

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-001 A

Witness: Morpew, Jonathan W **Title:** Operations Director

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

1. Explain any differences between the formats of the bills sent to People's Gas customers, and those sent to traditional Delta Gas customers.

a. Include in your response an exemplar of a bill sent to People's Gas customers in Kentucky, and an exemplar of a bill sent to Delta Gas customers.

Response:

The differences between Delta and Peoples bills are the customer phone numbers, payment mailing addresses, verbiage and the QR code listed only on the Peoples bill. There are moderate formatting differences between the two with the amount of color used, font size and layout of back side.

See attached front and back images of a Delta and Peoples bill.



PEOPLES

Account Number

Bill Date

Oct 14, 2024

Office hours: 7:00 A.M to 5:00 P.M Monday-Friday
Phone: (888) 427-7335

SUMMARY OF BASIC CHARGES

Credits And Charges Since Your Last Bill

Balance from last bill \$26.19
 Payment on SEP 24, 2024 - Thank You 26.19 CR
Balance \$0.00

Current Charges

01 Residential Monthly Customer Charge \$24.00
 Gas Usage Charge
 0.2 MCF @ \$10.9500 2.19
 Energy Assistance Program Tariff .30
 Pipe Replacement Pgm. 0.2 MCF @ \$0.3280 .07
 3.00% Rate Inc Madison Sch Tax on \$26.56 .80

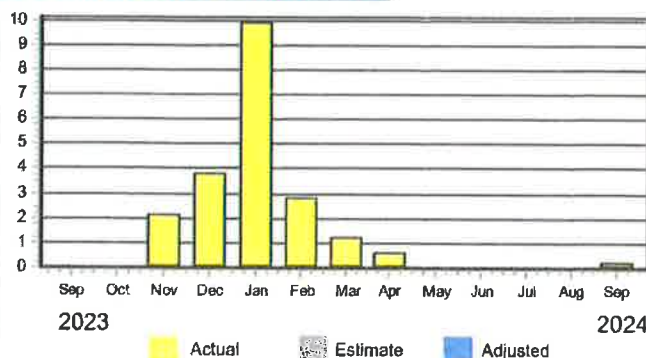
Total Current Charges \$27.36
Total Amount Due \$27.36

To our customers who pay their Delta Gas bill on-line, please be sure to change your account number with your banking service. For more information about your bill, visit www.deltagas.com.

You can pay your bill by Credit/Debit Card or Electronic Check. Call ACI Speedpay at (855) 730-8765 or visit www.deltagas.com and click on "Pay Bill Online"

Please Pay Amount Due \$27.36 by Oct 28, 2024

MONTHLY USAGE COMPARISON



Average monthly use: 1.6 MCF
 Total annual use: 21.1 MCF

	Avg Temp	Days
Current Month	65	34
Previous Month	62	29
Same Month last year	0	27

BILLING PERIOD & METER READINGS

Date	Read Type	Reading	Difference
Meter Number	Y637737		
OCT 07, 2024	Actual	280.8	0.2
SEP 03, 2024	Actual	280.6	
MCF Used in 34 Days			0.2

SEE REVERSE SIDE FOR EMERGENCY INFORMATION.

Please detach and return this coupon with a check made payable to Delta Natural Gas Company

816001503159



PEOPLES

PO Box 535323
 Pittsburgh PA 15253



05689



T19 P1

Berea, KY 40403-8710

☐ Check here to indicate address and/or phone number change on back.

☐ Check here for automatic bank draft service. Complete application on back of this stub.

DUE DATE Oct 28, 2024	ACCOUNT NO. [REDACTED]
\$27.36	
Amount Due	Amount Enclosed

I am voluntarily adding \$ (\$1.00 or more) to any payment for the Wintercare Program

DELTA NATURAL GAS CO INC
 PO BOX 747108
 PITTSBURGH, PA 15274-7108

1600 [REDACTED] 00000000027360000000027360

SERVICE CHARGES

Reconnect	\$9.00
Collection	\$5.00
NSF	\$15.00

FARM TAP SERVICE CHARGES

New Installations	\$150.00
Reconnections and Turn-ons	\$25.00

WE ARE PROUD TO OFFER AN AUTOMATED BILL PAYMENT SERVICE.

Pay your bill by electronic check, debit or credit card 24 hours a day, 7 days a week.

Pay online at www.deltagas.com or by phone (855) 730-8765.

Payment may be made with the following credit cards: VISA, MasterCard, Discover, or American Express.

A processing fee will be charged when using this service.

Rate Schedules-Information about rate schedules is available upon request or at www.deltagas.com/rates.html

Past due amount, if any, is immediately payable. Carrying a past due amount and/or failing to pay Total Account Balance in full by the due date may result in discontinuance of service and the assessment of collection charges.

FOR YOUR SAFETY

Natural gas has a distinct odor added for your protection. When you smell it:

Leave the house...immediately! Don't light matches or flip an electrical switch.

Call us from a telephone other than your house phone.

EMERGENCY NUMBER

To report an emergency, please call: **(800) 432-0771**.

Call before you dig

If you are planning a home construction or landscaping project, call Kentucky 811 at least 72 hours before you start to dig. A representative will mark the approximate location of the underground utility lines on your property.

PAYMENT TERMS**Current Month's Bill**

The current month's bill due date is shown on the front of this statement. Payment is due in Delta's office on or before the due date.

Previous Amounts Due

The due date indicated on this statement is for the current month's bill only and does not apply to Previous Amounts Due. Previous Amounts Due are past due and may be subject to disconnection. No extensions of time for Previous Amounts Due is being authorized by this statement.

****Usage is occasionally estimated due to weather conditions or unforeseen circumstances. Any adjustments from an estimated bill will be reflected with the next actual meter reading.**

NOT RESPONSIBLE FOR MAIL DELIVERY. Failure to receive your bill does not exempt you from payment or discontinuance of service.



Direct email inquiries to:
customerservice@deltagas.com
www.deltagas.com

Change of Address

New Address _____

City _____ State _____ ZIP _____

Phone _____

Signature _____

Automatic Bank Draft Service

Please deduct my payment from my

☐ Checking

☐ Savings

(Please attach a voided check)

I hereby authorize Delta Natural Gas Company, Inc. to debit my bank account in payment for gas service for the Delta customer shown on the reverse side. Upon notification, the automatic payment service will be stopped and the normal payment process will resume with the next billing.



PEOPLES™

An Essential Utilities Company

For 24/7 account access: peopleseaccount.com

KITE KY 41828-8802

Account Number [REDACTED] Date Prepared Nov 22, 2024 Next Meter Reading 12/17 - 12/18/2024 B 50

For General Information call 1-800-764-0111. For an Emergency call 1-800-400-4271.
Avoid an estimate - call in a read between 12/17 and by 5 p.m. on 12/18/2024.

Summary of Basic Charges**Credits And Charges Since Your Last Bill**

Balance from last bill \$30.46
Payment on NOV 15, 2024 - Thank You 30.46 CR
Balance \$0.00

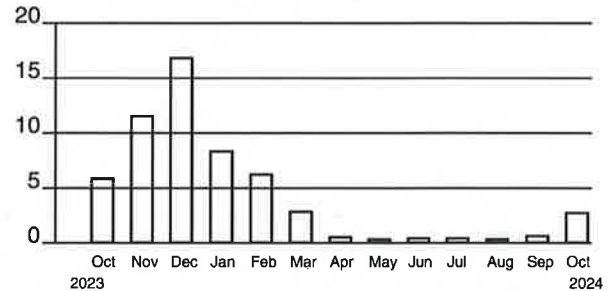
Current Charges**Kentucky Residential (RS) (NP)**

Customer Charge - \$24.00
Delivery Charge 2.7 MCF @ \$3.2110 8.67
Energy Assistance Program Tariff .30
Commodity Charge \$4.7926 per MCF 12.94
3.00% Rate Inc Knott Co School Tax on \$45.91 1.38

Total Current Charges \$47.29
Total Account Balance \$47.29

Monthly Usage Comparison

Average Daily Temperature 2023 2024
For This Billing Period 57°F 60°F

Gas Use in MCF

☐ Actual ☐ Estimate ☐ Customer Read ☐ Adjusted Usage

Average monthly use: 3.9 MCF

Total annual use: 50.8 MCF

Billing Period And Meter Readings

Date	Meter Number	Read Type	Reading	Difference
NOV 18, 2024	16503591	Actual	469.1	2.7
OCT 17, 2024		Actual	466.4	
MCF Used in 32 Days				2.7

Please Pay Account Balance of \$47.29 by DEC 16, 2024

You can pay this bill by Credit / Debit Card or Electronic Check. Call ACI Speedpay at 1-866-338-5491.
Service Fees Apply. Visit our website at www.peoples-gas.com for further information.



SCAN TO PAY

Please detach and return this coupon with a check made payable to Peoples - KY.

TO MAKE ACCOUNT CHANGES ON BACK OF COUPON, CHECK BOX HERE.

DUE DATE	DEC 16, 2024	Account No.	[REDACTED]
\$47.29		[REDACTED]	
Account Balance		Amount Enclosed	

3

816001526146

KITE KY 41828-8802

PEOPLES - KY
PO BOX 645338
PITTSBURGH, PA 15264-5251



1300 [REDACTED] 0000000004729000000047292

1-800-400-4271 Emergencies – Answered 24 hours a day

1-800-764-0111 General Information – Customer Service Representatives are available Monday - Friday (7:00 a.m. - 5:00 p.m.) to answer your questions, give you information about rate schedules, explain the different charges on your bill or tell you how to make sure your bill is correct. Rate schedules are available upon request. Contact us at Peoples PO Box 535323 Pittsburgh PA 15253-5323 **before** the due date on your bill.

Dial 711 Individuals with Hearing Losses

1-866-338-5491 Pay by debit/credit card or electronic check. A third-party convenience fee may apply.

Visit www.peoples-gas.com for further information.

Peoples e-Account– Peoples e-Account makes your account information available 24/7! Pay your bill on-line, monitor your usage, enter a meter reading and more. Visit Peoples e-Account today at www.peoplesaccount.com

PAYING YOUR BILL...

For your own protection, **do not send cash through the mail.** Allow five (5) days for payments to be applied to your account. Write your account number on your check or money order and mail to: Peoples PO Box 645338 Pittsburgh PA 15264-5251. Do not include notes to us with your payment. Send all letters or questions to Peoples PO Box 535323 Pittsburgh PA 15253-5323. You may pay your bill online at www.peoples-gas.com. Western Union Speedpay provides this service. A service fee applies.

ELECTRONIC CHECK CONVERSION – When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic fund transfer from your account or to process the payment as a check transaction. When we use information from your check to make an electronic fund transfer, funds may be withdrawn from your account as soon as the same day we receive your payment. You will not receive your check back from Peoples or your financial institution.

UNDERSTANDING YOUR BILL...

Budget Payment Plan – This plan lets you spread payments over the entire year. All residential customers are eligible.

Commodity Charge – The charge for natural gas that we purchase for you.

Customer Charge – A monthly charge to cover certain Company costs such as maintaining the gas lines, meter reading and billing. This charge is the same each month no matter how much gas you use.

Delivery Charge – Basic service charge for delivery of natural gas from the point of receipt into the Company's distribution system to you.

MCF – MCF means 1,000 Cubic Feet. This is a measure of gas usage.

Meter Readings –

Actual – The Company reads your meter or the remote device attached to your meter, generally every other month.

Customer – You gave us this reading.

Estimate – During the months we don't read your meter, we base your bill on past gas used, current rates and the weather. We verify estimated bills the next time we read your meter.

School Tax – Three percent tax levied by Pike, Knott, Perry, Jenkins, Johnson, Lawrence, Leslie, Letcher, Magoffin, and Martin counties against all revenue that a utility company collects from its customers in these geographical areas

Notice: The natural gas for your premises is supplied from main high-pressure lines of the Company. In using this gas, greater watchfulness is required by the consumer to avoid danger of fire or explosion than is required in the use of gas taken from city mains within control of regulating stations.

This notice is not to establish any new relation between the Company and you, but to remind you of conditions that demand watchfulness and care on your part in the use of gas.

KY (July 2022)

If you are moving, or wish to change the name on your account, please call our Customer Service Center at **1-800-764-0111**.

If you **are not** moving but wish to change the address where you receive your mail, or if your **address changed** as a result of a **new 911 telephone system**, please enter your new address below.

Please check one of the following boxes:

☐ Address change is for both my service and mailing address

☐ Address change is for my service address only

☐ Address change is for my mailing address only. If temporary, enter Expiration Date: / /
mm dd yyyy

Street Address: _____

City/State/Zip: _____

The information provided above is **confidential** and strictly for internal use by Peoples.

Delays in the delivery of bills or payments do not excuse payment, late payment charges, or discontinuance requirements. Please consider enrolling in eBilling or direct debit to avoid any possible delays.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-001 B

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

1. Explain any differences between the formats of the bills sent to People's Gas customers, and those sent to traditional Delta Gas customers.

b. Reference also Tab 2 of Delta's Application, Tariff sheet P.S.C. No. 14, Original Sheet No. 2, Superseding P.S.C. No. 13, "Classification of Service – Rate Schedules Residential," the reference to the "Monthly Surcharge" at the bottom of that page. Explain in

full the reason(s) for this surcharge.

(i) Include in your response any communications / explanations from the Company to its Kentucky customers regarding the reason for this Surcharge.

(ii) Explain whether both Delta and People's customers in Kentucky are billed for the Surcharge, and if there are any differences between the amount of the Surcharge for Delta as opposed to People's customers in Kentucky.

Response:

The surcharge collects Delta's unrecovered gas costs that accrued during the unification of the gas cost recovery mechanisms for Delta and the customers previously served by Peoples Gas KY, LLC prior to its merger into Delta. All customer classifications that are assessed the gas cost recovery charge are likewise assessed the surcharge. The unification of the gas cost recovery mechanisms was approved in Case No. 2021-00185, but the Commission did not address the manner in which the then-existing GCR balances would be recovered. In Case No. 2023-00076, the Commission granted Delta's request to establish a surcharge to collect the unrecovered balances. The under-recovery for Delta customers was \$8,160,521 and \$320,990 for former Peoples customers. The balances are being collected through a monthly surcharge of \$.87 per Mcf for Delta customers and \$.74 per Mcf for the former Peoples customers. The balance will be recovered from Delta customers over approximately three years, and approximately two years from Peoples customers. Once the balances are recovered, the surcharge will automatically terminate. Delta updates the Commission on the remaining surcharge balances in each quarterly gas cost recovery filing. Delta provided customer notice in accordance with 807 KAR 5:011, Section 8 by publishing notice of the requested surcharge

three times in newspapers of general circulation in Delta's service area.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-001

Witness: Morpew, Jonathan W **Title:** Operations Director

CASE NO. 2024-00346

AG INITIAL DATA RESPONSE

DATED DECEMBER 17, 2024

1. Explain any differences between the formats of the bills sent to People's Gas customers, and those sent to traditional Delta Gas customers.

b. Reference also Tab 2 of Delta's Application, Tariff sheet P.S.C. No. 14, Original Sheet No. 2, Superseding P.S.C. No. 13, "Classification of Service – Rate Schedules Residential," the reference to the "Monthly Surcharge" at the bottom of that page. Explain in

full the reason(s) for this surcharge.

(iii) Include in your response an explanation of whether any People's Gas customers in Kentucky have expressed confusion or misunderstandings regarding billing since Delta's acquisition of People's Gas was finalized.

Response:

See response to part (a) and (b). Delta is not aware of any confusion or misunderstandings expressed from Peoples Gas customers in Kentucky regarding billing since Delta's acquisition of Peoples Gas was finalized.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-002

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

2. Identify the entity(ies) that own People's Gas, and explain also Delta's relationship to People's Gas.

Response:

Delta assumes that "People's Gas" refers to Peoples Gas KY, LLC. Peoples Gas KY, LLC was formerly an affiliate of Delta and both entities were directly owned by PNG Companies LLC. In Case No. 2020-00346, the Commission approved the transfer of ownership of Peoples Gas KY, LLC to Delta. Delta explained in that proceeding that Peoples Gas KY, LLC would be dissolved as a standalone entity once the transfer was consummated. Peoples Gas KY, LLC's merger into Delta is complete and the legal entity has been dissolved.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-003 A

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

3. Does the Company accept Winter Hardship Reconnection requests from both Delta Gas and People's Gas customers? If not, explain fully why not. If so, explain any and all differences between how the Company processes requests from Delta customers, and those requested from People's Gas customers.

a. Can the Company certify that all winter hardship reconnection requests are made in compliance with 807 KAR 5:006 § 16, and that is true for both Delta customers and People's Gas customers?

Response:

The Company accepts Winter Hardship Requests for both Delta and Peoples customers. There are no differences in how the Company processes these requests and can certify that all winter hardship reconnection requests are made in compliance with 807 KAR 5:006 § 16 for both Delta and Peoples customers.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-003 B

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

3. Does the Company accept Winter Hardship Reconnection requests from both Delta Gas and People's Gas customers? If not, explain fully why not. If so, explain any and all differences between how the Company processes requests from Delta customers, and those requested from People's Gas customers.

b. Can the Company certify that farm tap customers who obtain the necessary certification are eligible for the energy assistance program under this regulation?

Response:

All residential customers of Delta, including farm tap customers, are eligible to participate in the energy assistance program. When the companies were merged, the counties serving former Peoples KY customers were added to slot allocation used by Community Action of Kentucky to ensure that energy assistance benefits were available in all areas of Delta's service territory for eligible customers to enroll and participate.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-004

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

4. Provide the sum Delta pays for American Gas Association dues. Provide also the amount of these dues included for recovery in the fully forecasted test year.

Response:

The response to PSC 1-13 shows that the annual expense for dues to the American Gas Association is \$24,075. The attachment discloses that an additional \$3,664 of lobbying expense from various entities needs to be removed from the fully forecasted test year. Once that correction is made, \$1,493 of the American Gas Association dues will have been removed leaving a remaining total of \$22,583 of American Gas Association dues included for recovery in the fully forecasted test year.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-005

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

5. Explain whether Delta makes any matching contributions to the Company's 401 K plan. If so, explain how many employees participate in both the Company's defined benefit pension plan, and the 401 K plan, and provide the amount of the Company's matching benefit to 401 K Plan.

Response:

Effective in May 2021, the defined benefit plan was frozen for all employees that participated in that plan. In lieu of continuing to accrue additional benefits under the defined benefit plan, the employees who had their defined benefit plan benefit frozen in May 2021 are eligible to participate the 401K which provides them with: (i) an employer matching contribution of 100% on up to 6% of the employee's contribution to the 401K; and (ii) an annual employer contribution of up to 3% of their eligible earnings. Employees who never participated in the defined benefit plan are eligible for the 401K benefits set forth in the preceding sentence.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-006

Witness: Morpew, Jonathan W **Title:** Operations Director

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

6. Explain how many physical office locations Delta has. Discuss whether Delta's call center has been able to adequately provide service to its customers given the closure of office locations. Include in your response how the Company communicates the phone number for its call center to its customer base.

Response:

Delta has seven office locations. Delta's call center has adequately provided necessary service to its customers through training for all call center personnel. The Company has and continues to communicate the call center phone number to its customers through various methods including signage at each office, on line markers, on customer billing interfaces like customer portals such as E-account, on Delta's website, and Damage Prevention Program mailings.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-008

Witness: Moul, Paul

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

8. Refer to Attachment PRM-1. Provide the bases for the pre-tax coverage of interest expense numbers. Provide the supporting documentation and spreadsheets showing how these numbers were calculated with cell formulas intact.

Response:

See attached showing the calculation of pro forma interest coverages reflected on Attachment PRM-1.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-009 A

Witness: Moul, Paul

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

9. Refer to Attachment PRM-5.

a. Explain why short-term debt capital was removed from the test period 2026 capital structure.

Response:

Short-term debt represents bridge financing that will be refinanced with the desired proportions of long-term debt and common equity. Hence it is not permanent capital that is used to finance the rate base. That is to say, long-term capital rather than short-term capital is used to finance the long-lived assets that represent the rate base.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-009 B

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

9. Refer to Attachment PRM-5.

b. Provide the cost rate for short-term debt capital for the 13-month periods ending August 31 and December 31, 2024. Provide supporting work papers and documentation, including spreadsheets with cell formulas intact.

Response:

See attached. The rate for the 13-months ended August 31, 2024 was 6.286% and the rate for the 13-months ended December 31, 2024 was 6.1685%. Please note that the rates for December 27, 2024 through December 31, 2024 were not available at the the time this response was prepared.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-009 C

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 20204-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

9. Refer to Attachment PRM-5.

c. Provide Delta's historical 13-month average capital structures for the years 2018 through 2023. Provide the historical cost rates for long-term and short-term debt and the earned returns on common equity for each historical year. Provide the supporting spreadsheet calculations with cell formulas intact.

Response:

See attached.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-010

Witness: Moul, Paul

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

10. Provide any information in Mr. Moul's or Delta's possession on state Commission-allowed returns on equity from January 2023 through the most recent month in 2024. Identify whether the allowed returns were based on litigated rate cases and/or settlements.

Response:

Mr. Moul does not tabulate these returns.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-011

Witness: Moul, Paul

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

11. Refer to Attachment PRM-10.

a. To Mr. Moul's knowledge, has his financial risk adjustment ever been accepted in other rate proceedings? If so, provide the docket number, the jurisdiction, and a copy of all Orders accepting Mr. Moul's financial risk adjustment.

b. Provide the basis for the Hamada calculations, including copies of articles or text support that show the formula used by Mr. Moul and its derivation.

c. Provide the basis for the M&M calculations, including copies of articles or text support that show the formula used by Mr. Moul and its derivation.

Response:

a. Yes. However, most of the rate cases where Mr. Moul has proposed this adjustment, have been resolved by settlements that do not address the rate of return issue. In some cases, the Pennsylvania Public Utility Commission included a leverage adjustment listed below.

- January 10, 2002 for Pennsylvania-American Water Company in Docket No. R-00016339 -- 60 basis points adjustment.
- August 1, 2002 for Philadelphia Suburban Water Company in Docket No. R-00016750 -- 80 basis points adjustment.
- January 29, 2004 for Pennsylvania-American Water Company in Docket No. R-00038304 (affirmed by the Commonwealth Court on November 8, 2004) -- 60 basis points adjustment.
- August 5, 2004 for Aqua Pennsylvania, Inc. in Docket No. R-00038805 -- 60 basis points adjustment.
- December 22, 2004 for PPL Electric Utilities Corporation in Docket No. R-00049255 -- 45 basis points.

- February 8, 2007 for PPL Gas Utilities Corporation in Docket No. R-00061398 -- 70 basis points adjustment.

b. Please refer to the electronic version of Attachment PRM-10 previously provided and to the Hamada article included in the response to AG-1-7.

c. Please refer to the electronic version of Attachment PRM-10 previously provided and to the M&M article included in the response to AG-1-7.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-012

Witness: Moul, Paul

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

12. Refer to page 26, line 20 through page 27, line 6 of Mr. Moul's Direct Testimony.

a. Provide support for Mr. Moul's statement that a "leverage adjustment properly accounts for the risk differential between market-value and book-value capital structures." Provide copies of any articles, studies, textbook excerpts, or other documentary support.

b. Provide support that a leverage adjustment "must" be made to the DCF in a utility regulatory context. Provide copies of any articles, studies, textbook excerpts, Commission orders, or other documentary support.

Response:

a. See the response to AG 1-11 and the difference between the common equity ratios of 57.75% measured with market values and 46.52% measured at book value. The resulting change in the equity return is 0.97% when moving from a 57.75% common equity ratio to a 46.52% common equity ratio.

b. See the response to AG 1-11.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-013

Witness: Moul, Paul

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

13. Refer to page 27, lines 20 through 22 of Mr. Moul's Direct Testimony. Provide support for Mr. Moul's statement that the leverage adjustment uses "well recognized analytical procedures that are widely accepted in the financial literature." Provide copies of any articles, studies, textbook excerpts, or other documentary support.

Response:

See the response to AG 1-11.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-014

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

14. Provide the underlying spreadsheets for Delta's response to data request No. 22, Staff's First Set. Provide the spreadsheet with cell formulas intact.

Response:

See attached.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-015

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

15. Provide the underlying spreadsheets for Delta's response to data request No. 23, Staff's First Set. Provide the spreadsheet with cell formulas intact.

Response:

See attached.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-016

Witness: Moul, Paul

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

16. Please refer to Attachment PRM-9, page 1 of 1. Please provide updated IBES/First Call growth estimates for the companies in the proxy group.

Response:

See attached.

Analysts' Five-Year Projected Growth Rates

Earnings Per Share, Dividends Per Share,
Book Value Per Share, and Cash Flow Per Share

Gas Group	I/B/E/S First Call	Zacks	Value Line				
			Earnings Per Share	Dividends Per Share	Book Value Per Share	Cash Flow Per Share	Percent Retained to Common Equity
Atmos Energy Corp (ATO)	7.40%	7.00%	7.00%	7.50%	5.00%	6.50%	4.50%
Chesapeake Utilities Corp (CPK)	7.60%	NA	6.50%	8.00%	6.50%	5.00%	5.50%
New Jersey Resources Corporation	6.00%	NA	5.00%	5.00%	4.50%	5.00%	5.50%
NiSource Inc (NI)	7.70%	7.00%	9.50%	4.50%	5.00%	5.50%	3.50%
Northwest Natural Holding Compan	2.80%	NA	6.50%	0.50%	4.00%	5.00%	2.50%
ONE Gas Inc (OGS)	5.00%	5.00%	3.50%	2.50%	4.50%	9.00%	3.50%
Southwest Gas Holdings Inc (SWX)	4.00%	6.00%	10.00%	5.50%	7.50%	8.50%	2.50%
Spire Inc. (SR)	6.36%	5.00%	4.50%	4.50%	5.50%	4.00%	2.50%
Average	5.86%	6.00%	6.56%	4.75%	5.31%	6.06%	3.75%

Source of Information :

Yahoo Finance, October 22, 2024

Zacks, October 22, 2024

Value Line Investment Survey, August 23, 2024

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-017 A

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

17. Refer to the Capital Budget information provided in Section 16(7)(b) of the filing requirement. Within the "IT and Other" category, respond to the following:

a. Identify any portion of these capital expenditures which represent an allocation from an affiliate, by year.

Response:

All of the IT budget represents an allocation from an affiliate. See #3030 - Misc Intangible Plant (Software) in the attached capital budget by FERC for years 2025-2027.

2025: \$860,120

2026: \$1,361,470

2027: \$1,071,530

Delta Natural Gas Company, Inc

Capital Expenditure Budget

FERC	Description	2025	2026	2027
3950	Laboratory Equipment	\$ 10,000	\$ 10,000	\$ 10,000
3030	Misc Intangible Plant (Software)	\$ 860,120	\$ 1,361,470	\$ 1,071,530
3900	General Structures and Improvements	\$ 618,079	\$ 607,100	\$ 643,000
3910	Office Furniture and Equipment	\$ 80,000	\$ 82,000	\$ 84,000
3920	Transportation Equipment	\$ 1,343,836	\$ 907,629	\$ 956,162
3310	Enpro Well Equipment	\$ 24,000	\$ 24,000	\$ 24,000
3320	Gathering Lines	\$ 42,000	\$ 42,000	\$ 42,000
3330	Gathering Compressor Station Equipment	\$ 40,000	\$ 40,000	\$ 40,000
3340	Gathering Measuring and Regulating Station Equip	\$ 10,000	\$ 10,000	\$ 10,000
3520	Storage Wells	\$ 150,000	\$ 20,000	\$ 20,000
3530	Storage Lines	\$ 10,000	\$ 10,000	\$ 10,000
3540	Storage Compressor Station Equipment	\$ 50,000	\$ 50,000	\$ 50,000
3550	Storage Measuring and Regulating Equipment	\$ 75,000	\$ 10,000	\$ 10,000
3560	Purification Equipment	\$ 25,000	\$ 25,000	\$ 25,000
3660	Transmission Structures and Improvements	\$ 175,000	\$ -	\$ -
3670	Transmission Mains	\$ 11,367,760	\$ 660,000	\$ -
3680	Transmission Compressor Station Equipment	\$ 50,000	\$ 50,000	\$ 50,000
3690	Transmission Measuring and Regulating Equip	\$ 815,000	\$ -	\$ -
3710	Transmission Other Equipment (Telemetry)	\$ 17,500	\$ 10,000	\$ 10,000
3740	Distribution Land and Right of Way	\$ 12,000	\$ 6,000	\$ 6,000
3750	Distribution Structures and Improvements	\$ 5,000	\$ 5,000	\$ 5,000
3760	Distribution Mains	\$ 8,201,562	\$ 10,395,567	\$ 10,708,423
3780	Distribution General Regulator Stations	\$ 250,000	\$ 250,000	\$ 250,000
3790	Distribution City Gate Regulator Stations	\$ 70,000	\$ 20,000	\$ 20,000
3800	Distribution Services	\$ 2,063,451	\$ 2,226,975	\$ 2,293,781
3810	Distribution Meters	\$ 2,400,000	\$ 250,000	\$ 250,000
3820	Distribution Meter and Regulator Installations	\$ 50,000	\$ 50,000	\$ 50,000
3830	Distribution Regulators	\$ 155,000	\$ 155,000	\$ 155,000
3850	Distribution Industrial Meter Set	\$ 50,000	\$ 50,000	\$ 50,000
3940	Tools	\$ 5,000	\$ 5,000	\$ 6,000
3960	Power Operated Equipment	\$ 175,000	\$ 150,000	\$ 150,000
3810	Distribution Meters	\$ 25,000	\$ -	\$ -
TOTAL		\$ 29,225,308	\$ 17,482,741	\$ 16,999,896

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-017 B

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

17. Refer to the Capital Budget information provided in Section 16(7)(b) of the filing requirement. Within the "IT and Other" category, respond to the following:

b. If any portion of these costs represent an allocation from an affiliate, provide a comprehensive explanation of the nature of the asset, the benefits derived from the asset and how the costs were allocated to Delta's Kentucky jurisdiction.

Response:

These costs include allocations from Peoples for IT and other corporate projects/purchases that benefit multiple affiliates, pursuant to Peoples' and Delta's Cost Allocation Manuals. Benefits from these projects include internal efficiency and productivity improvements, improved customer service, reduced cybersecurity risk, enhanced IT infrastructure reliability and resiliency, etc. Each capital project is reviewed to determine which affiliate companies would benefit from it, and costs are allocated based on customer counts of the benefitting companies.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-017 C

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

17. Refer to the Capital Budget information provided in Section 16(7)(b) of the filing requirement. Within the "IT and Other" category, respond to the following:

c. Provide a breakdown by year of the IT and Other forecast by project.

Response:

Delta predominately prepares annual budgets by FERC account, not at the individual project level. Please see full FERC budget for years 2025-2027 attached to subpart A of this question.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-017 D

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

17. Refer to the Capital Budget information provided in Section 16(7)(b) of the filing requirement. Within the "IT and Other" category, respond to the following:

d. For any "IT and Other" project with a forecasted cost greater than \$500,000 through the June 30, 2026 forecast period, provide the source document that was used to approve the budgeted project. This document should include a description of the proposed project, the need for the expenditure and the benefits to be derived.

Response:

Please refer to Capital Budget by FERC account provided in response to subpart A of this question. While Delta does not budget at the individual project level, we do budget for our anticipated largest projects. See attached.

	Largest Projects	2025	January 1- June 30, 2026	Total
1	PRP	\$ 7,319,664.00	\$ 3,769,569.00	\$ 11,089,233.00
2	Nicholasville	\$ 11,932,760.00	\$ -	\$ 11,932,760.00
3	Lincoln/Rockcastle Distribution	\$ 536,528.00	\$ 1,370,443.84	\$ 1,906,971.84
4	Ordinary Extensions	\$ 1,088,000.00	\$ 584,971.35	\$ 1,672,971.35
5	New Services	\$ 1,273,080.00	\$ 690,510.26	\$ 1,963,590.26
6	IT	\$ 860,120.00	\$ 680,735.00	\$ 1,540,855.00
	Total for Projects over \$500K	\$ 23,010,152.00	\$ 7,096,229.44	\$ 30,106,381.44

1

Delta Annual Pipe Replacement and Extension Projects - Each year Delta continues with its PRP program. A minimum of 16 miles of bare and unprotected steel piping, as well as vintage plastic piping, are replaced as a result of leak history, age, and condition. These piping replacements also include the installation of new services affiliated with the natural gas main. In addition to these replacement projects, the Kentucky Department of Highways also requires relocation or replacement piping of natural gas mains affected by highway design. Each year Delta continues to meet the requests of the Kentucky Department of Highways. Any relocation or replacement of piping involved with these projects is also included in the PRP program.

2

Nicholasville Pipeline Project – The Nicholasville Pipeline project was initiated in fall of 2024, CPCN Case No. 2022-00085. The scope of the project consists of a purchase station on an Enbridge Interstate Transmission pipeline and progressing in a northwesterly direction approximately 16.6 miles, to the northeast side of the City of Nicholasville. Nicholasville currently provides natural gas to approximately 9,000 residential, commercial and industrial customers. The current supply is provided from an El Paso Energy interstate transmission line from the south in Buckeye, Kentucky, located in Garrard County. In the event of an unexpected interruption on the existing supply line, it could render the entire Nicholasville system without natural gas service. The completion of the proposed Nicholasville Pipeline project will result in the Nicholasville system maintaining continual supply in the event of a catastrophic situation. The proposed pipeline is adequately designed to supply the entire system under peak day demands. This security of supply has been needed for a long time and will greatly enhance the integrity of the operations in Nicholasville and surrounding smaller communities, including the community of Buckeye and the City of Wilmore. The additional volume will also enhance natural gas supply for anticipated new customer growth within proximity of the new Nicholasville eastern by-pass.

3

Lincoln-Rockcastle County Pipeline Project – The Lincoln/Rockcastle County project was initiated in 2023, CPCN Case No. 2022-00295. This pipeline originates in Lincoln County on an interstate pipeline owned and operated by Trans Canada. At this location a purchase station has been constructed and supplies the line with natural gas. It will extend approximately 20 miles eastward into Rockcastle County, serving four separate communities. The communities to be served are

Crab Orchard, Broadhead, Mt. Vernon and Renfro Valley. Prior to this project there was no natural gas infrastructure in any of these communities. The pipeline is designed to meet not only residential needs, but also the demand for commercial and industrial volumes. Upon completion Delta will be providing natural gas to distribution, commercial and industrial customers in these communities under normal extension criteria, and in compliance with current tariffs. The Crab Orchard and Broadhead communities have expressed interest in natural gas for residential use. The city of Mt. Vernon desires residential service as well and also has plans for the development of an industrial site that will greatly benefit from the natural gas infrastructure. The expansion of commerce in the industrial park will clearly benefit all neighboring communities. The expansion of Delta's distribution system in each of the communities will progress as the need increases. Currently, the pipeline has progressed beyond the City of Crab Orchard and natural gas is now available.

4 **Ordinary Extensions**

5 **New Services**

Extensions and New Services -Additionally Delta budgets for the extension of new natural gas piping systems. These extension projects are unpredictable from year to year and must be designed and constructed as the need demands. These type projects also include any and all new services needed to meet the initial customer growth. New extension projects are designed and constructed under the current tariff requirements. These projects are given high priority in order to benefit the customers in need of natural gas, whether it be residential, commercial or industrial.

6

IT - Capital IT cost are allocated from Peoples and Corporate. These projects include enhancements to our SAP system to add new functionality for Customer Service and Finance areas, installation of new computer server hardware and other infrastructure components to ensure high availability of SCADA and other critical business applications, deployment of new network hardware and software to maintain high reliability and performance, and implementation of new tools to enhance security management and reduce the risk of outside threats. Benefits from these projects include internal efficiency and productivity improvements, improved customer service, reduced cybersecurity risk, enhanced IT infrastructure reliability and resiliency, etc. Each capital project is reviewed to determine which affiliate companies would benefit from it, and costs are allocated based on customer counts of the benefitting companies.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-018

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

18. Refer to the Productivities and Efficiencies section of Mr. Brown's testimony found on pages 10-12. For each of the items referenced below, provide supporting documentation and evidence indicating how efficiency was incorporated into the proposed revenue requirement. Further, identify the assumptions that were used to estimate the efficiency gains.

- a. E-Account portal – which presumably results in call center savings
- b. Computer and Infrastructure communications upgrades
- c. Bring Your Own Device policy
- d. Data Migration Project
- e. Closed Business Offices
- f. Centralized call center operation shared with Peoples
- g. Shifting customer-related billing, remittance, credit and collection tasks to a centralized center.
- h. Adding additional contractor for construction services.
- i. Integration of PKY operations and dissolving PKY as a legal entity.
- j. Access to national fleet pricing
- k. Transition to 4-cylinder trucks.

Response:

Essential Utilities has been utilizing centralization, scale, and technology to drive efficiencies across its multi-state platform for decades. Since joining Essential's family of utilities, Delta has had the opportunity to implement many of the productivities and efficiencies identified in Mr. Brown's testimony. Many of these changes require significant investments in the short-term and the full reflection of the programs on the revenue requirement will occur over a several year period. The most tangible result of these changes on the proposed revenue requirement is the

fact that the Commission approved an employee level of 162 in 2021-00185 and the Company is only requesting 149 positions in this case, an 8% decrease. The fact that Delta can provide the same level of reliable and high quality service with an 8% decrease in the number of employees since only 2021 points to the efficiencies--doing the same with fewer employees.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-019

Witness: Morpew, Jonathan W **Title:** Operations Director

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

19. Refer to the Capital Budget information provided in Section 16(7)(b) of the filing requirement. Provide an itemization of the forecasted construction costs split into the following components for each of the identified periods for each of the three listed categories:

- a. Third-Party labor
- b. Internal Union Labor – Straight Time
- c. Internal Union Labor – Overtime
- d. Internal Labor – all other costs, inclusive of benefits and taxes
- e. Internal Non-Labor costs
- f. Internal Non-Labor overhead costs such as benefits and taxes
- g. Overhead Loading costs added to construction
- h. Construction Materials such as piping
- i. Other

Response:

a. - i. Delta prepares annual Capital Budgets at the FERC account level, not at an individual project level. The budgets are created by utilizing historical operations data with an escalator for each following year. The escalator percentage is derived based on the increase of capital expenditures from prior years. Therefore, Questions 19.a. through 19. i. cannot be derived. See attached 2025 – 2027 Capital Budget breakdown by FERC account.

Delta Natural Gas Company, Inc

Capital Expenditure Budget

FERC	Description	2025	2026	2027
3950	Laboratory Equipment	\$ 10,000	\$ 10,000	\$ 10,000
3030	Misc Intangible Plant (Software)	\$ 860,120	\$ 1,361,470	\$ 1,071,530
3900	General Structures and Improvements	\$ 618,079	\$ 607,100	\$ 643,000
3910	Office Furniture and Equipment	\$ 80,000	\$ 82,000	\$ 84,000
3920	Transportation Equipment	\$ 1,343,836	\$ 907,629	\$ 956,162
3310	Enpro Well Equipment	\$ 24,000	\$ 24,000	\$ 24,000
3320	Gathering Lines	\$ 42,000	\$ 42,000	\$ 42,000
3330	Gathering Compressor Station Equipment	\$ 40,000	\$ 40,000	\$ 40,000
3340	Gathering Measuring and Regulating Station Equip	\$ 10,000	\$ 10,000	\$ 10,000
3520	Storage Wells	\$ 150,000	\$ 20,000	\$ 20,000
3530	Storage Lines	\$ 10,000	\$ 10,000	\$ 10,000
3540	Storage Compressor Station Equipment	\$ 50,000	\$ 50,000	\$ 50,000
3550	Storage Measuring and Regulating Equipment	\$ 75,000	\$ 10,000	\$ 10,000
3560	Purification Equipment	\$ 25,000	\$ 25,000	\$ 25,000
3660	Transmission Structures and Improvements	\$ 175,000	\$ -	\$ -
3670	Transmission Mains	\$ 11,367,760	\$ 660,000	\$ -
3680	Transmission Compressor Station Equipment	\$ 50,000	\$ 50,000	\$ 50,000
3690	Transmission Measuring and Regulating Equip	\$ 815,000	\$ -	\$ -
3710	Transmission Other Equipment (Telemetry)	\$ 17,500	\$ 10,000	\$ 10,000
3740	Distribution Land and Right of Way	\$ 12,000	\$ 6,000	\$ 6,000
3750	Distribution Structures and Improvements	\$ 5,000	\$ 5,000	\$ 5,000
3760	Distribution Mains	\$ 8,201,562	\$ 10,395,567	\$ 10,708,423
3780	Distribution General Regulator Stations	\$ 250,000	\$ 250,000	\$ 250,000
3790	Distribution City Gate Regulator Stations	\$ 70,000	\$ 20,000	\$ 20,000
3800	Distribution Services	\$ 2,063,451	\$ 2,226,975	\$ 2,293,781
3810	Distribution Meters	\$ 2,400,000	\$ 250,000	\$ 250,000
3820	Distribution Meter and Regulator Installations	\$ 50,000	\$ 50,000	\$ 50,000
3830	Distribution Regulators	\$ 155,000	\$ 155,000	\$ 155,000
3850	Distribution Industrial Meter Set	\$ 50,000	\$ 50,000	\$ 50,000
3940	Tools	\$ 5,000	\$ 5,000	\$ 6,000
3960	Power Operated Equipment	\$ 175,000	\$ 150,000	\$ 150,000
3810	Distribution Meters	\$ 25,000	\$ -	\$ -
TOTAL		\$ 29,225,308	\$ 17,482,741	\$ 16,999,896

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-020

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

20. Is the Company agreeable to terminate the application of Allowance for Funds Used During Construction (AFUDC) on all plant projects which are included in Rate Base in this proceeding at the date new base rates become effective, regardless of the status of construction? If the Company is not agreeable to this provision, explain how the ongoing application of AFUDC to projects whose costs are included in Rate Base will not result in excessive Rate Base.

Response:

Yes. Delta has not applied AFUDC on any plant projects that are included in Rate Base in this proceeding.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-021

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

21. Refer to the information provided in tabs 30 and 31 of the Filing Requirements regarding the labor costs included within the filing and provide the following information:

a. Provide an updated forecast for 2024, including actual wages through November 2024, plus including the original forecasted December amount.

b. For 2024, provide the labor distribution of actual costs incurred through November by FERC Account.

Response:

a. See attached.

b. See attached.

Delta Natural Gas Company Inc.
Labor Cost - Years 2024-2027
Forecasted Test Period 12 ME 06/30/26
Base Period 12 ME 2/28/25

Forecast Year	Total Wages	Amount Over Previous Year	Percentage Over Previous Year
2024*	\$ 12,057,124		
2025	\$ 12,152,863	\$ 95,739	0.8%
2026	\$ 12,517,449	\$ 364,586	3.0%
2027	\$ 12,892,972	\$ 375,523	3.0%

**** 2024 Forecast includes Jan-Nov (11 months) Actual and Dec (1 month) Budget***

Delta Natural Gas Company Inc
Case No 2024-00346
Distribution of Wages by FERC Account

	2024
	<u>January - November</u>
184 Clearing Accounts	3,188,932.00
416 Costs & Expenses of Merchandising, Jobbing	130.00
753 Nat Gas Prod/ Gath Op- Field Lines Expenses	17,554.00
754 Nat Gas Prod/ Gath Op- Field Compressor Sta Exps	88,464.00
764 Nat Gas Prod/Gath Maint - Field Lines	668.00
765 Nat Gas Prod/Gath Maint - Fld Compres Sta Equip	33,186.00
813 Oth Gas Supply Op - Other Gas Suppl	862.00
816 UG Storage Op - Well Expenses	84,225.00
818 UG Storage Op - Compressor Station Expenses	98,716.00
824 UG Storage Op - Other Expenses	22,488.00
832 UG Storage Maint - Reservoirs and Wells	6,685.00
834 UG Storage Maint - Compressor Station Equipment	8,687.00
851 Gas Transmission Op - Sys Control & Load Dispatch	105,255.00
856 Gas Transmission Op - Mains Expenses	1,131,491.00
870 Gas Distribution Op - Supervision and Engineering	(13,318.00)
872 Gas Distribution Op - Compr Sta Labor & Expense	342,080.00
874 Gas Distribution Op - Mains and Services Exps	3,670,594.00
875 Gas Distribution Op - Meas/Reg Sta Exps-General	1,672.00
878 Gas Distribution Op - Meter/House Reg Exps	222,331.00
879 Gas Distribution Op - Customer Installations Exps	66,829.00
880 Gas Distribution Op - Other Expenses	3,217.00
885 Gas Distribution Maint - Supervision and Engineering	74,075.00
886 Gas Distribution Maint - Structures/Improvements	1,397.00
887 Gas Distribution Maint - Mains	189,327.00
889 Gas Distribution Maint - Meas/Reg Sta Equip-Genl	1,670.00
892 Gas Distribution Maint - Services	35,673.00
893 Gas Distribution Maint - Meters/House Regulators	125,864.00
894 Gas Distribution Maint - Other Equipment	30,144.00
902 Customer Accounts - Meter Reading Expenses	51,963.00
903 Customer Accounts - Customer Records & Collections	345,477.00
912 Sales Expense - Demonstrating & Selling	510.00
920 Admin & General - Salaries	2,101,096.00
922 Admin & General - Admin Exp Transferred - Credit	(1,187,366.00)
925 Admin & General - Injuries & Damages	117,367.00
926 Admin & General - Employee Benefits	32,070.00
Receiving company code 1600 and 1300	11,000,015.00
Receiving company code 1700	14,787.00
Receiving company code 1800	16,778.00
Receiving company code 1900	29,905.00
	11,061,485.00

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-021

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

21. Refer to the information provided in tabs 30 and 31 of the Filing Requirements regarding the labor costs included within the filing and provide the following information:

c. For calendar year 2025 and the twelve months ended June 30, 2026, respectively, provide the distribution of wage costs further identified by FERC Account. For the data provided for the twelve months ended June 30, 2026, the amounts should be those

incorporated into the proposed revenue requirement.

Response:

See attached.

FERC Account	FERC Account #	2025	YE 6/30/2026
Ug Storage Op-Compressor Station Expenses	9818000	631,794	641,375
Gas Transmission Op-System Control & Load Dispatch	9851000	107,382	109,010
Gas Transmission Op-Mains Expenses	9856000	2,899,880	2,943,854
Gas Distribution Op-Supervision & Engineering	9870000	605,473	614,654
Gas Distribution Op-Compressor Station Labor & Expenses	9872000	491,165	498,613
Gas Distribution Op-Mains & Services Expenses	9874000	978,231	993,064
Gas Distribution Maint-Supervision & Engineering	9885000	3,129,205	3,176,656
Gas Distribution Maint-Meters/House Regulators	9893000	407,111	413,284
Customer Accounts-Customer Records & Collections	9903000	421,734	428,129
Admin & General-Salaries	9920000	2,341,245	2,376,747
Admin & General-Injuries & Damages	9925000	139,643	141,761
Grand Total		12,152,863	12,337,147

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-022

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

22. Provide the distribution of wages by FERC account, by year, for the period 2021 – 2023.

Response:

See attached.

