant to KRS 278.020 and 807 KAR 5:001, Section 15, hereby applies to the Kentucky Public Service Commission (“Commission”) for a Certificate of Public Convenience and Necessity (“CPCN”) to construct a pipeline that will provide the Nicholasville and Wilmore portions of Delta’s system with a second source of gas supply. In support of its Application, Delta states as follows:

1. Delta’s post office address, principal office, and place of business are located at 3617 Lexington Road, Winchester, Kentucky 40391. Delta’s full name is Delta Natural Gas Company, Inc. Delta can be reached at the email address of counsel set forth below.

2. Delta is a Kentucky corporation that was incorporated on October 7, 1949 and attests that it is currently in good standing under the laws of Kentucky.

3. Delta is a utility engaged in the natural gas business and is a wholly owned subsidiary of PNG Companies LLC. Delta purchases, sells, stores, and transports natural gas in Bath, Estill, Montgomery, Menifee, Madison, Powell, Garrard, Jackson, Lee, Bourbon, Jessamine, Rowan, Bell, Knox, Whitley, Laurel, Clay, Leslie, Lincoln, Fayette, Fleming, Clark, Robertson,

Mason, Lawrence, Johnson, Martin, Magoffin, Floyd, Pike, Perry, Knott, and Letcher Counties, Kentucky.

4. In Case No. 2021-00185, Delta requested authority to adjust its gas rates and for a CPCN to construct a pipeline that will provide the Nicholasville and Wilmore portion of Delta's system with a second source of supply. In its May 28, 2021 Application, Delta requested a deviation from 807 KAR 5:001, Section 15(2)(d)(2) with respect to providing plans and drawings regarding the proposed pipeline. During the course of Case No. 2021-00185, Delta provided significant information and support regarding the proposed pipeline through data responses and testimony.

5. On October 18, 2021, the Commission denied Delta's request for a deviation with respect to the plans and drawings. Delta informed the Commission that it was withdrawing its request for the CPCN in Case No. 2021-00185 and that it planned to file a new application for the CPCN in the first quarter of 2022. By separate motion filed herewith, Delta is requesting that the Commission incorporate the portions of the record in Case No. 2021-00185 into this proceeding to aid the efficiency of the Commission's consideration of the CPCN.

6. Pursuant to KRS 278.020(1) and 807 KAR 5:001, Section 15(2)(a), Delta requests a CPCN to construct an approximately 17-mile pipeline that will provide a much-needed second source of supply to the largest concentration of Delta customers. Approximately 9,100 customers in the Nicholasville and Wilmore area are served by a single line. Should that line fail, thousands of customers would be without gas service. In addition to the reliability concerns, there are capacity constraints affecting a portion of the system because a portion of the single line is only 4-inch and 6-inch in diameter, leading to bottleneck issues in that area. Delta's Director of

Operations, Mr. Jonathan Morpew, is providing direct testimony in support of the need for the project.

7. To solve these reliability and capacity concerns, Delta plans to construct an approximately 17-mile underground natural gas pipeline that would run from an interstate pipeline in Garrard County to Nicholasville in Jessamine County. The proposed pipeline will connect to the interstate pipeline through a new tap. Delta has discussed the new tap with the interstate pipeline company, which is amenable to Delta constructing a tap for the purpose of constructing the pipeline at issue in this Application.

8. Pursuant to 807 KAR 5:001, Section 15(2)(b), Delta does not yet have any franchises or permits for the project but will acquire all necessary permits prior to commencing construction.

9. Pursuant to 807 KAR 5:001, Section 15(2)(c), Mr. Morpew's testimony contains a full description of the proposed location and route of the proposed construction or extension, including a description of the manner of the construction. The proposed route is appended to Mr. Morpew's testimony and identifies the grade and natural and as-built features.

10. Pursuant to 807 KAR 5:001, Section 15(2)(c), there are no public utilities, corporations, or persons with whom the proposed construction or extension is likely to compete, as Delta already provides natural gas service along the route the pipeline will traverse. As discussed above, the purpose of the pipeline is to ensure reliability and capacity for Delta's existing customers.

11. Pursuant to 807 KAR 5:001, Section 15(2)(d)(1)-(2), Mr. Morpew's testimony contains a map to suitable scale showing the location or route of the proposed construction or extension, as well as a description of the plans and specifications for the facilities.

12. Mr. Morphew's testimony also contains plans and drawings for the proposed construction. The map, plans, and drawings were prepared by EnSite USA and comply with KRS 322.340.

13. Pursuant to 807 KAR 5:001, Section 15(2)(e), Delta does not project finance its projects and will finance the pipeline utilizing the general financing available to it.

14. Pursuant to 807 KAR 5:001, Section 15(2)(f), the estimated annual cost of operation after the proposed facilities are placed into service is \$16,050. Mr. Morphew's testimony contains a further description of the annual cost of operation.

WHEREFORE, Delta Natural Gas Company, Inc. respectfully requests the Kentucky Public Service Commission grant a Certificate of Public Convenience and Necessity to construct a pipeline that will provide the Nicholasville and Wilmore portions of Delta's system with a second source of gas supply.

Dated: March 25, 2022

Respectfully submitted,



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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 March 25, 2022; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

Marcia H. Braun
