

**COMMONWEALTH OF KENTUCKY**  
**BEFORE THE PUBLIC SERVICE COMMISSION**

**In the Matter of:**

<b>ELECTRONIC APPLICATION OF DELTA</b>	)	
<b>NATURAL GAS COMPANY, INC. FOR</b>	)	
<b>APPROVAL OF LOGO DISCLAIMER AND</b>	)	<b>CASE NO. 2024-00057</b>
<b>NOTICE OF NONREGULATED ACTIVITY</b>	)	

**NOTICE OF ESTABLISHMENT OF NONREGULATED ACTIVITY AND  
APPLICATION FOR APPROVAL OF DISCLAIMER LANGUAGE**

Delta Natural Gas Company, Inc. (“Delta”) hereby provides notice of Delta’s expected establishment of a new nonregulated activity in accordance with 807 KAR 5:080, Section 4 and hereby applies to the Kentucky Public Service Commission (“Commission”) for approval of disclaimer language to accompany Delta’s logo in advertising materials for the nonregulated activity. 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. Pursuant to 807 KAR 5:080, Section 4, Delta hereby provides notice that it intends to establish a new, nonregulated activity. Delta has entered into an agreement with HomeServe USA Repair Management Corp. (“HomeServe”) under which HomeServe will offer Delta’s customers voluntary protection plans on customer-owned utility service lines, water heaters, heating repairs, cooling repairs, plumbing and drainage repairs, and certain electronics. Per the terms of the agreement, the agreement will become effective 15 days after the Commission approves the agreement.

5. HomeServe will bill participating Delta customers directly. No charges will be added to Delta customer bills.

6. HomeServe will contract for the services of local contractors to perform the repair work. Delta will not be involved in the selection, dispatch, oversight, or training of these contractors.

7. In accordance with 807 KAR 5:080, Section 4(1)(b), Delta proposes that the new nonregulated activity should be classified as incidental nonregulated activity. Pursuant to 807 KAR 5:080, Section 4(2), Delta is providing the information required by 807 KAR 5:080, Section 2(1)(b).

(a) 807 KAR 5:080, Section 2(1)(b)(1) and (2): The percentage of revenue Delta may receive will be well below the two percent threshold for incidental nonregulated activity. In Delta’s 2022 annual report submitted to the Commission, Delta identified total revenues of \$54,754,677.00 from a total of 39,375 customers. For total revenues of \$54,754,677.00, the two percent “incidental” threshold is \$1,095,093.54. The expected revenue from HomeServe in Kentucky is far below that threshold.

(b) Delta has estimated the annual revenue based on the number of participants in the Aqua HomeServe program in other states. Attached is Exhibit 1, which details this calculation, and is being filed pursuant to a Petition for Confidential Protection. Notably, the number of customers in Aqua HomeServe programs in other states have been achieved over 20 years and thus the estimated revenue for Delta would likely only be achieved when the Delta program is mature.

(c) 807 KAR 5:080, Section 2(1)(b)(3): The activity is reasonably related to Delta's regulated gas services. HomeServe will provide protection plans for gas and other utility service lines, other repairs, and certain electronics. While this nonregulated activity is reasonably related to Delta's regulated services, it is not necessary for customers to participate in HomeServe's protection plans to continue to receive quality regulated services from Delta.

8. KRS 278.2213(13) requires that a utility's name, trademark, brand, or logo should not be used by a nonregulated affiliate without a disclaimer, which the Commission must approve. Although Delta is not proposing nonregulated activity with an *affiliate*, it is requesting approval for use of disclaimer language to accompany Delta's logo in materials sent by HomeServe. Delta requests approval of the following disclaimer language, which is consistent with the principles of 807 KAR 5:080, Section 6:

“HomeServe USA Repair Management Corp. (“HomeServe”), with corporate offices located at 601 Merritt 7, 6th Floor, Norwalk, CT 06851, is not the same company as Delta Natural Gas Company, Inc. (“Delta”), is an *independent company separate from Delta* and offers this optional service plan as an authorized representative of the service contract provider, CNA Warranty Services, Inc., 151 N Franklin St., Chicago, IL 60606. HomeServe is not regulated by the Kentucky Public Service Commission. You do not have to buy HomeServe's services in order to continue to receive quality regulated services from the utility. Delta and HomeServe entered into an agreement to introduce these plans to Delta customers. *See eligibility requirements and coverage limitations in this package.*”

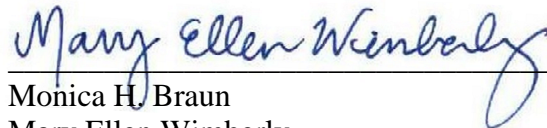
9. Notably, no Delta customer information will be shared with HomeServe. HomeServe will mail materials to the zip codes where Delta currently offers gas utility service.

10. If approved, HomeServe will use the proposed disclaimer language in any print advertising containing Delta's name, trademark, brand, or logo, any televised advertising, and any time HomeServe uses Delta's name in an audio format.

**WHEREFORE**, Delta Natural Gas Company, Inc. respectfully provides notice of new nonregulated activity and requests approval of the Kentucky Public Service Commission of the use of disclaimer language to accompany Delta's logo.

Dated: March 7, 2024


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 March 7, 2024; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

  
Counsel for Delta Natural Gas Company, Inc.

4888-6518-0271.3

Exhibit 1 is confidential and is  
being provided pursuant to a  
Petition for Confidential  
Protection.