Delta Natural Gas Company Inc
Case No 2024-00346
Distribution of Wages by FERC Account

	2021	2022	2023
184 Clearing Accounts	2,088,439.67	3,258,571.97	3,216,634.10
416 Costs & Expenses of Merchandising, Jobbing	1,039.63	256.34	95.00
753 Nat Gas Prod/ Gath Op- Field Lines Expenses	33,507.61	32,079.00	32,402.00
754 Nat Gas Prod/ Gath Op- Field Compressor Sta Exps	69,953.00	78,505.00	93,123.00
764 Nat Gas Prod/Gath Maint - Field Lines	347.45	2,830.18	4,104.00
765 Nat Gas Prod/Gath Maint - Fld Compres Sta Equip	20,230.00	33,794.00	29,168.00
813 Oth Gas Supply Op - Other Gas Suppl	869.81	1,014.01	1,017.00
816 UG Storage Op - Well Expenses	52,746.96	58,089.00	78,652.00
818 UG Storage Op - Compressor Station Expenses	10,287.52	27,208.47	29,126.00
824 UG Storage Op - Other Expenses			36,245.00
832 UG Storage Maint - Reservoirs and Wells	8,056.03	9,576.23	7,020.00
834 UG Storage Maint - Compressor Station Equipment	7,288.29	9,870.90	6,821.00
851 Gas Transmission Op - Sys Control & Load Dispatch	112,569.00	114,615.00	130,925.00
856 Gas Transmission Op - Mains Expenses	3,089,594.00	3,188,363.00	325,554.00
863 Gas Transmission Maint - Mains	(6.33)	63.28	6.00
870 Gas Distribution Op - Supervision and Engineering	(54,423.11)	(40,013.07)	(35,526.00)
872 Gas Distribution Op - Compr Sta Labor & Expense	337,706.00	343,844.00	392,776.00
874 Gas Distribution Op - Mains and Services Exps	1,035,093.34	1,060,564.51	4,430,811.11
875 Gas Distribution Op - Meas/Reg Sta Exps-General	1,858.85	813.58	1,187.00
878 Gas Distribution Op - Meter/House Reg Exps	286,345.80	290,999.79	211,742.00
879 Gas Distribution Op - Customer Installations Exps	92,586.01	111,503.19	72,629.00
880 Gas Distribution Op - Other Expenses	3,519.17	4,607.45	3,456.00
885 Gas Distribution Maint - Supervision and Engineering	(27,884.00)	(373.00)	(100,336.00)
886 Gas Distribution Maint - Structures/Improvements	1,650.67	1,755.97	1,605.00
887 Gas Distribution Maint - Mains	72,977.73	48,305.16	85,421.00
889 Gas Distribution Maint - Meas/Reg Sta Equip-Genl	1,841.59	799.26	1,186.00
892 Gas Distribution Maint - Services	48,652.69	39,406.36	41,060.00
893 Gas Distribution Maint - Meters/House Regulators	53,116.00	63,061.00	95,399.00
894 Gas Distribution Maint - Other Equipment	59,032.55	40,012.26	44,215.00
902 Customer Accounts - Meter Reading Expenses	264,396.98	161,598.39	208,998.00
903 Customer Accounts - Customer Records & Collections	529,153.10	508,808.44	337,945.00
912 Sales Expense - Demonstrating & Selling	493.81	546.59	570.00
920 Admin & General - Salaries	2,223,604.44	1,762,585.10	2,480,951.00
921 Admin & General - Office Supplies & Expenses			
922 Admin & General - Admin Exp Transferred - Credit	(617,681.30)	(1,544,189.42)	(1,429,382.00)
925 Admin & General - Injuries & Damages	173,270.64	174,255.10	109,898.00
926 Admin & General - Employee Benefits	91,716.46		7,651.00
Receiving company code 1600 and 1300	10,071,950.06	9,843,727.04	10,953,148.21
Receiving company code 1700	11,930.88	23,733.43	18,606.04
Receiving company code 1800	18,740.69	27,923.60	20,016.50
Receiving company code 1900	40,214.22	44,839.10	38,671.35
	10,142,835.85	9,940,223.17	11,030,442.10

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-023

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

23. Provide the actual amount of overtime wages 1) by year for the period 2021 – 2023, 2) the base period and 3) the Forecast period.

Response:

The actual amount of overtime wages is the following:

1) 2021 - \$423,849

2022 - \$490,721

2023 - \$427,834

2) Base Period - \$559,884

3) Forecast Period - \$423,527

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-024

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

24. Please confirm that the total wages identified for each year within tab 31 of the filing requirements contained within Section 16(7)(h)(10) represent those wages exclusive to Delta Natural Gas (Delta) and do not include any allocated wages from either People's Natural Gas Company (People's) or Essential Utilities (Essential). If this is not confirmed, identify the total wages exclusive to Delta included within each of the annual values reflected within this table.

Response:

See attached for the total wages exclusive to Delta.

Delta Natural Gas Company Inc.
Labor Cost - Years 2024-2027
Forecasted Test Period 12 ME 06/30/26
Base Period 12 ME 2/28/25

Forecast Year	Total Wages			Amount Over Previous Year			Percentage Over Previous Year		
	Delta	PNG	TOTAL	Delta	PNG	TOTAL	Delta	PNG	TOTAL
2024*	\$ 11,287,084	\$ 780,741	\$ 12,067,825						
2025	11,262,017	890,846	12,152,863	\$ (25,067)	\$ 110,105	\$ 85,038	-0.2%	14.1%	0.7%
2026	11,599,877	917,572	12,517,449	337,861	26,725	364,586	3.0%	3.0%	3.0%
2027	11,947,874	945,099	12,892,972	347,996	27,527	375,523	3.0%	3.0%	3.0%

*** 2024 Forecast includes Jan-Aug (8 months) Actual and Sep-Dec (4 months) Budget**

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-025

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

25. Provide an itemized listing of position titles that correspond to the employee wages included in the proposed forecasted test period. This listing should identify the following information for each position:

- a. Title of the position,
- b. The status of the position, whether it represents an active employee or a vacant position as of November 30, 2024.
- c. the wages associated with the position, further split between regular time and any overtime,
- d. short-term incentive compensation by position
- e. long-term incentive compensation by position.
- f. Identify any other type of compensation included in total employee compensation.

The total of items c-f for all positions should reconcile to the total wages included in the revenue requirement.

Response:

See attached. The attachment is provided under seal pursuant to a Petition for Confidential Protection.

**ATTACHMENT FILED UNDER SEAL PURSUANT TO THE
PETITION FOR CONFIDENTIAL PROTECTION FILED ON
JANUARY 3, 2025**

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-026

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

26. Identify the amount of short-term compensation associated with Delta employees incurred for each of the following periods: i) 2021, ii) 2022, iii) 2023, iv) year to date 2024 through November, and v) included in the forecasted test period. For each period above, identify the portion of costs charged to O&M and that portion capitalized to construction projects.

Response:

See attached.

STI					
Description	2021	2022	2023	2024	Forecasted Test Year
STI - O&M	529,801	193,882	192,987	204,482	255,390
STI - Capitalized	130,799	56,288	52,856	65,997	83,323
STI Total	660,600	250,171	245,844	270,479	338,713

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-027

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

27. Identify the amount of short-term compensation associated with PNG employees whose costs were allocated to Delta for each of the following periods: i) 2021, ii) 2022, iii) 2023, iv) year-to-date 2024 through November, and v) included in the forecasted test period. For each period above, identify the portion of costs charged to O&M and that portion capitalized to construction projects.

Response:

The amount of short-term compensation allocated to Delta companies is noted below:

2021- \$104,081.78

2022 - \$88,404.67

2023 - \$140,862.53

YTD2024 - \$138,089.77

The amount of short-term compensation capitalized through General & Administrative surcharging varies by month and is included as a lump surcharge per project, inclusive of all indirect costs being capitalized, i.e. labor indirectly supporting capital work and the benefits included, as well as indirect non-labor.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-028

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

28. Identify the amount of short-term compensation associated with Essential employees whose costs were allocated to Delta for each of the following periods: i) 2021, ii) 2022, iii) 2023, iv) year-to-date 2024 through November, and v) included in the forecasted test period. For each period above, identify the portion of costs charged to O&M and that portion capitalized to construction projects.

Response:

2021 - \$95,753.22 all O&M

2022 - \$111,858.79 all O&M

2023 - \$153,245.82 O&M, \$82,532.46 Capital. Total \$235,778.28

2024 - \$104,832.60 O&M, \$4,395.88 Capital. Total \$109,228.48

Test Year - \$157,087.96 O&M; \$5,528.02 Capital. Total \$162,615.98

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-029

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

29. Identify the amount of long-term compensation associated with Delta employees incurred for each of the following periods: i) 2021, ii) 2022, iii) 2023, iv) year to date 2024 through November, and v) included in the forecasted test period. For each period above, identify the portion of costs charged to O&M and that portion capitalized to construction projects.

Response:

See attached.

Case no
Question

2024-00346
AG - I- 029

	<u>November 2024</u>						
	<u>2021</u>		<u>2022</u>		<u>2023</u>	<u>YTD</u>	<u>FPFTP</u>
Long Term Incentive - Gross	\$	21,951	\$	36,075	\$	52,374	\$ 65,597 \$ 137,955
Long Term Incentive - Capitalized	\$	4,344	\$	8,100	\$	11,276	\$ 16,001 \$ 33,651
Long Term Incentive - O&M	\$	17,607	\$	27,975	\$	41,098	\$ 49,596 \$ 104,304

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-030

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 14, 2024

30. Identify the amount of long-term compensation associated with PNG employees whose costs were allocated to Delta for each of the following periods: i) 2021, ii) 2022, iii) 2023, iv) year-to-date 2024 through November, and v) included in the forecasted test period. For each period above, identify the portion of costs charged to O&M and that portion capitalized to construction projects.

Response:

The amount of long-term compensation associated with PNG employees is noted below:

2021 - \$18,757.41

2022 - \$34,050.27

2023 - \$29,906.01

YTD2024 - \$34,979.28

The amount of short-term compensation capitalized through General & Administrative surcharging varies by month and is included as a lump surcharge per project, inclusive of all indirect costs being capitalized, i.e. labor indirectly supporting capital work and the benefits included, as well as indirect non-labor.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-031

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

31. Identify the amount of long-term compensation associated with Essential employees whose costs were allocated to Delta for each of the following periods: i) 2021, ii) 2022, iii) 2023, iv) year-to-date 2024 through November, and v) included in the forecasted test period. For each period above, identify the portion of costs charged to O&M and that portion capitalized to construction projects.

Response:

The amount of long-term compensation associated with Essential employees is noted below:

2021 - \$203,487.91

2022 - \$140,082.70

2023 - \$136,577.45 O&M, \$26,837.36 Capital. Total \$163,414.81

YTD Nov 2024 - \$86,042.20 O&M, \$2,794.53 Capital. Total \$88,836.73

Test Year - \$115,627.80 O&M; \$5,067.35 Capital. Total \$120,695.15

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-032

Witness: Morpew, Jonathan W **Title:** Operations Director

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024


32. Provide a copy of Delta's annual reports submitted to the Pipeline and Hazardous Materials Safety Administration for 2021 – 2023. If Delta does not submit a yearly PHMSA report exclusive to Kentucky operations, please provide any parent company reports submitted to PHMSA that include Delta's results.

Response:

See attached.

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 5/31/2024

 U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration	ANNUAL REPORT FOR CALENDAR YEAR 2021 GAS DISTRIBUTION SYSTEM	Initial Date Submitted:	03/15/2022
		Report Submission Type	INITIAL
		Date Submitted:	

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0629. Public reporting for this collection of information is estimated to be approximately 16 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.

Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at <http://www.phmsa.dot.gov/pipeline/library/forms>.

PART A - OPERATOR INFORMATION	(DOT use only)	20221171-46305
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1. Name of Operator		DELTA NATURAL GAS CO INC	
2. LOCATION OF OFFICE (WHERE ADDITIONAL INFORMATION MAY BE OBTAINED)			
2a. Street Address		3617 LEXINGTON ROAD	
2b. City and County		WINCHESTER	
2c. State		KY	
2d. Zip Code		40391	
3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER		3260	
4. HEADQUARTERS NAME & ADDRESS			
4a. Street Address		3617 LEXINGTON ROAD	
4b. City and County		WINCHESTER	
4c. State		KY	
4d. Zip Code		40391	
5. STATE IN WHICH SYSTEM OPERATES		KY	
6. THIS REPORT PERTAINS TO THE FOLLOWING COMMODITY GROUP (Select Commodity Group based on the predominant gas carried and complete the report for that Commodity Group. File a separate report for each Commodity Group included in this OPID.)			
Natural Gas			
7. THIS REPORT PERTAINS TO THE FOLLOWING TYPE OF OPERATOR (Select Type of Operator based on the structure of the company included in this OPID for which this report is being submitted.):			
Investor Owned			

PART B - SYSTEM DESCRIPTION

1.GENERAL											
	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPE R	OTHER	RECONDITION ED CAST IRON	SYSTEM TOTAL
	UNPROTECTED		CATHODICALLY PROTECTED								
	BARE	COATED	BARE	COATED							
MILES OF MAIN	1.768	2.672	0	447.859	1458.893	0	0	0	0	0	1911.192
NO. OF SERVICES	2286	33	0	2710	39401	0	0	0	0	0	44430

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 5/31/2024

2.MILES OF MAINS IN SYSTEM AT END OF YEAR							
MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"	SYSTEM TOTALS
STEEL	0	54.989	114.980	282.33	0	0	452.299
DUCTILE IRON	0	0	0	0	0	0	0
COPPER	0	0	0	0	0	0	0
CAST/WROUGHT IRON	0	0	0	0	0	0	0
PLASTIC PVC	0	0	0	0	0	0	0
PLASTIC PE	0	1103.702	340.861	14.33	0	0	1458.893
PLASTIC ABS	0	0	0	0	0	0	0
PLASTIC OTHER	0	0	0	0	0	0	0
OTHER	0	0	0	0	0	0	0
RECONDITIONED CAST IRON	0	0	0	0	0	0	0
TOTAL	0	1158.691	455.841	296.66	0	0	1911.192
Describe Other Material:							
3.NUMBER OF SERVICES IN SYSTEM AT END OF YEAR					AVERAGE SERVICE LENGTH: 64		
MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"	SYSTEM TOTALS
STEEL	0	4931	74	23	1	0	5029
DUCTILE IRON	0	0	0	0	0	0	0
COPPER	0	0	0	0	0	0	0
CAST/WROUGHT IRON	0	0	0	0	0	0	0
PLASTIC PVC	0	0	0	0	0	0	0
PLASTIC PE	0	38976	406	19	0	0	39401
PLASTIC ABS	0	0	0	0	0	0	0
PLASTIC OTHER	0	0	0	0	0	0	0
OTHER	0	0	0	0	0	0	0
RECONDITIONED CAST IRON	0	0	0	0	0	0	0
TOTAL	0	43907	480	42	1	0	44430
Describe Other Material:							
4.MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION							

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 5/31/2024

	UNKNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2019	2020-2029	TOTAL
MILES OF MAIN	291.85	0	0	0.404	75.784	69.135	310.463	652.373	258.496	198.979	53.708	1911.192
NUMBER OF SERVICES	10958	0	0	4	331	1213	2752	12218	7510	7292	2152	44430

PART C - TOTAL LEAKS AND HAZARDOUS LEAKS ELIMINATED/REPAIRED DURING THE YEAR

CAUSE OF LEAK	MAINS		SERVICES	
	TOTAL	HAZARDOUS	TOTAL	HAZARDOUS
CORROSION FAILURE	12	3	16	5
NATURAL FORCE DAMAGE	4	3	5	1
EXCAVATION DAMAGE	46	44	62	62
OTHER OUTSIDE FORCE DAMAGE	1	1	8	8
PIPE, WELD OR JOINT FAILURE	22	0	22	3
EQUIPMENT FAILURE	6	1	37	0
INCORRECT OPERATIONS	1	0	2	1
OTHER CAUSE	3	1	2	0
NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR : 0				
NUMBER OF HAZARDOUS LEAKS INVOLVING A MECHANICAL JOINT FAILURE : 2				

PART D - EXCAVATION DAMAGE

1. TOTAL NUMBER OF EXCAVATION DAMAGES BY APPARENT ROOT CAUSE: 108

- a. One-Call Notification Practices Not Sufficient: 60
- b. Locating Practices Not Sufficient: 7
- c. Excavation Practices Not Sufficient: 32
- d. Other: 9

2. NUMBER OF EXCAVATION TICKETS : 31297

PART E - EXCESS FLOW VALUE (EFV) AND SERVICE VALVE DATA

Total Number Of Services with EFV Installed During Year: 1473

Estimated Number Of Services with EFV In the System At End Of Year: 11172

* Total Number of Manual Service Line Shut-off Valves Installed During Year: 53

* Estimated Number of Services with Manual Service Line Shut-off Valves Installed in the System at End of Year: 2521

**These questions were added to the report in 2017.*

PART F - LEAKS ON FEDERAL LAND

TOTAL NUMBER OF LEAKS ON FEDERAL LAND REPAIRED OR SCHEDULED TO REPAIR: 0

PART G-PERCENT OF UNACCOUNTED FOR GAS

UNACCOUNTED FOR GAS AS A PERCENT OF TOTAL CONSUMPTION FOR THE 12 MONTHS ENDING JUNE 30 OF THE REPORTING YEAR.

[(PURCHASED GAS + PRODUCED GAS) MINUS (CUSTOMER USE + COMPANY USE + APPROPRIATE ADJUSTMENTS)] DIVIDED BY (CUSTOMER USE + COMPANY USE + APPROPRIATE ADJUSTMENTS) TIMES 100 EQUALS PERCENT UNACCOUNTED FOR.

FOR YEAR ENDING 6/30: 1.16%


PART H - ADDITIONAL INFORMATION

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 5/31/2024

PART I - PREPARER	
CRAIG MITCHELL,REGULATORY COMPLIANCE ENGINEER (Preparer's Name and Title)	(859) 744-6171 (Area Code and Telephone Number)
CMITCHELL@DELTAGAS.COM (Preparer's email address)	(859) 744-3923 (Area Code and Facsimile Number)

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

				DOT USE ONLY													
	U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration	UNDERGROUND NATURAL GAS STORAGE FACILITY ANNUAL REPORT FOR CALENDAR YEAR 2021	Original Date Submitted	03/04/2022													
			Report Type	INITIAL													
			Date Submitted														
<p>A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0522. Public reporting for this collection of information is estimated to be approximately 20 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.</p> <p>INSTRUCTIONS</p> <p>Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at http://www.phmsa.dot.gov/pipeline/library/forms</p>																	
PART A - OPERATOR INFORMATION			DOT USE ONLY	20220044 - 03142													
<p>A1. Operator's OPS-issued Operator Identification Number (OPID): 3260</p> <p>A2. Name of Operator: DELTA NATURAL GAS CO INC</p> <p>A3. Address of Operator</p> <p>A3a. Street Address: 3617 LEXINGTON ROAD</p> <p>A3b. City: WINCHESTER</p> <p>A3c. State: KY</p> <p>A3d. Zip Code: 40391</p>																	
SUMMARY OF FACILITY/RESERVOIR																	
<table border="1"> <thead> <tr> <th>Facility</th> <th>Inter/Intra</th> <th>State</th> <th>County</th> <th>Reservoir</th> <th>Type</th> </tr> </thead> <tbody> <tr> <td>Canada Mountain Storage</td> <td>Intra</td> <td>Kentucky</td> <td>BELL</td> <td>Canada Mountain Storage Field</td> <td>Aquifer Reservoir</td> </tr> </tbody> </table>						Facility	Inter/Intra	State	County	Reservoir	Type	Canada Mountain Storage	Intra	Kentucky	BELL	Canada Mountain Storage Field	Aquifer Reservoir
Facility	Inter/Intra	State	County	Reservoir	Type												
Canada Mountain Storage	Intra	Kentucky	BELL	Canada Mountain Storage Field	Aquifer Reservoir												
PART B – STORAGE FACILITY (Complete Part B once for each independent storage facility)																	
FACILITY INFORMATION FOR Canada Mountain Storage																	
B1.	Facility Name (chosen by operator): Canada Mountain Storage																
B2.	Select only one: <input type="checkbox"/> INTERState <input checked="" type="checkbox"/> INTRASTate																
	PHMSA USE ONLY Unit ID: 88087																
B3.	Facility Location:																
	Latitude:	36.66986															
	Longitude:	- 83.72801															
	State:	Kentucky															
	County:	BELL															
B4.	Energy Information Administration Gas Field Code: 013 Names of Reservoirs within this facility: Canada Mountain Storage Field,																
GAS VOLUMES																	
B5.	Working gas capacity (billion standard cubic feet (BCF)), include two decimal places: 2.9																
B6.	Base (also known as Cushion or Pad) gas (billion standard cubic feet (BCF)), include two decimal places: 2.2																
B7.	Total gas capacity (billion standard cubic feet (BCF)): 5.1																
B8.	Volume of natural gas withdrawn from the facility for calendar year (billion standard cubic feet (BCF)), include two decimal places: 2.41																
B9.	Volume of natural gas injected into the facility for calendar year (billion standard cubic feet (BCF)), include two decimal places: 2.52																

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

PART C – RESERVOIRS AND WELLS (Complete Part C once for each reservoir or geologic storage formation within a facility)**RESERVOIR 1: Canada Mountain Storage Field**

C1.	Reservoir name (chosen by operator): Canada Mountain Storage Field
C2.	Year reservoir placed in storage service: 1995
C3.	Type (select only one): <input type="checkbox"/> Salt Cavern <input type="checkbox"/> Hydrocarbon Reservoir <input checked="" type="checkbox"/> Aquifer Reservoir <input type="checkbox"/> Other Description of type:
C4.	Maximum Wellhead Surface Pressure
C4a.	Text identifying the indicator well: Carnes #1
C4b.	Maximum surface pressure (pounds per square inch gauge (psig)) at the indicator well: 1020
RESERVOIR OR GEOLOGIC STORAGE FORMATION DEPTH	
C5.	Approximate Maximum Depth (feet): 3025
C6.	Approximate Minimum Depth (feet): 2460
WELLS	
C7.	Number of Injection and/or Withdraw Wells: 8
C8.	Number of Monitoring and/or Observation Wells: 4
C9.	Number of Wells drilled during the calendar year: 0
C10.	Number of Wells plugged and abandoned during the calendar year: 0
WELL SAFETY VALVES	
C11.	Number of Wells with surface safety valves: 0
C12.	Number of Wells with subsurface safety valves: 0
WELLS GAS FLOW	
C13.	Number of Wells with gas flow only through production tubing: 7
C14.	Number of Wells with gas flow only through production casing: 1
C15.	Number of Wells with gas flow through both production tubing and production casing: 0
C16.	Number of Wells with some "other type" of gas flow: 0 Describe the "other type" of gas flow through the well:
MAINTENANCE	
C17.	Number of Wells with new production tubing installed during the calendar year: 0
C18.	Number of Wells with new production casing, new liner, or repairs to casing or liner during the calendar year: 0
C19.	Number of Wells with wellhead remediation or repair during the calendar year: 0
C20.	Number of Wells with casing, wellhead, or tubing leaks during the calendar year: 0
C21.	Number of Wells with Pressure Test Mechanical Integrity Tests (MIT) during the calendar year: 0
C22.	Number of Wells with Logged for Corrosion/wall loss MIT during the calendar year: 0
C23.	Number of Wells with MIT other than "Pressure Test" and "Logged for Corrosion/wall loss" during the calendar year*: 0 * Describe other MIT:


Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

PART D – CONTACT INFORMATION

- D1. Name of person submitting report: **Craig Mitchell**
- D2. Title of person in D1: **Regulatory/Compliance Engineer**
- D3. Work e-mail address of person in D1: **cmitchell@deltagas.com**
- D4. Work phone number of person in D1: **(859)744-6171**
- D5. Name of person to contact with questions about this report: **Paul Dubois**
- D6. Title of person in D5: **Geologist**
- D7. Email address of person in D5: **PAUL@KEYANA.BIZ**
- D8. Phone number of person in D5: **(270)926-9063**

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each violation for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122.

Form Approved 10/12/2021
OMB No. 2137-0522
Expires: 10/31/2024

 <div>U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration</div>		ANNUAL REPORT FOR CALENDAR YEAR 2021 NATURAL AND OTHER GAS TRANSMISSION and GATHERING PIPELINE SYSTEMS		DOT USE ONLY	
				Initial Date Submitted	03/15/2022
				Report Submission Type	INITIAL
				Date Submitted	
<p>A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0522. Public reporting for this collection of information is estimated to be approximately 47 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.</p> <p>Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at http://www.phmsa.dot.gov/pipeline/library/forms.</p>					
PART A - OPERATOR INFORMATION		DOT USE ONLY	20221062 - 40930		
1. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER (OPID) 3260		2. NAME OF OPERATOR: DELTA NATURAL GAS CO INC			
3. RESERVED		4. HEADQUARTERS ADDRESS: 3617 LEXINGTON ROAD Street Address WINCHESTER City State: KY Zip Code: 40391			
5. THIS REPORT PERTAINS TO THE FOLLOWING COMMODITY GROUP: <i>(Select Commodity Group based on the predominant gas carried and complete the report for that Commodity Group. File a separate report for each Commodity Group included in this OPID.)</i> Natural Gas					
6. RESERVED					
7. FOR THE DESIGNATED "COMMODITY GROUP", THE PIPELINES AND/OR PIPELINE FACILITIES INCLUDED WITHIN THIS OPID ARE: <i>(Select one or both)</i> INTERstate pipeline – List all of the States and OSC portions in which INTERstate pipelines and/or pipeline facilities included under this OPID exist. etc. INTRAstute pipeline – List all of the States in which INTRAstute pipelines and or pipeline facilities included under this OPID exist. KENTUCKY etc.					
8. RESERVED					

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For the designated Commodity Group, PARTs B, B1, and D will be calculated based on the data entered in Parts L, T, and P respectively. Complete Part C one time for all pipelines and/or pipeline facilities – both INTERstate and INTRAsate - included within this OPID.

PART B – TRANSMISSION PIPELINE HCA, §192.710, and in neither HCA nor §192.710 MILES				
	Number of HCA Miles	Number of §192.710 Miles	Number of Class Location 3 or 4 Miles that are neither in HCA nor in §192.710	Number of Class Location 1 or 2 Miles that are neither in HCA nor in §192.710
Onshore	0.455	0.735	1.912	148.11
Offshore	0	0	0	0
Total Miles	0.455	0.735	1.912	148.11

PART C - VOLUME TRANSPORTED IN TRANSMISSION PIPELINES (ONLY) IN MILLION SCF PER YEAR (excludes Transmission lines of Gas Distribution systems)		<input type="checkbox"/> Check this box and do not complete PART C if this report only includes gathering pipelines or transmission lines of gas distribution systems.	
	Onshore	Offshore	
Natural Gas	19215.994		
Propane Gas			
Synthetic Gas			
Hydrogen Gas			
Landfill Gas			
Other Gas - Name:			

PART D - MILES OF STEEL PIPE BY CORROSION PROTECTION										
	Steel Cathodically protected		Steel Cathodically unprotected							
	Bare	Coated	Bare	Coated	Cast Iron	Wrought Iron	Plastic	Composite ¹	Other	Total Miles
Transmission										
Onshore	0	151.212	0	0	0	0	0	0	0	151.212
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Transmission	0	151.212	0	0	0	0	0	0	0	151.212
Gathering										
Onshore Type A	0	0	0	0	0	0	0	0	0	0
Onshore Type B	0	6.18	0	0	0	0	13.301	0	0	19.481
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Gathering	0	6.18	0	0	0	0	13.301	0	0	19.481
Total Miles	0	157.392	0	0	0	0	13.301	0	0	170.693

¹Use of Composite pipe requires a PHMSA Special Permit or waiver from a State

PART E – RESERVED

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For the designated Commodity Group, complete PARTs F and G one time for all INTERstate gas transmission pipeline facilities included within this OPID and multiple times as needed for the designated Commodity Group for each State in which INTRAstate gas transmission pipeline facilities included within this OPID exist. Part F "WITHIN AN HCA SEGMENT" data and Part G may be completed only if HCA Miles in Part L is greater than zero.

PARTs F and G

The data reported in these PARTs applies to: *(select only one)*

- ☐ Interstate pipelines/pipeline facilities
- ☒ Intrastate pipelines/pipeline facilities in the State of KENTUCKY *(complete for each State)*

PART F - INTEGRITY INSPECTIONS CONDUCTED AND ACTIONS TAKEN BASED ON INSPECTION

1. MILEAGE INSPECTED IN CALENDAR YEAR USING THE FOLLOWING IN-LINE INSPECTION (ILI) TOOLS

a. Corrosion or metal loss tools	
b. Dent or deformation tools	
c. Crack or long seam defect detection tools	
d. Any other internal inspection tools, specify other tools:	
e. Total tool mileage inspected in calendar year using in-line inspection tools. (Lines a + b + c + d)	

2. ACTIONS TAKEN IN CALENDAR YEAR BASED ON IN-LINE INSPECTIONS

a. Based on ILI data, total number of anomalies excavated in calendar year because they met the operator's criteria for excavation.	
b. Total number of anomalies repaired in calendar year that were identified by ILI based on the operator's criteria, both within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment	0
c. Total number of conditions repaired WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN AN §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	

3. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON PRESSURE TESTING

a. Total mileage inspected by pressure testing in calendar year.	
b. Total number of pressure test failures (ruptures and leaks) repaired in calendar year, both within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment.	
c. Total number of pressure test failures (ruptures and leaks) repaired in calendar year WITHIN AN HCA SEGMENT.	
d. Not Used	
e. Total number of pressure test failures (ruptures and leaks) repaired in calendar year WITHIN A §192.710 SEGMENT.	
f. Total number of pressure test failures (ruptures and leaks) repaired in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT.	
g. Total number of pressure test failures (ruptures and leaks) repaired in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT.	

4. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON DA (Direct Assessment methods)

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a. Total mileage inspected by each DA method in calendar year.	
1. ECDA	
2. ICDA	
3. SCCDA	
b. Total number of anomalies identified by each DA method and repaired in calendar year based on the operator's criteria, within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment.	
1. ECDA	
2. ICDA	
3. SCCDA	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
4.1 MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON GUIDED WAVE ULTRASONIC TESTING (GWUT)	
a. Total mileage inspected by GWUT method in calendar year.	
b. Total number of anomalies identified by GWUT method and repaired in calendar year based on the operator's criteria, within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment.	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192 Appendix F, Section XIX]	
2. "6-Month conditions" [192 Appendix F, Section XIX]	
3. "12-Month conditions" [192 Appendix F, Section XIX]	
4. "Monitored conditions" [192 Appendix F, Section XIX]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
4.2 MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON DIRECT EXAMINATION	
a. Total mileage inspected by DIRECT EXAMINATION method in calendar year.	
b. Total number of anomalies identified by DIRECT EXAMINATION method and repaired in calendar year based on the operator's criteria, within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment.	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
5. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON OTHER INSPECTION TECHNIQUES	
a. Total mileage inspected by inspection techniques other than those listed above in calendar year.	
1. Other Inspection Techniques	
b. Total number of anomalies identified by other inspection techniques and repaired in calendar year based on the operator's criteria, within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710	0

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Segment.	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
6. TOTAL MILEAGE INSPECTED (ALL METHODS) AND ACTIONS TAKEN IN CALENDAR YEAR	
a. Total mileage inspected in calendar year. (Lines 1.e + 3.a + 4.a + 4.1.a + 4.2.a + 5.a)	
b. Total number of anomalies repaired in calendar year within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment. (Lines 2.b + 3.b + 4.b + 4.1.b + 4.2.b + 5.b)	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT. (Lines 2.c + 3.c + 4.c + 4.1.c + 4.2.c + 5.c)	
d. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN AN HCA SEGMENT:	
e. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN AN HCA SEGMENT:	
f. Total number of conditions repaired in calendar year WITHIN A §192.710 SEGMENT. (Lines 2.d + 3.e + 4.d + 4.1.d + 4.2.d + 5.d)	0
g. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A §192.710 SEGMENT:	
h. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A §192.710 SEGMENT:	
i. Total number of conditions repaired in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT. (Lines 2.e + 3.f + 4.e + 4.1.e + 4.2.e + 5.e)	0
j. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
k. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
l. Total number of conditions repaired in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT. (Lines 2.f + 3.g + 4.f + 4.1.f + 4.2.f + 5.f)	0
m. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
n. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
PART G— MILES OF BASELINE ASSESSMENTS AND REASSESSMENTS COMPLETED IN CALENDAR YEAR (HCA, §192.710, and Outside HCA or §192.710 Segment miles)	
a. HCA Segments Baseline assessment miles completed during the calendar year.	
b. HCA Segments Reassessment miles completed during the calendar year.	
c. HCA Segments Total assessment and reassessment miles completed during the calendar year.	
d. §192.710 Segments Baseline assessment miles completed during the calendar year.	
e. §192.710 Segments Reassessment miles completed during the calendar year.	
f. §192.710 Segments Total assessment and reassessment miles completed during the calendar year.	

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g. CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 Segments assessment miles completed during the calendar year.	
h. CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 Segments assessment miles completed during the calendar year.	

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For the designated Commodity Group, complete PARTs H, I, J, K, L, M, P, Q, R, and S covering INTERstate pipelines and/or pipeline facilities for each State in which INTERstate systems exist within this OPID and again covering INTRASTATE pipelines and/or pipeline facilities for each State in which INTRASTATE systems exist within this OPID.

PARTs H, I, J, K, L, M, P, Q, R, and S

The data reported in these PARTs applies to: *(select only one)*

INTRASTATE pipelines/pipeline facilities KENTUCKY

PART H - MILES OF TRANSMISSION PIPE BY NOMINAL PIPE SIZE (NPS)

Onshore	NPS 4 or less	6	8	10	12	14	16	18	20
	2.69	1.032	95.575	37.778	14.137	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
151.212	Total Miles of Onshore Pipe – Transmission								
Offshore	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Offshore Pipe – Transmission								

PART I - MILES OF GATHERING PIPE BY NOMINAL PIPE SIZE (NPS)

Onshore Type A	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38

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	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Onshore Type A Pipe – Gathering								
Onshore Type B	NPS 4 or less	6	8	10	12	14	16	18	20
	11.534	7.947	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
19.481	Total Miles of Onshore Type B Pipe – Gathering								
Offshore	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Offshore Pipe – Gathering								
PART J – MILES OF PIPE BY DECADE INSTALLED									
Decade Pipe Installed	Unknown	Pre - 1940	1940 - 1949	1950 - 1959	1960 - 1969	1970 - 1979			
Transmission									
Onshore	0	0	0	0	0	36.037			
Offshore									
Subtotal Transmission	0	0	0	0	0	36.037			
Gathering									
Onshore Type A	0	0	0	0	0	0			
Onshore Type B	0	0	0	0	0	0			
Offshore									
Subtotal Gathering	0	0	0	0	0	0			
Total Miles	0	0	0	0	0	36.037			
Decade Pipe Installed	1980 - 1989	1990 - 1999	2000 - 2009	2010 - 2019	2020 - 2029	Total Miles			

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Transmission						
Onshore	45.005	15.443	52.091	2.469	0.167	151.212
Offshore						
Subtotal Transmission	45.005	15.443	52.091	2.469	0.167	151.212
Gathering						
Onshore Type A	0	0	0	0	0	0
Onshore Type B	3.893	8.058	5.817	1.713	0	19.481
Offshore						
Subtotal Gathering	3.893	8.058	5.817	1.713	0	19.481
Total Miles	48.898	23.501	57.908	4.182	0.167	170.693

PART K- MILES OF TRANSMISSION PIPE BY SPECIFIED MINIMUM YIELD STRENGTH

ONSHORE	CLASS LOCATION				Total Miles
	Class 1	Class 2	Class 3	Class 4	
Steel pipe Less than 20% SMYS	4.523	0	0	0	4.523
Steel pipe Greater than or equal to 20% SMYS but less than 30% SMYS	19.341	12.076	1.805	0	33.222
Steel pipe Greater than or equal to 30% SMYS but less than or equal to 40% SMYS	59.066	29.693	0.695	0	89.454
Steel pipe Greater than 40% SMYS but less than or equal to 50% SMYS	17.449	6.564	0	0	24.013
Steel pipe Greater than 50% SMYS but less than or equal to 60% SMYS	0	0	0	0	0
Steel pipe Greater than 60% SMYS but less than or equal to 72% SMYS	0	0	0	0	0
Steel pipe Greater than 72% SMYS but less than or equal to 80% SMYS	0	0	0	0	0
Steel pipe Greater than 80% SMYS	0	0	0	0	0
Steel pipe Unknown percent of SMYS	0	0	0	0	0
All Non-Steel pipe	0	0	0	0	0
Onshore Totals	100.379	48.333	2.5	0	151.212
OFFSHORE	Class 1				
Less than or equal to 50% SMYS	0				
Greater than 50% SMYS but less than or equal to 72% SMYS	0				
Steel pipe Greater than 72% SMYS	0				
Steel Pipe Unknown percent of SMYS	0				
All non-steel pipe	0				
Offshore Total	0				0
Total Miles	100.379				151.212

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PART L - MILES OF PIPE BY CLASS LOCATION

	Class Location				Total Class Location Miles	HCA Miles			
	Class 1	Class 2	Class 3	Class 4			§192.710 Miles	Class Location 3 or 4 Miles that are neither in HCA nor in §192.710	Class Location 1 or 2 Miles that are neither in HCA nor in §192.710
Transmission									
Onshore	100.379	48.333	2.5	0	151.212	0.455	0.735	1.912	148.11
Offshore	0				0				
Subtotal Transmission	100.379	48.333	2.5	0	151.212	0.455	0.735	1.912	148.11
Gathering									
Onshore Type A		0	0	0	0				
Onshore Type B		0	19.481	0	19.481				
Offshore	0				0				
Subtotal Gathering	0	0	19.481	0	19.481				
Total Miles	100.379	48.333	21.981	0	170.693	0.455	0.735	1.912	148.11

PART M – FAILURES, LEAKS, AND REPAIRS**PART M1 – ALL LEAKS ELIMINATED/REPAIRED IN CALENDAR YEAR; INCIDENTS & FAILURES IN HCA SEGMENTS IN CALENDAR YEAR**

Cause	Transmission Leaks, and Failures							Gathering Leaks		
	Leaks						Failures in HCA Segments	Onshore Leaks		Offshore Leaks
	Onshore Leaks				Offshore Leaks			Type A	Type B	
	HCA	MCA	Class 3 & 4 non-HCA & non-MCA	Class 1 & 2 non-HCA & non-MCA	HCA	Non-HCA				
External Corrosion	0	0	0	0	0	0	0	0	3	0
Internal Corrosion	0	0	0	0	0	0	0	0	0	0
Stress Corrosion Cracking	0	0	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0
Incorrect Operations	0	0	0	0	0	0	0	0	0	0
Third Party Damage/Mechanical Damage										
Excavation Damage	0	0	0	0	0	0	0	0	0	0
Previous Damage (due to Excavation Activity)	0	0	0	0	0	0	0	0	0	0
Vandalism (includes all Intentional	0	0	0	0	0	0	0	0	0	0

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Damage)										
Weather Related/Other Outside Force										
Natural Force Damage (all)	0	0	0	0	0	0	0	0	1	0
Other Outside Force Damage (excluding Vandalism and all Intentional Damage)	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	4	0

PART M2 – KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR

Transmission	0	Gathering	0
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PART M3 – LEAKS ON FEDERAL LAND OR OCS REPAIRED OR SCHEDULED FOR REPAIR

Transmission		Gathering	
Onshore	0	Onshore Type A	0
		Onshore Type B	0
OCS	0	OCS	0
Subtotal Transmission	0	Subtotal Gathering	0
Total	0		

PART P - MILES OF PIPE BY MATERIAL AND CORROSION PROTECTION STATUS

	Steel Cathodically protected		Steel Cathodically unprotected		Cast Iron	Wrought Iron	Plastic	Composite ¹	Other ²	Total Miles
	Bare	Coated	Bare	Coated						
Transmission										
Onshore	0	151.212	0	0	0	0	0	0	0	151.212
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Transmission	0	151.212	0	0	0	0	0	0	0	151.212
Gathering										
Onshore Type A	0	0	0	0	0	0	0	0	0	0
Onshore Type B	0	6.18	0	0	0	0	13.301	0	0	19.481
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Gathering	0	6.18	0	0	0	0	13.301	0	0	19.481
Total Miles	0	157.392	0	0	0	0	13.301	0	0	170.693

¹Use of Composite pipe requires PHMSA Special Permit or waiver from a State

²specify Other material(s):

Part Q - Gas Transmission Miles by MAOP Determination Method**by §192.619 and Other Methods**

	(a)(1) Total	(a)(1) Incomplete Records	(a)(2) Total	(a)(2) Incomplete Records	(a)(3) Total	(a)(3) Incomplete Records	(a)(4) Total	(a)(4) Incomplete Records	(c) Total	(c) Incomplete Records	(d) Total	(d) Incomplete Records	Other ¹ Total	Other Incomplete Records
Class 1 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each violation for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122.

Form Approved 10/12/2021
OMB No. 2137-0522
Expires: 10/31/2024

Class 1 (in MCA)	0	0	0.34 2	0	0	0	0	0	0	0	0	0	0	0
Class 1 (not in HCA or MCA)	0		83.0 22		17.01 5		0		0		0		0	
Class 2 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 2 (in MCA)	0	0	0.26	0	0	0	0	0	0	0	0	0	0	0
Class 2 (not in HCA or MCA)	0		35.9 97		12.07 6		0		0		0		0	
Class 3 (in HCA)	0	0	0.45 5	0	0	0	0	0	0	0	0	0	0	0
Class 3 (in MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 3 (not in HCA or MCA)	0	0	0.24	0	1.805	1.805	0	0	0	0	0	0	0	0
Class 4 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 4 (in MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 4 (not in HCA or MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	120. 316	0	30.89 6	1.805	0	0	0	0	0	0	0	0

by §192.624 Methods

	(c)(1) Total	(c)(2) Total	(c)(3) Total	(c)(4) Total	(c)(5) Total	(c)(6) Total
Class 1 (in HCA)	0	0	0	0	0	0
Class 1 (in MCA)	0	0	0	0	0	0
Class 1 (not in HCA or MCA)	0	0	0	0	0	0
Class 2 (in HCA)	0	0	0	0	0	0
Class 2 (in MCA)	0	0	0	0	0	0
Class 2 (not in HCA or MCA)	0	0	0	0	0	0
Class 3 (in HCA)	0	0	0	0	0	0
Class 3 (in MCA)	0	0	0	0	0	0
Class 3 (not in HCA or MCA)	0	0	0	0	0	0
Class 4 (in HCA)	0	0	0	0	0	0
Class 4 (in MCA)	0	0	0	0	0	0
Class 4 (not in HCA or MCA)	0	0	0	0	0	0
Total	0	0	0	0	0	0
Total under 192.619(a), 192.619(c), 192.619(d) and Other	151.212					
Total under 192.624 (as allowed by 192.619(e))	0					
Grand Total	151.212					
Sum of Total row for all "Incomplete Records" columns	1.805					

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each violation for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122.

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¹Specify Other method(s):

Class 1 (in HCA)		Class 1 (in MCA)		Class 1 (not in MCA or HCA)	
Class 2 (in HCA)		Class 2 (in MCA)		Class 2 (not in MCA or HCA)	
Class 3 (in HCA)		Class 3 (in MCA)		Class 3 (not in MCA or HCA)	
Class 4 (in HCA)		Class 4 (in MCA)		Class 4 (not in MCA or HCA)	

Part R – Gas Transmission Miles by Pressure Test (PT) Range and Internal Inspection

	PT ≥ 1.50 MAOP		1.5 MAOP > PT ≥ 1.39 MAOP	
Location	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE
Class 1 in HCA	0	0	0	0
Class 2 in HCA	0	0	0	0
Class 3 in HCA	0	0.455	0	0
Class 4 in HCA	0	0	0	0
in HCA Subtotal	0	0.455	0	0
Class 1 in MCA	0	0.342	0	0
Class 2 in MCA	0	0.26	0	0
Class 3 in MCA	0	0	0	0
Class 4 in MCA	0	0	0	0
in MCA Subtotal	0	0.602	0	0
Class 1 not in HCA or MCA	0	80.78	0	0
Class 2 not in HCA or MCA	0	35.997	0	0
Class 3 not in HCA or MCA	0	0.24	0	0
Class 4 not in HCA or MCA	0	0	0	0
not in HCA or MCA Subtotal	0	117.017	0	0
Total	0	118.074	0	0

	1.39 MAOP > PT ≥ 1.25 MAOP		1.25 MAOP > PT ≥ 1.1 MAOP		1.1 MAOP > PT or No PT	
Location	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE
Class 1 in HCA	0	0	0	0	0	0
Class 2 in HCA	0	0	0	0	0	0
Class 3 in HCA	0	0	0	0	0	0
Class 4 in HCA	0	0	0	0	0	0
in HCA Subtotal	0	0	0	0	0	0
Class 1 in MCA	0	0	0	0	0	0
Class 2 in MCA	0	0	0	0	0	0
Class 3 in MCA	0	0	0	0	0	0
Class 4 in MCA	0	0	0	0	0	0
in MCA Subtotal	0	0	0	0	0	0
Class 1 not in HCA or MCA	0	0	0	2.242	0	17.015
Class 2 not in HCA or MCA	0	0	0	0	0	12.076
Class 3 not in HCA or MCA	0	0	0	0	0	1.805
Class 4 not in HCA or MCA	0	0	0	0	0	0

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each violation for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122.

Form Approved 10/12/2021
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MCA						
not in HCA or MCA Subtotal	0	0	0	2.242	0	30.896
Total	0	0	0	2.242	0	30.896
PT ≥ 1.5 MAOP Total		118.074	Total Miles Internal Inspection ABLE			0
1.5 MAOP > PT ≥ 1.39 MAOP Total		0	Total Miles Internal Inspection NOT ABLE			151.212
1.39 > PT ≥ 1.25 MAOP Total		0	Grand Total			151.212
1.25 MAOP > PT ≥ 1.1		2.242				
1.1 MAOP > PT or No PT Total		30.896				
Grand Total		151.212				

Part S – Gas Transmission Verification of Materials (192.607)

Location	Miles 192.607 this Year	192.607 Number Test Locations this Year
Class 1 in HCA	0	0
Class 2 in HCA	0	0
Class 3 in HCA	0	0
Class 4 in HCA	0	0
Class 1 in MCA	0	0
Class 2 in MCA	0	0
Class 3 in MCA	0	0
Class 4 in MCA	0	0
Class 1 not in HCA or MCA	0	0
Class 2 not in HCA or MCA	0	0
Class 3 not in HCA or MCA	0	0
Class 4 not in HCA or MCA	0	0

For the designated Commodity Group, complete PART N one time for all of the pipelines and/or pipeline facilities included within this OPID, and then also PART O if any gas transmission pipeline facilities included within this OPID have Part L HCA mile value greater than zero.

PART N - PREPARER SIGNATURE

Craig Mitchell

(859)744-6171

Preparer's Name(type or print)

Telephone Number

Regulatory/Compliance Engineer

Preparer's Title

cmitchell@deltagas.com

Preparer's E-mail Address

PART O - CERTIFYING SIGNATURE (applicable only to PARTs B, F, G, and M1)

(859)744-6171

Telephone Number

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty not to exceed \$100,000 for each violation for each day the violation continues up to a maximum of \$1,000,000 as provided in 49 USC 60122.

Form Approved 10/12/2021
OMB No. 2137-0522
Expires: 10/31/2024

JOHN BROWN

Senior Executive Officer's name certifying the information in PARTs B, F, G, and M as required by
49 U.S.C. 60109(f)

PRESIDENT


Senior Executive Officer's title certifying the information in PARTs B, F, G, and M as required by
49 U.S.C. 60109(f)

JBROWN@DELTAGAS.COM

Senior Executive Officer's E-mail Address

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 5/31/2024

 U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration		ANNUAL REPORT FOR CALENDAR YEAR 2022 GAS DISTRIBUTION SYSTEM		Initial Date Submitted:	03/15/2023
				Report Submission Type	INITIAL
				Date Submitted:	

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0629. Public reporting for this collection of information is estimated to be approximately 16 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.

Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at <http://www.phmsa.dot.gov/pipeline/library/forms>.

PART A - OPERATOR INFORMATION		(DOT use only)	20231267-51976
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1. Name of Operator		DELTA NATURAL GAS CO INC	
2. LOCATION OF OFFICE (WHERE ADDITIONAL INFORMATION MAY BE OBTAINED)			
2a. Street Address		3617 LEXINGTON ROAD	
2b. City and County		WINCHESTER	
2c. State		KY	
2d. Zip Code		40391	
3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER		3260	
4. HEADQUARTERS NAME & ADDRESS			
4a. Street Address		3617 LEXINGTON ROAD	
4b. City and County		WINCHESTER	
4c. State		KY	
4d. Zip Code		40391	
5. STATE IN WHICH SYSTEM OPERATES		KY	
6. THIS REPORT PERTAINS TO THE FOLLOWING COMMODITY GROUP (Select Commodity Group based on the predominant gas carried and complete the report for that Commodity Group. File a separate report for each Commodity Group included in this OPID.)			
Natural Gas			
7. THIS REPORT PERTAINS TO THE FOLLOWING TYPE OF OPERATOR (Select Type of Operator based on the structure of the company included in this OPID for which this report is being submitted.):			
Investor Owned			

PART B - SYSTEM DESCRIPTION											
1.GENERAL											
	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	RECONDITION ED CAST IRON	SYSTEM TOTAL
	UNPROTECTED		CATHODICALLY PROTECTED								
	BARE	COATED	BARE	COATED							
MILES OF MAIN	1.371	2.306	0	449.676	1467.753	0	0	0	0	0	1921.106
NO. OF SERVICES	2058	28	0	2693	39870	0	0	0	0	0	44649

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 5/31/2024

2. MILES OF MAINS IN SYSTEM AT END OF YEAR												
MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"	SYSTEM TOTALS					
STEEL	0	53.675	119.36	280.318	0	0	453.353					
DUCTILE IRON	0	0	0	0	0	0	0					
COPPER	0	0	0	0	0	0	0					
CAST/WROUGHT IRON	0	0	0	0	0	0	0					
PLASTIC PVC	0	0	0	0	0	0	0					
PLASTIC PE	0	1109.972	343.389	14.392	0	0	1467.753					
PLASTIC ABS	0	0	0	0	0	0	0					
PLASTIC OTHER	0	0	0	0	0	0	0					
OTHER	0	0	0	0	0	0	0					
RECONDITIONED CAST IRON	0	0	0	0	0	0	0					
TOTAL	0	1163.647	462.749	294.71	0	0	1921.106					
Describe Other Material:												
3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR				AVERAGE SERVICE LENGTH: 87.5								
MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"	SYSTEM TOTALS					
STEEL	0	4679	74	25	1	0	4779					
DUCTILE IRON	0	0	0	0	0	0	0					
COOPER	0	0	0	0	0	0	0					
CAST/WROUGHT IRON	0	0	0	0	0	0	0					
PLASTIC PVC	0	0	0	0	0	0	0					
PLASTIC PE	0	39443	407	20	0	0	39870					
PLASTIC ABS	0	0	0	0	0	0	0					
PLASTIC OTHER	0	0	0	0	0	0	0					
OTHER	0	0	0	0	0	0	0					
RECONDITIONED CAST IRON	0	0	0	0	0	0	0					
TOTAL	0	44122	481	45	1	0	44649					
Describe Other Material:												
4. MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION												
	UNKNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2019	2020-2029	TOTAL
MILES OF MAIN	285.217	0	0	0.329	74.052	66.429	309.36	651.659	258.066	198.857	77.137	1921.106
NUMBER OF SERVICES	10467	0	0	2	285	926	2714	12122	7451	7212	3470	44649
PART C - TOTAL LEAKS AND HAZARDOUS LEAKS ELIMINATED/REPAIRED DURING THE YEAR												

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 5/31/2024

CAUSE OF LEAK	MAINS		SERVICES	
	TOTAL	HAZARDOUS	TOTAL	HAZARDOUS
CORROSION FAILURE	7	0	11	6
NATURAL FORCE DAMAGE	1	0	4	2
EXCAVATION DAMAGE	32	31	51	51
OTHER OUTSIDE FORCE DAMAGE	2	2	9	8
PIPE, WELD OR JOINT FAILURE	23	3	21	7
EQUIPMENT FAILURE	4	0	32	0
INCORRECT OPERATIONS	0	0	1	1
OTHER CAUSE	7	2	1	1
NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR : 0 NUMBER OF HAZARDOUS LEAKS INVOLVING A MECHANICAL JOINT FAILURE : 0				


PART D - EXCAVATION DAMAGE	PART E – EXCESS FLOW VALUE (EFV) AND SERVICE VALUE DATA
1. TOTAL NUMBER OF EXCAVATION DAMAGES BY APPARENT ROOT CAUSE: <u>83</u> a. One-Call Notification Practices Not Sufficient: <u>51</u> b. Locating Practices Not Sufficient: <u>12</u> c. Excavation Practices Not Sufficient: <u>19</u> d. Other: <u>1</u>	Total Number Of Services with EFV Installed During Year : <u>933</u> Estimated Number Of Services with EFV In the System At End Of Year: <u>12066</u> * Total Number of Manual Service Line Shut-off Valves Installed During Year: <u>28</u> * Estimated Number of Services with Manual Service Line Shut-off Valves Installed in the System at End of Year: <u>2484</u> <i>*These questions were added to the report in 2017.</i>
2. NUBMER OF EXCAVATION TICKETS <u>26744</u>	
PART F - LEAKS ON FEDERAL LAND	PART G – PERCENT OF UNACCOUNTED FOR GAS
TOTAL NUMBER OF LEAKS ON FEDERAL LAND REPAIRED OR SCHEDULED TO REPAIR: <u>0</u>	UNACCOUNTED FOR GAS AS A PERCENT OF TOTAL CONSUMPTION FOR THE 12 MONTHS ENDING JUNE 30 OF THE REPORTING YEAR. [(PURCHASED GAS + PRODUCED GAS) MINUS (CUSTOMER USE + COMPANY USE + APPROPRIATE ADJUSTMENTS)] DIVIDED BY (CUSTOMER USE + COMPANY USE + APPROPRIATE ADJUSTMENTS) TIMES 100 EQUALS PERCENT UNACCOUNTED FOR. FOR YEAR ENDING 6/30: <u>1.4%</u>

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 5/31/2024

PART H - ADDITIONAL INFORMATION**PART I - PREPARER**

<u>Robert Nellipowitz State Engineer</u> (Preparer's Name and Title)	<u>(859) 744-6171</u> (Area Code and Telephone Number)
<u>rnellipowitz@deltagas.com</u> (Preparer's email address)	<u>(859) 744-3623</u> (Area Code and Facsimile Number)

 U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration		UNDERGROUND NATURAL GAS STORAGE FACILITY ANNUAL REPORT FOR CALENDAR YEAR 2022		DOT USE ONLY	
				Original Date Submitted	03/15/2023
				Report Type	INITIAL
				Date Submitted	
<p>A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0522. Public reporting for this collection of information is estimated to be approximately 20 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.</p> <p>INSTRUCTIONS Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at http://www.phmsa.dot.gov/pipeline/library/forms</p>					
PART A - OPERATOR INFORMATION		DOT USE ONLY	20230118 - 05603		
A1.	Operator's OPS-issued Operator Identification Number (OPID): 3260				
A2.	Name of Operator: DELTA NATURAL GAS CO INC				
A3.	Address of Operator				
A3a.	Street Address:	3617 LEXINGTON ROAD			
A3b.	City:	WINCHESTER			
A3c.	State:	KY			
A3d.	Zip Code:	40391			

PART B – STORAGE FACILITY (Complete Part B once for each independent storage facility)		
B1.	Facility Name (chosen by operator): Canada Mountain Storage	
B2.	Select only one: <input type="checkbox"/> INTERState <input checked="" type="checkbox"/> INTRASState	
	PHMSA USE ONLY Unit ID: 88087	
B3.	Facility Location:	
	Latitude:	36.66986
	Longitude:	- 83.72801
	State:	Kentucky
	County:	BELL
B4.	Energy Information Administration Gas Field Code: 013 Names of Reservoirs within this facility: Canada Mountain Storage Field	

GAS VOLUMES	
B5.	Working gas capacity (billion standard cubic feet (BCF)), <i>include two decimal places:</i> 3.11
B6.	Base (also known as Cushion or Pad) gas (billion standard cubic feet (BCF)), <i>include two decimal places:</i> 2.20
B7.	Total gas capacity (billion standard cubic feet (BCF)): 5.31
B8.	Metered volume of natural gas withdrawn from the facility for calendar year (billion standard cubic feet (BCF)), <i>include two decimal places:</i> 2.55
B9.	Metered volume of natural gas injected into the facility for calendar year (billion standard cubic feet (BCF)), <i>include two decimal places:</i> 2.56

PART C – RESERVOIRS AND WELLS (Complete Part C once for each reservoir or geologic storage formation within a facility)															
RESERVOIR Canada Mountain Storage Field															
C1.	Reservoir name (chosen by operator): Canada Mountain Storage Field														
C2.	Year reservoir placed in storage service: 1995														
C3.	Type (select only one): <input type="checkbox"/> Salt Cavern <input type="checkbox"/> Hydrocarbon Reservoir <input checked="" type="checkbox"/> Aquifer Reservoir <input type="checkbox"/> Other Description of type:														
C4.	Maximum Wellhead Surface Pressure														
C4a.	Name of the representative well: Carnes #1														
C4b.	Maximum surface pressure (pounds per square inch gauge (psig)) at the representative well: 1020														
RESERVOIR OR CAVERN(S) DEPTH															
C5.	Approximate Maximum Depth (feet): 3025														
C6.	Approximate Minimum Depth (feet): 2460														
WELLS															
C7.	<table border="1"> <thead> <tr> <th>Number of Injection and/or Withdrawal Wells</th> <th>Pre-1930</th> <th>1930-1959</th> <th>1960-1969</th> <th>1970-2004</th> <th>2005-present</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td></td> <td>0</td> <td>0</td> <td>0</td> <td>5</td> <td>3</td> <td>8</td> </tr> </tbody> </table>	Number of Injection and/or Withdrawal Wells	Pre-1930	1930-1959	1960-1969	1970-2004	2005-present	Total		0	0	0	5	3	8
Number of Injection and/or Withdrawal Wells	Pre-1930	1930-1959	1960-1969	1970-2004	2005-present	Total									
	0	0	0	5	3	8									

C8.	Number of Monitoring and/or Observation Wells:						
		Pre-1930	1930-1959	1960-1969	1970-2004	2005-present	Total
	Monitoring and/or Observation Wells	0	0	0	4	0	4
C9.	Number of Wells drilled during the calendar year: 0						
C10	Wells plugged and abandoned during the calendar year						
	C10a.	Number of wells re-plugged during the calendar year: 0					
	C10b.	Number of wells plugged but not abandoned during the calendar year: 0					
	C10c.	Number of wells plugged and abandoned during the calendar year: 0					
WELL SAFETY VALVES							
C11	Number of Wells with automated surface safety valves: 0						
C12	Number of Wells with subsurface safety valves: 0						
WELLS GAS FLOW							
C13	Number of Wells with gas flow only through production tubing: 7						
C14	Number of Wells with gas flow only through production casing: 1						
C15	Number of Wells with gas flow through both production tubing and production casing: 0						
C16	Number of Wells with some "other type" of gas flow: 0 Describe the "other type" of gas flow through the well:						
MAINTENANCE							
C17	Number of Wells with new production tubing installed during the calendar year: 0						
C18	Number of Wells with new production casing, new liner, or repairs to casing or liner during the calendar year: 0						
C19	Number of Wells with wellhead remediation or repair during the calendar year: 0						
C20	Number of Wells with casing, wellhead, or tubing leaks during the calendar year: 0						
C21	Number of Wells with Pressure Test during the calendar year: 0						
C22	Number of Wells with Casing Evaluation for Corrosion/ metal loss during the calendar year: 0						
C23	Number of Wells inspected using a downhole assessment method other than "Pressure Test" and "Casing Evaluation for Corrosion/metal loss" during the calendar year*: 0 * Describe other assessment method(s):						


PART D – CONTACT INFORMATION

- D1. Name of person submitting report: Robert Nellipowitz
- D2. Title of person in D1: State Engineer
- D3. Work e-mail address of person in D1: rnellipowitz@deltagas.com
- D4. Work phone number of person in D1: (859)744-6171
- D5. Name of person to contact with questions about this report: Paul Dubois
- D6. Title of person in D5: Geologist

D7.	Email address of person in D5: <u>paul@keyana.biz</u>
D8.	Phone number of person in D5: <u>(270)926-9063</u>

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

 U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration	ANNUAL REPORT FOR CALENDAR YEAR 2022 NATURAL and OTHER GAS TRANSMISSION and GATHERING SYSTEMS	Initial Date Submitted	03/15/2023
		Report Submission Type	INITIAL
		Date Submitted	

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0522. Public reporting for this collection of information is estimated to be approximately 47 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.

Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at <http://www.phmsa.dot.gov/pipeline/library/forms>.

PART A - OPERATOR INFORMATION	DOT USE ONLY	20231240 - 42701
1. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER (OPID) 3260	2. NAME OF OPERATOR: DELTA NATURAL GAS CO INC	
3. RESERVED	4. HEADQUARTERS ADDRESS: 3617 LEXINGTON ROAD Street Address WINCHESTER City State: KY Zip Code: 40391	
5. THIS REPORT PERTAINS TO THE FOLLOWING COMMODITY GROUP: (Select Commodity Group based on the predominant gas carried and complete the report for that Commodity Group. File a separate report for each Commodity Group included in this OPID.) <input checked="" type="checkbox"/> Natural Gas <input type="checkbox"/> Synthetic Gas <input type="checkbox"/> Hydrogen Gas <input type="checkbox"/> Propane Gas <input type="checkbox"/> Landfill Gas <input type="checkbox"/> Other Gas Name of the Other Gas:		
6. RESERVED		
7. FOR THE DESIGNATED "COMMODITY GROUP", THE PIPELINES AND/OR PIPELINE FACILITIES INCLUDED WITHIN THIS OPID ARE: (Select one or both) <input type="checkbox"/> INTERstate pipeline – List all of the States and OSC portions in which INTERstate pipelines and/or pipeline facilities included under this OPID exist. etc. <input checked="" type="checkbox"/> INTRAsate pipeline – List all of the States in which INTRAsate pipelines and or pipeline facilities included under this OPID exist. KENTUCKY etc.		
8. RESERVED		

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Use this form for Type A, B, and C gas gathering. Type R gas gathering is reported on Form PHMSA F 7100.2-3.

For the designated Commodity Group, PARTs B and D will be calculated based on the data entered in Parts L and P respectively. Complete Part C one time for all pipelines and/or pipeline facilities – both INTERstate and INTRAstate - included within this OPID.

PART B – TRANSMISSION PIPELINE HCA, §192.710, and in neither HCA nor §192.710 MILES				
	Number of HCA Miles	Number of §192.710 Miles	Number of Class Location 3 or 4 Miles that are neither in HCA nor in §192.710	Number of Class Location 1 or 2 Miles that are neither in HCA nor in §192.710
Onshore	0.455	0.735	1.912	148.11
Offshore	0	0	0	0
Total Miles	0.455	0.735	1.912	148.11

Part B1 – HCA Miles by Determination Method and Risk Model Type

Risk Model Type	Miles HCA Method 1	Miles HCA Method 2	Total
Subject Matter Expert (SME)	0	0	0
Relative Risk	0	0.455	0.455
Quantitative	0	0	0
Probabilistic	0	0	0
Scenario-Based	0	0	0
Other	0	0	0
Total	0	0.455	0.455

PART C - VOLUME TRANSPORTED IN TRANSMISSION PIPELINES (ONLY) IN MILLION SCF PER YEAR (excludes Transmission lines of Gas Distribution systems)		<input type="checkbox"/> Check this box and do not complete PART C if this report only includes gathering pipelines or transmission lines of gas distribution systems.	
	Onshore	Offshore	
Natural Gas	19254.732		
Propane Gas			
Synthetic Gas			
Hydrogen Gas			
Landfill Gas			
Other Gas - Name:			

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PART D MILES OF PIPE BY MATERIAL AND CORROSION PREVENTION STATUS										
	Steel Cathodically protected		Steel Cathodically unprotected							
	Bare	Coated	Bare	Coated	Cast Iron	Wrought Iron	Plastic	Composite ¹	Other	Total Miles
Transmission										
Onshore	0	151.212	0	0	0	0	0	0	0	151.212
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Transmission	0	151.212	0	0	0	0	0	0	0	151.212
Gathering										
Onshore Type A	0	0	0	0	0	0	0	0	0	0
Onshore Type B	12.179	14.761	0	0	0	0	16.195	0	0	43.135
Onshore Type C	0	0	0	0	0	0	0	0	0	0
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Gathering	12.179	14.761	0	0	0	0	16.195	0	0	43.135
Total Miles	12.179	165.973	0	0	0	0	16.195	0	0	194.347

¹Use of Composite pipe requires a PHMSA Special Permit or waiver from a State

PART E – RESERVED

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For the designated Commodity Group, complete PARTs F and G one time for all INTERstate gas transmission pipeline facilities included within this OPID and multiple times as needed for the designated Commodity Group for each State in which INTRAstate gas transmission pipeline facilities included within this OPID exist. Part F "WITHIN AN HCA SEGMENT" data and Part G may be completed only if HCA Miles in Part L is greater than zero.

Use this form for Type A, B, and C gas gathering. Type R gas gathering is reported on Form PHMSA F 7100.2-3.

PARTs F and G

The data reported in these PARTs applies to: (select only one)

- ☐ Interstate pipelines/pipeline facilities
- ☒ Intrastate pipelines/pipeline facilities in the State of KENTUCKY (complete for each State)

PART F - INTEGRITY INSPECTIONS CONDUCTED AND ACTIONS TAKEN BASED ON INSPECTION	
1. MILEAGE INSPECTED IN CALENDAR YEAR USING THE FOLLOWING IN-LINE INSPECTION (ILI) TOOLS	
a. Corrosion or metal loss tools	
b. Dent or deformation tools	
c. Crack or long seam defect detection tools	
d. Any other internal inspection tools, specify other tools:	
e. Total tool mileage inspected in calendar year using in-line inspection tools. (Lines a + b + c + d)	
2. ACTIONS TAKEN IN CALENDAR YEAR BASED ON IN-LINE INSPECTIONS	
a. Based on ILI data, total number of anomalies excavated in calendar year because they met the operator's criteria for excavation.	
b. Total number of anomalies repaired in calendar year that were identified by ILI based on the operator's criteria, both within an HCA Segment and outside of an HCA Segment.	0
c. Total number of conditions repaired WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
3. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON PRESSURE TESTING	
a. Total mileage inspected by pressure testing in calendar year.	
b. Total number of pressure test failures (ruptures and leaks) repaired in calendar year, both within an HCA Segment and outside of an HCA Segment.	
c. Total number of pressure test ruptures (complete failure of pipe wall) repaired in calendar year WITHIN AN HCA SEGMENT.	
d. Not used	

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e. Total number of pressure test leaks (less than complete wall failure but including escape of test medium) repaired in calendar year WITHIN AN HCA SEGMENT.	
f. Total number of pressure test failures (ruptures and leaks) repaired in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT.	
g. Total number of pressure test failures (ruptures and leaks) repaired in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT.	
4. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON DA (Direct Assessment methods)	
a. Total mileage inspected by each DA method in calendar year.	
1. ECDA	
2. ICDA	
3. SCCDA	
b. Total number of anomalies identified by each DA method and repaired in calendar year based on the operator's criteria, both within an HCA Segment and outside of an HCA Segment.	
1. ECDA	
2. ICDA	
3. SCCDA	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
4.1 MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON GUIDED WAVE ULTRASONIC TESTING (GWUT)	
a. Total mileage inspected by GWUT method in calendar year.	
b. Total number of anomalies identified by GWUT method and repaired in calendar year based on the operator's criteria, within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment.	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192 Appendix F, Section XIX]	
2. "6-Month conditions" [192 Appendix F, Section XIX]	
3. "12-Month conditions" [192 Appendix F, Section XIX]	
4. "Monitored conditions" [192 Appendix F, Section XIX]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
4.2 MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON DIRECT EXAMINATION	
a. Total mileage inspected by DIRECT EXAMINATION method in calendar year.	
b. Total number of anomalies identified by DIRECT EXAMINATION method and repaired in calendar year based on the operator's criteria, within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment.	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	

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e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
5. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON OTHER INSPECTION TECHNIQUES	
a. Total mileage inspected by inspection techniques other than those listed above in calendar year.	
1. Other Inspection Techniques	
b. Total number of anomalies identified by other inspection techniques and repaired in calendar year based on the operator's criteria, both within an HCA Segment and outside of an HCA Segment.	0
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933©]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
6. TOTAL MILEAGE INSPECTED (ALL METHODS) AND ACTIONS TAKEN IN CALENDAR YEAR	
a. Total mileage inspected in calendar year. (Lines 1.e + 3.a + 4.a.1 + 4.a.2 + 4.a.3 + 5.a)	
b. Total number of anomalies repaired in calendar year both within an HCA Segment and outside of an HCA Segment. (Lines 2.b + 3.b + 4.b.1 + 4.b.2 + 4.b.3 + 5.b)	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT. (Lines 2.c.1 + 2.c.2 + 2.c.3 + 2.c.4 + 3.c + 3.d + 4.c.1 + 4.c.2 + 4.c.3 + 4.c.4 + 5.c.1 + 5.c.2 + 5.c.3 + 5.c.4)	
d. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN AN HCA SEGMENT:	
e. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN AN HCA SEGMENT:	
f. Total number of conditions repaired in calendar year WITHIN A §192.710 SEGMENT. (Lines 2.d + 3.e + 4.d + 4.1.d + 4.2.d + 5.d)	0
g. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A §192.710 SEGMENT:	
h. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A §192.710 SEGMENT:	
i. Total number of conditions repaired in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT. (Lines 2.e + 3.f + 4.e + 4.1.e + 4.2.e + 5.e)	0
j. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
k. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
l. Total number of conditions repaired in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT. (Lines 2.f + 3.g + 4.f + 4.1.f + 4.2.f + 5.f)	0
m. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
n. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	

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PART G-- MILES OF BASELINE ASSESSMENTS AND REASSESSMENTS COMPLETED IN CALENDAR YEAR (HCA Segment miles ONLY)	
a. Baseline assessment miles completed during the calendar year.	0
b. Reassessment miles completed during the calendar year.	0
c. Total assessment and reassessment miles completed during the calendar year.	0
d. §192.710 Segments Baseline assessment miles completed during the calendar year.	0
e. §192.710 Segments Reassessment miles completed during the calendar year.	0
f. §192.710 Segments Total assessment and reassessment miles completed during the calendar year.	0
g. CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 Segments assessment miles completed during the calendar year.	0
h. CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 Segments assessment miles completed during the calendar year.	0

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Use this form for Type A, B, and C gas gathering. Type R gas gathering is reported on Form PHMSA F 7100.2-3.

For the designated Commodity Group, complete PARTs H, I, J, K, L, M, P, Q, R, S, and T covering INTERstate pipeline facilities for each State in which INTERstate systems exist within this OPID and again covering INTRAsate pipeline facilities for each State in which INTRAsate systems exist within this OPID.

PARTs H, I, J, K, L, M, P, Q, R, S, and T									
The data reported in these PARTs applies to: <i>(select only one)</i>									
<input type="checkbox"/> Interstate pipelines/pipeline facilities in the State of									
<input checked="" type="checkbox"/> Intrastate pipelines/pipeline facilities in the State of KENTUCKY									
PART H - MILES OF TRANSMISSION PIPE BY NOMINAL PIPE SIZE (NPS)									
Onshore	NPS 4 or less	6	8	10	12	14	16	18	20
	2.69	1.032	95.575	37.778	14.137	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
151.212	Total Miles of Onshore Pipe – Transmission								
Offshore	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Offshore Pipe – Transmission								

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PART I - MILES OF GATHERING PIPE BY NOMINAL PIPE SIZE (NPS)									
Onshore Type A	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	0
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Onshore Type A Pipe – Gathering								
Onshore Type B	NPS 4 or less	6	8	10	12	14	16	18	20
	28.037	14.239	0.859	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
43.135	Total Miles of Onshore Type B Pipe – Gathering								
Onshore Type C	NPS 4 or less	6	8	10	12	14	16	18	20
			0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Other Pipe Sizes Not Listed: 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Onshore Type C Pipe – Gathering								
Offshore	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	

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	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Offshore Pipe – Gathering								

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PART J – MILES OF PIPE BY DECADE INSTALLED							
Decade Pipe Installed	Unknown	Pre-40	1940 - 1949	1950 - 1959	1960 - 1969	1970 - 1979	1980-1989
Transmission							
Onshore	0	0	0	0	0	36.037	45.005
Offshore							
Subtotal Transmission	0	0	0	0	0	36.037	45.005
Gathering							
Onshore Type A	0	0	0	0	0	0	0
Onshore Type B	16.903	0	0	0	0	0	13.183
Onshore Type C	0	0	0	0	0	0	0
Offshore							
Subtotal Gathering	16.903	0	0	0	0	0	13.183
Total Miles	16.903	0	0	0	0	36.037	58.188

Decade Pipe Installed	1990 - 1999	2000 - 2009	2010 - 2019	2020 - 2029	Total Miles
Transmission					
Onshore	15.443	52.091	2.469	0.167	151.212
Offshore					
Subtotal Transmission	15.443	52.091	2.469	0.167	151.212
Gathering					
Onshore Type A	0	0	0	0	0
Onshore Type B	6.844	4.581	1.624	0	43.135
Onshore Type c	0	0	0	0	0
Offshore					
Subtotal Gathering	6.844	4.581	1.624	0	43.135
Total Miles	22.287	56.672	4.093	0.167	194.347

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PART K- MILES OF TRANSMISSION PIPE BY SPECIFIED MINIMUM YIELD STRENGTH					
ONSHORE	CLASS LOCATION				Total Miles
	Class 1	Class 2	Class 3	Class 4	
Steel pipe Less than 20% SMYS	4.523	0	0	0	4.523
Steel pipe Greater than or equal to 20% SMYS but less than 30% SMYS	19.341	12.076	1.805	0	33.222
Steel pipe Greater than or equal to 30% SMYS but less than or equal to 40% SMYS	59.066	29.693	0.695	0	89.454
Steel pipe Greater than 40% SMYS but less than or equal to 50% SMYS	17.449	6.564	0	0	24.013
Steel pipe Greater than 50% SMYS but less than or equal to 60% SMYS	0	0	0	0	0
Steel pipe Greater than 60% SMYS but less than or equal to 72% SMYS	0	0	0	0	0
Steel pipe Greater than 72% SMYS but less than or equal to 80% SMYS	0	0	0	0	0
Steel pipe Greater than 80% SMYS	0	0	0	0	0
Steel pipe Unknown percent of SMYS	0	0	0	0	0
All Non-Steel pipe	0	0	0	0	0
Onshore Totals	100.379	48.333	2.5	0	151.212
OFFSHORE	Class 1				
Steel pipe Less than or equal to 50% SMYS	0				
Steel pipe Greater than 50% SMYS but less than or equal to 72% SMYS	0				
Steel pipe Greater than 72% SMYS	0				
Steel Pipe Unknown percent of SMYS	0				
All non-steel pipe	0				
Offshore Total	0				
Total Miles	100.379				151.212

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PART L - MILES OF PIPE BY CLASS LOCATION									
	Class Location								
	Class 1	Class 2	Class 3	Class 4	Total Class Location Miles	HCA Miles	\$192 . 710 Miles	Class Location 3 or 4 Miles that are neither in HCA nor in \$192.710	Class Location 1 or 2 Miles that are neither in HCA nor in \$192.710
Transmission									
Onshore	100.379	48.333	2.5	0	151.212	0.455	0.735	1.912	148.11
Offshore	0				0				
Subtotal Transmission	100.379	48.333	2.5	0	151.212	0.455	0.735	1.912	148.11
Gathering									
Onshore Type A		0	0	0	0				
Onshore Type B		0	43.135	0	43.135				
Onshore Type C	0				0				
Offshore	0				0				
Subtotal Gathering	0	0	43.135	0	43.135				
Total Miles	100.379	48.333	45.635	0	194.347				

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PART M – FAILURES, LEAKS, AND REPAIRS											
PART M1 – ALL LEAKS ELIMINATED/REPAIRED IN CALENDAR YEAR; INCIDENTS & FAILURES IN HCA SEGMENTS IN CALENDAR YEAR											
Cause	Transmission Leaks, and Failures							Gathering Leaks			
	Leaks						Failures in HCA Segments				Offshore Leaks
	Onshore Leaks				Offshore Leaks						
	HCA	MCA	Class 3 & 4 non-HCA & non-MCA	Class 1 & 2 non-HCA & non-MCA	HCA	Non-HCA		Type A	Type B	Type C	
External Corrosion	0	0	0	0	0	0	0		1		
Internal Corrosion	0	0	0	0	0	0	0		0		
Stress Corrosion Cracking	0	0	0	0	0	0	0		0		
Manufacturing	0	0	0	0	0	0	0		0		
Construction	0	0	0	0	0	0	0		0		
Equipment	0	0	0	0	0	0	0		0		
Incorrect Operations	0	0	0	0	0	0	0		0		
Third Party Damage/Mechanical Damage											
Excavation Damage	0	0	0	0	0	0	0		0		
Previous Damage (due to Excavation Activity)	0	0	0	0	0	0	0		0		
Vandalism (includes all Intentional Damage)	0	0	0	0	0	0	0		0		
Weather Related/Other Outside Force											
Natural Force Damage (all)	0	0	0	0	0	0	0		0		
Other Outside Force Damage (excluding Vandalism and all Intentional Damage)	0	0	0	0	0	0	0		0		
Other	0	0	0	0	0	0	0		0		
Total	0	0	0	0	0	0	0		1		

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

PART M2 – KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR			
Transmission	0	Gathering	0
PART M3 – LEAKS ON FEDERAL LAND OR OCS REPAIRED OR SCHEDULED FOR REPAIR			
Transmission		Gathering	
Onshore	0	Onshore Type A	
		Onshore Type B	0
		Onshore Type C	
OCS	0	OCS	0
Subtotal Transmission	0	Subtotal Gathering	0
Total	0		

PART P - MILES OF PIPE BY MATERIAL AND CORROSION PREVENTION STATUS										
	Steel Cathodically protected		Steel Cathodically unprotected							
	Bare	Coated	Bare	Coated	Cast Iron	Wrought Iron	Plastic	Composite ¹	Other ²	Total Miles
Transmission										
Onshore	0	151.212	0	0	0	0	0	0	0	151.212
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Transmission	0	151.212	0	0	0	0	0	0	0	151.212
Gathering										
Onshore Type A	0	0	0	0	0	0	0	0	0	0
Onshore Type B	12.179	14.761	0	0	0	0	16.195	0	0	43.135
Onshore Type C	0	0	0	0	0	0	0	0	0	0
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Gathering	12.179	14.761	0	0	0	0	16.195	0	0	43.135
Total Miles	12.179	165.973	0	0	0	0	16.195	0	0	194.347
1Use of Composite pipe requires PHMSA Special Permit or waiver from a State										
2specify Other material(s) : ;										

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Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

Part Q - Gas Transmission Miles by MAOP Determination Method														
by §192.619 and Other Methods														
	(a)(1) Total	(a)(1) Incomple te Records	(a)(2) Total	(a)(2) Incomple te Records	(a)(3) Total	(a)(3) Incomple te Records	(a)(4) Total	(a)(4) Incomple te Records	(c) Total	(c) Incomple te Records	(d) Total	(d) Incomple te Records	Other 1 Total	Other Incomple te Records
Class 1 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 1 (in MCA)	0	0	0.342	0	0	0	0	0	0	0	0	0	0	0
Class 1 (not in HCA or MCA)	0		83.022		17.015		0		0		0		0	
Class 2 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 2 (in MCA)	0	0	0.26	0	0	0	0	0	0	0	0	0	0	0
Class 2 (not in HCA or MCA)	0		35.997		12.076		0		0		0		0	
Class 3 (in HCA)	0	0	0.455	0	0	0	0	0	0	0	0	0	0	0
Class 3 (in MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 3 (not in HCA or MCA)	0	0	0.24	0	1.805	1.805	0	0	0	0	0	0	0	0
Class 4 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 4 (in MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 4 (not in HCA or MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	120.316	0	30.896	1.805	0	0	0	0	0	0	0	0
by §192.624 Methods														
	(c)(1) Total		(c)(2) Total		(c)(3) Total		(c)(4) Total		(c)(5) Total		(c)(6) Total			
Class 1 (in HCA)	0		0		0		0		0		0			
Class 1 (in MCA)	0		0		0		0		0		0			
Class 1 (not in HCA or MCA)	0		0		0		0		0		0			
Class 2 (in HCA)	0		0		0		0		0		0			
Class 2 (in MCA)	0		0		0		0		0		0			
Class 2 (not in HCA or MCA)	0		0		0		0		0		0			

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Expires: : 3/31/2025

Class 3 (in HCA)	0	0	0	0	0	0
Class 3 (in MCA)	0	0	0	0	0	0
Class 3 (not in HCA or MCA)	0	0	0	0	0	0
Class 4 (in HCA)	0	0	0	0	0	0
Class 4 (in MCA)	0	0	0	0	0	0
Class 4 (not in HCA or MCA)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Total under 192.619(a), 192.619(c), 192.619(d) and Other	151.212
Total under 192.624 (as allowed by 192.619(e))	0
Grand Total	151.212
Sum of Total row for all "Incomplete Records" columns	1.805

Specify Other method(s):

Class 1(in HCA)		Class 1(in MCA)		Class 1(not in MCA or HCA)	
Class 2(in HCA)		Class 2(in MCA)		Class 2(not in MCA or HCA)	
Class 3(in HCA)		Class 3(in MCA)		Class 3(not in MCA or HCA)	
Class 4(in HCA)		Class 4(in MCA)		Class 4(not in MCA or HCA)	

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

Part R – Gas Transmission Miles by Pressure Test (PT) Range and Internal Inspection

Location	PT \geq 1.50 MAOP		1.5 MAOP > PT \geq 1.39 MAOP	
	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE
Class 1 in HCA	0	0	0	0
Class 2 in HCA	0	0	0	0
Class 3 in HCA	0	0.455	0	0
Class 4 in HCA	0	0	0	0
in HCA subTotal	0	0.455	0	0
Class 1 in MCA	0	0.342	0	0
Class 2 in MCA	0	0.26	0	0
Class 3 in MCA	0	0	0	0
Class 4 in MCA	0	0	0	0
in MCA subTotal	0	0.602	0	0
Class 1 not in HCA or MCA	0	80.78	0	0
Class 2 not in HCA or MCA	0	35.997	0	0
Class 3 not in HCA or MCA	0	0.24	0	0
Class 4 not in HCA or MCA	0	0	0	0
not in HCA or MCA subTotal	0	117.017	0	0
Total	0	118.074	0	0

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Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

	1.39 MAOP > PT \geq 1.25		1.25 MAOP > PT \geq 1.1		1.1 MAOP > PT or No	
	MAOP		MAOP		PT	
Location	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE
Class 1 in HCA	0	0	0	0	0	0
Class 2 in HCA	0	0	0	0	0	0
Class 3 in HCA	0	0	0	0	0	0
Class 4 in HCA	0	0	0	0	0	0
in HCA subTotal	0	0	0	0	0	0
Class 1 in MCA	0	0	0	0	0	0
Class 2 in MCA	0	0	0	0	0	0
Class 3 in MCA	0	0	0	0	0	0
Class 4 in MCA	0	0	0	0	0	0
in MCA subTotal	0	0	0	0	0	0
Class 1 not in HCA or MCA	0	0	0	2.242	0	17.015
Class 2 not in HCA or MCA	0	0	0	0	0	12.076
Class 3 not in HCA or MCA	0	0	0	0	0	1.805
Class 4 not in HCA or MCA	0	0	0	0	0	0
not in HCA or MCA subTotal	0	0	0	2.242	0	30.896
Total	0	0	0	2.242	0	30.896

PT \geq 1.5 MAOP Total	118.074	Total Miles Internal Inspection ABLE	0
1.5 MAOP > PT \geq 1.39 MAOP Total	0	Total Miles Internal Inspection NOT ABLE	151.212
1.39 > PT \geq 1.25 MAOP Total	0	Grand Total	151.212
1.25 MAOP > PT \geq 1.1	2.242		
1.1 MAOP > PT or No PT Total	30.896		
Grand Total			

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

Part S – Gas Transmission Verification of Materials (192.607)		
Location	Miles 192.607 this Year	192.607 Number Test Locations this Year
Class 1 in HCA	0	0
Class 2 in HCA	0	0
Class 3 in HCA	0	0
Class 4 in HCA	0	0
Class 1 in MCA	0	0
Class 2 in MCA	0	0
Class 3 in MCA	0	0
Class 4 in MCA	0	0
Class 1 not in HCA or MCA	0	0
Class 2 not in HCA or MCA	0	0
Class 3 not in HCA or MCA	0	0
Class 4 not in HCA or MCA	0	0

Part T – HCA Miles by Determination Method and Risk Model Type			
Risk Model Type	Miles HCA Method 1	Miles HCA Method 2	Total
Subject Matter Expert (SME)	0	0	0
Relative Risk	0	0.455	0.455
Quantitative	0	0	0
Probabilistic	0	0	0
Scenario-Based	0	0	0
Other <i>describe:</i>	0	0	0
Total	0	0.455	0.455

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Form Approved 3/1/2022

OMB No. 2137-0522

Expires: : 3/31/2025

For the designated Commodity Group, complete PART N one time for all of the pipelines and/or pipeline facilities included within this OPID, and then also PART O if any gas transmission pipeline facilities included within this OPID have Part L HCA mile value greater than zero.

PART N - PREPARER SIGNATURE**Robert Nellipowitz**

Preparer's Name(type or print)

(859)744-6171

Telephone Number

State Engineer

Preparer's Title

rnellipowitz@deltagas.com

Preparer's E-mail Address

PART O - CERTIFYING SIGNATURE (applicable only to PARTs B, F, G, and M1)**(859)744-6171**

Telephone Number

John Brown

Senior Executive Officer's name certifying the information in PARTs B, F, G, and M as required by 49 U.S.C. 60109(f)

State President


Senior Executive Officer's title certifying the information in PARTs B, F, G, and M as required by 49 U.S.C. 60109(f)

jbrown@deltagas.com

Senior Executive Officer's E-mail Address

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 6/30/2026

 U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration	ANNUAL REPORT FOR CALENDAR YEAR 2023 GAS DISTRIBUTION SYSTEM	Initial Date Submitted:	02/13/2024
		Report Submission Type	INITIAL
		Date Submitted:	

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0629. Public reporting for this collection of information is estimated to be approximately 20 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.

Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at <http://www.phmsa.dot.gov/pipeline/library/forms>.

PART A - OPERATOR INFORMATION

(DOT use only)

-

1. Name of Operator	DELTA NATURAL GAS CO INC
2. LOCATION OF OFFICE (WHERE ADDITIONAL INFORMATION MAY BE OBTAINED)	
2a. Street Address	3617 LEXINGTON ROAD
2b. City and County	WINCHESTER
2c. State	KY
2d. Zip Code	40391
3. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER	3260
4. HEADQUARTERS NAME & ADDRESS	
4a. Street Address	3617 LEXINGTON ROAD
4b. City and County	WINCHESTER
4c. State	KY
4d. Zip Code	40391
5. STATE IN WHICH SYSTEM OPERATES	KY
6. THIS REPORT PERTAINS TO THE FOLLOWING COMMODITY GROUP (Select Commodity Group based on the predominant gas carried and complete the report for that Commodity Group. File a separate report for each Commodity Group included in this OPID.)	
Natural Gas	
7. THIS REPORT PERTAINS TO THE FOLLOWING TYPE OF OPERATOR (Select Type of Operator based on the structure of the company included in this OPID for which this report is being submitted.):	
Investor Owned	

PART B - SYSTEM DESCRIPTION**1.GENERAL**

	STEEL				PLASTIC	CAST/ WROUGHT IRON	DUCTILE IRON	COPPER	OTHER	RECONDITION ED CAST IRON	SYSTEM TOTAL
	UNPROTECTED		CATHODICALLY PROTECTED								
	BARE	COATED	BARE	COATED							
MILES OF MAIN	1.373	2.259	0	449.023	1481.91	0	0	0	0	0	1934.565
NO. OF SERVICES	2030	27	0	2680	40107	0	0	0	0	0	44844

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OMB NO: 2137-0629
EXPIRATION DATE: 6/30/2026

2. MILES OF MAINS IN SYSTEM AT END OF YEAR												
MATERIAL	UNKNOWN	2" OR LESS	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8" THRU 12"	OVER 12"	SYSTEM TOTALS					
STEEL	0	53.345	119.256	280.054	0	0	452.655					
DUCTILE IRON	0	0	0	0	0	0	0					
COPPER	0	0	0	0	0	0	0					
CAST/WROUGHT IRON	0	0	0	0	0	0	0					
PLASTIC PVC	0	0	0	0	0	0	0					
PLASTIC PE	0	1117.046	348.376	16.488	0	0	1481.91					
PLASTIC ABS	0	0	0	0	0	0	0					
PLASTIC OTHER	0	0	0	0	0	0	0					
OTHER	0	0	0	0	0	0	0					
RECONDITIONED CAST IRON	0	0	0	0	0	0	0					
TOTAL	0	1170.391	467.632	296.542	0	0	1934.565					
Describe Other Material:												
3. NUMBER OF SERVICES IN SYSTEM AT END OF YEAR				AVERAGE SERVICE LENGTH: 88.18								
MATERIAL	UNKNOWN	1" OR LESS	OVER 1" THRU 2"	OVER 2" THRU 4"	OVER 4" THRU 8"	OVER 8"	SYSTEM TOTALS					
STEEL	0	4640	72	24	1	0	4737					
DUCTILE IRON	0	0	0	0	0	0	0					
COPPER	0	0	0	0	0	0	0					
CAST/WROUGHT IRON	0	0	0	0	0	0	0					
PLASTIC PVC	0	0	0	0	0	0	0					
PLASTIC PE	0	39678	409	20	0	0	40107					
PLASTIC ABS	0	0	0	0	0	0	0					
PLASTIC OTHER	0	0	0	0	0	0	0					
OTHER	0	0	0	0	0	0	0					
RECONDITIONED CAST IRON	0	0	0	0	0	0	0					
TOTAL	0	44318	481	44	1	0	44844					
Describe Other Material:												
4. MILES OF MAIN AND NUMBER OF SERVICES BY DECADE OF INSTALLATION												
	UNKNOWN	PRE-1940	1940-1949	1950-1959	1960-1969	1970-1979	1980-1989	1990-1999	2000-2009	2010-2019	2020-2029	TOTAL
MILES OF MAIN	276.728	0	0	0.329	67.787	63.337	308.278	648.592	256.626	198.49	114.398	1934.565
NUMBER OF SERVICES	10116	0	0	2	243	767	2673	12018	7408	7157	4460	44844
PART C - TOTAL LEAKS AND HAZARDOUS LEAKS ELIMINATED/REPAIRED DURING THE YEAR												

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 6/30/2026


CAUSE OF LEAK	MAINS		SERVICES	
	TOTAL	HAZARDOUS	TOTAL	HAZARDOUS
CORROSION FAILURE	1	1	10	6
NATURAL FORCE DAMAGE	6	4	6	6
EXCAVATION DAMAGE	45	45	63	62
OTHER OUTSIDE FORCE DAMAGE	2	2	5	4
PIPE, WELD OR JOINT FAILURE	27	6	11	6
EQUIPMENT FAILURE	4	0	33	3
INCORRECT OPERATIONS	2	1	2	1
OTHER CAUSE	4	1	7	6
NUMBER OF KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR : 13 NUMBER OF HAZARDOUS LEAKS INVOLVING A MECHANICAL JOINT FAILURE : 0				
PART D - EXCAVATION DAMAGE			PART E – RESERVED	
1. TOTAL NUMBER OF EXCAVATION DAMAGES BY APPARENT ROOT CAUSE: <u>107</u> a. One-Call Notification Practices Not Sufficient: <u>69</u> b. Locating Practices Not Sufficient: <u>14</u> c. Excavation Practices Not Sufficient: <u>23</u> d. Other: <u>1</u>				
2. NUMBER OF EXCAVATION TICKETS <u>28039</u>				
PART F - LEAKS ON FEDERAL LAND			PART G – PERCENT OF UNACCOUNTED FOR GAS	
TOTAL NUMBER OF LEAKS ON FEDERAL LAND REPAIRED OR SCHEDULED TO REPAIR: <u>0</u>			UNACCOUNTED FOR GAS AS A PERCENT OF TOTAL CONSUMPTION FOR THE 12 MONTHS ENDING JUNE 30 OF THE REPORTING YEAR. [(PURCHASED GAS + PRODUCED GAS) MINUS (CUSTOMER USE + COMPANY USE + APPROPRIATE ADJUSTMENTS)] DIVIDED BY (CUSTOMER USE + COMPANY USE + APPROPRIATE ADJUSTMENTS) TIMES 100 EQUALS PERCENT UNACCOUNTED FOR. FOR YEAR ENDING 6/30: <u>1.5%</u>	

NOTICE: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty OMB No. 2137-0629 as provided in 49 USC 60122.

OMB NO: 2137-0629
EXPIRATION DATE: 6/30/2026

PART H - ADDITIONAL INFORMATION**PART I - PREPARER**

<u>Robert Nellipowitz State Engineer</u> (Preparer's Name and Title)	<u>(859) 744-6171</u> (Area Code and Telephone Number)
<u>rnellipowitz@deltagas.com</u> (Preparer's email address)	<u>(859) 744-3623</u> (Area Code and Facsimile Number)

		DOT USE ONLY		
 <p>U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration</p>	<p>UNDERGROUND NATURAL GAS STORAGE</p> <p>FACILITY ANNUAL REPORT FOR</p> <p>CALENDAR YEAR 2023</p>		Original Date Submitted	
			Report Type	INITIAL
			Date Submitted	
<p>A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0522. Public reporting for this collection of information is estimated to be approximately 20 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.</p> <p>INSTRUCTIONS</p> <p>Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at http://www.phmsa.dot.gov/pipeline/library/forms</p>				
PART A - OPERATOR INFORMATION		DOT USE ONLY	-	
A1.	Operator's OPS-issued Operator Identification Number (OPID): 3260			
A2.	Name of Operator: DELTA NATURAL GAS CO INC			
A3.	Address of Operator			
A3a.	Street Address:	3617 LEXINGTON ROAD		
A3b.	City:	WINCHESTER		
A3c.	State:	KY		
A3d.	Zip Code:	40391		

PART B – STORAGE FACILITY (Complete Part B once for each independent storage facility)		
B1.	Facility Name (chosen by operator): Canada Mountain Storage	
B2.	Select only one: <input type="checkbox"/> INTERState <input checked="" type="checkbox"/> INTRASState	
	PHMSA USE ONLY Unit ID: 88087	
B3.	Facility Location:	
	Latitude:	36.66986
	Longitude:	- 83.72801
	State:	Kentucky
	County:	BELL
B4.	Energy Information Administration Gas Field Code: 013 Names of Reservoirs within this facility: Canada Mountain Storage Field	

GAS VOLUMES	
B5.	Working gas capacity (billion standard cubic feet (BCF)), <i>include two decimal places:</i> 3.08
B6.	Base (also known as Cushion or Pad) gas (billion standard cubic feet (BCF)), <i>include two decimal places:</i> 2.20
B7.	Total gas capacity (billion standard cubic feet (BCF)): 5.28
B8.	Metered volume of natural gas withdrawn from the facility for calendar year (billion standard cubic feet (BCF)), <i>include two decimal places:</i> 2.76
B9.	Metered volume of natural gas injected into the facility for calendar year (billion standard cubic feet (BCF)), <i>include two decimal places:</i> 2.44

PART C – RESERVOIRS AND WELLS (Complete Part C once for each reservoir or geologic storage formation within a facility)																	
RESERVOIR Canada Mountain Storage Field																	
C1.	Reservoir name (chosen by operator): Canada Mountain Storage Field																
C2.	Year reservoir placed in storage service: 1995																
C3.	Type (select only one): <input type="checkbox"/> Salt Cavern <input type="checkbox"/> Hydrocarbon Reservoir <input checked="" type="checkbox"/> Aquifer Reservoir <input type="checkbox"/> Other Description of type:																
C4.	Maximum Wellhead Surface Pressure																
C4a.	Name of the representative well: Carnes #1																
C4b.	Maximum surface pressure (pounds per square inch gauge (psig)) at the representative well: 1020																
RESERVOIR OR CAVERN(S) DEPTH																	
C5.	Approximate Maximum Depth (feet): 3025																
C6.	Approximate Minimum Depth (feet): 2460																
WELLS																	
C7.	<table border="1"> <thead> <tr> <th colspan="2">Number of Injection and/or Withdraw Wells by Year Range Placed in Storage Operation:</th> <th>Pre-1930</th> <th>1930-1959</th> <th>1960-1969</th> <th>1970-2004</th> <th>2005-present</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Injection and/or Withdrawal Wells</td> <td></td> <td>0</td> <td>0</td> <td>0</td> <td>5</td> <td>3</td> <td>8</td> </tr> </tbody> </table>	Number of Injection and/or Withdraw Wells by Year Range Placed in Storage Operation:		Pre-1930	1930-1959	1960-1969	1970-2004	2005-present	Total	Injection and/or Withdrawal Wells		0	0	0	5	3	8
Number of Injection and/or Withdraw Wells by Year Range Placed in Storage Operation:		Pre-1930	1930-1959	1960-1969	1970-2004	2005-present	Total										
Injection and/or Withdrawal Wells		0	0	0	5	3	8										

C8.	Number of Monitoring and/or Observation Wells:						
		Pre-1930	1930-1959	1960-1969	1970-2004	2005-present	Total
	Monitoring and/or Observation Wells	0	0	0	4	0	4
C9.	Number of Wells drilled during the calendar year: 0						
C10	Wells plugged and abandoned during the calendar year						
	C10a.	Number of wells re-plugged during the calendar year: 0					
	C10b.	Number of wells plugged but not abandoned during the calendar year: 0					
	C10c.	Number of wells plugged and abandoned during the calendar year: 0					
WELL SAFETY VALVES							
C11	Number of Wells with automated surface safety valves: 0						
C12	Number of Wells with subsurface safety valves: 0						
WELLS GAS FLOW							
C13	Number of Wells with gas flow only through production tubing: 7						
C14	Number of Wells with gas flow only through production casing: 1						
C15	Number of Wells with gas flow through both production tubing and production casing: 0						
C16	Number of Wells with some "other type" of gas flow: 0 Describe the "other type" of gas flow through the well:						
MAINTENANCE							
C17	Number of Wells with new production tubing installed during the calendar year: 0						
C18	Number of Wells with new production casing, new liner, or repairs to casing or liner during the calendar year: 0						
C19	Number of Wells with wellhead remediation or repair during the calendar year: 0						
C20	Number of Wells with casing, wellhead, or tubing leaks during the calendar year: 0						
C21	Number of Wells with Pressure Test during the calendar year: 0						
C22	Number of Wells with Casing Evaluation for Corrosion/ metal loss during the calendar year: 0						
C23	Number of Wells inspected using a downhole assessment method other than "Pressure Test" and "Casing Evaluation for Corrosion/metal loss" during the calendar year*: 0 * Describe other assessment method(s):						


PART D – CONTACT INFORMATION

- D1. Name of person submitting report: Robert Nellipowitz
- D2. Title of person in D1: State Engineer
- D3. Work e-mail address of person in D1: rnellipowitz@deltagas.com
- D4. Work phone number of person in D1: (859)744-6171
- D5. Name of person to contact with questions about this report: Paul Dubois
- D6. Title of person in D5: Geologist

D7.	Email address of person in D5: <u>paul@keyana.biz</u>
D8.	Phone number of person in D5: <u>(270)926-9063</u>

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

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Expires: : 3/31/2025

 U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administration	ANNUAL REPORT FOR CALENDAR YEAR 2023 NATURAL and OTHER GAS TRANSMISSION and GATHERING SYSTEMS	Initial Date Submitted	
		Report Submission Type	INITIAL
		Date Submitted	

A federal agency may not conduct or sponsor, and a person is not required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act unless that collection of information displays a current valid OMB Control Number. The OMB Control Number for this information collection is 2137-0522. Public reporting for this collection of information is estimated to be approximately 47 hours per response, including the time for reviewing instructions, gathering the data needed, and completing and reviewing the collection of information. All responses to this collection of information are mandatory. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to: Information Collection Clearance Officer, PHMSA, Office of Pipeline Safety (PHP-30) 1200 New Jersey Avenue, SE, Washington, D.C. 20590.

Important: Please read the separate instructions for completing this form before you begin. They clarify the information requested and provide specific examples. If you do not have a copy of the instructions, you can obtain one from the PHMSA Pipeline Safety Community Web Page at <http://www.phmsa.dot.gov/pipeline/library/forms>.

PART A - OPERATOR INFORMATION	DOT USE ONLY	-
1. OPERATOR'S 5 DIGIT IDENTIFICATION NUMBER (OPID) 3260	2. NAME OF OPERATOR: DELTA NATURAL GAS CO INC	
3. RESERVED	4. HEADQUARTERS ADDRESS: 3617 LEXINGTON ROAD Street Address WINCHESTER City State: KY Zip Code: 40391	
5. THIS REPORT PERTAINS TO THE FOLLOWING COMMODITY GROUP: (Select Commodity Group based on the predominant gas carried and complete the report for that Commodity Group. File a separate report for each Commodity Group included in this OPID.) <input checked="" type="checkbox"/> Natural Gas <input type="checkbox"/> Synthetic Gas <input type="checkbox"/> Hydrogen Gas <input type="checkbox"/> Propane Gas <input type="checkbox"/> Landfill Gas <input type="checkbox"/> Other Gas Name of the Other Gas:		
6. RESERVED		
7. FOR THE DESIGNATED "COMMODITY GROUP", THE PIPELINES AND/OR PIPELINE FACILITIES INCLUDED WITHIN THIS OPID ARE: (Select one or both) <input type="checkbox"/> INTERstate pipeline – List all of the States and OSC portions in which INTERstate pipelines and/or pipeline facilities included under this OPID exist. etc. <input checked="" type="checkbox"/> INTRAsate pipeline – List all of the States in which INTRAsate pipelines and or pipeline facilities included under this OPID exist. KENTUCKY etc.		
8. RESERVED		

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Use this form for Type A, B, and C gas gathering. Type R gas gathering is reported on Form PHMSA F 7100.2-3.

For the designated Commodity Group, PARTs B and D will be calculated based on the data entered in Parts L and P respectively. Complete Part C one time for all pipelines and/or pipeline facilities – both INTERstate and INTRAstate - included within this OPID.

PART B – TRANSMISSION PIPELINE HCA, §192.710, and in neither HCA nor §192.710 MILES				
	Number of HCA Miles	Number of §192.710 Miles	Number of Class Location 3 or 4 Miles that are neither in HCA nor in §192.710	Number of Class Location 1 or 2 Miles that are neither in HCA nor in §192.710
Onshore	0.455	0.735	1.912	148.11
Offshore	0	0	0	0
Total Miles	0.455	0.735	1.912	148.11

Part B1 – HCA Miles by Determination Method and Risk Model Type

Risk Model Type	Miles HCA Method 1	Miles HCA Method 2	Total
Subject Matter Expert (SME)	0	0	0
Relative Risk	0	0.455	0.455
Quantitative	0	0	0
Probabilistic	0	0	0
Scenario-Based	0	0	0
Other	0	0	0
Total	0	0.455	0.455

PART C - VOLUME TRANSPORTED IN TRANSMISSION PIPELINES (ONLY) IN MILLION SCF PER YEAR (excludes Transmission lines of Gas Distribution systems)		<input type="checkbox"/> Check this box and do not complete PART C if this report only includes gathering pipelines or transmission lines of gas distribution systems.	
	Onshore	Offshore	
Natural Gas	19003.494		
Propane Gas			
Synthetic Gas			
Hydrogen Gas			
Landfill Gas			
Other Gas - Name:			

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PART D MILES OF PIPE BY MATERIAL AND CORROSION PREVENTION STATUS										
	Steel Cathodically protected		Steel Cathodically unprotected							
	Bare	Coated	Bare	Coated	Cast Iron	Wrought Iron	Plastic	Composite ¹	Other	Total Miles
Transmission										
Onshore	0	151.212	0	0	0	0	0	0	0	151.212
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Transmission	0	151.212	0	0	0	0	0	0	0	151.212
Gathering										
Onshore Type A	0	0	0	0	0	0	0	0	0	0
Onshore Type B	12.176	14.76	0	0	0	0	16.124	0	0	43.06
Onshore Type C	0	0	0	0	0	0	0	0	0	0
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Gathering	12.176	14.76	0	0	0	0	16.124	0	0	43.06
Total Miles	12.176	165.972	0	0	0	0	16.124	0	0	194.272

¹Use of Composite pipe requires a PHMSA Special Permit or waiver from a State

PART E – RESERVED

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

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Expires: : 3/31/2025

For the designated Commodity Group, complete PARTs F and G one time for all INTERstate gas transmission pipeline facilities included within this OPID and multiple times as needed for the designated Commodity Group for each State in which INTRAsate gas transmission pipeline facilities included within this OPID exist. Part F "WITHIN AN HCA SEGMENT" data and Part G may be completed only if HCA Miles in Part L is greater than zero.

Use this form for Type A, B, and C gas gathering. Type R gas gathering is reported on Form PHMSA F 7100.2-3.

PARTs F and G

The data reported in these PARTs applies to: (select only one)

- ☐ Interstate pipelines/pipeline facilities
- ☒ Intrastate pipelines/pipeline facilities in the State of KENTUCKY (complete for each State)

PART F - INTEGRITY INSPECTIONS CONDUCTED AND ACTIONS TAKEN BASED ON INSPECTION

INTRASTATE KENTUCKY

1. MILEAGE INSPECTED IN CALENDAR YEAR USING THE FOLLOWING IN-LINE INSPECTION (ILI) TOOLS

a. Corrosion or metal loss tools	
b. Dent or deformation tools	
c. Crack or long seam defect detection tools	
d. Any other internal inspection tools, specify other tools:	
e. Total tool mileage inspected in calendar year using in-line inspection tools. (Lines a + b + c + d)	

2. ACTIONS TAKEN IN CALENDAR YEAR BASED ON IN-LINE INSPECTIONS

a. Based on ILI data, total number of anomalies excavated in calendar year because they met the operator's criteria for excavation.	
b. Total number of anomalies repaired in calendar year that were identified by ILI based on the operator's criteria, both within an HCA Segment and outside of an HCA Segment.	0
c. Total number of conditions repaired WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	

3. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON PRESSURE TESTING

a. Total mileage inspected by pressure testing in calendar year.	
b. Total number of pressure test failures (ruptures and leaks) repaired in calendar year, both within an HCA Segment and outside of an HCA Segment.	
c. Total number of pressure test ruptures (complete failure of pipe wall) repaired in calendar year WITHIN AN HCA SEGMENT.	

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d. Not used	
e. Total number of pressure test leaks (less than complete wall failure but including escape of test medium) repaired in calendar year WITHIN AN HCA SEGMENT.	
f. Total number of pressure test failures (ruptures and leaks) repaired in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT.	
g. Total number of pressure test failures (ruptures and leaks) repaired in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT.	
4. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON DA (Direct Assessment methods)	
a. Total mileage inspected by each DA method in calendar year.	34.93
1. ECDA	0.473
2. ICDA	34.457
3. SCCDA	
b. Total number of anomalies identified by each DA method and repaired in calendar year based on the operator's criteria, both within an HCA Segment and outside of an HCA Segment.	
1. ECDA	
2. ICDA	
3. SCCDA	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
4.1 MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON GUIDED WAVE ULTRASONIC TESTING (GWUT)	
a. Total mileage inspected by GWUT method in calendar year.	
b. Total number of anomalies identified by GWUT method and repaired in calendar year based on the operator's criteria, within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment.	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192 Appendix F, Section XIX]	
2. "6-Month conditions" [192 Appendix F, Section XIX]	
3. "12-Month conditions" [192 Appendix F, Section XIX]	
4. "Monitored conditions" [192 Appendix F, Section XIX]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
4.2 MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON DIRECT EXAMINATION	
a. Total mileage inspected by DIRECT EXAMINATION method in calendar year.	
b. Total number of anomalies identified by DIRECT EXAMINATION method and repaired in calendar year based on the operator's criteria, within an HCA Segment, within a §192.710 Segment, and outside of an HCA or §192.710 Segment.	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	

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4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
5. MILEAGE INSPECTED AND ACTIONS TAKEN IN CALENDAR YEAR BASED ON OTHER INSPECTION TECHNIQUES	
a. Total mileage inspected by inspection techniques other than those listed above in calendar year.	
1. Other Inspection Techniques	
b. Total number of anomalies identified by other inspection techniques and repaired in calendar year based on the operator's criteria, both within an HCA Segment and outside of an HCA Segment.	0
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT meeting the definition of:	
1. "Immediate repair conditions" [192.933(d)(1)]	
2. "One-year conditions" [192.933(d)(2)]	
3. "Monitored conditions" [192.933(d)(3)]	
4. Other "Scheduled conditions" [192.933(c)]	
d. Total number of conditions repaired WITHIN A §192.710 SEGMENT:	
e. Total number of conditions repaired WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
f. Total number of conditions repaired WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
6. TOTAL MILEAGE INSPECTED (ALL METHODS) AND ACTIONS TAKEN IN CALENDAR YEAR	
a. Total mileage inspected in calendar year. (Lines 1.e + 3.a + 4.a.1 + 4.a.2 + 4.a.3 + 5.a)	34.93
b. Total number of anomalies repaired in calendar year both within an HCA Segment and outside of an HCA Segment. (Lines 2.b + 3.b + 4.b.1 + 4.b.2 + 4.b.3 + 5.b)	
c. Total number of conditions repaired in calendar year WITHIN AN HCA SEGMENT. (Lines 2.c.1 + 2.c.2 + 2.c.3 + 2.c.4 + 3.c + 3.d + 4.c.1 + 4.c.2 + 4.c.3 + 4.c.4 + 5.c.1 + 5.c.2 + 5.c.3 + 5.c.4)	
d. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN AN HCA SEGMENT:	
e. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN AN HCA SEGMENT:	
f. Total number of conditions repaired in calendar year WITHIN A §192.710 SEGMENT. (Lines 2.d + 3.e + 4.d + 4.1.d + 4.2.d + 5.d)	0
g. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A §192.710 SEGMENT:	
h. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A §192.710 SEGMENT:	
i. Total number of conditions repaired in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT. (Lines 2.e + 3.f + 4.e + 4.1.e + 4.2.e + 5.e)	0
j. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
k. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 SEGMENT:	
l. Total number of conditions repaired in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT. (Lines 2.f + 3.g + 4.f + 4.1.f + 4.2.f + 5.f)	0
m. Total number of actionable anomalies eliminated by pipe replacement in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	
n. Total number of actionable anomalies eliminated by pipe abandonment in calendar year WITHIN A CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 SEGMENT:	

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PART G-- MILES OF BASELINE ASSESSMENTS AND REASSESSMENTS COMPLETED IN CALENDAR YEAR (HCA Segment miles ONLY)	
INTRASTATE KENTUCKY	
a. Baseline assessment miles completed during the calendar year.	0
b. Reassessment miles completed during the calendar year.	0.455
c. Total assessment and reassessment miles completed during the calendar year.	0.455
d. §192.710 Segments Baseline assessment miles completed during the calendar year.	0
e. §192.710 Segments Reassessment miles completed during the calendar year.	0
f. §192.710 Segments Total assessment and reassessment miles completed during the calendar year.	0
g. CLASS LOCATION 3 OR 4 AND neither HCA nor §192.710 Segments assessment miles completed during the calendar year.	0
h. CLASS LOCATION 1 OR 2 AND neither HCA nor §192.710 Segments assessment miles completed during the calendar year.	0

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Use this form for Type A, B, and C gas gathering. Type R gas gathering is reported on Form PHMSA F 7100.2-3.

For the designated Commodity Group, complete PARTs H, I, J, K, L, M, P, Q, R, S, and T covering INTERstate pipeline facilities for each State in which INTERstate systems exist within this OPID and again covering INTRAsate pipeline facilities for each State in which INTRAsate systems exist within this OPID.

PARTs H, I, J, K, L, M, P, Q, R, S, and T

The data reported in these PARTs applies to: *(select only one)*

☐ Interstate pipelines/pipeline facilities in the State of

☒ Intrastate pipelines/pipeline facilities in the State of **KENTUCKY**

PART H - MILES OF TRANSMISSION PIPE BY NOMINAL PIPE SIZE (NPS)

INTRASTATE KENTUCKY

Onshore	NPS 4 or less	6	8	10	12	14	16	18	20
	2.69	1.032	95.575	37.778	14.137	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
151.212	Total Miles of Onshore Pipe – Transmission								
Offshore	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Offshore Pipe – Transmission								

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PART I - MILES OF GATHERING PIPE BY NOMINAL PIPE SIZE (NPS)**INTRASTATE KENTUCKY**

Onshore Type A	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	0
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Onshore Type A Pipe – Gathering								
Onshore Type B	NPS 4 or less	6	8	10	12	14	16	18	20
	27.963	14.238	0.859	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
43.06	Total Miles of Onshore Type B Pipe – Gathering								
Onshore Type C	NPS 4 or less	6	8	10	12	14	16	18	20
			0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0
	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Other Pipe Sizes Not Listed: 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Onshore Type C Pipe – Gathering								
Offshore	NPS 4 or less	6	8	10	12	14	16	18	20
	0	0	0	0	0	0	0	0	0
	22	24	26	28	30	32	34	36	38
	0	0	0	0	0	0	0	0	0

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	40	42	44	46	48	52	56	58 and over	
	0	0	0	0	0	0	0	0	
	Additional Sizes and Miles (Size – Miles;): 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0; 0 - 0;								
0	Total Miles of Offshore Pipe – Gathering								

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PART J – MILES OF PIPE BY DECADE INSTALLED

INTRASTATE KENTUCKY

Decade Pipe Installed	Unknown	Pre-40	1940 - 1949	1950 - 1959	1960 - 1969	1970 - 1979	1980-1989
Transmission							
Onshore	0	0	0	0	0	36.037	45.005
Offshore							
Subtotal Transmission	0	0	0	0	0	36.037	45.005
Gathering							
Onshore Type A	0	0	0	0	0	0	0
Onshore Type B	16.903	0	0	0	0	0	13.126
Onshore Type C	0	0	0	0	0	0	0
Offshore							
Subtotal Gathering	16.903	0	0	0	0	0	13.126
Total Miles	16.903	0	0	0	0	36.037	58.131

Decade Pipe Installed	1990 - 1999	2000 - 2009	2010 - 2019	2020 - 2029	Total Miles
Transmission					
Onshore	15.443	52.091	2.469	0.167	151.212
Offshore					
Subtotal Transmission	15.443	52.091	2.469	0.167	151.212
Gathering					
Onshore Type A	0	0	0	0	0
Onshore Type B	6.84	4.519	1.624	0.048	43.06
Onshore Type c	0	0	0	0	0
Offshore					
Subtotal Gathering	6.84	4.519	1.624	0.048	43.06
Total Miles	22.283	56.61	4.093	0.215	194.272

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

PART K- MILES OF TRANSMISSION PIPE BY SPECIFIED MINIMUM YIELD STRENGTH					
INTRASTATE KENTUCKY					
ONSHORE	CLASS LOCATION				Total Miles
	Class 1	Class 2	Class 3	Class 4	
Steel pipe Less than 20% SMYS	4.523	0	0	0	4.523
Steel pipe Greater than or equal to 20% SMYS but less than 30% SMYS	19.341	12.076	1.805	0	33.222
Steel pipe Greater than or equal to 30% SMYS but less than or equal to 40% SMYS	59.066	29.693	0.695	0	89.454
Steel pipe Greater than 40% SMYS but less than or equal to 50% SMYS	17.449	6.564	0	0	24.013
Steel pipe Greater than 50% SMYS but less than or equal to 60% SMYS	0	0	0	0	0
Steel pipe Greater than 60% SMYS but less than or equal to 72% SMYS	0	0	0	0	0
Steel pipe Greater than 72% SMYS but less than or equal to 80% SMYS	0	0	0	0	0
Steel pipe Greater than 80% SMYS	0	0	0	0	0
Steel pipe Unknown percent of SMYS	0	0	0	0	0
All Non-Steel pipe	0	0	0	0	0
Onshore Totals	100.379	48.333	2.5	0	151.212
OFFSHORE	Class 1				
Steel pipe Less than or equal to 50% SMYS	0				
Steel pipe Greater than 50% SMYS but less than or equal to 72% SMYS	0				
Steel pipe Greater than 72% SMYS	0				
Steel Pipe Unknown percent of SMYS	0				
All non-steel pipe	0				
Offshore Total	0				
Total Miles	100.379				151.212

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Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

PART L - MILES OF PIPE BY CLASS LOCATION									
INTRASTATE KENTUCKY									
	Class Location								
	Class 1	Class 2	Class 3	Class 4	Total Class Location Miles	HCA Miles	\$192.710 Miles	Class Location 3 or 4 Miles that are neither in HCA nor in \$192.710	Class Location 1 or 2 Miles that are neither in HCA nor in \$192.710
Transmission									
Onshore	100.379	48.333	2.5	0	151.212	0.455	0.735	1.912	148.11
Offshore	0				0				
Subtotal Transmission	100.379	48.333	2.5	0	151.212	0.455	0.735	1.912	148.11
Gathering									
Onshore Type A		0	0	0	0				
Onshore Type B		0	43.06	0	43.06				
Onshore Type C	0				0				
Offshore	0				0				
Subtotal Gathering	0	0	43.06	0	43.06				
Total Miles	100.379	48.333	45.56	0	194.272	0.455	0.735	1.912	148.11

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Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

PART M – FAILURES, LEAKS, AND REPAIRS											
INTRASTATE KENTUCKY											
PART M1 – ALL LEAKS ELIMINATED/REPAIRED IN CALENDAR YEAR; INCIDENTS & FAILURES IN HCA SEGMENTS IN CALENDAR YEAR											
Cause	Transmission Leaks, and Failures							Gathering Leaks			
	Leaks						Failures in HCA Segments				Offshore Leaks
	Onshore Leaks				Offshore Leaks						
	HCA	MCA	Class 3 & 4 non-HCA & non-MCA	Class 1 & 2 non-HCA & non-MCA	HCA	Non-HCA		Type A	Type B	Type C	
External Corrosion	0	0	0	0	0	0	0	0	1	0	0
Internal Corrosion	0	0	0	0	0	0	0	0	0	0	0
Stress Corrosion Cracking	0	0	0	0	0	0	0	0	0	0	0
Manufacturing	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Equipment	0	0	0	0	0	0	0	0	0	0	0
Incorrect Operations	0	0	0	0	0	0	0	0	0	0	0
Third Party Damage/Mechanical Damage											
Excavation Damage	0	0	0	0	0	0	0	0	0	0	0
Previous Damage (due to Excavation Activity)	0	0	0	0	0	0	0	0	0	0	0
Vandalism (includes all Intentional Damage)	0	0	0	0	0	0	0	0	0	0	0
Weather Related/Other Outside Force											
Natural Force Damage (all)	0	0	0	0	0	0	0	0	0	0	0
Other Outside Force Damage (excluding Vandalism and all Intentional Damage)	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	1	0	0

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Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

PART M2 – KNOWN SYSTEM LEAKS AT END OF YEAR SCHEDULED FOR REPAIR			
Transmission	0	Gathering	0
PART M3 – LEAKS ON FEDERAL LAND OR OCS REPAIRED OR SCHEDULED FOR REPAIR			
Transmission		Gathering	
Onshore	0	Onshore Type A	0
		Onshore Type B	0
		Onshore Type C	0
OCS	0	OCS	0
Subtotal Transmission	0	Subtotal Gathering	0
Total	0		

PART P - MILES OF PIPE BY MATERIAL AND CORROSION PREVENTION STATUS										
INTRASTATE KENTUCKY										
	Steel Cathodically protected		Steel Cathodically unprotected							
	Bare	Coated	Bare	Coated	Cast Iron	Wrought Iron	Plastic	Composite ¹	Other ²	Total Miles
Transmission										
Onshore	0	151.212	0	0	0	0	0	0	0	151.212
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Transmission	0	151.212	0	0	0	0	0	0	0	151.212
Gathering										
Onshore Type A	0	0	0	0	0	0	0	0	0	0
Onshore Type B	12.176	14.76	0	0	0	0	16.124	0	0	43.06
Onshore Type C	0	0	0	0	0	0	0	0	0	0
Offshore	0	0	0	0	0	0	0	0	0	0
Subtotal Gathering	12.176	14.76	0	0	0	0	16.124	0	0	43.06
Total Miles	12.176	165.972	0	0	0	0	16.124	0	0	194.272
¹ Use of Composite pipe requires PHMSA Special Permit or waiver from a State										
² specify Other material(s): ;										

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

Form Approved 3/1/2022
OMB No. 2137-0522
Expires : 3/31/2025

Part Q - Gas Transmission Miles by MAOP Determination Method

INTRASTATE KENTUCKY

by \$192.619 and Other Methods

	(a)(1) Total	(a)(1) Incom- plete Records	(a)(2) Total	(a)(2) Incom- plete Records	(a)(3) Total	(a)(3) Incom- plete Records	(a)(4) Total	(a)(4) Incom- plete Records	(c) Total	(c) Incom- plete Records	(d) Total	(d) Incom- plete Records	Other 1 Total	Other Incom- plete Records
Class 1 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 1 (in MCA)	0	0	0.342	0	0	0	0	0	0	0	0	0	0	0
Class 1 (not in HCA or MCA)	0		83.02 2		17.015		0		0		0		0	
Class 2 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 2 (in MCA)	0	0	0.26	0	0	0	0	0	0	0	0	0	0	0
Class 2 (not in HCA or MCA)	0		35.99 7		12.076		0		0		0		0	
Class 3 (in HCA)	0	0	0.455	0	0	0	0	0	0	0	0	0	0	0
Class 3 (in MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 3 (not in HCA or MCA)	0	0	0.24	0	1.805	1.805	0	0	0	0	0	0	0	0
Class 4 (in HCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 4 (in MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Class 4 (not in HCA or MCA)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	120.3 16	0	30.896	1.805	0	0	0	0	0	0	0	0

by \$192.624 Methods

	(c)(1) Total	(c)(2) Total	(c)(3) Total	(c)(4) Total	(c)(5) Total	(c)(6) Total
Class 1 (in HCA)	0	0	0	0	0	0
Class 1 (in MCA)	0	0	0	0	0	0
Class 1 (not in HCA or MCA)	0	0	0	0	0	0
Class 2 (in HCA)	0	0	0	0	0	0
Class 2 (in MCA)	0	0	0	0	0	0

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Form Approved 3/1/2022

OMB No. 2137-0522

Expires: : 3/31/2025

Class 2 (not in HCA or MCA)	0	0	0	0	0	0
Class 3 (in HCA)	0	0	0	0	0	0
Class 3 (in MCA)	0	0	0	0	0	0
Class 3 (not in HCA or MCA)	0	0	0	0	0	0
Class 4 (in HCA)	0	0	0	0	0	0
Class 4 (in MCA)	0	0	0	0	0	0
Class 4 (not in HCA or MCA)	0	0	0	0	0	0
Total	0	0	0	0	0	0

Total under 192.619(a), 192.619(c), 192.619(d) and Other	151.212
Total under 192.624 (as allowed by 192.619(e))	0
Grand Total	151.212
Sum of Total row for all "Incomplete Records" columns	1.805

Specify Other method(s):

Class 1(in HCA)		Class 1(in MCA)		Class 1(not in MCA or HCA)	
Class 2(in HCA)		Class 2(in MCA)		Class 2(not in MCA or HCA)	
Class 3(in HCA)		Class 3(in MCA)		Class 3(not in MCA or HCA)	
Class 4(in HCA)		Class 4(in MCA)		Class 4(not in MCA or HCA)	

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Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

Part R – Gas Transmission Miles by Pressure Test (PT) Range and Internal Inspection
INTRASTATE KENTUCKY

Location	PT \geq 1.50 MAOP		1.5 MAOP > PT \geq 1.39 MAOP	
	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE
Class 1 in HCA	0	0	0	0
Class 2 in HCA	0	0	0	0
Class 3 in HCA	0	0.455	0	0
Class 4 in HCA	0	0	0	0
in HCA subTotal	0	0.455	0	0
Class 1 in MCA	0	0.342	0	0
Class 2 in MCA	0	0.26	0	0
Class 3 in MCA	0	0	0	0
Class 4 in MCA	0	0	0	0
in MCA subTotal	0	0.602	0	0
Class 1 not in HCA or MCA	0	80.78	0	0
Class 2 not in HCA or MCA	0	35.997	0	0
Class 3 not in HCA or MCA	0	0.24	0	0
Class 4 not in HCA or MCA	0	0	0	0
not in HCA or MCA subTotal	0	117.017	0	0
Total	0	118.074	0	0

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

	1.39 MAOP > PT \geq 1.25		1.25 MAOP > PT \geq 1.1		1.1 MAOP > PT or No	
	MAOP		MAOP		PT	
Location	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE	Miles Internal Inspection ABLE	Miles Internal Inspection NOT ABLE
Class 1 in HCA	0	0	0	0	0	0
Class 2 in HCA	0	0	0	0	0	0
Class 3 in HCA	0	0	0	0	0	0
Class 4 in HCA	0	0	0	0	0	0
in HCA subTotal	0	0	0	0	0	0
Class 1 in MCA	0	0	0	0	0	0
Class 2 in MCA	0	0	0	0	0	0
Class 3 in MCA	0	0	0	0	0	0
Class 4 in MCA	0	0	0	0	0	0
in MCA subTotal	0	0	0	0	0	0
Class 1 not in HCA or MCA	0	0	0	2.242	0	17.015
Class 2 not in HCA or MCA	0	0	0	0	0	12.076
Class 3 not in HCA or MCA	0	0	0	0	0	1.805
Class 4 not in HCA or MCA	0	0	0	0	0	0
not in HCA or MCA subTotal	0	0	0	2.242	0	30.896
Total	0	0	0	2.242	0	30.896

PT \geq 1.5 MAOP Total	118.074	Total Miles Internal Inspection ABLE	0
1.5 MAOP > PT \geq 1.39 MAOP Total	0	Total Miles Internal Inspection NOT ABLE	151.212
1.39 > PT \geq 1.25 MAOP Total	0	Grand Total	151.212
1.25 MAOP > PT \geq 1.1	2.242		
1.1 MAOP > PT or No PT Total	30.896		
Grand Total			

Notice: This report is required by 49 CFR Part 191. Failure to report may result in a civil penalty as provided in 49 USC 60122.

Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

Part S – Gas Transmission Verification of Materials (192.607)
INTRASTATE KENTUCKY

Location	Miles 192.607 this Year	192.607 Number Test Locations this Year
Class 1 in HCA	0	0
Class 2 in HCA	0	0
Class 3 in HCA	0	0
Class 4 in HCA	0	0
Class 1 in MCA	0	0
Class 2 in MCA	0	0
Class 3 in MCA	0	0
Class 4 in MCA	0	0
Class 1 not in HCA or MCA	0	0
Class 2 not in HCA or MCA	0	0
Class 3 not in HCA or MCA	0	0
Class 4 not in HCA or MCA	0	0

Part T – HCA Miles by Determination Method and Risk Model Type
INTRASTATE KENTUCKY

Risk Model Type	Miles HCA Method 1	Miles HCA Method 2	Total
Subject Matter Expert (SME)	0	0	0
Relative Risk	0	0.455	0.455
Quantitative	0	0	0
Probabilistic	0	0	0
Scenario-Based	0	0	0
Other <i>describe:</i>	0	0	0

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Form Approved 3/1/2022
OMB No. 2137-0522
Expires: : 3/31/2025

Total	0	0.455	0.455
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For the designated Commodity Group, complete PART N one time for all of the pipelines and/or pipeline facilities included within this OPID, and then also PART O if any gas transmission pipeline facilities included within this OPID have Part L HCA mile value greater than zero.

PART N - PREPARER SIGNATURE
Robert Nellipowitz

Preparer's Name(type or print)

(859)744-6171

Telephone Number

State Engineer

Preparer's Title

rnellipowitz@deltagas.com

Preparer's E-mail Address

PART O - CERTIFYING SIGNATURE (applicable only to PARTs B, F, G, and M1)
(859)744-6171

Telephone Number

john Brown

Senior Executive Officer's name certifying the information in PARTs B, F, G, and M as required by 49 U.S.C. 60109(f)

State President

Senior Executive Officer's title certifying the information in PARTs B, F, G, and M as required by 49 U.S.C. 60109(f)

jbrown@deltagas.com

Senior Executive Officer's E-mail Address

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-033

Witness: Morpew, Jonathan W **Title:** Operations Director

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

33. If Delta does not submit an annual PHMSA report, provide the following information by year for the period 2021 – 2023:

- a. Number of pipeline leaks by grade
- b. Miles of pipe by vintage, further segregated by pipe type.

Response:

Delta does provide annual reporting to PHMSA. See answer to Question 32.

a. See answer to Question 32

b. See answer to Question 32

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-034

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

34. Refer to page 10 of the testimony of Delta witness Brown. For each of the five budget inputs identified in his testimony: 1) Capital, 2) Expense, 3) Revenue, 4) Financing and Interest Requirements, and 5) Depreciation, provide the approved 2023 budget inputs. Also provide all internal documentation within the Company that compares the approved 2023 budgets with actual 2023 results, including commentary reconciling 2023 actual vs budget results.

Response:

See attached.

FERC	FERC Description	Annual Actual Cost	Annual Original Budget	Variance (\$)	Variance (%)	Explanation
3030	Misc Intangible Plant (Software)	\$ 1,615,602	\$ 165,212	(1,450,390)	-877.90%	Larger quantity IT projects completed than originally planned
3310	Enpro Well Equipment	-	48,000	48,000	100.00%	Anticipated projects did not materialize
3320	Gathering Lines	40,417	48,000	7,583	15.80%	
3330	Gathering Compressor Station Equipment	30	40,000	39,970	99.92%	Compressor project process delayed
3520	Storage Wells	498,309	300,000	(198,309)	-66.10%	Unexpected complications removing tool from well
3530	Storage Lines	-	12,000	12,000	100.00%	Anticipated projects did not materialize
3540	Storage Compressor Station Equipment	7,446	75,000	67,554	90.07%	Fewer projects than anticipated in Budget
3550	Storage Measuring and Regulating Equipment	26,908	25,000	(1,908)	-7.63%	
3560	Purification Equipment	2,862	20,000	17,138	85.69%	Fewer projects than anticipated in Budget
3650	Transmission Rights of Way	455,378	2,399,667	1,944,289	81.02%	Budgeted items charged to account 3670
3670	Transmission Mains	1,160,802	563,455	(597,347)	-106.02%	Charges budgeted in account 3650, unbudgeted Transmission Projects.
3680	Transmission Compressor Station Equipment	29,472	50,000	20,528	41.06%	Fewer expenditures than anticipated in budget
3690	Transmission Measuring and Regulating Equip	302,681	40,000	(262,681)	-656.70%	Reimbursement project started, not reimbursed until 2024
3710	Transmission Other Equipment (Telemetry)	-	10,000	10,000	100.00%	Anticipated projects did not materialize
3740	Distribution Land and Right of Way	-	5,557	5,557	100.00%	Anticipated projects did not materialize
3750	Distribution Structures and Improvements	-	5,000	5,000	100.00%	Anticipated projects did not materialize
3760	Distribution Mains	6,061,242	6,688,200	626,958	9.37%	
3780	Distribution General Regulator Stations	253,674	50,400	(203,274)	-403.32%	Higher regulator expenditures than budgeted, started reimbursement project
3790	Distribution City Gate Regulator Stations	-	145	145	100.00%	Anticipated projects did not materialize
3800	Distribution Services	1,587,418	1,900,000	312,582	16.45%	
3810	Distribution Meters	616,890	586,500	(30,390)	-5.18%	
3820	Distribution Meter and Regulator Installations	168,498	200,000	31,502	15.75%	
3830	Distribution Regulators	-	144,000	144,000	100.00%	Anticipated projects did not materialize
3850	Distribution Industrial Meter Set	-	50,400	50,400	100.00%	Anticipated projects did not materialize
3900	General Structures and Improvements	57,057	580,400	523,343	90.17%	Fewer needs than budgeted
3910	Office Furniture and Equipment	34,427	76,000	41,573	54.70%	Fewer needs than budgeted
3912	Computer Hardware	-	569,807	569,807	100.00%	
3920	Transportation Equipment	1,301,459	668,200	(633,259)	-94.77%	Catchup on purchases from 2020-2021 delays
3940	Tools	57,032	61,500	4,468	7.26%	
3950	Laboratory Equipment	-	10,000	10,000	100.00%	Anticipated projects did not materialize
3960	Power Operated Equipment	-	273,000	273,000	100.00%	Anticipated projects did not materialize
3970	Communication Equipment-Telecom	-	11,671	11,671	100.00%	Anticipated projects did not materialize
3991	Computerized Office Equipment (Service Desk)	-	104,916	104,916	100.00%	Anticipated projects did not materialize
2023 TOTAL		\$ 14,277,606	\$ 15,782,030	\$ 1,504,424	9.53%	

Description	Current YTD (12.2023)	Current YTD Budget (12.2023)	Variance	% Variance	Explanation
NET REVENUES	\$ (41,774,001)	\$ (40,716,540)	\$ (1,057,461)	2.6%	Due primarily to understatement of gas costs of \$772,844 during 2023. This was corrected with an out of period adjustment in 2024.
OPERATING EXPENSES:					
Other Operations & Maintenance	17,841,169.50	16,118,594.80	1,722,574.70	10.7%	\$1.1M Corporate Insurance expenses (Property, Casualty, Liability, etc.) were not included in the 2023 budget. Approximately \$312k Essential Sundries account and \$159k for meter/ert purchases was also not in budget for 2023.
Depreciation and Amortization	10,529,699.76	9,125,178.98	1,404,520.78	15.4%	Primarily due to higher plant balances because of plant replacements & additions. Also, budgeted depreciation rates were lower than PSC approved depreciation rates for some assets.
Other Taxes	3,535,948.09	3,892,592.00	-356,643.91	-9.2%	Due primarily to Property Taxes being \$257k lower than budget. Payroll taxes were approximately \$111k less than budgeted and Sales & Use Tax was approximately \$14k over budget.
Total Operating Expenses	31,906,817.35	29,136,365.78	2,770,451.57	9.5%	Resulting from net impact of above differences.
INCOME FROM OPERATIONS	-9,867,183.59	-11,580,174.22	1,712,990.63	-14.8%	Resulting from net impact of above differences.
OTHER (INCOME) EXPENSE, NET	-346,428.26	190,048.00	-536,476.26	-282.3%	
INTEREST EXPENSES:					
Total Interest Expenses	2,575,409.36	2,395,251.58	180,157.78	7.5%	Increase in interest rates
INCOME BEFORE INCOME TAXES	-7,638,202.49	-8,994,874.64	1,356,672.15	-15.1%	
PROVISION FOR INCOME TAXES	1,186,394.45	1,513,710.02	-327,315.57	-21.6%	
NET INCOME	-6,451,808.04	-7,481,164.62	1,029,356.58	-13.8%	

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-035

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

35. Provide a copy of all internal documents maintained by the Company that describe the: i) short-term incentive compensation program; and ii) long-term incentive program.

Response:

All requested internal documents maintained by the Company that describe the: i) short-term incentive compensation program; and ii) long-term incentive program are attached.

2024 PSU Agreement

**ESSENTIAL UTILITIES, INC.
AMENDED AND RESTATED EQUITY COMPENSATION PLAN
PERFORMANCE-BASED SHARE UNIT GRANT
TERMS AND CONDITIONS**

1. Grant of Performance Units.

These Performance-Based Share Unit Grant Terms and Conditions (the “Grant Conditions”) shall apply and be part of the grant made by Essential Utilities, Inc., a Pennsylvania corporation (the “Company”), to the Grantee named in the Performance-Based Share Unit Grant (the “Performance-Based Unit Grant”) to which these Grant Conditions are attached (the “Grantee”), under the terms and provisions of the Essential Utilities, Inc. Amended and Restated Equity Compensation Plan, as amended and restated (the “Plan”). The applicable provisions of the Plan are incorporated into the Grant Conditions by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein). The Grantee is an employee of the Company, its subsidiaries or its Affiliates (collectively, the “Employer”).

Subject to the terms and vesting conditions hereinafter set forth, the Company, with the approval and at the direction of the Executive Compensation Committee (the “Committee”) of the Company’s Board of Directors (the “Board”), has granted to the Grantee a target award (the “Target Award”) of performance-based share units as specified in the Performance-Based Share Unit Grant (the “Performance Units”). The Performance Units are contingently awarded and shall be earned, vested and payable if and to the extent that the performance goals described on Schedule A (the “Performance Goals”), employment conditions and other conditions of these Grant Conditions are met. The Performance Units are granted with Dividend Equivalents (as defined in Section 6).

2. Vesting.

Except as otherwise set forth in these Grant Conditions, the Grantee shall earn and vest in a number of Performance Units based on the attainment of the Performance Goals as of the end of the Performance Period, provided that the Grantee continues to be employed by the Employer through the Vesting Date stated on the Performance-Based Share Unit Grant (the “Vesting Date”). The “Performance Period” is the performance period beginning and ending on the applicable dates stated on the Performance-Based Share Unit Grant. The “Vesting Period” is the period beginning on the Grant Date and ending on the Vesting Date.

(a) Except as otherwise set forth in these Grant Conditions, at the end of the Performance Period, the Committee will determine whether and to what extent the Performance Goals have been met and the amount earned with respect to the Performance Units. The Grantee can earn up to two hundred percent (200%) of the Target Award based on the attainment of the Performance Goals.

(b) Except as described in Section 3 below, the Grantee must continue to be employed by the Employer throughout the Vesting Period in order for the Grantee to vest and receive payment with respect to the earned Performance Units.

(c) Except as specifically provided below, no Performance Units shall vest prior to the Vesting Date, and if the Performance Goals are not attained at the end of the Performance Period, the Performance Units shall be immediately forfeited and shall cease to be outstanding.

3. Termination of Employment on Account of Retirement, Death, or Disability.

(a) Except as described below, if the Grantee ceases to be employed by the Employer prior to the Vesting Date, the Performance Units shall be forfeited as of the termination date and shall cease to be outstanding.

(b) If the Grantee ceases to be employed by the Employer during the Vesting Period on account of the Grantee's death or Disability, the Grantee's outstanding Performance Units shall remain outstanding through the Vesting Period and the Grantee shall earn Performance Units based on the attainment of the Performance Goals, as determined following the end of the Performance Period (or as described in Section 4, if applicable). The earned Performance Units shall be paid as described in Section 5.

(c) If the Grantee ceases to be employed by the Employer during the Vesting Period on account of Retirement (defined below), the Grantee shall earn a pro-rata portion of the outstanding Performance Units based on attainment of the Performance Goals, as determined following the end of the Performance Period (or as described in Section 4, if applicable). The pro-rated portion shall be determined based on the number of Performance Units earned based on the attainment of the Performance Goals during the Performance Period, multiplied by a fraction, the numerator of which is the number of completed full months following the Grant Date and prior to the Retirement Date in which the Grantee was employed by the Employer and the denominator of which is thirty-six (36). The pro-rated earned Performance Units shall be paid as described in Section 5.

(d) For purposes of these Grant Conditions, "Retirement" shall mean the Grantee's voluntary termination of employment after the Grantee has attained age fifty-five (55) and has five (5) full years of service with the Employer.

4. Change in Control.

(a) If a Change in Control occurs during the Vesting Period, the Grantee shall earn outstanding Performance Units as of the date of the Change in Control (the "Change in Control Date") as follows:

(i) If the Change in Control occurs before the end of the Performance Period, the Grantee shall earn the greater of (x) the number of Performance Units earned based on the attainment of the Performance Goals from the beginning of the Performance Period to the Change in Control Date, or (y) the Target Award.

(ii) If a Change in Control occurs after the end of the Performance Period but before the Vesting Date, the Grantee shall earn Performance Units based on the attainment of the Performance Goals as of the end of the Performance Period.

Performance Units earned as of the Change in Control Date, as described above in subsection (a)(i) or (ii), are referred to as the “CIC Earned Units.” All reference in this Agreement to “Performance Units” includes CIC Earned Units on and after a Change in Control.

(b) The Grantee shall vest in the CIC Earned Units on the Vesting Date if the Grantee continues to be employed by the Employer through the Vesting Date. Except as described below, the CIC Earned Units shall only vest if the Grantee continues to be employed by the Employer through the Vesting Date.

(c) If prior to the Vesting Date, a Change in Control occurs and the Grantee ceases to be employed by the Employer upon or following a Change in Control on account of (i) the Grantee’s Retirement, (ii) the Grantee’s termination by the Company without Cause, or (iii) the Grantee’s Disability or death, the CIC Earned Units shall vest as of the termination date.

(d) If the Grantee ceases to be employed by the Employer for any other reason before the Vesting Date, the shall forfeit Grantee the CIC Earned Units as of the date of termination.

5. Payment with Respect to Performance Units.

(a) Except as otherwise set forth in Section 4, if the Committee certifies that the Performance Goals and other conditions to payment of the Performance Units have been met, shares of Company Stock equal to the vested earned Performance Units shall be issued to the Grantee within sixty (60) days after the Vesting Date, subject to applicable tax withholding and Section 16 below.

(b) If, prior to the Vesting Date, a Change in Control occurs and the Grantee continues to be employed by the Employer through the Vesting Date, shares of Company Stock (or other consideration, as described below) equal to the vested CIC Earned Units shall be issued to the Grantee within sixty (60) days after the Vesting Date, subject to applicable tax withholding and Section 16 below.

(c) If, prior to the Vesting Date, a Change in Control occurs and the Grantee ceases to be employed by the Employer on or after the Change in Control on account of (i) the Grantee’s Retirement, (ii) the Grantee’s termination by the Employer without Cause, or (iii) the Grantee’s Disability or death, shares of Company Stock (or other consideration, as described below) equal to the vested CIC Earned Units shall be issued to the Grantee within sixty (60) days following the Grantee’s date of termination, subject to applicable tax withholding and Section 16 below.

(d) If the Grantee terminates employment on account of the Grantee’s Disability, death or Retirement before a Change in Control, any outstanding Performance Units under Section 3(b) or 3(c) may be earned as CIC Earned Units pursuant to Section 4(a), but in the event such termination is on account of Retirement, such outstanding Performance Units shall be prorated by applying the fraction in Section 3(c), and such CIC Earned Units shall vest on the date of the Change in Control. Shares of Company Stock (or such other consideration, as

described below) equal to the vested CIC Earned Units shall be issued to the Grantee within sixty (60) days after the Change in Control, subject to applicable tax withholding and Section 16 below.

(e) If, in connection with a Change in Control, shares of Company Stock are converted into the right to receive a cash payment or other form of consideration, the vested CIC Earned Units shall be payable in such form of consideration, as determined by the Committee.

(f) Any fractional shares with respect to vested earned Performance Units shall be paid to the Grantee in cash.

6. Dividend Equivalents with Respect to Performance Units.

(a) Dividend Equivalents shall accrue with respect to Performance Units and shall be payable subject to the same vesting terms and other conditions as the Performance Units to which they relate. Dividend Equivalents shall be credited when dividends are declared on shares of Company Stock from the Grant Date until payment date for the vested earned Performance Units. If and to the extent that the underlying Performance Units are forfeited, all related Dividend Equivalents shall also be forfeited.

(b) While the Performance Units are outstanding, the Company will keep records in a bookkeeping account for the Grantee. On each date on which a dividend is declared by the Company on Company Stock, the Company shall credit to the Grantee's account an amount equal to the Dividend Equivalents associated with the Performance Units held by the Grantee on the record date for the dividend. No interest will be credited to any such account.

(c) Dividend Equivalents shall be paid in cash at the same time as the underlying vested earned Performance Units are paid.

(d) Notwithstanding the foregoing, if shares of Company Stock are converted to cash as described in Section 5(e) above in connection with a Change in Control, Dividend Equivalents shall cease to be credited with respect to the Performance Units.

7. Certain Corporate Changes.

If any change is made to the Company Stock (whether by reason of merger, consolidation, reorganization, recapitalization, stock dividend, stock split, combination of shares, or exchange of shares or any other change in capital structure made without receipt of consideration), then unless such event or change results in the termination of all the Performance Units, the Committee shall adjust, in an equitable manner and as provided in the Plan, the number and class of shares underlying the Performance Units to reflect the effect of such event or change in the Company's capital structure in such a way as to preserve the value of the Performance Units, and the Committee shall adjust the Performance Goals as necessary to reflect the effect of such event or change in the Company's capital structure. Any adjustment that occurs under the terms of this Section 7 or the Plan will not change the timing or form of payment with respect to any Performance Units and will be consistent with Section 409A of the Code, to the extent applicable.

8. No Stockholder Rights.

No shares of Company Stock shall be issued to the Grantee at the time the grant is made, and the Grantee shall not be, nor have any of the rights or privileges of, a shareholder of the Company with respect to any Performance Units recorded in the account, including no voting rights and no rights to receive dividends (other than Dividend Equivalents).

9. No Right to Continued Employment.

Neither the award of Performance Units, nor any other action taken with respect to the Performance Units, shall confer upon the Grantee any right to continue to be employed by the Employer or shall interfere in any way with the right of the Employer to terminate the Grantee's employment at any time, consistent with the terms of any written employment agreement between the Grantee and the Employer and applicable law.

10. Termination or Amendment.

These Grant Conditions and the award made hereunder may be terminated or amended by the Committee, in whole or in part, in accordance with the applicable terms of the Plan.

11. Notice.

Any notice to the Company provided for in these Grant Conditions shall be addressed to it in care of the Company's Chief Human Resources Officer, and any notice to the Grantee shall be addressed to the Grantee at the current address shown on the payroll system of the Company, or to such other address as the Grantee may designate to the Company in writing. Any notice provided for hereunder shall be delivered by hand, sent by telecopy or electronic mail or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage and registry fee prepaid in the United States mail or other mail delivery service. Notice to the Company shall be deemed effective upon receipt. By receipt of these Grant Conditions, the Grantee hereby consents to the delivery of information (including without limitation, information required to be delivered to the Grantee pursuant to the applicable securities laws) regarding the Company, the Plan, and the Performance Units via the Company's electronic mail system or other electronic delivery system.

12. Incorporation of Plan by Reference.

The Performance-Based Share Unit Grant and these Grant Conditions are made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Committee shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Performance Units constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, these Grant Conditions, and/or the Performance Units shall be final and binding on the Grantee, his or her beneficiaries and any other person having or claiming an interest in the Performance Units. The settlement of any award with respect to the Performance Units is subject to the provisions of the Plan and to interpretations, regulations and determinations concerning the Plan as established from time to time by the Committee in

accordance with the provisions of the Plan. A copy of the Plan will be furnished to each Grantee upon request.

13. Income Taxes; Withholding Taxes.

The Grantee is solely responsible for the satisfaction of all taxes and penalties that may arise in connection with the award or settlement of Performance Units and Dividend Equivalents pursuant to these Grant Conditions. At the time of taxation, the Employer shall have the right to deduct from other compensation, or to withhold shares of Company Stock, in an amount equal to the federal (including FICA), state, local and foreign taxes and other amounts as may be required by law to be withheld with respect to the Performance Units, as approved in advance by the Committee.

14. Governing Law; Enforcement.

The validity, construction, interpretation and effect of the Performance-Based Share Unit Grant and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the Commonwealth of Pennsylvania, excluding any conflicts or choice of law rule or principle. The resolution of any dispute regarding, or the enforcement of, this Performance-Based Share Unit Grant and these Grant Conditions shall take place in a court of competent jurisdiction located within the Commonwealth of Pennsylvania, notwithstanding any dispute resolution terms that may exist under any employment agreement between the Grantee and the Company.

15. Assignment.

The Performance-Based Share Unit Grant and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign, transfer, pledge or otherwise dispose of the Performance Units, except to a successor grantee in the event of the Grantee's death.

16. Section 409A.

The Performance-Based Share Unit Grant and these Grant Conditions are intended to comply with Code Section 409A or an exemption, and payments may only be made under these Grant Conditions upon an event and in a manner permitted by Code Section 409A, to the extent applicable. Notwithstanding anything in these Grant Conditions to the contrary, if required by Code Section 409A, if the Grantee is considered a "specified employee" for purposes of Code Section 409A and if any payment under these Grant Conditions is required to be delayed for a period of six (6) months after separation from service pursuant to Code Section 409A, such payment shall be delayed as required by Code Section 409A, and the accumulated payment amounts shall be paid in a lump sum payment within ten (10) days after the end of the six (6)-month period. If the Grantee dies during the postponement period prior to payment, the amounts withheld on account of Code Section 409A shall be paid to the personal representative of the Grantee's estate within sixty (60) days after the date of the Grantee's death. Notwithstanding anything in these Grant Conditions to the contrary, if the Performance Units are subject to Code Section 409A and if required by Code Section 409A, any payments to be made upon a termination of employment under these Grant Conditions may only be made upon a "separation

from service” under Code Section 409A. In no event may the Grantee, directly or indirectly, designate the calendar year of a payment, except in accordance with Code Section 409A. Notwithstanding anything in these Grant Conditions to the contrary, if required by Code Section 409A, if CIC Earned Units are subject to Code Section 409A, and if a Change in Control is not a “change in control event” under Code Section 409A or the payment event does not occur upon or within two years following a “change in control event” under Code Section 409A, any vested CIC Earned Units shall be paid to the Grantee upon the Vesting Date and not on account of an earlier termination of employment.

17. Company Policies.

This Performance-Based Unit Grant and all shares issued pursuant to this grant shall be subject to any applicable recoupment or clawback policies and other policies implemented by the Board, as in effect from time to time.

* * *

Schedule A

Performance Goals for 2024 Performance Units

1. Performance Goals.

An employee's performance-based grants shall be earned based on Essential Utilities Inc.'s (the "Company") achievement of three performance goals, as follows:

- 38.46% of the employee's target performance-based award shall be earned based on the TSR (as defined below) rank as compared to the TSR of the other companies in the peer group described in Section 1 below.
- 30.77% of the employee's target performance-based award shall be earned based on the achievement of a targeted cumulative level of rate base growth as a result of acquisitions ("Rate Base Growth") from January 1, 2024 up to and through December 31, 2026, as described in Section 2 below.
- 30.77% of the employee's target performance-based award will be earned based on the achievement of maintaining Operating and Maintenance expenses ("Regulated O&M") over the three-year measurement period of 2024--2026, as described in Section 4 below.

2. Calculation of TSR.

(a) Relative total shareholder return ("TSR") means the Company's TSR relative to the TSR of each Peer Company in the Peer Group (as defined below) as applicable. At the end of the Performance Period, the TSR for the Company and each Peer Company in the Peer Group shall be calculated by dividing the Closing Average Share Value (as defined below) by the Opening Average Share Value (as defined below).

(b) The term "Closing Average Share Value" means the average value of the common stock for the trading days during the two calendar months ending on the last trading day of the Performance Period, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the two-month period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the two-month period. The Closing Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the Performance Period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends. Notwithstanding the foregoing, if the Closing Average Share Value is calculated as of a Change in Control, then the Closing Average Share Value shall be based on the two-month period ending immediately prior to the Change in Control.

(c) The term "Opening Average Share Value" means the average value of the common stock for the trading days during the two calendar months ending on the last trading day prior to the beginning of the Performance Period, which shall be calculated as follows: (i)

determine the closing price of the common stock on each trading date during the two-month period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the two-month period. The Opening Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the two-month period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends.

3. Performance Units Earned Based on Comparative TSR to the Peer Group. 38.46% (Thirty-eight point forty six percent) of the Target Award of Performance Units (the “Peer Group Portion”) shall be earned based on the Company’s TSR as compared to the TSR of the companies in the Peer Group for the Performance Period, in accordance with the following:

(a) The Peer Group for this purpose consists of:

Evergy, Inc	NiSource, Inc	Southwest Gas Holdings, Inc
American Water Works Co.	Atmos Energy Corp.	Alliant Energy Corp.
Portland General Electric Co.	OGE Energy Corp.	New Jersey Resources Corp.
ONE Gas, Inc.	Black Hills Corp.	Spire, Inc.
Avista Corp.	Northwestern Corp.	California Water Service Group
American States Water Co.		

(b) The Peer Group shall be subject to change as follows:

(i) In the event of a merger, acquisition or business combination transaction of a Peer Company in which the Peer Company is the surviving entity and remains publicly traded, the surviving entity shall remain a Peer Company.

(ii) In the event of a merger, acquisition or business combination transaction of a Peer Company, a “going private” transaction or similar event involving a Peer Company or the liquidation of a Peer Company, in each case where the Peer Company is not the surviving entity or is no longer publicly traded, the TSR for the Peer Company shall be calculated by dividing the Closing Average Share Value (as defined below) using the date immediately prior to the merger, acquisition, or business combination transaction by the Opening Share Value (as defined below).

(iii) In the event of an announced merger, acquisition or business combination transaction of a Peer Company, a “going private” transaction or similar event involving a Peer Company or the liquidation of a Peer Company, or the announcement of an intention to enter into a merger, acquisition or business combination of a Peer Company, a “going private”

transaction or similar event, in each case where the Peer Company is not the surviving entity or is no longer publicly traded, the TSR for the Peer Company shall be calculated by dividing the Closing Average Share Value (as defined below) using the date immediately prior to the announcement of the merger, acquisition, or business combination by the Opening Share Value (as defined below).

(c) The term “Closing Average Share Value” means the average value of the common stock for the trading days during the two calendar months ending on the last trading day of the Performance Period, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the two-month period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the two-month period. The Closing Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the Performance Period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends. Notwithstanding the foregoing, if the Closing Average Share Value is calculated as of a Change in Control, then the Closing Average Share Value shall be based on the two-month period ending immediately prior to the Change in Control.

(d) The term “Opening Average Share Value” means the average value of the common stock for the trading days during the two calendar months ending on the last trading day prior to the beginning of the Performance Period, which shall be calculated as follows: (i) determine the closing price of the common stock on each trading date during the two-month period, (ii) multiply each closing price as of that trading date by the applicable share number described below, and (iii) average the amounts so determined for the two-month period. The Opening Average Share Value shall take into account any dividends on the common stock for which the ex-dividend date occurred during the two-month period, as if the dividend amount had been reinvested in common stock at the closing price on the ex-dividend date. The share number in clause (ii) above, for a given trading day, is the sum of one share plus the cumulative number of shares deemed purchased with such dividends.

(e) The Peer Group Portion shall be earned based on how the Company’s TSR ranks in comparison to the TSRs of the Peer Group in accordance with the following schedule, depending on how many companies remain in the Peer Group at the end of the Performance Period:

ORDINAL RANKING OF THE COMPANY (INCLUDING THE COMPANY) VERSUS PEER GROUP	PAYOUT AS A % OF TARGET AWARD (18 PEER CO'S)	PAYOUT AS A % OF TARGET AWARD (17 PEER CO'S)	PAYOUT AS A % OF TARGET AWARD (16 PEER CO'S)	PAYOUT AS A % OF TARGET AWARD (15 PEER CO'S)	PAYOUT AS A % OF TARGET AWARD (14 PEER CO'S)
Rank	Payout	Payout	Payout	Payout	Payout
1	200.00%	200.00%	200.00%	200.00%	200.00%
2	197.22%	195.59%	193.75%	191.67%	189.29%
3	183.33%	180.88%	178.13%	175.00%	171.43%
4	169.44%	166.18%	162.50%	158.33%	153.57%
5	155.56%	151.47%	146.88%	141.67%	135.71%
6	141.67%	136.76%	131.25%	125.00%	117.86%
7	127.78%	122.06%	115.63%	108.33%	100.00%
8	113.89%	107.35%	100.00%	91.67%	82.14%
9	100.00%	92.65%	84.38%	75.00%	64.29%
10	86.11%	77.94%	68.75%	58.33%	0.00%
11	72.22%	63.24%	53.13%	0.00%	0.00%
12	58.33%	0.00%	0.00%	0.00%	0.00%
13	0.00%	0.00%	0.00%	0.00%	0.00%
14	0.00%	0.00%	0.00%	0.00%	0.00%
15	0.00%	0.00%	0.00%	0.00%	0.00%
16	0.00%	0.00%	0.00%	0.00%	0.00%
17	0.00%	0.00%	0.00%	0.00%	0.00%
18	0.00%	0.00%	0.00%	0.00%	0.00%

4. Performance Units Earned Based on Rate Base Growth. 30.77% (Thirty-point seventy-seven percent) of the employee's target performance-based award (the "Rate Base Growth Portion") shall be earned based on the Company's growth in rate base from the acquisition of and subsequent capital investment in regulated utility operations. The Rate Base Growth Portion shall be calculated measured from January 1, 2024 up to and through December 31, 2026 according to the following schedule:

Avg Rate Base Growth \$000s	Payout Schedule
\$ 140,000	50%
\$ 160,000	60%
\$ 180,000	70%
\$ 200,000	80%
\$ 220,000	90%
\$ 240,000	100%
\$ 250,000	110%
\$ 260,000	120%
\$ 270,000	130%
\$ 280,000	140%
\$ 290,000	150%
\$ 300,000	160%
\$ 310,000	170%
\$ 320,000	180%
\$ 330,000	190%
\$ 340,000	200%

If the Rate Base Growth falls between the measuring points on the foregoing schedule, the percentage earned will be based on linear interpolation between the applicable measuring points.

Performance Units Earned Based on the Achievement of Targeted Operating and Maintenance Expenses. 30.77% (Thirty-point seventy-seven percent) of the employee's target performance-based award shall be earned based on the Company's achieving targets for the consolidated operations and maintenance expenses of the Company and its subsidiaries, but excluding operations and maintenance expenses from all market based activities (e.g., Aqua Resources and Aqua Infrastructure) from January 1, 2024 up to and through December 31, 2026 (the "Regulated O&M"). The Regulated O&M shall be calculated according to the following schedule:

O&M Target \$000s	Attainment
\$ 1,846,607	50%
\$ 1,841,607	60%
\$ 1,836,607	70%
\$ 1,831,607	80%
\$ 1,826,607	90%
\$ 1,821,607	100%
\$ 1,816,607	110%
\$ 1,811,607	120%
\$ 1,806,607	130%
\$ 1,801,607	140%
\$ 1,796,607	150%
\$ 1,791,607	160%
\$ 1,786,607	170%
\$ 1,781,607	180%
\$ 1,776,607	190%
\$ 1,771,607	200%

If the Company's Regulated O&M falls between the measuring points on the foregoing schedule, the percentage vesting will be based on linear interpolation between the applicable measuring points.

(a) Performance shares awarded based on market conditions (the Company's relative TSR metrics) will be valued using a Monte Carlo simulation model.

(b) For performance shares awarded based on the internal metrics (Rate Base Growth & Target O&M Expenses), the grant date accounting value will equal the Company's share price assuming dividend equivalents as provided in shares actually earned.

5. General Terms. Any portion of the Performance Units that is not earned as of the end of the Performance Period shall be forfeited as of the end of the Performance Period (or as provided above upon an earlier Change in Control). In no event shall the maximum number of Performance Units that may be payable pursuant to these Grant Conditions exceed 200% of the Target Award.

ESSENTIAL UTILITIES, INC.
AMENDED AND RESTATED EQUITY COMPENSATION PLAN
2024 RESTRICTED STOCK UNIT GRANT
TERMS AND CONDITIONS

1. Grant of Restricted Units.

These Restricted Stock Unit Grant Terms and Conditions (the “Grant Conditions”) shall apply and be part of the grant made by Essential Utilities Inc., a Pennsylvania corporation (the “Company”), to the Grantee named in the Restricted Stock Unit Grant (the “Restricted Stock Unit Grant”) to which these Grant Conditions are attached (the “Grantee”), under the terms and provisions of the Essential Utilities Inc. Amended and Restated Equity Compensation Plan, as amended and restated (the “Plan”). The applicable provisions of the Plan are incorporated into these Grant Conditions by reference, including the definitions of terms contained in the Plan (unless such terms are otherwise defined herein). The Grantee is an employee of the Company, its subsidiaries or its Affiliates (collectively, the “Employer”).

Subject to the terms and vesting conditions hereinafter set forth, the Company, with the approval and at the direction of the Executive Compensation Committee (the “Committee”) of the Company’s Board of Directors (the “Board”), has granted to the Grantee the number of restricted stock units specified in the Restricted Stock Unit Grant (the “Restricted Units”). The Restricted Units shall become vested as set forth in these Grant Conditions and Grant. The Restricted Units are granted with Dividend Equivalents (as defined in Section 8).

2. Restricted Unit Account.

Restricted Units represent hypothetical shares of common stock of the Company (“Company Stock”), and not actual shares of Company Stock. The Company shall establish and maintain a Restricted Unit account, as a bookkeeping account on its records, for the Grantee and shall record in such account the number of Restricted Units granted to the Grantee. No shares of Company Stock shall be issued to the Grantee at the time the grant is made, and the Grantee shall not be, nor have any of the rights or privileges of, a shareholder of the Company with respect to any Restricted Units recorded in the account, including no voting rights and no rights to receive dividends (other than Dividend Equivalents). The Grantee shall not have any interest in any fund or specific assets of the Company by reason of this award or the Restricted Unit account established for the Grantee.

3. Vesting.

Except as otherwise set forth in these Grant Conditions, the Grantee shall vest and receive payment with respect to the Restricted Units on the Vesting Date specified in the Restricted Stock Unit Grant (the “Vesting Date”), provided that the Grantee continues to be employed by the Employer through the Vesting Date.

4. Termination of Employment on Account of Retirement, Death, or Disability.

(a) Except as described below, if the Grantee ceases to be employed by the Employer prior to the Vesting Date, the Restricted Units shall be forfeited as of the termination date.

(b) If the Grantee ceases to be employed by the Employer prior to the Vesting Date on account of the Grantee's Retirement (defined below), the Grantee shall earn a pro-rata portion of the unvested Restricted Units. The pro-rated portion shall be determined based the number of unvested Restricted Units, multiplied by a fraction, the numerator of which is the number of completed full months following the Grant Date and prior to the Retirement Date in which the Grantee was employed by the Employer and the denominator of which is thirty-six (36). Shares of Company Stock equal to the pro-rata portion of the Restricted Units shall be issued to the Grantee within sixty (60) days following the Grantee's Retirement date, subject to applicable tax withholding and subject to Section 19 below. For purposes of these Grant Conditions, "Retirement" shall mean the Grantee's voluntary termination of employment after the Grantee has attained age fifty-five (55) and has five (5) full years of service with the Employer.

(c) If the Grantee ceases to be employed by the Employer prior to the Vesting Date on account of the Grantee's death or Disability, the Grantee's Restricted Units shall fully vest and shares of Company Stock equal to the vested Restricted Units shall be issued to the Grantee within sixty (60) days after the Grantee's date of termination, subject to applicable tax withholding and subject to Section 19 below.

5. Change in Control.

(a) Except as described below, if a Change in Control occurs prior to the Vesting Date, the Grantee's Restricted Units shall remain outstanding and shall vest on the Vesting Date if the Grantee continues to be employed by the Employer through the Vesting Date. Shares of Company Stock (or other consideration, as described below) equal to the vested Restricted Units shall be issued to the Grantee within sixty (60) days after the Vesting Date, subject to applicable tax withholding and Section 19 below.

(b) If the Grantee ceases to be employed by the Employer upon or following a Change in Control on account of (i) the Grantee's Retirement, (ii) termination by the Employer without Cause, (iii) termination by the Grantee for Good Reason (defined below), or (iv) the Grantee's Disability or death, the Grantee's outstanding unvested Restricted Units shall fully vest. Shares of Company Stock (or such other consideration, as described below) equal to the Grantee's vested Restricted Units shall be issued to the Grantee within sixty (60) days after the Grantee's date of termination, subject to applicable tax withholding and Section 19 below.

(c) If the Grantee terminates employment for any other reason prior to the Vesting Date, the Restricted Units shall be forfeited as of the date of termination.

(d) If, in connection with the Change in Control, shares of Company Stock are converted into the right to receive a cash payment or other form of consideration, the vested Restricted Units shall be payable in such form of consideration, as determined by the Committee.

6. Definitions.

(a) For purposes of these Grant Conditions, “Good Reason” shall mean, except as otherwise provided in the last paragraph of this subsection, a termination of employment as a result of one or more of the following events, without the Grantee’s written consent to the event:

(i) any action or inaction that constitutes a material breach by Essential Utilities (or any successor thereto) of this Agreement;

(ii) a material diminution of the authority, duties or responsibilities of the Grantee held immediately prior to the Change in Control;

(iii) a material diminution in the Grantee’s base salary, which, for purposes of this Agreement, means a reduction in base salary of ten (10) percent or more that does not apply generally to all executive officers of Essential Utilities; or

(iv) a material change in the geographic location at which the Grantee must perform services under this Agreement, which, for purposes of this Agreement, means a requirement that the Grantee be based at any office or location which is located more than fifty (50) miles from the Grantee’s primary place of employment immediately prior to the Change in Control on other than on a temporary basis (less than 6 months).

(v) a material diminution in the authority, duties, or responsibilities of the supervisor to whom the Grantee is required to report, including a requirement that the Grantee report to a corporate officer or employee instead of reporting directly to the board of directors of a corporation (or similar governing body with respect to an entity other than a corporation).

(vi) a material diminution in the budget over which the Grantee retains authority.

A termination of employment after any of the foregoing events shall be a Good Reason only if the Grantee provides written notice to Essential Utilities of the existence of such event within ninety (90) days after the initial occurrence of such event, and Essential Utilities fails to remedy the event within thirty (30) days following the receipt of such notice and the Grantee terminates employment within ninety (90) days thereafter.

7. Payment with Respect to Restricted Units.

Except as otherwise set forth in Section 4 and 5 above, shares of Company Stock equal to the vested Restricted Units shall be issued to the Grantee within sixty (60) days after the Vesting Date, subject to applicable tax withholding and subject to Section 19. Any fractional Restricted Units shall be paid to the Grantee in cash.

8. Dividend Equivalents with Respect to Restricted Units.

(a) Dividend Equivalents shall accrue with respect to Restricted Units and shall be payable subject to the same vesting terms and other conditions as the Restricted Units to which they relate. Dividend Equivalents shall be credited when dividends are declared on shares of Company Stock from the Grant Date until the payment date for the vested Restricted Units. If

and to the extent that the underlying Restricted Units are forfeited, all related Dividend Equivalents shall also be forfeited.

(b) While the Restricted Units are outstanding, the Company will keep records in a bookkeeping account for the Grantee. On each date on which a dividend is declared by the Company on Company Stock, the Company shall credit to the Grantee's account an amount equal to the Dividend Equivalents associated with the Restricted Units held by the Grantee on the record date for the dividend. No interest will be credited to any such account.

(c) Dividend Equivalents will be paid in cash at the same time as the underlying vested Restricted Units are paid.

(d) Notwithstanding the foregoing, if shares of Company Stock are converted to cash as described in Section 5(d) above in connection with a Change in Control, Dividend Equivalents shall cease to be credited with respect to Restricted Units.

9. Non-Competition.

(a) In consideration for the grant of Restricted Units made to the Grantee under the terms of these Grant Conditions, the Grantee agrees that while the Grantee is employed by the Employer and for a twelve (12) month period beginning on the date that the Grantee ceases to be employed by the Employer for any reason (the "Restriction Period"), the Grantee shall not, directly or indirectly, without first obtaining written consent from Employer (i) accept employment with, (ii) own, manage, operate, acquire, join, control, solicit, finance, or participate in the ownership, management, operation, acquisition, control or financing of, (iii) be connected as a partner, principal, agent, representative, consultant or otherwise with, or (iv) use or permit the Grantee's name to be used in connection with, any business or enterprise engaged, in a geographic area within fifty (50) miles of any location from which the Employer is operating on the termination date (the "Geographic Area"), in any business that is competitive to a business from which the Employer, taken as a whole from all geographic areas, derived at least ten percent (10%) of its respective annual gross revenues for the twelve (12) months preceding the date the Grantee ceased to be employed.

(b) Grantee acknowledges that: 1) in order for Employer to evaluate whether to provide its written consent, Grantee must provide Employer with full and accurate written description of the scope of Grantee's prospective activities – including, but not limited to, specific job duties, the scope of the geographic area covered by Grantee's proposed employment, whether Grantee's activities would include contact with Employer's customers or competitors and other information deemed pertinent by Employer -- so that Employer can evaluate the extent to which any such employment would adversely impact Employer during the Restriction Period; and 2) Employer may prohibit, or place reasonable restrictions, on such activities during the Restriction Period so as to avoid a potentially adverse impact on Employer. In reviewing Grantee's request, Employer will consider factors that will include, but are not limited to, whether the prospective employment would impact Employer's customer relationships or good will, trade secrets or confidential business information.

(c) In consideration for the grant of Restricted Units made to the Grantee under the terms of these Grant Conditions, the Grantee agrees that during the Restriction Period, the Grantee shall not:

(i) directly or indirectly solicit, entice, broker or induce an agreement with any person or entity that had a contractual agreement with the Employer during the term of the Grantee's employment to enter into an agreement or arrangement with the Grantee or any third party that would preclude the person or entity, either contractually or practically, from working with the Employer; or

(ii) directly or indirectly solicit, recruit or hire any employee (full-time or part-time) of the Employer to work for a third party other than the Employer.

(d) The Grantee acknowledges, agrees and represents that the type and periods of restrictions imposed in these Grant Conditions are fair and reasonable, and that such restrictions are intended solely to protect the legitimate interests of the Employer, rather than to prevent the Grantee from earning a livelihood. The Grantee recognizes that the Employer competes or may compete in the Geographic Area and that the Grantee's access to confidential information makes it necessary for the Employer to restrict the Grantee's post-employment activities in the Geographic Area. The Grantee further represents that: (i) the Grantee is familiar with the covenants not to compete and not to solicit set forth in these Grant Conditions, (ii) the Grantee is fully aware of his or her obligations hereunder, including, without limitation, the length of time, scope and geographic coverage of these covenants, as well as the obligation to notify Employer and obtain its consent prior to accepting certain types of employment, (iii) the Grantee finds the length of time, scope and geographic coverage of these covenants to be reasonable, and (iv) the Grantee is receiving valuable and sufficient consideration for the Grantee's covenants not to compete and not to solicit.

(e) The parties to these Grant Conditions acknowledge and agree that any breach by the Grantee of any of the covenants or agreements contained in this Section 9 will result in irreparable injury to the Employer for which money damages could not adequately compensate the Employer and therefore, in the event of any such breach, the Employer shall be entitled (in addition to any other rights and remedies which it may have at law or in equity) to have an injunction issued by any competent court enjoining and restraining the Grantee and any other person involved therein from continuing such breach without posting a bond. The existence of any claim or cause of action which the Grantee may have against the Employer or any other person shall not constitute a defense or bar to the enforcement of such covenants. If any portion of the covenants or agreements contained in this Section 9 is construed to be invalid or unenforceable, the other portions of such covenants or agreements shall not be affected and shall be given full force and effect without regard to the invalid or unenforceable portion to the fullest extent possible. If any covenant or agreement in this Section 9 is held to be unenforceable because of the duration or scope thereof, then the court making such determination shall have the power to reduce the duration and limit the scope thereof, and the covenant or agreement shall then be enforceable in its reduced form. If the Grantee breaches any covenant or agreement in this Section 9 within 12 months following receipt of any shares of Company Stock upon settlement of the Restricted Units, (i) the Committee may in its discretion require the Grantee to return to the Company any such shares of Company Stock and (ii) if the Grantee has disposed of any such shares of Company Stock received upon settlement of the Restricted Units, then the

Committee may require the Grantee to pay to the Company, in cash, the Fair Market Value of such shares of Company Stock as of the date of disposition. In addition to other actions that may be taken by the Employer (whether pursuant to these Grant Conditions or otherwise), if the Grantee breaches any of the covenants or agreements contained in this Section 9, the Grantee will forfeit all outstanding Restricted Units, and all outstanding Restricted Units (whether or not vested), shall immediately terminate.

(f) The provisions of this Section 9 shall be independent of, and shall be enforceable in addition to any other post-employment policies or post-employment restrictive covenants, including without limitation any other non-competition covenant, governing the Grantee and pertaining to the subject matter contained in this Section 9.

10. Certain Corporate Changes.

If any change is made to the Company Stock (whether by reason of merger, consolidation, reorganization, recapitalization, stock dividend, stock split, combination of shares, or exchange of shares or any other change in capital structure made without receipt of consideration), then unless such event or change results in the termination of all the Restricted Units, the Committee shall adjust, in an equitable manner and as provided in the Plan, the number and class of shares underlying the Restricted Units. Any adjustment that occurs under the terms of this Section 10 or the Plan will not change the timing or form of payment with respect to any Restricted Units.

11. No Right to Continued Employment.

Neither the award of Restricted Units, nor any other action taken with respect to the Restricted Units, shall confer upon the Grantee any right to continue to be employed by the Employer or shall interfere in any way with the right of the Employer to terminate the Grantee's employment at any time, consistent with the terms of any written employment agreement between the Grantee and the Employer and applicable law.

12. Termination or Amendment.

These Grant Conditions and the award made hereunder may be terminated or amended by the Committee, in whole or in part, in accordance with the applicable terms of the Plan.

13. Notice.

Any notice to the Company provided for in these Grant Conditions shall be addressed to it in care of the Company's Chief Human Resources Officer, and any notice to the Grantee shall be addressed to the Grantee at the current address shown on the payroll system of the Company, or to such other address as the Grantee may designate to the Company in writing. Any notice provided for hereunder shall be delivered by hand, sent by telecopy or electronic mail or enclosed in a properly sealed envelope addressed as stated above, registered and deposited, postage and registry fee prepaid in the United States mail or other mail delivery service. Notice to the Company shall be deemed effective upon receipt. By receipt of these Grant Conditions, the Grantee hereby consents to the delivery of information (including without limitation, information required to be delivered to the Grantee pursuant to the applicable securities laws) regarding the

Company, the Plan, and the Restricted Units via the Company's electronic mail system or other electronic delivery system.

14. Incorporation of Plan by Reference.

The Restricted Stock Unit Grant and these Grant Conditions are made pursuant to the terms of the Plan, the terms of which are incorporated herein by reference, and shall in all respects be interpreted in accordance therewith. The decisions of the Committee shall be conclusive upon any question arising hereunder. The Grantee's receipt of the Restricted Units constitutes the Grantee's acknowledgment that all decisions and determinations of the Committee with respect to the Plan, these Grant Conditions, and/or the Restricted Units shall be final and binding on the Grantee, his or her beneficiaries and any other person having or claiming an interest in the Restricted Units. The settlement of any award with respect to the Restricted Units is subject to the provisions of the Plan and to interpretations, regulations and determinations concerning the Plan as established from time to time by the Committee in accordance with the provisions of the Plan. A copy of the Plan will be furnished to each Grantee upon request.

15. Income Taxes; Withholding Taxes.

The Grantee is solely responsible for the satisfaction of all taxes and penalties that may arise in connection with the award or settlement of Restricted Units and payment of Dividend Equivalents pursuant to these Grant Conditions. At the time of taxation, the Employer shall have the right to deduct from other compensation, or to withhold shares of Company Stock, in an amount equal to the federal (including FICA), state, local and foreign taxes and other amounts as may be required by law to be withheld with respect to the Restricted Units, as approved in advance by the Committee.

16. Company Policies.

This Restricted Unit Grant and all shares issued pursuant to this grant shall be subject to any applicable recoupment or clawback policies and other policies implemented by the Board, as in effect from time to time.

17. Governing Law; Enforcement.

The validity, construction, interpretation and effect of the Restricted Stock Unit Grant and these Grant Conditions shall be governed by, and determined in accordance with, the applicable laws of the Commonwealth of Pennsylvania, excluding any conflicts or choice of law rule or principle. The resolution of any dispute regarding, or the enforcement of, this Restricted Stock Unit Grant and these Grant Conditions shall take place in a court of competent jurisdiction located within the Commonwealth of Pennsylvania, notwithstanding any dispute resolution terms that may exist under any employment agreement between the Grantee and the Company.

18. Assignment.

The Restricted Stock Unit Grant and these Grant Conditions shall bind and inure to the benefit of the successors and assignees of the Company. The Grantee may not sell, assign,

transfer, pledge or otherwise dispose of the Restricted Units, except to a successor grantee in the event of the Grantee's death.

19. Code Section 409A.

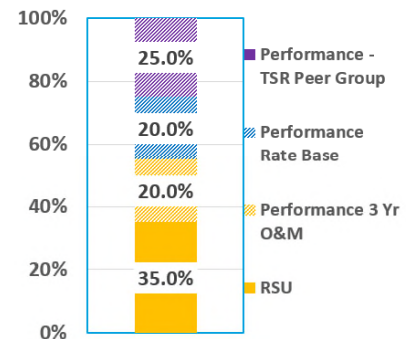
The Restricted Stock Unit Grant and these Grant Conditions are intended to comply with Code Section 409A or an exemption, and payments may only be made under these Grant Conditions upon an event and in a manner permitted by Code Section 409A, to the extent applicable. Notwithstanding anything in these Grant Conditions to the contrary, if required by Code Section 409A, if the Grantee is considered a "specified employee" for purposes of Code Section 409A and if any payment under these Grant Conditions is required to be delayed for a period of six (6) months after separation from service pursuant to Code Section 409A, such payment shall be delayed as required by Code Section 409A, and the accumulated payment amounts shall be paid in a lump sum payment within ten (10) days after the end of the six (6)-month period. If the Grantee dies during the postponement period prior to payment, the amounts withheld on account of Code Section 409A shall be paid to the personal representative of the Grantee's estate within sixty (60) days after the date of the Grantee's death. Any payments to be made upon a termination of employment under these Grant Conditions may only be made upon a "separation from service" under Code Section 409A. In no event may the Grantee, directly or indirectly, designate the calendar year of a payment, except in accordance with Code Section 409A.

* * *

2024 LTI Plan Design

- 2024 LTI Plan design of Performance Shares Units (PSU) and Restricted Shares (RSU) in line with peer group
 - Average peer group mix: 70% PSU / 30% RSU
 - Essential mix: 65% PSU / 35% RSU
- Note - Officers maintain 10% stock option design (25% RSU)*
- Peer group LTI metrics consist primarily of:
 - Relative TSR and other internal measures as most common framework
 - Relative TSR weighted at 37% of overall performance design
- *No 2024 plan design changes proposed for Essential LTI*

Essential Long Term Incentive Plan



Vesting:
 PSUs & RSUs - 3-year cliff
 Stock Options - 1/3 vest per year



2024 LTI Targets – Essential Rate Base Growth & O&M

Avg Rate Base Growth \$000s	Payout Schedule
\$ 140,000	50%
\$ 160,000	60%
\$ 180,000	70%
\$ 200,000	80%
\$ 220,000	90%
\$ 240,000	100%
\$ 250,000	110%
\$ 260,000	120%
\$ 270,000	130%
\$ 280,000	140%
\$ 290,000	150%
\$ 300,000	160%
\$ 310,000	170%
\$ 320,000	180%
\$ 330,000	190%
\$ 340,000	200%

O&M Target \$000s	Attainment
\$ 1,846,607	50%
\$ 1,841,607	60%
\$ 1,836,607	70%
\$ 1,831,607	80%
\$ 1,826,607	90%
\$ 1,821,607	100%
\$ 1,816,607	110%
\$ 1,811,607	120%
\$ 1,806,607	130%
\$ 1,801,607	140%
\$ 1,796,607	150%
\$ 1,791,607	160%
\$ 1,786,607	170%
\$ 1,781,607	180%
\$ 1,776,607	190%
\$ 1,771,607	200%



Rate Base Growth: Rate base acquired through transactions: approved rate base at time of acquisition + subsequent capital invested in the following three years

Peer Company Practices

Long-Term Incentive Metrics

- The table below summarizes long-term incentive plan performance metrics used by peers and payout leverage (i.e., threshold and maximum payouts as a percentage of target)
- Relative TSR is used by the vast majority of peers, as is a form of earnings
- In terms of payouts, the most common threshold payout is 50% of target and the vast majority of peers set the maximum at 200% of target

Company	Long-Term Incentive Metric Prevalence								Number of Metrics	Payout	
	Relative TSR	EPS	Net Income	ROE	Safety	Environmental	DEI	Other		Thresh	Max
Alliant Energy	47%		47%				7%		3	50%	200%
American States Water Company	25%		25%					50% Operating Expense	3	45%	175%
American Water Works Company, Inc.	50%	50%							2	25%	200%
Atmos		100%							1	50%	200%
Avista	50%	50%							2	50%	200%
Black Hills	60%	20%						20% Non-Fuel O&M	3	25%	200%
California Water				40%		20%	20%	40% ⁽¹⁾	3	33%	200%
Eversource	60%	33%				7%			3	27%	200%
New Jersey Resources	50%	50%							2	45%	150%
NiSource Inc.	50%	50%			Modifier	Modifier	Modifier		5	23%	200%
NorthWestern Corporation	50%	25%		25%					3	0%	200%
OGE	100%								1	25%	200%
ONE Gas	100%								1	50%	200%
Portland General	Modifier	33%		33%		33%			4	0%	200%
Southwest Gas	Modifier	60%		40%					3	50%	150%
Spire Inc.	75%	25%							2	50%	200%
Prevalence (% of Peers)	88%	69%	13%	25%	6%	25%	19%	19%			
Essential Utilities	38%							31% Rate Base 31% O&M	3	50%	200%



(1) Based on growth in total stockholders' equity and actual dividends paid in the calendar year

AQUA AMERICA, INC.
2009 OMNIBUS EQUITY COMPENSATION PLAN
As Amended as of February 27, 2014

AQUA AMERICA, INC.

2009 OMNIBUS EQUITY COMPENSATION PLAN

The purpose of the Aqua America, Inc. 2009 Omnibus Equity Compensation Plan (the “Plan”) is to provide (i) designated employees of Aqua America, Inc. (the “Company”) and its subsidiaries, (ii) certain consultants and advisors who perform services for the Company or its subsidiaries, and (iii) non-employee members of the Board of Directors of the Company with the opportunity to receive grants of incentive stock options, nonqualified stock options, stock appreciation rights, stock awards, stock units and other stock-based awards. The Company believes that the Plan will encourage the participants to contribute to the success of the Company, align the economic interests of the participants with those of the shareholders, and provide a means through which the Company can attract and retain officers, other key employees, non-employee directors and key consultants of significant talent and abilities for the benefit of our shareholders and customers. The Plan became effective as of May 8, 2009, subject to approval by the shareholders of the Company, and was amended as of February 25, 2011. The Plan was further amended as of September 1, 2013 to reflect the 25% stock split, effective as of September 1, 2013 (the “2013 Stock Split”), and is hereby amended and restated as of February 27, 2014. Unless otherwise provided in the Plan, changes made pursuant to this amendment and restatement shall apply to awards granted on or after February 27, 2014.

Section 1. Definitions

The following terms shall have the meanings set forth below for purposes of the Plan:

(a) “Affiliate” and “Associate” shall have the respective meanings ascribed to such terms in Rule 12b-2 of the General Rules and Regulations under the Exchange Act.

(b) A Person shall be deemed a “Beneficial Owner” of any securities:

(i) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to acquire (whether such right is exercisable immediately or only after the passage of time) pursuant to any agreement, arrangement or understanding (whether or not in writing) or upon the exercise of conversion rights, exchange rights, rights, warrants or options, or otherwise; provided, however, that a Person shall not be deemed the “Beneficial Owner” of securities tendered pursuant to a tender or exchange offer made by such Person or any of such Person’s Affiliates or Associates until such tendered securities are accepted for payment, purchase or exchange;

(ii) that such Person or any of such Person’s Affiliates or Associates, directly or indirectly, has the right to vote or dispose of or has “beneficial ownership” of (as determined pursuant to Rule 13d-3 of the General Rules and Regulations under the Exchange Act), including without limitation pursuant to any agreement, arrangement or understanding, whether or not in writing; provided, however, that a Person shall not be deemed the “Beneficial Owner” of any security under this clause (ii) as a result of an oral or written agreement, arrangement or understanding to vote such security if such agreement,

arrangement or understanding (A) arises solely from a revocable proxy given in response to a public proxy or consent solicitation made pursuant to, and in accordance with, the applicable provisions of the General Rules and Regulations under the Exchange Act, and (B) is not then reportable by such Person on Schedule 13D under the Exchange Act (or any comparable or successor report); or

(iii) that are beneficially owned, directly or indirectly, by any other Person (or any Affiliate or Associate thereof) with which such Person (or any of such Person's Affiliates or Associates) has any agreement, arrangement or understanding (whether or not in writing) for the purpose of acquiring, holding, voting (except pursuant to a revocable proxy as described in the proviso to clause (ii) above) or disposing of any voting securities of the Company; provided, however, that nothing in this subsection (b) shall cause a Person engaged in business as an underwriter of securities to be the "Beneficial Owner" of any securities acquired through such Person's participation in good faith in a firm commitment underwriting until the expiration of forty days after the date of such acquisition.

(c) "Board" shall mean the Board of Directors of the Company.

(d) "Cause" shall mean, except to the extent specified otherwise by the Committee, a finding by the Committee that the Grantee (i) has breached his or her employment or service contract with the Employer, (ii) has engaged in disloyalty to the Employer, including, without limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty, (iii) has disclosed trade secrets or confidential information of the Employer to persons not entitled to receive such information, (iv) has breached any written non-competition, non-solicitation or confidentiality agreement between the Grantee and the Employer or (v) has engaged in such other behavior detrimental to the interests of the Employer as the Committee determines.

(e) "Change in Control" shall be deemed to have occurred if:

(i) any Person, together with all Affiliates and Associates of such Person, shall become the Beneficial Owner in the aggregate of 20% or more of the Company Stock then outstanding;

(ii) during any twenty-four month period, individuals who at the beginning of such period constitute the Board cease for any reason to constitute a majority thereof, unless the election, or the nomination for election by the Company's shareholders, of at least seventy-five percent of the directors who were not directors at the beginning of such period was approved by a vote of at least seventy-five percent of the directors in office at the time of such election or nomination who were directors at the beginning of such period; or

(iii) there occurs a sale of 50% or more of the aggregate assets or earning power of the Company and its subsidiaries, or its liquidation is approved by a majority of its shareholders or the Company is merged into or is merged with an unrelated entity such that following the merger, the shareholders of the Company no longer own more than 50% of the resultant entity.

Notwithstanding anything in this subsection (e) to the contrary, a Change in Control shall not be deemed to have taken place under clause (e)(i) above if (A) such Person becomes the Beneficial Owner in the aggregate of 20% or more of the Company Stock then outstanding as a result, in the determination of a majority of those members of the Board in office prior to the acquisition, of an inadvertent acquisition by such Person if such Person, as soon as practicable, divests itself of a sufficient amount of its Company Stock so that it no longer owns 20% or more of the Company Stock then outstanding, or (B) such Person becomes the Beneficial Owner in the aggregate of 20% or more of the Company Stock outstanding as a result of an acquisition of Company Stock by the Company which, by reducing the number of shares of Company Stock outstanding, increases the proportionate number of shares of Company Stock beneficially owned by such Person to 20% or more of the shares of Company Stock then outstanding; provided, however that if a Person shall become the Beneficial Owner of 20% or more of the shares of Company Stock then outstanding by reason of Company Stock purchased by the Company and shall, after such share purchases by the Company become the Beneficial Owner of any additional shares of Company Stock, then the exemption set forth in this clause shall be inapplicable.

(f) “Code” shall mean the Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

(g) “Committee” shall mean the committee, consisting of members of the Board, designated by the Board to administer the Plan.

(h) “Company” shall mean Aqua America, Inc. and shall include its successors.

(i) “Company Stock” shall mean common stock of the Company.

(j) “Disability” or “Disabled” shall mean a Grantee’s becoming disabled within the meaning of section 22(e)(3) of the Code, within the meaning of the Employer’s long-term disability plan applicable to the Grantee or as otherwise determined by the Committee.

(k) “Dividend” shall mean a dividend paid on shares of Company Stock. If interest is credited on accumulated dividends, the term “Dividend” shall include the accrued interest.

(l) “Dividend Equivalent” shall mean a dividend payable on a hypothetical share of Company Stock.

(m) “Dividend Equivalent Amount” shall mean an amount determined by multiplying the number of Dividend Equivalents subject to a Grant by the per-share cash Dividend paid by the Company on its outstanding Company Stock, or the per-share fair market value (as determined by the Committee) of any Dividend paid by the Company on its outstanding Company Stock in consideration other than cash, with respect to each record date for the payment of a dividend during the Accumulation Period described in Section 11(a)(i). If interest is credited on accumulated Dividend Equivalents, the term “Dividend Equivalent Amount” shall include the accrued interest.

(n) “Early Retirement” shall mean, except as otherwise provided in the Grant Instrument, termination of a Grantee’s employment that occurs on or after the date that the Grantee becomes eligible for early retirement pursuant to the terms of the Pension Plan; provided, however, that if a Grantee is not an active participant in the Pension Plan immediately prior to terminating employment, “Early Retirement” shall mean, except as otherwise provided in the Grant Instrument, termination of a Grantee’s employment that occurs on or after the date that a Grantee is first eligible for Social Security retirement benefits and has completed at least 10 years of service as would be determined for vesting purposes under the Pension Plan.

(o) “Employee” shall mean an employee of the Company or a subsidiary of the Company.

(p) “Employed by, or providing service to, the Employer” shall mean employment or service as an Employee, Key Advisor or member of the Board (so that, for purposes of exercising Options and SARs and satisfying conditions with respect to Stock Awards and Performance Units, a Grantee shall not be considered to have terminated employment or service until the Grantee ceases to be an Employee, Key Advisor and member of the Board).

(q) “Employer” shall mean the Company and each of its subsidiaries.

(r) “Exchange Act” shall mean the Securities Exchange Act of 1934, as amended.

(s) “Exercise Price” shall mean the per share price at which shares of Company Stock may be purchased under an Option, as designated by the Committee.

(t) “Fair Market Value” of Company Stock means, unless the Committee determines otherwise with respect to a particular Grant, (i) if the principal trading market for the Company Stock is a national securities exchange, the last reported sale price of Company Stock on the relevant date or (if there were no trades on that date) the latest preceding date upon which a sale was reported, (ii) if the Company Stock is not principally traded on such exchange, the mean between the last reported “bid” and “asked” prices of Company Stock on the relevant date, as reported on the OTC Bulletin Board, or (iii) if the Company Stock is not publicly traded or, if publicly traded, is not subject to reported transactions as set forth above, the Fair Market Value per share shall be as determined by the Committee through any reasonable valuation method authorized under the Code.

(u) “Grant” shall mean a grant of Options, SARs, Stock Awards, Stock Units or Other Stock-Based Awards under the Plan.

(v) “Grant Instrument” shall mean the agreement that sets forth the terms and conditions of a Grant, including all amendments thereto.

(w) “Grantee” shall mean an Employee, Key Advisor or Non-Employee Director who receives a Grant under the Plan.

- (x) “Incentive Stock Option” shall mean an option to purchase Company Stock that is intended to meet the requirements of section 422 of the Code.
- (y) “Key Advisor” shall mean a consultant or advisor of an Employer.
- (z) “Non-Employee Director” shall mean a member of the Board who is not an Employee.
- (aa) “Nonqualified Stock Option” shall mean an option to purchase Company Stock that is not intended to meet the requirements of section 422 of the Code.
- (bb) “Normal Retirement” shall mean, except as otherwise provided in the Grant Instrument, termination of a Grantee’s employment on or after the date a Grantee first satisfies the conditions for normal retirement benefits under the terms of the Pension Plan, whether or not the Grantee is covered by the Pension Plan.
- (cc) “Option” shall mean an Incentive Stock Option or a Nonqualified Stock Option granted under the Plan.
- (dd) “Other Stock-Based Award” shall mean any Grant based on, measured by or payable in Company Stock, as described in Section 10.
- (ee) “Pension Plan” shall mean the Retirement Income Plan for Aqua America, Inc. and Subsidiaries, as in effect from time to time.
- (ff) “Person” shall mean any individual, firm, corporation, partnership or other entity except the Company, any subsidiary of the Company, any employee benefit plan of the Company or of any subsidiary, or any Person or entity organized, appointed or established by the Company for or pursuant to the terms of any such employee benefit plan.
- (gg) “SAR” shall mean a stock appreciation right with respect to a share of Company Stock.
- (hh) “Stock Award” shall mean an award of Company Stock, with or without restrictions.
- (ii) “Stock Unit” shall mean an award of a phantom unit that represents a hypothetical share of Company Stock.

Section 2. Administration

(a) Committee. The Plan shall be administered and interpreted by the Board or by a Committee appointed by the Board. The Committee, if applicable, should consist of two or more persons who are “outside directors” as defined under section 162(m) of the Code, and related Treasury regulations, and “non-employee directors” as defined under Rule 16b-3 under the Exchange Act. The Board shall approve and administer all grants made to Non-Employee Directors. The Committee may delegate authority to one or more subcommittees, as it deems

appropriate. To the extent that the Board or a subcommittee administers the Plan, references in the Plan to the “Committee” shall be deemed to refer to the Board or such subcommittee. In the absence of a specific designation by the Board to the contrary, the Plan shall be administered by the Committee of the Board or any successor Board committee performing substantially the same functions.

(b) Committee Authority. The Committee shall have the sole authority to (i) determine the individuals to whom grants shall be made under the Plan, (ii) determine the type, size, terms and conditions of the grants to be made to each such individual, (iii) determine the time when the grants will be made and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability, (iv) amend the terms and conditions of any previously issued grant, subject to the provisions of Section 17 below, and (v) deal with any other matters arising under the Plan.

(c) Committee Determinations. The Committee shall have full power and express discretionary authority to administer and interpret the Plan, to make factual determinations and to adopt or amend such rules, regulations, agreements and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee’s interpretations of the Plan and all determinations made by the Committee pursuant to the powers vested in it hereunder shall be conclusive and binding on all persons having any interest in the Plan or in any awards granted hereunder. All powers of the Committee shall be executed in its sole discretion, in the best interest of the Company, not as a fiduciary, and in keeping with the objectives of the Plan and need not be uniform as to similarly situated individuals.

Section 3. Grants

Awards under the Plan may consist of grants of Options as described in Section 6, Stock Awards as described in Section 7, Stock Units as described in Section 8, SARs as described in Section 9 and Other Stock-Based Awards as described in Section 10. All Grants shall be subject to the terms and conditions set forth herein and to such other terms and conditions consistent with this Plan as the Committee deems appropriate and as are specified in writing by the Committee to the individual in the Grant Instrument. All Grants shall be made conditional upon the Grantee’s acknowledgement, in writing or by acceptance of the Grant, that all decisions and determinations of the Committee shall be final and binding on the Grantee, his or her beneficiaries and any other person having or claiming an interest under such Grant. Grants under a particular Section of the Plan need not be uniform as among the Grantees.

Section 4. Shares Subject to the Plan

(a) Shares Authorized. Subject to adjustment as described in subsection (d) below, the aggregate number of shares of Company Stock that may be issued or transferred under the Plan, as adjusted for the 2013 Stock Split, is 6,250,000 shares. Shares issued or transferred under the Plan may be authorized but unissued shares of Company Stock or reacquired shares of Company Stock, including shares purchased by the Company on the open market for purposes of the Plan. If and to the extent Options or SARs granted under the Plan

terminate, expire or are canceled, forfeited, exchanged or surrendered without having been exercised or if any Stock Awards, Stock Units or Other Stock-Based Awards are forfeited, terminated or otherwise not paid in full, the shares subject to such Grants shall again be available for purposes of the Plan. Shares of Company Stock surrendered in payment of the Exercise Price of an Option or withheld for purposes of satisfying the Company's minimum tax withholding obligations with respect to Grants under the Plan shall again be available for issuance or transfer under the Plan. For the avoidance of doubt, if shares of Company Stock are repurchased by the Company on the open market with the proceeds of the exercise price of Options, such shares may not again be made available for issuance under the Plan.

(b) Limit on Stock Awards, Stock Units and Other Stock-Based Awards.

Within the aggregate limit described in subsection (a), the maximum number of shares of Company Stock that may be issued under the Plan pursuant to Stock Awards, Stock Units and Other Stock-Based Awards during the term of the Plan, as adjusted for the 2013 Stock Split, is 3,125,000 shares subject to adjustment as described in subsection (d) below.

(c) Individual Limits. All Grants under the Plan shall be expressed in shares of Company Stock. During any calendar year, no individual may be granted: (i) Options and SARs under the Plan for more than 500,000 shares of Company Stock in the aggregate or (ii) Stock Awards, Stock Units or Other Stock-Based Awards under the Plan for more than 500,000 shares of Company Stock in the aggregate. The foregoing limits of this subsection (c) have been adjusted for the 2013 Stock Split and shall apply without regard to whether the Grants are to be paid in Company Stock or cash and shall be subject to adjustment as described in subsection (d) below. All cash payments with respect to Grants (other than with respect to Dividend Equivalents or Dividends) shall equal the Fair Market Value of the shares of Company Stock to which the cash payments relate. An individual may not accrue Dividend Equivalents and Dividends on performance-based Grants described in Section 12 during any calendar year in excess of \$600,000.

(d) Adjustments. If there is any change in the number or kind of shares of Company Stock outstanding by reason of (i) a stock dividend, spinoff, recapitalization, stock split, or combination or exchange of shares, (ii) a merger, reorganization or consolidation, (iii) a reclassification or change in par value, or (iv) any other extraordinary or unusual event affecting the outstanding Company Stock as a class without the Company's receipt of consideration, or if the value of outstanding shares of Company Stock is substantially reduced as a result of a spinoff or the Company's payment of an extraordinary dividend or distribution, the maximum number of shares of Company Stock available for issuance under the Plan, the maximum number of shares of Company Stock for which any individual may receive Grants in any year, the kind and number of shares covered by outstanding Grants, the kind and number of shares issued and to be issued under the Plan, and the price per share or the applicable market value of such Grants shall be equitably adjusted by the Committee, in such manner as the Committee deems appropriate, to reflect any increase or decrease in the number of, or change in the kind or value of, the issued shares of Company Stock to preclude, to the extent practicable, the enlargement or dilution of rights and benefits under the Plan and such outstanding Grants; provided, however, that any fractional shares resulting from such adjustment shall be eliminated. In connection with

adjustments described in this Section 4(d), in order to eliminate fractional shares, the number of shares of Company Stock subject to outstanding Grants may be rounded up or down, as determined by the Committee, in its sole discretion, subject to compliance with sections 162(m), 424 and 409A of the Code, as applicable, and the applicable limitations on shares of Company Stock under the Plan. In the event of a Change in Control of the Company, the provisions of Section 15 of the Plan shall apply. Any adjustments to outstanding Grants shall be consistent with section 409A or 422 of the Code, to the extent applicable. Any adjustments determined by the Committee shall be final, binding and conclusive.

Section 5. Eligibility for Participation

(a) Eligible Persons. All Employees (including, for all purposes of the Plan, an Employee who is a member of the Board) and Non-Employee Directors shall be eligible to participate in the Plan. Key Advisors shall be eligible to participate in the Plan if the Key Advisors render bona fide services to the Employer, the services are not in connection with the offer and sale of securities in a capital-raising transaction and the Key Advisors do not directly or indirectly promote or maintain a market for the Company's securities.

(b) Selection of Grantees. The Committee shall select the Employees, Key Advisors and Non-Employee Directors to receive Grants and shall determine the number of shares of Company Stock subject to a particular Grant in such manner as the Committee determines.

Section 6. Options

The Committee may grant Options to an Employee, Key Advisor or Non-Employee Director upon such terms as the Committee deems appropriate. The following provisions are applicable to Options:

(a) Number of Shares. The Committee shall determine the number of shares of Company Stock that will be subject to each Grant of Options to Employees, Key Advisors and Non-Employee Directors.

(b) Type of Option and Price.

(i) The Committee may grant Incentive Stock Options or Nonqualified Stock Options or any combination of the two, all in accordance with the terms and conditions set forth herein. Incentive Stock Options may be granted only to employees of the Company or its parent or subsidiary corporations, as defined in section 424 of the Code. Nonqualified Stock Options may be granted to Employees and Non-Employee Directors.

(ii) The Exercise Price of Company Stock subject to an Option shall be determined by the Committee and shall be equal to or greater than the Fair Market Value of a share of Company Stock on the date the Option is granted. However, an Incentive Stock Option may not be granted to an Employee who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, or any

parent or subsidiary corporation of the Company, as defined in section 424 of the Code, unless the Exercise Price per share is not less than 110% of the Fair Market Value of a share of Company Stock on the date of grant.

(c) Option Term. The Committee shall determine the term of each Option. The term of any Option shall not exceed ten years from the date of grant. However, an Incentive Stock Option that is granted to an Employee who, at the time of grant, owns stock possessing more than 10% of the total combined voting power of all classes of stock of the Company, or any parent or subsidiary corporation of the Company, as defined in section 424 of the Code, may not have a term that exceeds five years from the date of grant.

(d) Exercisability of Options.

(i) Options shall become exercisable in accordance with such terms and conditions, consistent with the Plan, as may be determined by the Committee and specified in the Grant Instrument. The Committee may accelerate the exercisability of any or all outstanding Options at any time for any reason.

(ii) The Committee may provide in a Grant Instrument that the Grantee may elect to exercise part or all of an Option before it otherwise has become exercisable. Any shares so purchased shall be restricted shares and shall be subject to a repurchase right in favor of the Company during the same period as would be required to vest in the underlying Option, with the repurchase price equal to the lesser of (A) the Exercise Price or (B) the Fair Market Value of such shares at the time of repurchase, or such other restrictions as the Committee deems appropriate.

(e) Grants to Non-Exempt Employees. Notwithstanding the foregoing, Options granted to persons who are non-exempt employees under the Fair Labor Standards Act of 1938, as amended, may not be exercisable for at least six months after the date of grant (except that such Options may become exercisable, as determined by the Committee, upon the Grantee's death, Disability or retirement, or upon a Change in Control or other circumstances permitted by applicable regulations).

(f) Termination of Employment.

(i) Except as otherwise provided by the Committee, an Option may only be exercised while the Grantee is employed by, or providing service to, the Employer as an Employee, Key Advisor or member of the Board.

(ii) The Committee may specify in the Grant Instrument such terms as the Committee deems appropriate with respect to the exercise of Options after termination of employment or service. Except as otherwise provided by the Committee, any of the Grantee's Options which are not otherwise exercisable as of the date on which the Grantee ceases to be employed by, or provide service to, the Employer shall terminate as of such date. In addition, notwithstanding any other provisions of this Section 6, if the Committee determines that the Grantee has engaged in conduct that constitutes Cause at any time while the Grantee is

employed by, or providing service to, the Employer or after the Grantee's termination of employment or service, any Option held by the Grantee shall immediately terminate and the Grantee shall automatically forfeit all shares underlying any exercised portion of an Option for which the Company has not yet delivered the share certificates, upon refund by the Company of the Exercise Price paid by the Grantee for such shares. Upon any exercise of an Option, the Company may withhold delivery of share certificates pending resolution of an inquiry that could lead to a finding resulting in a forfeiture.

(g) Exercise of Options. A Grantee may exercise an Option that has become exercisable, in whole or in part, by delivering a notice of exercise to the Company. The Grantee shall pay the Exercise Price for an Option as specified by the Committee (i) in cash, (ii) unless the Committee determines otherwise, by delivering shares of Company Stock owned by the Grantee and having a Fair Market Value on the date of exercise at least equal to the Exercise Price or by attestation (on a form prescribed by the Committee) to ownership of shares of Company Stock having a Fair Market Value on the date of exercise at least equal to the Exercise Price, (iii) by payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board, or (iv) by such other method as the Committee may approve. Shares of Company Stock used to exercise an Option shall have been held by the Grantee for the requisite period of time necessary to avoid adverse accounting consequences to the Company with respect to the Option. Payment for the shares to be issued or transferred pursuant to the Option, and any required withholding taxes, must be received by the Company by the time specified by the Company depending on the type of payment being made, but in all cases prior to the issuance or transfer of such shares.

(h) Limits on Incentive Stock Options. Each Incentive Stock Option shall provide that, if the aggregate Fair Market Value of the Company Stock on the date of the grant with respect to which Incentive Stock Options are exercisable for the first time by a Grantee during any calendar year, under the Plan or any other stock option plan of the Company or a parent or subsidiary, exceeds \$100,000, then the Option, as to the excess, shall be treated as a Nonqualified Stock Option. An Incentive Stock Option shall not be granted to any person who is not an Employee of the Company or a parent or subsidiary corporation (within the meaning of section 424(f) of the Code) of the Company.

(i) Restrictive Covenants Agreement. All unexercised Options following the date a Grantee ceases to be employed by, or provide service to, the Employer on account of Early Retirement or Normal Retirement shall be forfeited if, during the thirty-eight (38)-month period following such termination of employment or service, the Grantee violates the terms of any written invention assignment, non-competition, non-solicitation or confidentiality agreement between the Grantee and the Employer, except as otherwise provided in the Grant Instrument.

Section 7. Stock Awards

The Committee may issue or transfer shares of Company Stock to an Employee, Key Advisor or Non-Employee Director under a Stock Award, upon such terms as the Committee deems appropriate. The following provisions are applicable to Stock Awards:

(a) General Requirements. Shares of Company Stock issued or transferred pursuant to Stock Awards may be issued or transferred for consideration or for no consideration, and subject to restrictions or no restrictions, as determined by the Committee. The Committee may, but shall not be required to, establish conditions under which restrictions on Stock Awards shall lapse over a period of time, at a particular date or according to such other criteria as the Committee deems appropriate, including, without limitation, restrictions based upon the achievement of specific performance goals. The period of time during which the Stock Awards will remain subject to restrictions will be designated in the Grant Instrument as the “Restriction Period.”

(b) Number of Shares. The Committee shall determine the number of shares of Company Stock to be issued or transferred pursuant to a Stock Award and the restrictions applicable to such shares.

(c) Requirement of Employment or Service. If the Grantee ceases to be employed by, or provide service to, the Employer during a period designated in the Grant Instrument as the Restriction Period, or if other specified conditions are not met, the Stock Award shall terminate as to all shares covered by the Grant as to which the restrictions have not lapsed, and those shares of Company Stock must be immediately returned to the Company. The Committee may, however, provide for complete or partial exceptions to this requirement as it deems appropriate.

(d) Restrictions on Transfer and Legend on Stock Certificate. During the Restriction Period, a Grantee may not sell, assign, transfer, pledge or otherwise dispose of the shares of a Stock Award except under Section 14(a) below. Unless otherwise determined by the Committee, the Company will retain possession of certificates for shares of Stock Awards until all restrictions on such shares have lapsed. Each certificate for a Stock Award, unless held by the Company, shall contain a legend giving appropriate notice of the restrictions in the Grant. The Grantee shall be entitled to have the legend removed from the stock certificate covering the shares subject to restrictions when all restrictions on such shares have lapsed. The Committee may determine that the Company will not issue certificates for Stock Awards until all restrictions on such shares have lapsed.

(e) Right to Vote and to Receive Dividends. Unless the Committee determines otherwise, during the Restriction Period, the Grantee shall have the right to vote shares of Stock Awards and to receive any Dividends or other distributions paid on such shares, subject to any restrictions deemed appropriate by the Committee; provided that any dividends with respect to performance-based Stock Awards shall be withheld and shall be payable only if and to the extent that the restrictions on the underlying Stock Awards lapse, as determined by the Committee.

(f) Lapse of Restrictions. All restrictions imposed on Stock Awards shall lapse upon the expiration of the applicable Restriction Period and the satisfaction of all conditions, if any, imposed by the Committee. The Committee may determine, as to any or all Stock Awards, that the restrictions shall lapse without regard to any Restriction Period.

(g) Restrictive Covenants Agreement. All Stock Awards with respect to which the applicable restrictions have not lapsed following the date a Grantee ceases to be employed by, or provide service to, the Employer on account of Early Retirement or Normal Retirement shall be forfeited if, during the Restriction Period, the Grantee violates the terms of any written invention assignment, non-competition, non-solicitation or confidentiality agreement between the Grantee and the Employer, except as otherwise provided in the Grant Instrument.

Section 8. Stock Units

The Committee may grant Stock Units, each of which shall represent one hypothetical share of Company Stock, to an Employee, Key Advisor or Non-Employee Director, upon such terms and conditions as the Committee deems appropriate. The following provisions are applicable to Stock Units:

(a) Crediting of Units. Each Stock Unit shall represent the right of the Grantee to receive a share of Company Stock or an amount of cash based on the value of a share of Company Stock, if and when specified conditions are met. All Stock Units shall be credited to bookkeeping accounts established on the Company's records for purposes of the Plan.

(b) Terms of Stock Units. The Committee may grant Stock Units that are payable if specified performance goals or other conditions are met, or under other circumstances. Stock Units may be paid at the end of a specified performance period or other period, or payment may be deferred to a date authorized by the Committee. The Committee shall determine the number of Stock Units to be granted and the requirements applicable to such Stock Units.

(c) Requirement of Employment or Service. If the Grantee ceases to be employed by, or provide service to, the Employer prior to the vesting of Stock Units, or if other conditions established by the Committee are not met, the Grantee's Stock Units shall be forfeited. The Committee may, however, provide for complete or partial exceptions to this requirement as it deems appropriate.

(d) Payment With Respect to Stock Units. Payments with respect to Stock Units shall be made in cash, Company Stock or any combination of the foregoing, as the Committee shall determine.

(e) Restrictive Covenants Agreement. All Stock Units with respect to which the applicable restrictions have not lapsed or which have not yet been paid following the date a Grantee ceases to be employed by, or provide service to, the Employer on account of Early Retirement or Normal Retirement shall be forfeited if, during the period of time during which the Stock Units remain subject to restrictions, the Grantee violates the terms of any written invention assignment, non-competition, non-solicitation or confidentiality agreement between the Grantee and the Employer, except as otherwise provided in the Grant Instrument.

Section 9. Stock Appreciation Rights

The Committee may grant SARs to an Employee, Key Advisor or Non-Employee Director separately or in tandem with any Option. The following provisions are applicable to SARs:

(a) General Requirements. The Committee may grant SARs to an Employee, Key Advisor or Non-Employee Director separately or in tandem with any Option (for all or a portion of the applicable Option). Tandem SARs may be granted either at the time the Option is granted or at any time thereafter while the Option remains outstanding; provided, however, that, in the case of an Incentive Stock Option, SARs may be granted only at the time of the Grant of the Incentive Stock Option. The Committee shall establish the base amount of the SAR at the time the SAR is granted. The base amount of each SAR shall be equal to the per share Exercise Price of the related Option or, if there is no related Option, an amount equal to or greater than the Fair Market Value of a share of Company Stock as of the date of Grant of the SAR.

(b) Tandem SARs. In the case of tandem SARs, the number of SARs granted to a Grantee that shall be exercisable during a specified period shall not exceed the number of shares of Company Stock that the Grantee may purchase upon the exercise of the related Option during such period. Upon the exercise of an Option, the SARs relating to the Company Stock covered by such Option shall terminate. Upon the exercise of SARs, the related Option shall terminate to the extent of an equal number of shares of Company Stock.

(c) Exercisability. An SAR shall be exercisable during the period specified by the Committee in the Grant Instrument and shall be subject to such vesting and other restrictions as may be specified in the Grant Instrument. The Committee may accelerate the exercisability of any or all outstanding SARs at any time for any reason. SARs may only be exercised while the Grantee is employed by, or providing service to, the Employer or during the applicable period after termination of employment or service determined by the Committee. A tandem SAR shall be exercisable only during the period when the Option to which it is related is also exercisable.

(d) Grants to Non-Exempt Employees. Notwithstanding the foregoing, SARs granted to persons who are non-exempt employees under the Fair Labor Standards Act of 1938, as amended, may not be exercisable for at least six months after the date of grant (except that such SARs may become exercisable, as determined by the Committee, upon the Grantee's death, Disability or retirement, or upon a Change in Control or other circumstances permitted by applicable regulations).

(e) Value of SARs. When a Grantee exercises SARs, the Grantee shall receive in settlement of such SARs an amount equal to the value of the stock appreciation for the number of SARs exercised. The stock appreciation for an SAR is the amount by which the Fair Market Value of the underlying Company Stock on the date of exercise of the SAR exceeds the base amount of the SAR as described in subsection (a).

(f) Form of Payment. The appreciation in an SAR shall be paid in shares of Company Stock, cash or any combination of the foregoing, as the Committee shall determine. For purposes of calculating the number of shares of Company Stock to be received, shares of Company Stock shall be valued at their Fair Market Value on the date of exercise of the SAR.

(g) Restrictive Covenants Agreement. All unexercised SARs following the date a Grantee ceases to be employed by, or provide service to, the Employer on account of Early Retirement or Normal Retirement shall be forfeited if, during the thirty-eight (38)-month period following such termination of employment or service, the Grantee violates the terms of any written invention assignment, non-competition, non-solicitation or confidentiality agreement between the Grantee and the Employer, except as otherwise provided in the Grant Instrument.

Section 10. Other Stock-Based Awards

The Committee may grant Other Stock-Based Awards, which are awards (other than those described in Sections 6, 7, 8 and 9 of the Plan) that are based on or measured by Company Stock, to any Employee, Key Advisor or Non-Employee Director, on such terms and conditions as the Committee shall determine. Other Stock-Based Awards may be awarded subject to the achievement of performance goals or other conditions and may be payable in cash, Company Stock or any combination of the foregoing, as the Committee shall determine.

Section 11. Dividend Equivalents

The Committee may grant Dividend Equivalents alone or in connection with Stock Units or Other Stock-Based Awards to an Employee, Key Advisor or Non-Employee Director. The Committee may grant Dividend Equivalents on the terms described in subsections (a) through (e) below or on such other terms and conditions as the Committee deems appropriate; provided that any Dividend Equivalents granted in connection with performance-based Stock Units or Other Stock-Based Awards shall be withheld and shall be payable only if and to the extent that the restrictions on the related Stock Units or Other Stock-Based Awards lapse, as determined by the Committee. Except as otherwise provided in the Grant Instrument, the following provisions may be applicable to Dividend Equivalents:

(a) Amount of Dividend Equivalent Credited. The Company shall credit to an account for each Grantee maintained by the Company in its books and records on each record date the Dividend Equivalent Amount for each Grantee attributable to each record date, from the date of grant until the earliest of the date of:

(i) the end of the applicable accumulation period designated by the Committee at the time of grant (the “Accumulation Period”),

(ii) the date the Grantee ceases to be employed by, or provide service to, the Employer for any reason, or as otherwise determined by the Committee, or

(iii) the end of a period of four years from the date of grant.

The Company shall maintain in its books and records separate accounts which identify the Dividend Equivalent Amounts for each Grantee, reduced by all amounts paid pursuant to subsection (b) below. No interest shall be credited to any such account. The amount of Dividend Equivalents credited pursuant to this subsection (a) shall be deemed a separate payment for purposes of section 409A of the Code.

(b) Payment of Credited Dividend Equivalents. Except with respect to Dividend Equivalents granted in connection with performance-based Stock Units or Other Stock-Based Awards, any Dividend Equivalent Amounts accrued in an account between the date of grant to March 1 of the following year shall be distributed to the Grantee no later than March 15 of the year following the date of grant, subject to subsection (c) below, and any Dividend Equivalent Amounts accrued in an account from March 2 of the year following the date of grant (or any anniversary thereof) through March 1 of the following year shall be distributed to the Grantee no later than March 15 of such following year, subject to subsection (c) below. Notwithstanding the foregoing, except as otherwise determined by the Committee, if a Change in Control occurs while the Grantee is employed by, or providing service to, the Employer, any Dividend Equivalent Amounts or portion thereof, which have not, prior to such date, been paid to the Grantee or forfeited shall be paid to the Grantee within sixty (60) days following the consummation of the Change in Control, subject to compliance with section 409A of the Code.

(c) Forfeiture of Dividend Equivalents. Except as otherwise determined by the Committee, payment of Dividend Equivalent Amounts for any accrual period ending on March 1 as described in subsection (b) above shall be forfeited by the Grantee if the Grantee is not employed by, or providing service to, the Employer on March 1 of such accrual period. Dividend Equivalent Amounts payable pursuant to Dividend Equivalents granted in connection with performance-based Stock Units or Other Stock-Based Awards shall be distributed to the Grantee at the time the underlying Stock Units or Other Stock-Based Awards are paid, to the extent that such Grants become payable.

(d) Form of Payment. All Dividend Equivalent Amounts shall be paid solely in cash.

(e) Restrictive Covenants Agreement. All unpaid Dividend Equivalent Amounts following the date a Grantee ceases to be employed by, or provide service to, the Employer on account of Early Retirement or Normal Retirement shall be forfeited if, during the applicable Accumulation Period, the Grantee violates the terms of any written invention assignment, non-competition, non-solicitation or confidentiality agreement between the Grantee and the Employer, except as otherwise provided in the Grant Instrument.

Section 12. Qualified Performance-Based Compensation

The Committee may determine that Stock Awards, Stock Units, Other Stock-Based Awards and Dividend Equivalents granted to an Employee shall be considered “qualified performance-based compensation” under section 162(m) of the Code. The following provisions shall apply to Grants of Stock Awards, Stock Units, Other Stock-Based Awards and Dividend

Equivalents that are to be considered “qualified performance-based compensation” under section 162(m) of the Code:

(a) Performance Goals.

(i) When Stock Awards, Stock Units, Other Stock-Based Awards or Dividend Equivalents that are to be considered “qualified performance-based compensation” are granted, the Committee shall establish in writing (A) the objective performance goals that must be met, (B) the performance period during which the performance will be measured, (C) the threshold, target and maximum amounts that may be paid if the performance goals are met, and (D) any other conditions that the Committee deems appropriate and consistent with the Plan and section 162(m) of the Code.

(ii) The business criteria may relate to the Grantee’s business unit or the performance of the Company and its parents and subsidiaries as a whole, or any combination of the foregoing. The Committee shall use objectively determinable performance goals based on one or more of the following criteria: total return to shareholders; dividends; earnings per share; customer growth; cost reduction goals; the achievement of specified operational goals, including water quality and the reliability of water supply; measures of customer satisfaction; net income (before or after taxes) or operating income; earnings before interest, taxes, depreciation and amortization or operating income before depreciation and amortization; revenue targets; return on assets, capital or investment; cash flow; budget comparisons; implementation or completion of projects or processes strategic or critical to the Company’s business operations; and any combination of, or a specified increase in, any of the foregoing.

(b) Establishment of Goals. The Committee shall establish the performance goals in writing either before the beginning of the performance period or during a period ending no later than the earlier of (i) 90 days after the beginning of the performance period or (ii) the date on which 25% of the performance period has been completed, or such other date as may be required or permitted under applicable regulations under section 162(m) of the Code. The performance goals shall satisfy the requirements for “qualified performance-based compensation,” including the requirement that the achievement of the goals be substantially uncertain at the time they are established and that the goals be established in such a way that a third party with knowledge of the relevant facts could determine whether and to what extent the performance goals have been met. The Committee shall not have discretion to increase the amount of compensation that is payable upon achievement of the designated performance goals.

(c) Announcement of Grants. The Committee shall certify and announce the results for each performance period to all Grantees after the announcement of the Company’s financial results for the performance period. If and to the extent that the Committee does not certify that the performance goals have been met, the grants of Stock Awards, Stock Units, Other Stock-Based Awards and Dividend Equivalents for the performance period shall be forfeited or shall not be made, as applicable.

(d) Death, Disability or Other Circumstances. The Committee may provide that Stock Awards, Stock Units, Other Stock-Based Awards and Dividend Equivalents shall be payable or restrictions on such Grants shall lapse, in whole or in part, in the event of the Grantee's death or Disability during the performance period, or under other circumstances consistent with the Treasury regulations and rulings under section 162(m) of the Code.

Section 13. Withholding of Taxes

(a) Required Withholding. All Grants under the Plan shall be subject to applicable federal (including FICA), state and local tax withholding requirements. The Employer may require that the Grantee or other person receiving or exercising Grants pay to the Employer the amount of any federal, state or local taxes that the Employer is required to withhold with respect to such Grants, or the Employer may deduct from other wages and compensation paid by the Employer the amount of any withholding taxes due with respect to such Grants.

(b) Election to Withhold Shares. The Committee may determine that the Company's tax withholding obligation with respect to Grants paid in Company Stock shall be satisfied by having shares of Company Stock withheld, at the time such Grants become taxable, up to an amount that does not exceed the Grantee's minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities, or the Committee may allow Grantees to elect to have such share withholding applied to particular Grants. The election must be in a form and manner prescribed by the Company and may be subject to the prior approval of the Company.

Section 14. Transferability of Grants

(a) Nontransferability of Grants. Except as provided below, only the Grantee may exercise rights under a Grant during the Grantee's lifetime. A Grantee may not transfer those rights except (i) by will or by the laws of descent and distribution or (ii) with respect to Grants other than Incentive Stock Options, pursuant to a domestic relations order. When a Grantee dies, the personal representative or other person entitled to succeed to the rights of the Grantee may exercise such rights. Any such successor must furnish proof satisfactory to the Company of his or her right to receive the Grant under the Grantee's will or under the applicable laws of descent and distribution.

(b) Transfer of Nonqualified Stock Options. Notwithstanding the foregoing, the Committee may provide, in a Grant Instrument, that a Grantee may transfer Nonqualified Stock Options to family members, or one or more trusts or other entities for the benefit of or owned by family members, consistent with the applicable securities laws, according to such terms as the Committee may determine; provided that the Grantee receives no consideration for the transfer of an Option and the transferred Option shall continue to be subject to the same terms and conditions as were applicable to the Option immediately before the transfer.

Section 15. Consequences of a Change in Control

(a) Treatment of Outstanding Grants. In the event of a Change in Control, the Committee may take one or more of the following actions with respect to any or all outstanding Grants: (i) accelerate the vesting of outstanding Options and SARs upon a specified termination of employment or service or upon the Change in Control; (ii) provide for the lapse of the restrictions and conditions on outstanding Stock Awards upon a specified termination of employment or service or upon the Change in Control; (iii) accelerate the vesting of Stock Units, Other Stock-Based Awards and unpaid Dividend Equivalent Amounts and provide that such Grants shall be paid at their target values, or in such greater amounts as the Committee may determine upon a specified termination of employment or service or upon the Change in Control; (iv) require that Grantees surrender their outstanding Options and SARs in exchange for one or more payments by the Company, in cash or Company Stock as determined by the Committee, in an amount equal to the amount, if any, by which the then Fair Market Value of the shares of Company Stock subject to the Grantee's unexercised Options and SARs exceeds the Exercise Price of the Options or the base amount of the SARs, as applicable; (v) after giving Grantees an opportunity to exercise their outstanding Options and SARs, terminate any or all unexercised Options and SARs at such time as the Committee deems appropriate; or (vi) determine that outstanding Options and SARs that are not exercised shall be assumed by, or replaced with comparable options or rights by, the surviving corporation, (or a parent or subsidiary of the surviving corporation), and other outstanding Grants that remain in effect after the Change in Control shall be converted to similar grants of the surviving corporation (or a parent or subsidiary of the surviving corporation). Any surrender or termination shall take place as of the date of the Change in Control or such other date as the Committee may specify. Without limiting the foregoing, if the per share Fair Market Value of Company Stock does not exceed the per share Exercise Price of an Option or base amount of a SAR, as applicable, the Company shall not be required to make any payment to the Grantee upon surrender or termination of the Option or SAR.

(b) Committee. The Committee making the determinations under this Section 15 following a Change in Control must be comprised of the same members as those on the Committee immediately before the Change in Control.

Section 16. Requirements for Issuance or Transfer of Shares

No Company Stock shall be issued or transferred in connection with any Grant hereunder unless and until all legal requirements applicable to the issuance or transfer of such Company Stock have been complied with to the satisfaction of the Committee. The Committee shall have the right to condition any Grant on the Grantee's undertaking in writing to comply with such restrictions on his or her subsequent disposition of the shares of Company Stock as the Committee shall deem necessary or advisable, and certificates representing such shares may be legended to reflect any such restrictions. Certificates representing shares of Company Stock issued or transferred under the Plan may be subject to such stop-transfer orders and other restrictions as the Company deems appropriate to comply with applicable laws, regulations and interpretations, including any requirement that a legend be placed thereon.

Section 17. Amendment and Termination of the Plan

(a) Amendment. The Board may amend or terminate the Plan at any time; provided, however, that the Board shall not amend the Plan without shareholder approval if such approval is required in order to comply with the Code or other applicable law, or to comply with applicable stock exchange requirements.

(b) No Repricing Without Shareholder Approval. Except in connection with a corporate transaction involving the Company (including, without limitation, any stock dividend, distribution (whether in the form of cash, Company Stock, other securities or other property), stock split, extraordinary cash dividend, recapitalization, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase or exchange of Company Stock or other securities, or similar transaction), the Company may not, without obtaining shareholder approval: (i) amend the terms of outstanding Options or SARs to reduce the Exercise Price or base price (as applicable) of such outstanding Options or SARs; (ii) cancel outstanding Options or SARs in exchange for Options or SARs with an Exercise Price or base price, as applicable, that is less than the Exercise Price or base price of the original Options or SARs; or (iii) cancel outstanding Options or SARs with an Exercise Price or base price, as applicable, above the then current Company Stock price in exchange for cash or other securities. In addition, the Plan may not be amended to permit the actions in (i), (ii) or (iii), unless the Company obtains shareholder approval.

(c) Shareholder Re-Approval Requirement. If Stock Awards, Stock Units, Other Stock-Based Awards or Dividend Equivalents are granted as “qualified performance-based compensation” under Section 12 above, the Plan must be reapproved by the shareholders no later than the first shareholders meeting that occurs in the fifth year following the year in which the shareholders previously approved the provisions of Section 12, if required by section 162(m) of the Code or the regulations thereunder.

(d) Termination of Plan. The Plan shall terminate on May 7, 2019, unless the Plan is terminated earlier by the Board or is extended by the Board with the approval of the shareholders.

(e) Termination and Amendment of Outstanding Grants. A termination or amendment of the Plan that occurs after a Grant is made shall not materially impair the rights of a Grantee unless the Grantee consents or unless the Committee acts under Section 18(g) below. The termination of the Plan shall not impair the power and authority of the Committee with respect to an outstanding Grant. Whether or not the Plan has terminated, an outstanding Grant may be terminated or amended under Section 18(g) below or may be amended by agreement of the Company and the Grantee consistent with the Plan.

(f) Effective Date of the Plan Restatement. The 2014 restatement of the Plan shall be effective as of February 27, 2014; provided that the changes set forth in Section 4(c) with respect to individual limits shall only be effective if the shareholders approve such changes at the Company’s 2014 annual meeting of shareholders.

Section 18. Miscellaneous

(a) Grants in Connection with Corporate Transactions and Otherwise.

Nothing contained in the Plan shall be construed to (i) limit the right of the Committee to make Grants under the Plan in connection with the acquisition, by purchase, lease, merger, consolidation or otherwise, of the business or assets of any corporation, firm or association, including Grants to employees thereof who become Employees, or (ii) limit the right of the Company to grant stock options or make other awards outside of the Plan. The Committee may make a Grant to an employee of another corporation who becomes an Employee by reason of a corporate merger, consolidation, acquisition of stock or property, reorganization or liquidation involving the Company, in substitution for a stock option or stock award grant made by such corporation. Notwithstanding anything in the Plan to the contrary, the Committee may establish such terms and conditions of the new Grants as it deems appropriate, including setting the Exercise Price of Options or the base price of SARs at a price necessary to retain for the Grantee the same economic value as the prior options or rights.

(b) Governing Document. The Plan shall be the controlling document. No

other statements, representations, explanatory materials or examples, oral or written, may amend the Plan in any manner. The Plan shall be binding upon and enforceable against the Company and its successors and assigns.

(c) Funding of the Plan. The Plan shall be unfunded. The Company shall not

be required to establish any special or separate fund or to make any other segregation of assets to assure the payment of any Grants under the Plan.

(d) Rights of Grantees. Nothing in the Plan shall entitle any Employee, Key

Advisor, Non-Employee Director or other person to any claim or right to be granted a Grant under the Plan. Neither the Plan nor any action taken hereunder shall be construed as giving any individual any rights to be retained by or in the employ of the Employer or any other employment rights.

(e) Fractional Shares. No fractional shares of Company Stock shall be issued

or delivered pursuant to the Plan or any Grant. Except as otherwise provided under the Plan, the Committee shall determine whether cash, other awards or other property shall be issued or paid in lieu of such fractional shares or whether such fractional shares or any rights thereto shall be forfeited or otherwise eliminated. Notwithstanding the foregoing, as set forth in Section 4(d) above, in connection with any such adjustment described, the number of shares of Company Stock subject to any Grants made under the Plan may be rounded up or down, as determined by the Committee, in its sole discretion, subject to compliance with sections 162(m), 424 and 409A of the Code, as applicable, and the applicable limitations on shares of Company Stock under the Plan.

(f) Section 409A. The Plan is intended to comply with the requirements of

section 409A of the Code, to the extent applicable. All Grants shall be construed and administered such that the Grant either (i) qualifies for an exemption from the requirements of section 409A of the Code or (ii) satisfies the requirements of section 409A of the Code. If a

Grant is subject to section 409A of the Code, (i) distributions shall only be made in a manner and upon an event permitted under section 409A of the Code, (ii) payments to be made upon a termination of employment shall only be made upon a “separation from service” under section 409A of the Code, (iii) payments to be made upon a Change of Control shall only be made upon a “change of control event” under section 409A of the Code, (iv) unless the Grant specifies otherwise, each payment shall be treated as a separate payment for purposes of section 409A of the Code, and (v) in no event shall a Grantee, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with section 409A of the Code. Any Grant granted under the Plan that is subject to section 409A of the Code and that is to be distributed to a key employee (as defined below) upon separation from service shall be administered so that any distribution with respect to such Grant shall be postponed for six months following the date of the Grantee’s separation from service, if required by section 409A of the Code. If a distribution is delayed pursuant to section 409A of the Code, the distribution shall be paid within 30 days after the end of the six-month period. If the Grantee dies during such six-month period, any postponed amounts shall be paid within 90 days of the Grantee’s death. The determination of key employees, including the number and identity of persons considered key employees and the identification date, shall be made by the Committee or its delegate each year in accordance with section 416(i) of the Code and the “specified employee” requirements of section 409A of the Code.

(g) Compliance with Law. The Plan, the exercise of Options and SARs and the obligations of the Company to issue or transfer shares of Company Stock under Grants shall be subject to all applicable laws and regulations, and to approvals by any governmental or regulatory agency as may be required. With respect to persons subject to section 16 of the Exchange Act, it is the intent of the Company that the Plan and all transactions under the Plan comply with all applicable provisions of Rule 16b-3 or its successors under the Exchange Act. In addition, it is the intent of the Company that Incentive Stock Options comply with the applicable provisions of section 422 of the Code, that Grants of “qualified performance-based compensation” comply with the applicable provisions of section 162(m) of the Code and that, to the extent applicable, Grants comply with the requirements of section 409A of the Code. To the extent that any legal requirement of section 16 of the Exchange Act or section 422, 162(m) or 409A of the Code as set forth in the Plan ceases to be required under section 16 of the Exchange Act or section 422, 162(m) or 409A of the Code, that Plan provision shall cease to apply. The Committee may revoke any Grant if it is contrary to law or modify a Grant to bring it into compliance with any valid and mandatory government regulation.

(h) Employees Subject to Taxation Outside the United States. With respect to Grantees who are believed by the Committee to be subject to taxation in countries other than the United States, the Committee may make Grants on such terms and conditions, consistent with the Plan, as the Committee deems appropriate to comply with the laws of the applicable countries, and the Committee may create such procedures, addenda and subplans and make such modifications as may be necessary or advisable to comply with such laws.

(i) Company Policies. All Grants made under the Plan shall be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board from time to time.

(j) Governing Law. The validity, construction, interpretation and effect of the Plan and Grant Instruments issued under the Plan shall be governed and construed by and determined in accordance with the laws of the Commonwealth of Pennsylvania, without giving effect to the conflict of laws provisions thereof.

**THIS DOCUMENT CONSTITUTES PART OF A PROSPECTUS
COVERING SECURITIES THAT HAVE BEEN REGISTERED UNDER
THE SECURITIES ACT OF 1933**

AQUA AMERICA, INC.

762 West Lancaster Avenue
Bryn Mawr, PA 19010
(610) 527-8000

PROSPECTUS

**Aqua America, Inc. 2009 Omnibus Equity Compensation Plan
6,250,000 shares of common stock**

To: Recipients of Grants Under the Aqua America, Inc.
2009 Omnibus Equity Compensation Plan

Date of Prospectus: May 29, 2014

Market for
Common Stock: New York Stock Exchange

Trading Symbol: WTR

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

No person has been authorized to give any information or make any representations, other than as contained in this prospectus, and if given or made, such information or representations must not be relied upon. This prospectus does not constitute an offer to sell securities in any state to any person to whom it is unlawful to make such offer in such state. Neither the delivery of this prospectus nor any sale made hereunder shall under any circumstances create any implication that there has been no change in the affairs of Aqua America, Inc. since the date hereof.

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AQUA AMERICA, INC.
2009 OMNIBUS EQUITY COMPENSATION PLAN

DESCRIPTION OF THE PLAN

The following description of the Aqua America, Inc. 2009 Omnibus Equity Compensation Plan (the “Plan”) is intended to outline for you and help you better understand the provisions of the Plan. This description is not a complete statement of the Plan. You may request a copy of the Plan by contacting the Corporate Secretary at the address listed under “What Information Is Available About Aqua America, Inc. And the Plan?” in this prospectus. Aqua America, Inc. may be referred to in this prospectus as the “Company,” “we,” “our” or “us.”

What Is The Plan?

The Plan provides designated employees, non-employee directors, and consultants who perform services for us and our subsidiaries with the opportunity to receive grants of incentive stock options, nonqualified stock options, stock awards, stock units, stock appreciation rights, dividend equivalents and other stock-based awards. The Plan became effective on May 8, 2009 and was later amended as of February 25, 2011. The Plan was further amended as of September 1, 2013, to reflect the 25% stock split effected in the form of a stock distribution effective as of September 1, 2013 (the “2013 Stock Split”). The 2013 Stock Split was effected through a distribution of one additional share of our common stock for each four outstanding shares of our common stock. The Plan was subsequently amended and restated as of February 27, 2014; however, certain of these amendments became effective on May 7, 2014 pursuant to shareholder approval of the Plan.

The Plan replaced the Aqua America, Inc. 2004 Equity Compensation Plan, as amended and restated as of January 1, 2009 (the “2004 Plan”). Effective as of May 8, 2009, no further grants were made under the 2004 Plan.

What Is The Purpose Of The Plan?

The purpose of the Plan is to provide participants with the opportunity to acquire an ownership interest in us and to encourage them to contribute to our success, align the economic interests of the participants with those of our shareholders, and provide a means through which we can attract and retain officers, other key employees, non-employee directors and key consultants of significant talent and abilities for the benefit of our shareholders and customers.

Who Administers The Plan?

The Plan is administered by our Executive Compensation Committee (the “Committee”), which is appointed by our Board of Directors (the “Board”). Currently, there are three members on the Committee, each of whom is a non-employee member of the Board. Committee members serve until their resignation or removal by the Board. However, the Board, or its delegate, will approve and administer all grants to non-employee directors. The Committee may delegate authority to one or more subcommittees, as it deems appropriate.

The Committee has the sole authority to:

- Determine the individuals to whom grants will be made under the Plan;
- Determine the type, size, terms and conditions of any grants;

- Determine the timing of grants and the duration of any applicable exercise or restriction period, including the criteria for exercisability and the acceleration of exercisability;
- Amend the terms and conditions of any previously issued grant; and
- Deal with any other matters arising under the Plan.

The Committee also has the power and authority to administer and interpret the Plan, make factual determinations with respect to the Plan, and adopt or amend such rules, regulations, agreements, and instruments for implementing the Plan and for the conduct of its business as it deems necessary or advisable, in its sole discretion. The Committee's interpretations of the Plan and all determinations relating to the Plan are conclusive and binding.

All grants under the Plan are conditional on your acknowledgement, in writing or by acceptance of the grant, that all decisions and determinations of the Committee are final and binding with respect to the Plan and your grant on you, your beneficiaries, and any other person having or claiming an interest under such grant.

Who Is Eligible To Receive Grants Under The Plan?

The following individuals are eligible to receive grants under the Plan, as determined by the Committee:

- Our employees and employees of our subsidiaries
- Our non-employee directors
- Consultants and advisors who perform services for us and our subsidiaries

How Many Shares May Be Issued Under The Plan?

The Plan authorizes the issuance of 6,250,000 shares of our common stock, as adjusted for the 2013 Stock Split. The maximum number of shares that may be subject to stock awards, stock units and other stock-based awards during the term of the Plan is 3,125,000 shares, as adjusted for the 2013 Stock Split. The maximum aggregate number of shares of our common stock with respect to which stock options and stock appreciation rights may be granted under the Plan to any individual during any calendar year is 500,000, and the maximum aggregate number of shares of our common stock with respect to which stock awards, stock units and other stock-based awards may be granted under the Plan to any individual during any calendar year is 500,000.

If and to the extent stock options or stock appreciation rights granted under the Plan terminate, expire, or are canceled, forfeited, exchanged, or surrendered without having been exercised or if any stock awards, stock units, or other stock-based awards are forfeited, terminated, or otherwise not paid in full, the shares subject to such grants will again be available for purposes of the Plan. If shares of our common stock are repurchased by us on the open market with the proceeds of the exercise price of stock options, those shares are not available for purposes of the Plan.

The limits on the number of shares available for issuance under the Plan will be equitably adjusted by the Committee if there is any change in the number or kind of equity shares outstanding by reason of a stock dividend, spinoff, recapitalization, stock split, combination or exchange of shares, a merger, reorganization or consolidation, reclassification or change in par value, or any other extraordinary or unusual event affecting outstanding shares of our common stock as a class without our receipt of consideration, or if the value of outstanding shares of our common stock is substantially reduced as a result of a spinoff or payment by us of an extraordinary dividend or distribution. Any fractional shares that result from an adjustment may be rounded up or down, as determined by the Committee in its sole

discretion, subject to compliance with the Internal Revenue Code of 1986, as amended (the “Code”), and the applicable limitations on shares under the Plan. Shares under the Plan may be issued directly by us or purchased on the open market and then transferred to you by us.

What Types Of Grants Are Available Under The Plan?

The Committee may make the following types of grants under the Plan:

- Incentive stock options
- Nonqualified stock options
- Stock awards
- Stock units
- Stock appreciation rights
- Dividend equivalents
- Other stock-based awards

How Were Outstanding Equity Grants Treated In Connection With The 2013 Stock Split?

In connection with the 2013 Stock Split, outstanding awards under the Plan were adjusted as follows, consistent with the applicable requirements of the Code:

- Each option outstanding on September 1, 2013 was adjusted by increasing the number of shares underlying the option by 25%, rounded down to the nearest whole share, and the installments for exercising such option were correspondingly increased to be as nearly equal as possible;
- The exercise price per share of each option outstanding under the Plan on September 1, 2013 was decreased by 20% of the exercise price per share before the 2013 Stock Split, rounded up to the nearest whole cent;
- Each standalone dividend equivalent right outstanding on September 1, 2013 was adjusted by increasing the number of shares of our stock on which dividends may be paid by 25%, so that, after such adjustment, the dividend equivalent right represents the right to receive an amount equal to the dividends paid after September 1, 2013 on a number of shares equal to 1.25 times the number of shares of our stock to which the dividend equivalent right would otherwise have applied;
- Each restricted share unit grant outstanding on September 1, 2013 was adjusted by increasing the number of share units underlying the restricted share unit grant by 25%; and
- Each performance share unit grant outstanding on September 1, 2013 was adjusted by increasing the number of target share units underlying the performance share unit grant by 25%.

If the adjustment of restricted share units or performance share units would have resulted in fractional shares, then such restricted share units or performance share units were (i) rounded up to the nearest whole share for holders of such restricted share units or performance share units who were not executive officers under the Exchange Act (as defined below), or (ii) rounded down to the nearest whole share for holders of such restricted share units or performance share units who were executive officers subject to Section 16 of the Exchange Act.

How Will I Know The Terms Of My Equity Award?

Each equity grant awarded under the Plan will be accompanied by a grant agreement. The grant agreement will describe the type of equity award, the number of shares that are subject to the equity award, when the equity award will become exercisable, and any additional terms and restrictions applicable to your equity award. The grant agreement may also include restrictive covenant obligations (including, confidentiality, non-competition and non-solicitation covenants), and clawback or recoupment provisions. The grant agreement will also set forth any terms of your award that are not otherwise in the Plan. You should read your grant agreement along with the Plan.

What Are Incentive Stock Options And Nonqualified Stock Options?

Incentive stock options and nonqualified stock options are stock options that give you the right to purchase shares of our common stock at a fixed exercise price.

Who Can Receive Incentive Stock Options And Nonqualified Stock Options?

Nonqualified stock options may be awarded to anyone eligible to participate in the Plan, as determined by the Committee. The Committee may grant incentive stock options only to our employees or the employees of our subsidiaries.

Is There A Limit On The Number Of Shares Subject To Incentive Stock Options I Can Receive Under The Plan?

If you receive an incentive stock option, in order for your incentive stock option to qualify for treatment as an incentive stock option, only \$100,000 of your incentive stock option (based on the last reported sale price of our common stock on the date of grant) may first become exercisable by you during any calendar year. For purposes of this rule, all outstanding incentive stock options granted to you will be aggregated. In other words, the aggregate value of all incentive stock options granted under all of our plans that first become exercisable by you in any calendar year may not exceed \$100,000. Any incentive stock options that first become exercisable in a calendar year that exceed this limit will be treated as nonqualified stock options.

What Is The Exercise Price Of My Stock Option?

The exercise price of your stock option will be set forth in your grant agreement. Under the Plan, the exercise price of nonqualified stock options and incentive stock options shall be equal to or greater than the last reported sale price of a share of our common stock on the date of grant, as determined by the Committee. If you receive an incentive stock option and you own more than 10% of the voting power of our stock or the stock of any of our subsidiaries, the exercise price of the incentive stock option must be at least equal to 110% of the last reported sale price of a share of our common stock on the date of grant.

How Many Shares Of Stock Will Be Subject To My Stock Option?

Your grant agreement will state the number of shares of our common stock subject to your stock option.

When May I Exercise My Stock Option?

You may exercise your stock option according to the schedule described in your grant agreement.

Your grant agreement may provide that you can exercise your stock option prior to it becoming vested; however, any shares purchased prior to vesting will be subject to a repurchase right in our favor during the otherwise applicable vesting period, with the repurchase price equal to the lesser of (i) the exercise price, or (ii) the last reported sale price of our shares on the date of such repurchase, and to any other restrictions that the Committee determines to be appropriate.

The Committee may accelerate the exercisability of stock options awarded under the Plan at any time for any reason.

How Long Do I Have To Exercise My Stock Option Before It Expires?

The term of your stock option is set forth in your grant agreement and is determined by the Committee. The term may not exceed ten years from the date of grant. If you own more than 10% of the voting power of our stock or the stock of any of our subsidiaries, and an incentive stock option is granted to you, the incentive stock option may not have a term that exceeds five years from the date of grant.

How Do I Exercise My Stock Option?

You may exercise stock options that have become exercisable by delivering a notice of exercise to us. Payment of the exercise price for your stock options must be received by the time specified by the Company, which will generally depend on the type of payment being made. You may pay the exercise price:

- In cash;
- Unless the Committee determines otherwise, by delivering shares of our common stock having a fair market value on the date of exercise equal to the exercise price of the stock option or by attestation (on a form prescribed by the Committee) to your ownership of such shares;
- By payment through a broker in accordance with procedures permitted by Regulation T of the Federal Reserve Board; or
- By such other method as the Committee may approve.

When you pay the exercise price for your stock option, you also must pay to us the amount of any applicable withholding taxes that are due as a result of your exercise of your stock option. See the discussion in the “Tax Withholding” description under “What Are The United States Federal Income Tax Consequences Of Grants Under The Plan?” for a discussion of how you can meet this tax withholding obligation.

What Happens To My Stock Options If I Terminate Employment Or Service?

Except as otherwise provided by the Committee, any unvested portion of a stock option terminates as of the date you terminate employment or service with us and our subsidiaries. In addition, except as otherwise provided by the Committee, a stock option may only be exercised while you are employed by, or providing service to, us or one of our subsidiaries. The Committee may specify in your grant agreement the circumstances, if any, in which you may exercise the stock option following your termination of employment or service.

If you engage in conduct constituting cause (as described below) at any time while you are employed by or providing services to us or one of our subsidiaries or after termination of such employment or service, any stock option held by you will automatically terminate. In addition, you will automatically forfeit all shares underlying any exercised portion of a stock option for which we have not

yet delivered share certificates, upon our refund to you of the exercise price you paid for such shares. Cause means, except to the extent specified otherwise by the Committee, a finding by the Committee that you (i) have breached your employment or service contract with us or one of our subsidiaries, (ii) have engaged in disloyalty to us or one of our subsidiaries, including, without limitation, fraud, embezzlement, theft, commission of a felony or proven dishonesty, (iii) have disclosed our trade secrets or confidential information or those of our subsidiaries to persons not entitled to receive such information, (iv) have breached any written non-competition, non-solicitation or confidentiality agreement between you and us or one of our subsidiaries or (v) have engaged in such other behavior detrimental to our interests or the interests of our subsidiaries as the Committee determines.

What Is A Stock Award?

A stock award is a grant of shares of our common stock, which may be subject to restrictions. The Committee will determine whether a stock award will be granted, the number of shares that will be subject to such award, when and how the restrictions, if any, will lapse, and whether a purchase price must be paid for the shares subject to the award. The Committee may grant stock awards to anyone eligible to participate in the Plan.

Can I Transfer, Sell, Vote, Or Receive Dividends On Shares Subject To A Stock Award?

Until the restrictions lapse, you cannot sell, assign, transfer, pledge, or otherwise dispose of shares subject to your stock award, except as described under “Are Grants Under The Plan Transferable?” below. All restrictions imposed on stock awards will lapse upon the expiration of the applicable restriction period and the satisfaction of all conditions imposed by the Committee. Unless the Committee determines otherwise, you will have the right to vote shares of stock subject to your stock award and to receive any dividends or other distributions paid on such shares during the applicable restriction period. However, any dividends with respect to a stock award whose restrictions lapse based on achievement of specific performance goals will be withheld and paid only if and to the extent that the restrictions on the underlying stock award lapse. The Committee may also otherwise determine that your entitlement to dividends or other distributions with respect to a stock award will be subject to achievement of performance goals or other conditions.

What Happens To My Stock Award If I Terminate Employment Or Service?

Except as otherwise determined by the Committee, if you terminate employment or service with us or one of our subsidiaries during the period designated in your grant agreement as the restriction period, or if other conditions established by the Committee are not met, your stock award will terminate as to all shares covered by the award for which the restrictions have not lapsed and any such shares must be immediately returned to us.

When Will I Receive A Stock Certificate For The Shares Subject To My Stock Award?

If you receive a stock award, the Committee may issue you a stock certificate for such award. The Committee may also determine that stock certificates will not be issued until all restrictions on the shares subject to the award have lapsed, or the Committee may provide that we will retain possession of certificates for shares of stock awards until all restrictions on such shares have lapsed. Any certificates issued with respect to stock awards will contain a legend giving notice of the applicable restrictions while the restrictions are in effect. You are entitled to have the legend removed when all restrictions have lapsed.

What Are Stock Units?

A stock unit is a phantom unit that represents the right to receive a share of our common stock or an amount based on the value of a share of our common stock. Stock units will be credited to a bookkeeping account established on our records for purposes of the Plan. The Committee will determine the number of stock units that you will receive and the terms and conditions applicable to such stock units. The Committee may grant stock units that are payable if specified performance goals or other conditions are met, or under other circumstances. Stock units may be granted to anyone eligible to participate in the Plan.

When Will I Receive Payment With Respect To My Stock Units?

Stock units will be paid at the end of a specified period or will be deferred to a date authorized by the Committee.

What Will I Receive If Stock Units Become Payable?

Stock units will be paid in cash, in shares of our common stock, or in a combination of the two, as determined by the Committee.

What Happens To My Stock Units If I Terminate Employment Or Service Prior To Meeting The Criteria For The Stock Units?

Except as otherwise determined by the Committee, if you terminate employment or service with us or one of our subsidiaries prior to the vesting of your stock units or if other conditions established by the Committee are not met, you will forfeit your stock units.

What Are Stock Appreciation Rights?

Stock appreciation rights give you the right to receive the appreciation in the value of our common stock over a specified period of time. The Committee may grant stock appreciation rights in connection with the grant of a stock option or independently from the grant of a stock option. A stock appreciation right granted in connection with a nonqualified stock option may be granted at or after the time of grant of such stock option. A stock appreciation right granted in connection with an incentive stock option may be granted only at the date of grant of such stock option. The Committee may grant stock appreciation rights to anyone eligible to participate in the Plan.

What Will I Receive If I Exercise A Stock Appreciation Right?

When you exercise stock appreciation rights, you will receive an amount of cash or stock, or a combination of the two, as determined by the Committee, that is equal to the amount by which the last reported sale price of the underlying stock on the date of exercise exceeds the base amount of the stock appreciation right. If you are to receive shares of our stock upon your exercise of a stock appreciation right, cash will be delivered instead of any fractional shares.

What Is The Base Amount Of My Stock Appreciation Rights?

The base amount of your stock appreciation rights will be determined by the Committee and will be set forth in your grant agreement. The base amount is equal to the per share exercise price of the related stock option, or, if there is no related stock option, an amount equal to or greater than the last reported sale price of a share of our common stock on the date of grant.

When May I Exercise My Stock Appreciation Rights?

You may exercise your stock appreciation rights according to the schedule described in your grant agreement and subject to any other restrictions specified in your grant agreement.

What Happens To My Stock Appreciation Rights If I Terminate Employment Or Service?

A stock appreciation right may only be exercised while you are employed by, or providing service to, us or one of our subsidiaries or during the applicable period after termination of employment or service determined by the Committee. A tandem stock appreciation right is exercisable only during the period in which the related option is exercisable.

What Are Other Stock-Based Awards?

Other stock-based awards are grants under the Plan other than stock options, stock units, stock awards and stock appreciation rights. These awards may be based on or measured by our common stock. The Committee will determine the terms and conditions of the award. Other stock-based awards may be awarded subject to the achievement of performance goals or other conditions and may be payable in cash, shares of our common stock, or any combination of the two, as determined by the Committee. Any person eligible to participate in the Plan may receive an other stock-based award.

What Are Dividend Equivalents?

Dividend equivalents provide you with the right to receive an amount equal to the dividends that would be payable on a share of our common stock. Your dividend equivalent amount is determined by multiplying the number of dividend equivalents subject to your grant by the per-share cash dividend or the per-share fair market value (as determined by the Committee) for non-cash dividends paid by us with respect to each dividend record date. The Committee may grant dividend equivalents on such terms as the Committee deems appropriate, as set forth in your grant agreement. The Committee may grant dividend equivalents alone or in conjunction with all or part of any equity award granted under the Plan. However, any dividend equivalents granted in connection with performance-based stock units or other stock-based awards will be payable only if and to the extent that the restrictions on the related stock units or other stock-based awards lapse, as determined by the Committee. Dividend equivalent amounts will be paid in cash. Dividend equivalents may be granted by the Committee to anyone eligible to participate in the Plan.

What Is Qualified Performance-Based Compensation?

The Code limits our ability to deduct a portion of the compensation paid to our chief executive officer and our three other most highly compensated officers (other than our chief executive officer and chief financial officer) if any of them receive compensation in an amount that exceeds \$1 million for a calendar year. The Code provides an exception from this limit if the compensation meets the requirements of qualified performance-based compensation. Stock options and stock appreciation rights granted under the Plan will generally qualify for this exception. Stock awards, stock units, dividend equivalents and other stock-based awards will meet this exception if they are granted as qualified performance-based compensation. If you are granted stock awards, stock units, dividend equivalents or other stock-based awards that are intended to be qualified performance-based compensation, the performance goals designated by the Committee must be met in order for the qualified performance-based compensation to be payable.

How Will I Know The Performance Goals For Qualified Performance-Based Compensation?

The Committee will establish the objective performance goals for qualified performance-based compensation, the performance period during which performance will be measured, the maximum amounts that may be paid if you meet the performance goals, and any other conditions that the Committee deems appropriate and consistent with the Plan and legal requirements. The Committee will establish the performance goals for qualified performance-based compensation in writing at the beginning of the performance period, or by such other date that is permitted under the applicable regulations of the Code.

The performance goals may relate to your business unit or to our and our subsidiaries' performance, or any combination of the foregoing. The performance goals will be based on objective criteria such as total return to shareholders, dividends, earnings per share, customer growth, cost reduction goals, the achievement of specified operational goals, including water quality and the reliability of water supply, measures of customer satisfaction, net income (before or after taxes) or operating income, earnings before interest, taxes, depreciation and amortization or operating income before depreciation and amortization, revenue targets, return on assets, capital or investment, cash flow, budget comparisons, implementation or completion of projects or processes strategic or critical to the Company's business operations, and any combination of, or a specified increase in, any of the foregoing.

When Will I Find Out If The Performance Goals Are Met?

The Committee will certify and announce the performance goal results following the announcement of our financial results for the performance period.

What Happens If The Performance Goals Are Not Met?

If the performance goals for a performance period are not met, the grants of stock awards, stock units, other stock-based awards or dividend equivalents for the performance period will be forfeited or will not be made, as applicable. Any grants that are to be paid as a result of achievement of performance goals will be paid as specified in your grant agreement.

Does The Committee Have Any Discretion With Respect To Amounts Payable Upon Achievement Of The Performance Goals?

The Committee may reduce the amount of compensation that is payable upon achievement of the designated performance goals, but cannot increase such amount payable. The Committee also may provide that stock awards, stock units, other stock-based awards and dividend equivalents will be payable or that restrictions on such awards will lapse, in whole or in part, in the event of your death or disability during the performance period, or under other circumstances consistent with Treasury regulations and rulings under the Code. You may not accrue dividend equivalents and dividends paid on grants intended to qualify as qualified performance-based compensation during any calendar year in excess of \$600,000.

What Effect Does A Change Of Control Of Aqua America, Inc. Have On My Grants?

If a change of control occurs, the Committee may take any one or more of the following actions with respect to any or all outstanding grants:

- Accelerate the vesting of outstanding stock options and stock appreciation rights upon a specified termination of employment or service or upon the change of control;
- Provide for the lapse of the restrictions and conditions on outstanding stock awards upon a specified termination of employment or service or upon the change of control;

- Accelerate the vesting of stock units, other stock-based awards and unpaid dividend equivalent amounts and provide that such grants shall be paid at their target values, or in such greater amounts as the Committee may determine upon a specified termination of employment or service or upon the change of control;
- Require that you surrender your outstanding options and stock appreciation rights in exchange for one or more payments in cash or shares of our common stock as determined by the Committee, in an amount equal to the amount, if any, by which the then last reported sale price of the shares of our common stock subject to your unexercised options and stock appreciation rights exceeds the exercise price or base amount, and on such terms as the Committee determines;
- After giving you an opportunity to exercise your outstanding options and stock appreciation rights, terminate any or all unexercised options and stock appreciation rights at such time as the Committee deems appropriate; or
- Determine that grants that remain outstanding after the change of control will be converted to similar grants of the surviving corporation (or a parent or subsidiary of the surviving corporation).

If the per share fair market value of our common stock does not exceed the per share exercise price of a stock option or base price of a stock appreciation right, as applicable, we will not be required to make any payment to you upon surrender or termination of a stock option or stock appreciation right.

A change of control will be deemed to have taken place if any one of the following events occurs:

- A person or group, other than us, one of our affiliates or one of our employee benefit plans acquires 20% or more of our common stock then outstanding;
- During any 24-month period, there is a change in the majority of the Board other than by approval of the Board immediately prior to such change; or
- There is a sale of 50% or more of the aggregate assets or earning power of our Company and our subsidiaries, or our liquidation is approved by a majority of our shareholders or we are merged into or are merged with an unrelated entity such that following the merger our shareholders no longer own more than 50% of the resultant entity.

What Other Conditions or Restrictions May Apply to Grants Under the Plan?

All grants made under the Plan will be subject to any applicable clawback or recoupment policies, share trading policies and other policies that may be implemented by the Board. Grants made under the Plan may also be subject to compliance with restrictive covenant obligations (including, confidentiality, non-competition and non-solicitation covenants).

May The Plan Be Amended Or Terminated?

The Board may amend or terminate the Plan at any time. However, our shareholders must approve any amendment for which shareholder approval is required under the Code, under applicable law, or to comply with applicable stock exchange requirements. A Plan amendment may not materially affect any previously made grant to you under the Plan without your consent unless such right has been reserved in the Plan or the grant agreement or such amendment is required by applicable law.

Except in connection with certain corporate transactions, the Committee may not, without the approval of our shareholders:

- Amend any outstanding stock options or stock appreciation rights to reduce their exercise price or base price, as applicable;
- Cancel outstanding stock options or stock appreciation rights in exchange for stock options or stock appreciation rights with an exercise price or base price, as applicable, that is less than the exercise price or base price of the original stock options or stock appreciation rights; or
- Cancel outstanding stock options or stock appreciation rights with an exercise price or base price, as applicable, above our then current stock price in exchange for cash or other securities.

In addition, the Plan cannot be amended to permit any of the foregoing actions without the approval of our shareholders.

When Does The Plan Terminate?

Unless terminated earlier by the Board or extended by the Board with shareholder approval, the Plan will terminate on May 7, 2019.

Are Grants Under The Plan Transferable?

Nonqualified stock options are transferable by you if the Committee permits the transfer in your grant agreement and the transfer is to your family members or one or more trusts or entities for the benefit of your family members, consistent with applicable securities laws.

Grants of incentive stock options, nonqualified stock options, stock units, stock awards, stock appreciation rights and other stock-based awards, are not transferable by you except by will or by the laws of descent and distribution. Grants may only be exercised by you during your lifetime or, in the case of grants other than incentive stock options, pursuant to a domestic relations order, if permitted in any specific case by the Committee. If you die, your personal representative or other person entitled to succeed to your rights may exercise your rights under options or stock appreciation rights and may receive payment of other grants. Any such successor must furnish proof satisfactory to us of his or her right to receive the grants under your will or under the applicable laws of descent and distribution.

If I Receive Aqua America, Inc.'s Common Stock That Is Not Subject To Restrictions Under The Plan, Or If Any Restrictions Under The Plan Have Lapsed, Am I Free To Sell The Stock?

We have filed a Registration Statement on Form S-8 with the Securities and Exchange Commission (the "SEC") covering the sale of our common stock to persons who receive our common stock under the Plan. This means that you will receive registered shares, which you can then trade, subject to limitations described below.

If for any reason your purchase or transfer of our common stock in connection with your grant would not meet applicable legal requirements, the Committee may prevent the issue or transfer of such stock until all applicable legal requirements have been complied with to the Committee's satisfaction. If necessary, the Committee may require that your stock certificates have a notation indicating any restrictions on your subsequent transfer. We do not currently believe that any such restrictions will be required, but the Committee reserves the right to impose such restrictions as may be appropriate to comply with applicable law.

If you are an "affiliate" of ours, you will be subject to limitations on the reoffer or resale of our common stock issued under the Plan. Typically, affiliates include all directors and executive officers of a

company. Affiliates may not offer or sell our common stock unless such offers and sales are made in connection with an effective registration statement under the Securities Act of 1933 (the “Securities Act”) or an exemption from the Securities Act. Affiliates generally may sell our common stock without registration if the sale satisfies the conditions of Rule 144 under the Securities Act.

Section 16 of the Securities Exchange Act of 1934 (the “Exchange Act”) contains provisions to the effect that, among other things, any person who is an “officer” (as defined in regulations under Section 16) or director of Aqua America, Inc. or a beneficial owner of more than 10% of a class of our equity securities registered under the Exchange Act, such as our common stock, may be liable to us for profits realized from any purchase and sale (or any sale and purchase) of our equity securities within a period of fewer than six months, regardless of the intention on the part of such person in entering the transaction.

If you are subject to Section 16 under the Exchange Act, you may incur substantial liabilities in connection with transactions in our equity securities, including derivative securities (such as stock options). Although the Plan has been structured to comply with certain exemptions from the application of these liability provisions, transactions involving our securities may nevertheless result in liability.

In addition, your transactions in our common stock may be subject to limitations under our policies relating to trading in our securities and there may be certain times during the year when you may be prohibited from selling shares of our common stock under the Plan because of our insider trading policies, certain blackout periods affecting our common stock, or other limitations imposed by applicable securities laws.

Before acquiring or disposing of any of our securities, you should review your grant agreement, as well as our policies regarding transactions in our securities, and consult with your counsel as to your status as an affiliate, the applicability of Section 16 under the Exchange Act or any other restrictions on your ability to sell our securities.

May The Plan Be Used To Issue Shares In Connection With Acquisitions Of Other Entities?

Yes. If we or one of our subsidiaries acquires another company by purchase of assets, lease, merger, consolidation, or otherwise, the Committee may make grants under the Plan for any proper corporate purpose. For example, if a person becomes an eligible employee as a result of an acquisition by us or one of our subsidiaries, the Committee may grant a stock option to that person in substitution for a stock option grant previously given to the person by the acquired company. The terms and conditions of this substitute grant will be determined by the Committee, and may vary from the terms and conditions otherwise required by the Plan and from the terms of the substituted stock incentives.

If I Am Subject To Taxation Outside Of The United States, May The Terms Of My Grants Differ From Those Described Above?

Yes. If you are subject to taxation in a country other than the United States, the Committee may make grants on such terms and conditions as the Committee deems appropriate to comply with the laws of the applicable country. If appropriate, you will be provided with an addendum to this prospectus addressing such terms and conditions.

What Are The United States Federal Income Tax Consequences Of Grants Under The Plan?

The current United States federal income tax treatment of grants under the Plan is generally described below. This description of tax consequences is not a complete description. There may be

different income tax consequences under certain circumstances, and there may be gift and estate tax consequences. Local, state, foreign and other taxing authorities may also tax grants under the Plan. Tax laws are subject to change. You are urged to consult with your tax advisor concerning the application of the general principles discussed below and the application of other tax laws to your own situation.

The Plan is not subject to the Employee Retirement Income Security Act of 1974 and is not a tax-qualified plan under Section 401(a) of the Code.

Nonqualified Stock Options

There generally are no federal income tax consequences to you or to us upon the grant of a nonqualified stock option.

Upon the exercise of a nonqualified stock option, you generally will recognize ordinary income in an amount equal to the excess of the fair market value of the shares of our stock at the time of exercise over the exercise price. We generally will be entitled to a corresponding federal income tax deduction.

Upon the sale of the shares of stock acquired upon the exercise of a nonqualified stock option, you will have a capital gain or loss in an amount equal to the difference between the amount realized on the sale and your tax basis in the shares (the exercise price plus the amount of income recognized at the time of exercise). The capital gain tax rate will depend on the length of time you held the shares and other factors.

Except as described below with respect to incentive stock options, if you surrender shares of our stock that you currently own to pay the exercise price for your nonqualified stock options, you will not recognize any gain or loss on the surrendered shares, and your basis and holding period for purposes of capital gains in the surrendered shares will be transferred to that number of new shares that equals the number of surrendered shares. If the number of shares you receive exceeds the number of shares that you surrendered, the fair market value of the excess shares on the date of exercise, reduced by any cash paid by you upon exercise, is included in your gross income in the year of the exercise and taxed to you as ordinary income. Your basis in the excess shares will equal the sum of the cash paid by you upon the exercise of the stock option plus any amount included in your gross income as a result of the exercise of the stock option, and your holding period for purposes of capital gains in the excess shares will begin on the date you exercised your option.

Incentive Stock Options

There generally are no federal income tax consequences to you or to us upon the grant of an incentive stock option.

You will not recognize income for purposes of the regular federal income tax upon the exercise of an incentive stock option. However, for purposes of the alternative minimum tax, in the year in which you exercise an incentive stock option, the amount by which the fair market value of the shares acquired upon exercise exceeds the exercise price will be included in your alternative minimum taxable income.

You will recognize income when you sell stock acquired upon exercise of an incentive stock option. If you dispose of the shares acquired upon exercise of an incentive stock option after two years from the date the option was granted and after one year from the date the shares were transferred to you upon the exercise of the option, you will recognize long-term capital gain or loss in the amount of the difference between the amount realized on the sale and the exercise price. We will not be entitled to any corresponding tax deduction.

If you dispose of shares acquired upon your exercise of an incentive stock option before satisfying both holding period requirements (a disqualifying disposition), your gain recognized on the disposition will be taxed as ordinary income to the extent of the difference between the fair market value of the shares on the date of exercise (or the amount realized on the disposition, if less) and the exercise price, and generally, we will be entitled to a deduction in that amount. The gain, if any, in excess of the amount recognized as ordinary income will be long-term or short-term capital gain, depending upon the length of time you held your shares before the disposition and other factors.

If you surrender shares received upon the exercise of a prior incentive stock option to pay the exercise price of any option within either the two-year or one-year holding periods described above, the disqualifying disposition of the shares used to pay the exercise price will result in income (or loss) to you and, to the extent of recognized income, a tax deduction to us. If you surrender the shares after the holding period requirements are met, or if you surrender shares that were not received upon the exercise of an incentive stock option, you will recognize no gain or loss on the surrendered shares, and your basis and the holding period for capital gains tax treatment for the surrendered shares will continue to apply to that number of new shares that is equal to the surrendered shares. Your holding period for purposes of determining whether you have a disqualifying disposition for the new shares when you sell the shares will begin on the date the option was exercised. To the extent that the number of shares received exceeds the number of shares surrendered, your basis in the excess shares will equal the amount of cash, if any, paid for such excess shares and your holding period with respect to the excess shares will begin on the date the option was exercised.

Stock Awards

If you receive a stock award, you generally will not recognize taxable income, and we will not be entitled to a deduction, until the shares are transferable by you or no longer subject to a substantial risk of forfeiture for federal tax purposes, whichever occurs earlier. When the shares are either transferable or are no longer subject to a substantial risk of forfeiture, you will recognize ordinary income in an amount equal to the fair market value of the shares (less any amounts paid for the shares) at that time, and generally, we will be entitled to a deduction in the same amount.

However, if you receive restricted shares as a stock award, you may elect to recognize ordinary income in the year in which the stock award is granted in an amount equal to the fair market value of the shares at that time (less any amounts paid for such shares), determined without regard to any restrictions, provided that you do so no later than 30 days after the date of grant. In that event, we generally will be entitled to a corresponding deduction in the same year. Any gain or loss recognized by you upon a later disposition of the shares will be capital gain or loss. This election is commonly referred to as an “83(b) election.”

When you sell shares of stock received pursuant to a stock award, you will have a capital gain or loss in an amount equal to the difference between the amount realized upon the sale and your tax basis in the shares (the amount paid, if any, and the amount of ordinary income recognized by you at the time of vesting of the shares of stock or value recognized at the time you were granted the shares if you previously made the election to recognize the value on such shares at the time of the grant). The capital gain tax rate will be either long-term or short-term, depending on the length of time you held the shares prior to such sale and other factors.

Stock Units

If you receive stock units, you will not recognize taxable income, and we will not be entitled to a deduction, at the time of grant; however, such grants may be subject to the requirements of section 409A

of the Code (see discussion below under “Section 409A”). When the stock units are paid to you, you will recognize ordinary compensation income equal to the cash received and the fair market value of any shares received. We generally will be entitled to a corresponding federal income tax deduction at the time of payment.

When you sell shares of stock received pursuant to a stock unit, you will have a capital gain or loss in an amount equal to the difference between the amount realized upon the sale and your tax basis in the shares (the amount of ordinary income recognized by you at the time of receipt of the shares). The capital gain tax rate will be either long-term or short-term, depending on the length of time you held the shares prior to such sale and other factors.

Stock Appreciation Rights

There generally are no federal income tax consequences to you or to us upon the grant of a stock appreciation right. Upon exercise of a stock appreciation right, you will recognize ordinary compensation income equal to the cash received and the fair market value of any shares received. We generally will be entitled to a corresponding federal income tax deduction at the time of exercise of the stock appreciation right.

When you sell shares acquired by the exercise of a stock appreciation right, you will have a capital gain or loss in an amount equal to the difference between the amount realized upon the sale and your tax basis in the shares (the amount of ordinary income recognized by you at the time of exercise of the stock appreciation right). The capital gain tax rate will be either long-term or short-term, depending on the length of time you held the shares prior to such sale and other factors.

Dividend Equivalent Amounts

If you receive dividend equivalents, you will not recognize taxable income, and we will not be entitled to a deduction, at the time of grant; however, such grants may be subject to the requirements of section 409A of the Code (see discussion below under “Section 409A”). When the dividend equivalent amounts are paid to you, you will recognize ordinary compensation income equal to the cash received and the fair market value of any shares received. We generally will be entitled to a corresponding federal income tax deduction at the time of payment.

Other Stock-Based Awards

If you receive an other stock-based award, you will recognize ordinary compensation income when the award is payable to you, equal to the cash received and the fair market value of any shares of stock received; however, such grants may be subject to the requirements of section 409A of the Code (see discussion below under “Section 409A”). We generally will be entitled to a corresponding federal income tax deduction at the time of payment.

When you sell shares of stock received pursuant to an other stock-based award, you will have a capital gain or loss in an amount equal to the difference between the amount realized upon the sale and your tax basis in the stock (the amount of ordinary income recognized by you at the time of receipt of the shares). The capital gain tax rate will be either long-term or short-term, depending on the length of time you held the stock prior to such sale and other factors.

Tax Withholding

We have the right to require that you or any other person receiving or exercising your rights under any grant under the Plan pay to us the amount of any federal, state or local taxes we are required to withhold with respect to your grants. In addition, we may deduct from other wages payable to you the amount of any withholding taxes with respect to such grants. The Committee may determine that our tax withholding obligation will be satisfied by having shares of our stock withheld at the time a grant becomes taxable, or the Committee may permit you to elect to have such share withholding applied to particular grants. In either case, the value of the stock withheld to cover tax withholding requirements may not exceed your minimum applicable withholding tax rate for federal (including FICA), state and local tax liabilities.

Transfer of Stock Options

The Committee may permit you to transfer nonqualified stock options to your family members or one or more trusts or entities for the benefit of your family members, consistent with applicable securities laws, according to such terms as the Committee may determine. The tax consequences of stock option transfers are complex and should be carefully evaluated by you and your tax advisor.

Generally, you will not recognize income at the time you make a gift of a nonqualified stock option to family members. When the transferee later exercises the option, you (and not the transferee) must recognize ordinary income on the difference between the fair market value of the stock and the exercise price.

For federal gift tax purposes, if you transfer a stock option before the stock option has become exercisable, the transfer will not be considered by the Internal Revenue Service to be a completed gift until the stock option becomes exercisable. The value of the gift will be determined when the stock option becomes exercisable. Gifts of stock options may qualify for the gift tax annual exclusion. If you die after transferring a stock option in a completed gift transaction, the transferred stock option may be excluded from your estate for estate tax purposes if the applicable estate tax requirements have been met.

Section 409A

Section 409A of the Code sets forth requirements related to nonqualified deferred compensation and may apply to any grants under the Plan that are deemed to be deferred compensation or otherwise result in deferred compensation.

Stock options and stock appreciation rights granted under the Plan will generally not be subject to section 409A of the Code as long as the exercise price or base amount of the stock options or stock appreciation rights is not less than the fair market value of the underlying shares on the date of grant. Stock awards that do not provide for the deferral of income beyond the vesting date will generally not be subject to section 409A of the Code.

Stock units, dividend equivalents and other stock-based awards will generally be subject to the requirements of section 409A of the Code if the recognition of income by the recipient of such grants occurs in any calendar year after the year in which such grants become vested or payable. This generally could occur if payouts are deferred beyond the calendar year in which the grants become vested or payable.

If the requirements of section 409A of the Code are not met with respect to deferred compensation subject to section 409A of the Code, the recipient will be required to include deferred

compensation in taxable income as of the date on which the amounts are no longer subject to a substantial risk of forfeiture. In addition to current income inclusion, the recipient will be required to pay a 20% tax and additional interest on the amount required to be included in income. While we intend that grants will comply with section 409A of the Code, we make no representation as to compliance with section 409A of the Code and you should consult your own personal tax advisor for further guidance with respect to section 409A of the Code.

IRS Circular 230 Notice Requirement. This communication is not given in the form of a covered opinion, within the meaning of Circular 230 issued by the United States Secretary of the Treasury. Thus, we are required to inform you that you cannot rely upon any tax advice contained in this communication for the purpose of avoiding United States federal tax penalties. In addition, any tax advice contained in this communication may not be used to promote, market or recommend a transaction to another party.

What Information Is Available About Aqua America, Inc. And The Plan?

We file annual, quarterly and current reports, proxy statements and other information with the SEC. You may read and copy any document we file at the SEC's public reference room at 100 F. Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. You may also obtain our SEC filings from the SEC's web site at <http://www.sec.gov> or from our web site at <http://ir.aquaamerica.com>. However, the information on our web site is not a part of this prospectus.

We have filed with the SEC a registration statement on Form S-8 with respect to the shares offered by this prospectus. This prospectus is part of that registration statement, but does not contain all of the information included in the registration statement. We have omitted certain parts of the registration statement in accordance with rules and regulations of the SEC. Whenever a reference is made in this prospectus to the Plan, the reference may not be complete, and you should refer to the registration statement and the information and documents that are considered a part of the registration statement for a copy of the Plan and for additional information about us and the shares offered by this prospectus.

The SEC allows us to "incorporate by reference" in this prospectus the information in the documents that we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information in documents that we subsequently file with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus. We incorporate by reference the documents listed below and any future filings we will make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act until we file a post-effective amendment to the registration statement indicating that all shares offered by this prospectus have been sold or deregistering all shares remaining unsold; provided, however, that we are not incorporating, in each case, any documents or information deemed to have been furnished and not filed in accordance with SEC rules:

- Our Annual Report on Form 10-K for the fiscal year ending December 31, 2013 (filed on March 3, 2014);
- Our Quarterly Report on Form 10-Q filed on May 8, 2014 for the quarterly period ending March 31, 2014;

- Our Current Reports on Form 8-K filed on February 28, 2014 (as amended on March 3, 2014), May 8, 2014 and May 12, 2014; and
- The description of our common stock set forth in our Registration Statement on Form 8-A, including any amendments or reports filed for the purpose of updating such description.

These documents contain important information about the Plan, us and the shares offered by this prospectus that is not included in or delivered with this prospectus. Our Commission File Number for filings we make with the SEC under the Exchange Act is 001-06659.

We intend to send to you regular reports concerning your participation in the Plan, as applicable, and you may request a report of the status of your participation under the Plan at any time. In addition to regularly supplied reports, we will provide to you, without charge, upon your oral or written request, another copy of this prospectus and a copy of any or all of the documents which are incorporated by reference (except that exhibits to such documents will not be provided without charge unless such exhibits are specifically incorporated by reference into such documents), and of any other document required to be delivered to participants in the Plan by rules adopted by the SEC. All requests for such information should be directed to the Corporate Secretary at the following address or telephone number:

Aqua America, Inc.
762 W. Lancaster Avenue
Bryn Mawr, PA 19010
Telephone: (610) 527-6000
Attention: _____

This prospectus is intended to provide a summary of the Plan, and in the event of any conflict between the terms of the Plan and this prospectus, the terms of the Plan shall govern.

You should rely only on the information provided by or incorporated by reference in this prospectus or any supplement to this prospectus. We have authorized no one to provide you with different information. We are not making an offer of these securities in any state where the offer is not permitted.



2024 Short Term Incentive Plan

Metric: Peoples and Delta KY

Dear Participants:

I am pleased to introduce to you our updated Short-Term Incentive Plan ("Plan"). The purpose of the Plan is to reward and align all our efforts to operate efficiently while sustaining our mission of reliability and safely delivering gas, water and wastewater treatment services to our customers in the many communities we service.

The Plan is designed to focus our collective efforts on business metrics that are core to our mission and reward our performance when achieving these metrics. The five areas that will be measured in the Plan are Safety, Customer Satisfaction, Environmental Stewardship and Individual Goals – all measured with our customers in mind.

The Company succeeds when everyone works together as a team to achieve our short and long-term business goals. Thank you for all your continuing efforts and hard work on behalf of our Company, and for your focus on making Essential Utilities, Inc. successful.

Chris Franklin
President and Chief Executive Officer

Essential provides a short-term incentive plan (STI) to reward and align efforts to operate efficiently, while sustaining our mission of reliably and safely delivering gas, water and wastewater treatment services to our customers. This incentive is a bonus payment and is measured and paid by March 15 following the end of the Plan year.

The short-term incentive plan is designed to focus the company's collective efforts on metrics that are core to our mission and reward our performance in achieving these metrics. The five metrics in this plan are financial, safety, customer satisfaction, environmental stewardship and diversity - all measured with our customers in mind. These metrics may change, and levels or targets will be updated at least every year. If achievement of the goals falls below a defined threshold outlined in the company's annual proxy statement, participants will not receive a bonus payment.

Although one-time events can impact the company's business, any modifications or adjustments to the short-term incentive plan must be approved by the Essential Utilities Board of Directors' Executive Compensation Committee. The tables below detail the Short-Term Incentive Plan goals:

Peoples and Delta KY

Metric	Metric Component	Proposed Weight	Threshold		Maximum
			90%	Target 100%	110%
Safety (25%)	Lost Time/Restricted Time Rate	10.00%	2.18	1.45	0.73
	Responsible Vehicle Accident Rate	5.00%	3.19	2.74	2.28
	Gas Damage Prevention	10.00%	4.64	4.48	4.32
Customer Satisfaction (10%)	Essential Service Level	10.00%	83.30%	84.30%	85.30%
Environmental Stewardship (5%)	Reduction - Leaks Outstanding	2.50%	10	5	0
	LTIP Mileage Replacement	2.50%	97.50%	100.00%	102.50%
Individual Goals (60%)		60.00%			

Plan Design

The Plan design assigns a weight and a payout range for each metric. They are as follows:

Metric	Weight	Payout Range
Individual Goals	60%	0% - 110%
Safety	15%	0% - 110%
Customer Satisfaction	10%	0% - 110%
Environmental Stewardship	15%	0% - 110%

Metric target goals were established utilizing recent historical statistics, industry standards, and desired performance.

Plan Definitions

Individual Goals (60%)

Individual Performance Factor: Annually, participants will have a minimum of two Individual Short Term Incentive Goals that align with the broader Company goals. The goals will be mutually determined by the participant and their management team. Communication relative to performance against these goals will be discussed throughout the year. At the end of the performance period, the participant will be given a score between 0 and 15 to indicate how they performed relative to achieving the goals.

Safety Metrics (15%)

Lost Time Incidents/Restricted Time Incidents (LTI/RTI) - An OSHA recordable incident in which an employee is not able to return to work on the day or shift following the incident.

Responsible Vehicle Accidents (RVA) - Number of Responsible Vehicle Accidents (RVA) or the number of Moving Vehicle Accidents during which the driver failed to do everything reasonable to avoid the accident per million miles driven. The determination of the preventability is based on criteria similar to that found in the National Safety Council's Guide to Determine Motor Vehicle Accident Preventability Report.

Gas Safety – Based on Inspections completed within Department of Transportation (DOT) compliance dates. Includes the following items weighted at 25% each: Regulating Station inspections, Leak Surveys, Critical Valve Inspections and Corrosion Test Station reads.

Customer Satisfaction Metric (10%)

Service Level - Service level (as a performance measure) is denoted simply as the percentage of calls that were answered by the call center in the predetermined time threshold as well as those calls that were serviced through interactive voice response (IVR) automation.

Environmental Stewardship Metrics (15%)

Gas Environmental Stewardship: Reduction – Leaks Outstanding – The number of leaks outstanding at year end 2023 as reported in the Department of Transportation (DOT) reports. Reduction is measured as a three-year average 2020 – 2023 (estimated).

Gas Environmental Stewardship: LTIP Mileage Replacement – LTIP mileage replacement is planned mileage as included in the LTIP for Mains. It measures the percent complete of the Approved LTIP.

Plan Payment, Eligibility & General Information

Incentive Pay

Incentive pay under this Short-Term Incentive Plan (“Plan”) is the portion of an employee’s total compensation that is based on achievement of financial, safety, customer satisfaction, environmental stewardship and individual goals. If all or a portion of the established goals are achieved, eligible employees of Essential Utilities, Inc. (the “Company”) may receive a full or partial bonus payment under the Plan. If the goals are not achieved, participants will not receive a bonus payment.

Plan Eligibility

Full Payout Eligibility

To be a participant in the Plan eligible for a full incentive payout, an employee must:

- Be a full or part time employee of the Company in a position eligible for participation in the program.
- Be continuously employed by the Company for the entire Plan year and at the time of the incentive payout.

Prorated Payout Eligibility

If an employee is otherwise eligible for a full incentive payout but is not employed by the Company for the entire Plan year, the employee will be eligible for a prorated payout based on the percentage of time worked in each eligible position during the Plan year in the following situations:

- An employee hired on or before September 30 of the Plan Year.
 - An employee hired into an eligible position on and after October 1, will be eligible to participate in the following Plan year.
- An employee who has transferred to or between eligible positions during the Plan year.

Retirement

Retirement means an employee’s termination of employment on or after the date the employee first satisfies the conditions for early retirement or normal retirement benefits under the company policy.

If an eligible employee officially retires, they will receive a prorated payment on the scheduled payment date.

- If retirement is within the first ten months of the Plan year, the employee will receive 100% on the Individual Performance Factor portion of their metric.
- If retirement is in November or December of the Plan year, the employee’s manager assigns the Individual Performance Factor percent to their metric.

Payment will be made at the same time as payment is made to active employees, but no later than March 15 of the following year.

Death

If an eligible employee dies prior to the incentive payout date, the Company will pay the deceased employee’s estate the portion of the incentive bonus the deceased employee would otherwise have been entitled to receive assuming a 100% combined Company and Individual Factor, but prorated for the number of

days of employment the employee completed in the Plan year before his/her death. Payment will be made at the same time as payment is made to active employees, but no later than March 15 of the following year.

Ineligibility

Employees will not be eligible for incentive payouts under the Plan, if they:

- Voluntarily terminate employment prior to the incentive payout date.
- Are terminated by the Company with or without cause at any time prior to the incentive payout date.

Target Incentive Payout

Eligible employees will be assigned a “Target Bonus Percentage” depending on duties and responsibilities. The Board of Directors will approve the Target Bonus Percentage for the CEO and the Senior Officers recommended by the Compensation Committee each year. The Executive Compensation Committee must review and approve final bonus payouts for the Company before payments are made.

The Target Bonus Percentage is a percentage of an employee’s annual base rate of pay in effect on the close of the Plan year (December 31st).

Plan Year

The Plan year begins on January 1st and ends on December 31st.

Incentive Payouts

If the performance goals are achieved during the Plan year, eligible participants will receive incentive payouts as described above in March of the following year, and no later than March 15. If a participant is eligible to participate in a deferral Plan of the Company and the employee makes a deferral election with respect to an incentive payout, the incentive payout will be paid in accordance with the terms of the deferral Plan.

Achievement of the performance goals will be reviewed by the Internal Audit Department of the Company before any payment under the Plan is made.

Plan Administration

The Plan will be administered by the Administrator in its sole discretion. The Administrator is (1) for employees who are designated by the Company as “Section 16 officers,” the Executive Compensation Committee of the Board of Directors (the “Compensation Committee”) and (2) for all other eligible employees, the Senior Vice President, Chief Human Resources Officer of the Company, in consultation with the President & CEO of the Company.

The Administrator has full power and discretionary authority to interpret and administer the Plan, to make all decisions under the Plan, and to take all actions as the Administrator deems necessary or advisable to carry out the Plan. Any action required of the Administrator under the Plan shall be made in the Administrator’s sole discretion and not in a fiduciary capacity. All decisions of the Administrator shall be final and binding on the Company, the participants, and any other persons claiming an interest under the Plan. All incentive payouts will be awarded conditional upon the participant’s acknowledgement, by continuing in employment with the Company, that all decisions of the Administrator shall be final and binding on the participant and any other person claiming an interest in the Plan. The Administrator may delegate such administrative duties as it deems advisable.

Tax Matters

All payments under the Plan will be made subject to applicable federal, state, and local tax withholding requirements. The Plan is intended to comply with the short-term deferral rule set forth in the regulations under Section 409A of the Internal Revenue Code ("Section 409A"). If and to the extent that any payment under the Plan is deemed to be deferred compensation subject to the requirements of Section 409A, the Plan shall be administered so that such payments are made in accordance with the requirements of Section 409A, including the six-month delay for specified employees, if applicable. An employee may not designate the calendar year of payment except in accordance with Section 409A. If any payout is subject to Section 409A, (i) the timing of the employee's execution of a release shall not, directly or indirectly, result in the employee designating the calendar year of payment, and if a payment that is subject to execution of a release could be made in more than one taxable year, based on timing of the execution of the release, payment shall be made in the later taxable year, and (ii) any payout upon termination of employment (other than death) shall be made at the same time as incentive payouts are made to other participants under the Plan, and not at the date of termination of employment.

Incentive Award Recoupment Policy

In the event of a significant restatement of our financial results caused by fraud or willful misconduct, the Company reserves the right to review the incentive compensation received by the eligible employee(s) with respect to the period to which the restatement relates, recalculate the Company's results for the period to which the restatement relates and seek reimbursement of the portion of the incentive compensation that was based on the misstated financial results from the eligible employee whose fraud or willful misconduct was the cause of the restatement.

Further, any Incentive Award Recoupment Policy that may be adopted from time to time by the Company's Board of Directors will apply to the incentive compensation awarded under this Plan to any of the employees covered by such Policy.

Goal Establishment and Achievement

The Compensation Committee will establish all performance goals under the Plan which relate to Company performance. Each year, the Plan will be reviewed in accordance with the Compensation Committee's Charter.

Applicable Law

The Plan will be construed and governed in accordance with the laws of the Commonwealth of Pennsylvania.

Amendment and Termination

The Executive Compensation Committee may amend or terminate the Plan at any time.

Additional Information

Payments under this Plan may not be transferred, assigned, pledged or encumbered by a participant. The Plan is an unfunded incentive compensation arrangement. Each participant's right to receive a payment under the Plan shall be no greater than the right of an unsecured general creditor of the Company. Nothing in the Plan, and no action taken under the Plan shall confer upon a participant the right to continue in the employ of the Company, or affect the right of the Company's right to terminate a participant's employment at any time for any reason. Unless otherwise specifically provided in an employee benefit plan of the Company, payments under the Plan shall not constitute compensation for purposes of any employee benefit plan.

Final STI Calculations

Calculations for STI are finalized once the Company goals have been completed and all metric calculations are reviewed and approved by management and the Executive Compensation Committee. Proration and other multipliers used in the final STI calculation may be based on an individual's entry into the respective STI Plans and other factors.

Any questions regarding the STI plan may be directed to your Human Resources representative as well as your manager.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-036

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

36. Refer to the excel spreadsheet identified as PSC-FR-Tab 44 December 2023. Provide all documents in the Company's possession which explain the variances between 2023 budget versus actual results.

Response:

See attached.

	Current YTD (12.2023)	Current YTD Budget (12.2023)	Variance	% Variance	Explanation
Financial Income Statement Presentation Format	\$	\$			
NET REVENUES	-41,774,000.94	-40,716,540.00	-1,057,460.94	2.6%	Due primarily to understatement of gas costs of \$772,844 during 2023. This was corrected with an out of period adjustment in 2024.
OPERATING EXPENSES:					
Other Operations & Maintenance	17,841,169.50	16,118,594.80	1,722,574.70	10.7%	\$1.1M Corporate Insurance expenses (Property, Casualty, Liability, etc.) were not included in the 2023 budget. Approximately \$312k Essential Sundries account and \$159k for meter/ert purchases was also not in budget for 2023.
Depreciation and Amortization	10,529,699.76	9,125,178.98	1,404,520.78	15.4%	Primarily due to higher plant balances because of plant replacements & additions.
Other Taxes	3,535,948.09	3,892,592.00	-356,643.91	-9.2%	Due primarily to Property Taxes being \$257k lower than budget. Payroll taxes were approximately \$111k less than budgeted and Sales & Use Tax was approximately \$14k over budget.
Total Operating Expenses	31,906,817.35	29,136,365.78	2,770,451.57	9.5%	Resulting from net impact of above differences.
INCOME FROM OPERATIONS	-9,867,183.59	-11,580,174.22	1,712,990.63	-14.8%	Resulting from net impact of above differences.
OTHER (INCOME) EXPENSE, NET	-346,428.26	190,048.00	-536,476.26	-282.3%	
INTEREST EXPENSES:					
Total Interest Expenses	2,575,409.36	2,395,251.58	180,157.78	7.5%	Increase in interest rates
INCOME BEFORE INCOME TAXES	-7,638,202.49	-8,994,874.64	1,356,672.15	-15.1%	Resulting from net impact of above differences.
PROVISION FOR INCOME TAXES	1,186,394.45	1,513,710.02	-327,315.57	-21.6%	Resulting from net impact of above differences.
NET INCOME	-6,451,808.04	-7,481,164.62	1,029,356.58	-13.8%	Resulting from net impact of above differences.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-037

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

37. Refer to the excel spreadsheet identified as PSC-FR-Tab 44 September 2024. Provide all documents in the Company's possession which explain the variances between September 2024 year-to-date budget versus actual results.

Response:

See attached.

	Current YTD (09/2024)	Current YTD Budget (09/2024)	Variance	% Variance	Explanation
Financial Income Statement Presentation Format	\$	\$			
NET REVENUES	-29,006,908.75	-31,562,759.00	2,555,850.25	-8.1%	\$2m due to less than budgeted volume of transported gas and \$772.8k due to 2023 Gas Costs adjustment booked in 2024, offset by PRP revenue being \$23k greater than budgeted.
OPERATING EXPENSES:					
Other Operations & Maintenance	13,453,469.06	13,062,476.01	390,993.05	3.0%	
Depreciation and Amortization	8,298,115.93	8,326,394.99	-28,279.06	-0.3%	
Other Taxes	2,953,735.87	2,881,753.75	71,982.12	2.5%	
Total Operating Expenses	24,705,320.86	24,270,624.75	434,696.11	1.8%	
INCOME FROM OPERATIONS	-4,301,587.89	-7,292,134.25	2,990,546.36	-41.0%	Resulting from net impact of above differences.
OTHER (INCOME) EXPENSE, NET	-15,662.81	38,808.00	-54,470.81	-140.4%	
INTEREST EXPENSES:					
Total Interest Expenses	1,578,712.39	2,183,476.02	-604,763.63	-27.7%	Interest on Pushdown debt lower than budgeted.
INCOME BEFORE INCOME TAXES	-2,738,538.31	-5,069,850.23	2,331,311.92	-46.0%	Resulting from net impact of above differences.
PROVISION FOR INCOME TAXES	116,363.38	728,267.62	-611,904.24	-84.0%	Resulting from net impact of above differences.
NET INCOME	-2,622,174.93	-4,341,582.61	1,719,407.68	-39.6%	Resulting from net impact of above differences.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-038

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

38. Provide monthly updates to PSC-FR-Tab 44 as completed financial results become available.

Response:

See attached.

	CM CY (10/2024)	CM CY Budget (10/2024)	CM PY (10/2023)	Current YTD (10/2024)	Current YTD Budget (10/2024)	CY Budget	Previous YTD (10/2023)	12 Month YTD (11/2023 - 10/2024)	Previous 12 Month (11/2022 - 10/2023)
OPERATING REVENUES	-\$ 3,556,363.25	-\$ 3,829,004.00	-\$ 3,767,500.00	-\$ 42,403,456.00	-\$ 48,725,040.00	-\$ 58,645,704.00	-\$ 46,490,872.00	-\$ 55,615,408.00	-\$ 63,992,908.00
OPERATING EXPENSES:	0	0	0	0	0	0	0	0	0
Purchased Gas	\$ 897,841.06	\$ 869,660.00	\$ 494,609.19	\$ 10,738,025.00	\$ 14,202,937.00	\$ 16,938,944.00	\$ 13,890,770.00	\$ 14,776,078.00	\$ 21,728,998.00
Acquisition Related Expenses									
Other Operations & Maintenance	\$ 1,433,715.75	\$ 1,271,591.63	\$ 1,371,085.00	\$ 14,887,185.00	\$ 14,334,068.00	\$ 17,511,190.00	\$ 14,416,989.00	\$ 18,311,364.00	\$ 17,523,266.00
Depreciation and Amortization	\$ 942,554.25	\$ 928,233.63	\$ 1,178,246.50	\$ 9,240,670.00	\$ 9,254,629.00	\$ 11,112,880.00	\$ 8,734,681.00	\$ 11,035,689.00	\$ 10,270,880.00
Other Taxes	\$ 305,072.59	\$ 312,089.75	\$ 302,775.63	\$ 3,258,808.50	\$ 3,193,843.50	\$ 3,827,434.00	\$ 2,702,490.00	\$ 4,092,266.75	\$ 3,438,149.25
Total Operating Expenses	\$ 3,579,183.75	\$ 3,381,575.00	\$ 3,346,716.25	\$ 38,124,688.00	\$ 40,985,476.00	\$ 49,390,448.00	\$ 39,744,932.00	\$ 48,215,400.00	\$ 52,961,292.00
INCOME FROM OPERATIONS	\$ 22,820.37	-\$ 447,428.97	-\$ 420,783.53	-\$ 4,278,767.50	-\$ 7,739,563.00	-\$ 9,255,257.00	-\$ 6,745,942.50	-\$ 7,400,008.50	-\$ 11,031,615.00
OTHER (INCOME) EXPENSE, NET	\$ 5,123.72	\$ 4,312.00	-\$ 18,012.85	-\$ 10,539.09	\$ 43,120.00	\$ 51,744.00	-\$ 183,832.52	-\$ 173,134.83	-\$ 68,811.67
INTEREST EXPENSES:	0	0	0	0	0	0	0	0	0
Interest Expense	\$ 15,516.87	\$ 1,137.00	\$ 15,970.33	\$ 155,472.92	\$ 11,370.00	\$ 13,644.00	\$ 160,712.34	\$ 188,352.59	\$ 193,854.91
Interest Expense - Affiliated	\$ 161,854.61	\$ 256,963.56	\$ 166,882.47	\$ 1,256,703.00	\$ 2,430,206.50	\$ 2,944,373.50	\$ 1,598,241.88	\$ 1,581,734.38	\$ 1,962,430.50
Total Interest Expenses	\$ 215,577.11	\$ 258,100.56	\$ 221,064.80	\$ 1,794,289.50	\$ 2,441,576.50	\$ 2,958,017.50	\$ 2,141,074.25	\$ 2,228,624.50	\$ 2,614,829.50
INCOME BEFORE INCOME TAXES	\$ 243,521.20	-\$ 185,016.39	-\$ 217,731.59	-\$ 2,495,017.00	-\$ 5,254,866.50	-\$ 6,245,495.00	-\$ 4,788,700.50	-\$ 5,344,519.00	-\$ 8,485,597.00
PROVISION FOR INCOME TAXES	\$ 0.00	-\$ 13,467.29	\$ 0.00	\$ 116,363.38	\$ 714,800.31	\$ 842,704.38	\$ 573,673.69	\$ 729,084.13	\$ 1,529,208.75
NET INCOME	\$ 243,521.20	-\$ 198,483.69	-\$ 217,731.59	-\$ 2,378,653.75	-\$ 4,540,066.50	-\$ 5,402,791.00	-\$ 4,215,027.00	-\$ 4,615,435.00	-\$ 6,956,388.50

	CM CY (11/2024)	CM CY Budget (11/2024)	CM PY (11/2023)	Current YTD (11/2024)	Current YTD Budget (11/2024)	CY Budget	Previous YTD (11/2023)	12 Month YTD (12/2023 - 11/2024)	Previous 12 Month (12/2022 - 11/2023)
OPERATING REVENUES	-\$ 5,515,033.50	-\$ 3,484,736.00	-\$ 5,536,692.50	-\$ 47,918,488.00	-\$ 52,209,776.00	-\$ 58,645,704.00	-\$ 52,027,564.00	-\$ 55,593,748.00	-\$ 62,693,696.00
OPERATING EXPENSES:	0	0	0	0	0	0	0	0	0
Purchased Gas	\$ 1,425,705.25	\$ 638,549.00	\$ 1,591,863.63	\$ 12,163,730.00	\$ 14,841,486.00	\$ 16,938,944.00	\$ 15,482,634.00	\$ 14,609,920.00	\$ 20,810,308.00
Acquisition Related Expenses									
Other Operations & Maintenance	\$ 1,248,110.88	\$ 1,466,560.75	\$ 1,775,746.38	\$ 16,135,296.00	\$ 15,800,628.00	\$ 17,511,190.00	\$ 16,192,736.00	\$ 17,783,730.00	\$ 17,727,440.00
Depreciation and Amortization	\$ 944,148.50	\$ 928,829.44	\$ 896,849.06	\$ 10,184,819.00	\$ 10,183,458.00	\$ 11,112,880.00	\$ 9,631,530.00	\$ 11,082,989.00	\$ 10,398,352.00
Other Taxes	\$ 199,595.23	\$ 315,370.75	\$ 302,405.19	\$ 3,458,403.75	\$ 3,509,214.25	\$ 3,827,434.00	\$ 3,004,895.00	\$ 3,989,456.75	\$ 3,409,127.75
Total Operating Expenses	\$ 3,817,559.75	\$ 3,349,309.75	\$ 4,566,864.00	\$ 41,942,248.00	\$ 44,334,788.00	\$ 49,390,448.00	\$ 44,311,796.00	\$ 47,466,096.00	\$ 52,345,228.00
INCOME FROM OPERATIONS	-\$ 1,697,473.50	-\$ 135,426.13	-\$ 969,828.38	-\$ 5,976,241.00	-\$ 7,874,989.50	-\$ 9,255,257.00	-\$ 7,715,771.00	-\$ 8,127,654.00	-\$ 10,348,470.00
OTHER (INCOME) EXPENSE, NET	\$ 2,978.43	\$ 4,312.00	-\$ 19,226.51	-\$ 7,560.66	\$ 47,432.00	\$ 51,744.00	-\$ 203,059.03	-\$ 150,929.89	-\$ 25,252.06
INTEREST EXPENSES:	0	0	0	0	0	0	0	0	0
Interest Expense	\$ 15,795.79	\$ 1,137.00	\$ 16,859.45	\$ 171,268.70	\$ 12,507.00	\$ 13,644.00	\$ 177,571.80	\$ 187,288.94	\$ 194,144.02
Interest Expense - Affiliated	\$ 163,496.73	\$ 256,963.56	\$ 162,543.81	\$ 1,420,199.75	\$ 2,687,170.25	\$ 2,944,373.50	\$ 1,760,785.75	\$ 1,582,687.25	\$ 1,954,641.25
Total Interest Expenses	\$ 217,503.91	\$ 258,100.56	\$ 217,615.27	\$ 2,011,793.38	\$ 2,699,677.25	\$ 2,958,017.50	\$ 2,358,689.50	\$ 2,228,513.25	\$ 2,607,329.25
INCOME BEFORE INCOME TAXES	-\$ 1,476,991.13	\$ 126,986.44	-\$ 771,439.63	-\$ 3,972,008.25	-\$ 5,127,880.00	-\$ 6,245,495.00	-\$ 5,560,140.00	-\$ 6,050,070.50	-\$ 7,766,393.00
PROVISION FOR INCOME TAXES	\$ 50,505.08	-\$ 91,312.01	\$ 0.00	\$ 166,868.45	\$ 623,488.31	\$ 842,704.38	\$ 573,673.69	\$ 779,589.25	\$ 1,529,208.75
NET INCOME	-\$ 1,426,486.13	\$ 35,674.43	-\$ 771,439.63	-\$ 3,805,139.75	-\$ 4,504,392.00	-\$ 5,402,791.00	-\$ 4,986,466.50	-\$ 5,270,481.50	-\$ 6,237,184.00

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-039

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

39. Provide the annual capital expenditures placed in service by FERC account for the annual period 2021 – 2023.

Response:

See attached.

Delta Natural Gas Company, Inc

Gas Plant In Service 12/31/2021

Account	Description	Beginning	Addition	Retirement	Adjustment*	Ending
301	Organization	\$ 53,151				\$ 53,151
303	Misc Ingangible Plant	\$ 4,946,007	\$ 531,821		\$ 291,950	\$ 5,769,778
Total	Total Intangible plant	\$ 4,999,158	\$ 531,821	\$ -	\$ 291,950	\$ 5,822,929
325.4	Rights of Way	\$ 97,055				\$ 97,055
327	Field Compressor Station Structures	\$ 47,946				\$ 47,946
332	Field Lines	\$ 2,290,299				\$ 2,290,299
333	Field Compressor Station Equipment	\$ 862,610				\$ 862,610
334	Field M&R Station Equipment	\$ 355,534	\$ 2,492			\$ 358,026
339	Production and Gathering ARO	\$ 10,790				\$ 10,790
Total	Total Production and Gathering Plant	\$ 3,664,234	\$ 2,492	\$ -	\$ -	\$ 3,666,726
350.1	Land	\$ 74,295				\$ 74,295
350.2	Rights-Of-Way	\$ 186,821				\$ 186,821
351	Structures and Improvements	\$ 723,568				\$ 723,568
352	Wells	\$ 8,249,077				\$ 8,249,077
352.1	Storage Leaseholds and Rights	\$ 860,396				\$ 860,396
352.2	Reservoirs	\$ 1,759,385				\$ 1,759,385
352.3	Non-recoverable Natural Gas	\$ 294,307				\$ 294,307
353	Lines	\$ 6,086,342				\$ 6,086,342
354	Compressor Station Equipment	\$ 4,526,580	\$ 20,903	\$ (6,315)		\$ 4,541,168
355	M&R Equipment	\$ 1,167,368				\$ 1,167,368
356	Purification Equipment	\$ 6,426,298				\$ 6,426,298
357	Other Equipment	\$ 109,795				\$ 109,795
358	Storage ARO	\$ 13,116				\$ 13,116
Total	Total Underground Storage Plant	\$ 30,477,348	\$ 20,903	\$ (6,315)	\$ -	\$ 30,491,936
365.1	Land and Land Rights	\$ 425,056				\$ 425,056
365.2	Rights-Of-Way	\$ 1,250,617				\$ 1,250,617
366	Structures and Improvements	\$ 355,404				\$ 355,404
367	Mains	\$ 46,804,548	\$ 532,392	\$ (5,078)		\$ 47,331,862
368	Compressor Station Equipment	\$ 8,795,497				\$ 8,795,497
369	M&R Station Equipment	\$ 4,599,023	\$ (163,889)	\$ (8,608)		\$ 4,426,526
371	Other Equipment	\$ 391,134				\$ 391,134
372	Transmission ARO	\$ 37,068				\$ 37,068
Total	Total Transmission Plant	\$ 62,658,347	\$ 368,503	\$ (13,686)	\$ -	\$ 63,013,164
374	Land and Land Rights	\$ 358,954				\$ 358,954
375	Structures and Improvements	\$ 113,377				\$ 113,377

376	Mains	\$ 97,654,498	\$ 1,313,343	\$ (87,439)		\$ 98,880,402
378	M&R Station Equipment-General	\$ 2,194,334	\$ 13,413	\$ (2,598)		\$ 2,205,149
379	M&R Station Equipment-City Gate	\$ 933,554				\$ 933,554
380	Services	\$ 22,520,223	\$ 1,903,269	\$ (82,610)		\$ 24,340,882
381	Meters	\$ 9,349,820	\$ 474,882	\$ (171,860)	\$ 750,337	\$ 10,403,179
382	Meter Installations	\$ 4,103,023	\$ 212,319	\$ (10,217)	\$ 1,382,151	\$ 5,687,276
383	House Regulators	\$ 4,456,306	\$ 268,805	\$ (30,022)		\$ 4,695,089
385	Industrial M&R Station Equipment	\$ 1,781,633	\$ 7,464	\$ (2,983)		\$ 1,786,114
387	Other Equipment	\$ -			\$ 27,914	\$ 27,914
Total	Total Distribution Plant	\$ 143,465,722	\$ 4,193,495	\$ (387,729)	\$ 2,160,402	\$ 149,431,890
389	Land and Land Rights	\$ 998,571				\$ 998,571
390	Structures and Improvements	\$ 5,971,808	\$ 452,507	\$ (94,129)	\$ 58,881	\$ 6,389,067
391	Office Furniture and Equipment	\$ 1,108,264	\$ 386,643		\$ 18,135	\$ 1,513,042
392	Transportation Equipment	\$ 5,503,796	\$ 523,719	\$ (133,916)	\$ 525,453	\$ 6,419,052
393	Stores Equipment	\$ 36,011				\$ 36,011
394	Tools, Shop and Garage Equipment	\$ 1,052,207	\$ 170,395	\$ (3,858)		\$ 1,218,744
395	Laboratory Equipment	\$ 195,671	\$ 7,293			\$ 202,964
396	Power Operated Equipment	\$ 4,339,651	\$ 2,598,500	\$ (801,763)		\$ 6,136,388
397	Communication Equipment	\$ 237,626				\$ 237,626
398	Miscellaneous Equipment	\$ 50,132	\$ 27,813	\$ (6,160)		\$ 71,785
Total	Total General Plant	\$ 19,493,737	\$ 4,166,870	\$ (1,039,826)	\$ 602,469	\$ 23,223,250
399	Other Tangible Property	\$ 265,540				\$ 265,540
Total		\$ 19,759,277	\$ 4,166,870	\$ (1,039,826)	\$ 602,469	\$ 23,488,790
		\$ 265,024,086	\$ 9,284,084	\$ (1,447,556)	\$ 3,054,821	\$ 275,915,435

*Note: All adjustments recorded in 2021 are from the merging of Peoples Gas KY LLC into Delta Natural Gas Company, Inc, effective March 31, 2021

Delta Natural Gas Company, Inc

Gas Plant In Service 12/31/2022

Account	Description	Beginning	Addition	Retirement	Adjustment	Ending
301	Organization	\$ 53,151				\$ 53,151
303	Misc Ingangible Plant	\$ 5,769,778		\$ (793,475)		\$ 4,976,303
Total	Total Intangible plant	\$ 5,822,929	\$ -	\$ (793,475)	\$ -	\$ 5,029,454
325.4	Rights of Way	\$ 97,055				\$ 97,055
327	Field Compressor Station Structures	\$ 47,946	\$ 52,992			\$ 100,938
332	Field Lines	\$ 2,290,299	\$ 15,827			\$ 2,306,126
333	Field Compressor Station Equipment	\$ 862,610				\$ 862,610
334	Field M&R Station Equipment	\$ 358,026				\$ 358,026
339	Production and Gathering ARO	\$ 10,790				\$ 10,790
Total	Total Production and Gathering Plant	\$ 3,666,726	\$ 68,819	\$ -	\$ -	\$ 3,735,545
350.1	Land	\$ 74,295				\$ 74,295
350.2	Rights-Of-Way	\$ 186,821				\$ 186,821
351	Structures and Improvements	\$ 723,568				\$ 723,568
352	Wells	\$ 8,249,077				\$ 8,249,077
352.1	Storage Leaseholds and Rights	\$ 860,396				\$ 860,396
352.2	Reservoirs	\$ 1,759,385				\$ 1,759,385
352.3	Non-recoverable Natural Gas	\$ 294,307				\$ 294,307
353	Lines	\$ 6,086,342	\$ 374,682			\$ 6,461,024
354	Compressor Station Equipment	\$ 4,541,168	\$ 234,846			\$ 4,776,014
355	M&R Equipment	\$ 1,167,368				\$ 1,167,368
356	Purification Equipment	\$ 6,426,298	\$ 113,613			\$ 6,539,911
357	Other Equipment	\$ 109,795				\$ 109,795
358	Storage ARO	\$ 13,116				\$ 13,116
Total	Total Underground Storage Plant	\$ 30,491,936	\$ 723,141	\$ -	\$ -	\$ 31,215,077
365.1	Land and Land Rights	\$ 425,056				\$ 425,056
365.2	Rights-Of-Way	\$ 1,250,617				\$ 1,250,617
366	Structures and Improvements	\$ 355,404				\$ 355,404
367	Mains	\$ 47,331,862	\$ 2,414,457			\$ 49,746,319
368	Compressor Station Equipment	\$ 8,795,497	\$ 23,637			\$ 8,819,134
369	M&R Station Equipment	\$ 4,426,526	\$ 11,597			\$ 4,438,123
371	Other Equipment	\$ 391,134				\$ 391,134
372	Transmission ARO	\$ 37,068				\$ 37,068
Total	Total Transmission Plant	\$ 63,013,164	\$ 2,449,691	\$ -	\$ -	\$ 65,462,855
374	Land and Land Rights	\$ 358,954				\$ 358,954

375	Structures and Improvements	\$	113,377				\$	113,377	
376	Mains	\$	98,880,402	\$	11,658,567			\$ 110,538,969	
378	M&R Station Equipment-General	\$	2,205,149	\$	510,577			\$ 2,715,726	
379	M&R Station Equipment-City Gate	\$	933,554					\$ 933,554	
380	Services	\$	24,340,882	\$	1,735,245			\$ 26,076,127	
381	Meters	\$	10,403,179	\$	899,752	\$	(1,881)	\$ 11,301,050	
382	Meter Installations	\$	5,687,276			\$	(4,953)	\$ 5,682,323	
383	House Regulators	\$	4,695,089					\$ 4,695,089	
385	Industrial M&R Station Equipment	\$	1,786,114					\$ 1,786,114	
387	Other Equipment	\$	27,914					\$ 27,914	
Total	Total Disribution Plant	\$	149,431,890	\$	14,804,141	\$	(6,834)	\$ -	\$ 164,229,197
389	Land and Land Rights	\$	998,571					\$ 998,571	
390	Structures and Improvements	\$	6,389,067	\$	217,281			\$ 6,606,348	
391	Office Furniture and Equipment	\$	1,513,042	\$	326,015	\$	(322,178)	\$ 1,516,879	
392	Transportation Equipment	\$	6,419,052	\$	1,046,287	\$	(352,927)	\$ 7,112,412	
393	Stores Equipment	\$	36,011					\$ 36,011	
394	Tools, Shop and Garage Equipment	\$	1,218,744	\$	10,483	\$	(34,169)	\$ 1,195,058	
395	Laboratory Equipment	\$	202,964			\$	(24,270)	\$ 178,694	
396	Power Operated Equipment	\$	6,136,388	\$	731,159	\$	(490,440)	\$ 6,377,107	
397	Communication Equipment	\$	237,626			\$	(33,004)	\$ 204,622	
398	Miscellaneous Equipment	\$	71,785					\$ 71,785	
Total	Total General Plant	\$	23,223,250	\$	2,331,225	\$	(1,252,960)	\$ -	\$ 24,301,515
399	Other Tangible Property	\$	265,540					\$ 265,540	
Total		\$	23,488,790	\$	2,331,225	\$	(1,252,960)	\$ -	\$ 24,567,055
		\$	275,915,435	\$	20,377,017	\$	(2,053,269)	\$ -	\$ 294,239,183

Delta Natural Gas Company, Inc

Gas Plant In Service 12/31/2023

Account	Description	Beginning	Addition	Retirement	Adjustment	Ending
301	Organization	\$ 53,151				\$ 53,151
303	Misc Ingangible Plant	\$ 4,976,303	\$ 2,145,713	\$ (56,009)		\$ 7,066,007
Total	Total Intangible plant	\$ 5,029,454	\$ 2,145,713	\$ (56,009)	\$ -	\$ 7,119,158
325.4	Rights of Way	\$ 97,055				\$ 97,055
327	Field Compressor Station Structures	\$ 100,938	\$ 38,796			\$ 139,734
332	Field Lines	\$ 2,306,126	\$ 192,617			\$ 2,498,743
333	Field Compressor Station Equipment	\$ 862,610	\$ 52,747			\$ 915,357
334	Field M&R Station Equipment	\$ 358,026	\$ 11,181			\$ 369,207
339	Production and Gathering ARO	\$ 10,790				\$ 10,790
Total	Total Production and Gathering Plant	\$ 3,735,545	\$ 295,341	\$ -	\$ -	\$ 4,030,886
350.1	Land	\$ 74,295				\$ 74,295
350.2	Rights-Of-Way	\$ 186,821				\$ 186,821
351	Structures and Improvements	\$ 723,568				\$ 723,568
352	Wells	\$ 8,249,077	\$ 11,239			\$ 8,260,316
352.1	Storage Leaseholds and Rights	\$ 860,396				\$ 860,396
352.2	Reservoirs	\$ 1,759,385				\$ 1,759,385
352.3	Non-recoverable Natural Gas	\$ 294,307				\$ 294,307
353	Lines	\$ 6,461,024				\$ 6,461,024
354	Compressor Station Equipment	\$ 4,776,014	\$ 153,615			\$ 4,929,629
355	M&R Equipment	\$ 1,167,368				\$ 1,167,368
356	Purification Equipment	\$ 6,539,911	\$ 16,269			\$ 6,556,180
357	Other Equipment	\$ 109,795				\$ 109,795
358	Storage ARO	\$ 13,116				\$ 13,116
Total	Total Underground Storage Plant	\$ 31,215,077	\$ 181,123	\$ -	\$ -	\$ 31,396,200
365.1	Land and Land Rights	\$ 425,056				\$ 425,056
365.2	Rights-Of-Way	\$ 1,250,617				\$ 1,250,617
366	Structures and Improvements	\$ 355,404				\$ 355,404
367	Mains	\$ 49,746,319	\$ 2,051,888			\$ 51,798,207
368	Compressor Station Equipment	\$ 8,819,134	\$ 84,114			\$ 8,903,248
369	M&R Station Equipment	\$ 4,438,123	\$ 177,541			\$ 4,615,664
371	Other Equipment	\$ 391,134				\$ 391,134
372	Transmission ARO	\$ 37,068				\$ 37,068
Total	Total Transmission Plant	\$ 65,462,855	\$ 2,313,543	\$ -	\$ -	\$ 67,776,398
374	Land and Land Rights	\$ 358,954				\$ 358,954

375	Structures and Improvements	\$	113,377				\$	113,377			
376	Mains	\$	110,538,969	\$	4,670,086		\$	115,209,055			
378	M&R Station Equipment-General	\$	2,715,726	\$	262,341	\$	(205)	\$	2,977,862		
379	M&R Station Equipment-City Gate	\$	933,554					\$	933,554		
380	Services	\$	26,076,127	\$	1,584,464	\$	(120,228)	\$	27,540,363		
381	Meters	\$	11,301,050	\$	1,090,125	\$	(140,903)	\$	12,250,272		
382	Meter Installations	\$	5,682,323					\$	5,682,323		
383	House Regulators	\$	4,695,089					\$	4,695,089		
385	Industrial M&R Station Equipment	\$	1,786,114					\$	1,786,114		
387	Other Equipment	\$	27,914					\$	27,914		
Total	Total Disribution Plant	\$	164,229,197	\$	7,607,016	\$	(261,336)	\$	-	\$	171,574,877
389	Land and Land Rights	\$	998,571					\$	998,571		
390	Structures and Improvements	\$	6,606,348	\$	993,463			\$	7,599,811		
391	Office Furniture and Equipment	\$	1,516,879	\$	6,551,000	\$	(130,893)	\$	7,936,986		
392	Transportation Equipment	\$	7,112,412	\$	1,088,715	\$	(527,550)	\$	7,673,577		
393	Stores Equipment	\$	36,011					\$	36,011		
394	Tools, Shop and Garage Equipment	\$	1,195,058	\$	55,702	\$	(8,849)	\$	1,237,883		
395	Laboratory Equipment	\$	178,694			\$	(3,192)	\$	175,502		
396	Power Operated Equipment	\$	6,377,107			\$	(21,053)	\$	6,356,054		
397	Communication Equipment	\$	204,622			\$	(7,607)	\$	197,015		
398	Miscellaneous Equipment	\$	71,785					\$	71,785		
Total	Total General Plant	\$	24,297,487	\$	8,688,880	\$	(703,172)	\$	-	\$	32,287,223
399	Other Tangible Property	\$	265,540					\$	265,540		
Total		\$	24,563,027	\$	8,688,880	\$	(703,172)	\$	-	\$	32,548,735
		\$	294,239,183	\$	21,231,614	\$	(1,020,517)	\$	-	\$	314,450,280

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-040

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

40. Provide the budgeted proforma forecasted test period capital expenditures included in Rate Base by FERC Account.

Response:

See attached.

Delta Natural Gas Co.
Case No. 2024-00346
Attorney General Initial Data Requests - #40

Mark #	Capital Budget Description	Jun 25 Budget	Jul 25 Budget	Aug 25 Budget	Sep 25 Budget	Oct 25 Budget	Nov 25 Budget	Dec 25 Budget	Jan 26 Budget	Feb 26 Budget	Mar 26 Budget	Apr 26 Budget	May 26 Budget	Jun 26 Budget	Total 7/1/25 - 6/30/26 Budget	13 Mths Ave Jun 25-Jul 26
3950	Laboratory Equipment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000	\$ 10,000	
3030	Misc Intangible Plant (Software)	71,677	71,677	71,677	71,677	71,677	71,677	71,677	113,456	113,456	113,456	113,456	113,456	113,456	1,110,795	
3900	General Structures and Improvements	350,000	30,000	20,000	20,000	10,000	10,000	8,079	4,000	4,000	8,000	25,000	50,000	360,000	549,079	
3910	Office Furniture and Equipment	6,000	7,000	5,500	6,500	7,000	7,000	8,500	7,000	7,000	8,000	7,500	8,000	4,500	83,500	
3920	Transportation Equipment	57,478	159,986	159,986	290,000	48,000	75,148	142,312	49,440	170,000	59,202	75,148	49,440	164,785	1,443,447	
3320	Gathering Lines	4,000	4,000	4,000	4,000	4,000	4,000	2,000	-	4,000	4,000	4,000	4,000	4,000	42,000	
3330	Gathering Compressor Station Equipment	24,000	-	-	-	-	-	-	-	-	-	-	-	16,000	24,000	40,000
3340	Gathering Measuring and Regulating Station Equipment	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
3520	Storage Wells	-	-	-	-	-	-	-	-	-	-	20,000	-	-	-	20,000
3530	Storage Lines	7,000	-	-	-	-	-	-	-	-	-	-	-	3,000	7,000	10,000
3540	Storage Compressor Station Equipment	15,000	15,000	-	-	-	-	-	-	-	-	-	-	20,000	15,000	50,000
3550	Storage Measuring and Regulating Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	10,000
3560	Purification Equipment	10,000	5,000	-	-	-	-	-	-	-	-	-	-	10,000	10,000	25,000
3670	Transmission Mains	1,590,200	1,465,200	1,465,200	1,465,200	1,105,560	976,800	-	-	-	-	-	-	180,000	120,000	6,777,960
3680	Transmission Compressor Station Equipment	30,000	-	-	-	-	-	-	-	-	-	-	-	20,000	30,000	50,000
3710	Transmission Other Equipment (Telemetering)	-	-	-	-	-	-	-	-	-	-	-	-	5,000	5,000	10,000
3740	Distribution Land and Right of Way	500	500	500	500	500	500	500	500	500	500	500	500	500	500	6,000
3750	Distribution Structures and Improvements	450	400	400	450	400	400	450	400	400	450	400	400	450	5,000	
3760	Distribution Mains	1,113,165	1,165,350	1,165,350	961,304	838,034	52,185	-	-	609,439	877,207	1,228,274	1,228,274	1,228,274	9,353,690	
3780	Distribution General Regulator Stations	21,000	21,000	20,800	20,800	20,800	20,800	20,800	21,000	21,000	21,000	21,000	21,000	21,000	251,000	
3790	Distribution City Gate Regulator Stations	-	25,000	-	-	35,000	10,000	-	-	-	-	-	-	-	-	70,000
3800	Distribution Services	238,172	247,720	247,720	239,763	239,763	14,322	-	68,295	73,213	237,122	237,122	245,317	271,542	2,121,899	
3810	Distribution Meters	20,000	50,000	50,000	19,200	10,400	10,400	-	20,000	20,000	20,000	20,000	20,000	20,000	260,000	
3820	Distribution Meter and Regulator Installations	4,200	4,200	4,200	4,200	4,200	4,000	4,000	4,200	4,200	4,200	4,200	4,200	4,200	50,000	
3830	Distribution Regulators	13,000	13,000	13,000	13,000	13,000	13,000	13,000	12,000	13,000	13,000	13,000	13,000	13,000	155,000	
3850	Distribution Industrial Meter Set	4,200	4,200	4,200	4,200	4,200	4,200	4,000	4,000	4,200	4,200	4,200	4,200	4,200	50,000	
3940	Tools	417	417	417	417	417	417	417	417	417	417	417	417	417	5,000	
3960	Power Operated Equipment	150,000	-	-	-	-	-	-	-	-	-	-	-	150,000	150,000	
		3,740,459	3,289,650	3,232,950	3,121,211	2,412,950	1,274,848	275,734	304,708	1,044,824	1,370,753	1,774,216	2,016,203	2,601,324	22,719,371	
	Plant 6/30/25	362,984,084	366,273,733	369,342,201	372,301,764	374,558,654	375,712,855	375,924,847	376,215,768	377,245,356	378,563,868	380,269,546	382,197,038	384,697,552	4,876,287,264	375,099,020
	Retirements - 5% of adds	5%	(164,482)	(161,647)	(156,061)	(120,648)	(63,742)	(13,787)	(15,235)	(52,241)	(68,538)	(88,711)	(100,810)	(130,066)	(1,135,968)	(87,382)
		362,984,084	366,109,251	369,180,553	372,145,703	374,438,006	375,649,112	375,911,060	376,200,532	377,193,115	378,495,330	380,180,835	382,096,228	384,567,486	4,875,151,296	375,011,638
	A/D 6/30/25	(155,157,988)	(155,157,988)	(155,975,352)	(156,794,774)	(157,619,612)	(158,509,372)	(159,455,836)	(160,452,096)	(161,456,837)	(162,424,454)	(163,375,661)	(164,310,254)	(165,232,609)	(2,075,922,833)	(159,686,372)
	Monthly Dep.		(981,846)	(981,069)	(980,899)	(1,010,408)	(1,010,206)	(1,010,047)	(1,019,976)	(1,019,859)	(1,019,744)	(1,023,304)	(1,023,165)	(1,023,065)	(12,103,588)	(931,045)
	Retirements		164,482	161,647	156,061	120,648	63,742	13,787	15,235	52,241	68,538	88,711	100,810	130,066	1,135,969	87,382
	Monthly A/D 7/25 - 6/26	(155,157,988)	(155,975,352)	(156,794,774)	(157,619,612)	(158,509,372)	(159,455,836)	(160,452,096)	(161,456,837)	(162,424,454)	(163,375,661)	(164,310,254)	(165,232,609)	(166,125,607)	(2,086,890,453)	(160,530,035)
	Materials & Supplies (13 mo avg)	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	1,284,044	16,692,568	1,284,044
	Prepayments (13 mo avg)	340,448	340,448	340,448	340,448	340,448	340,448	340,448	340,448	340,448	340,448	340,448	340,448	340,448	4,425,824	340,448
	Less: AP in Prepaid and CWIP	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(461,716)	(6,002,310)	(461,716)
	Gas in Storage (13 mo avg)	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	2,266,771	29,468,028	2,266,771
	Unamortized Debt Exp per books	1,844,127	1,841,303	1,838,479	1,835,655	1,832,831	1,830,007	1,827,182	1,824,358	1,821,534	1,818,710	1,815,886	1,813,062	1,810,238	23,753,372	1,827,182
	Cash Working Capital Allowance	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	1,399,833	18,197,832	1,399,833
	Customer Adv for Construction	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(1,152,733)	(14,985,527)	(1,152,733)
	Accum Deferred Income Taxes	(39,482,413)	(39,475,700)	(39,475,805)	(39,481,959)	(39,493,482)	(39,509,768)	(39,268,315)	(39,296,811)	(39,325,306)	(39,353,802)	(39,382,297)	(39,410,792)	(39,439,288)	(512,395,737)	(39,415,057)
	Rate Base	173,864,457	176,176,149	178,425,101	180,556,434	181,944,630	182,190,162	181,694,478	180,947,890	180,941,536	181,261,226	181,980,818	182,942,537	184,489,476	2,347,414,894	180,570,376

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-041

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

41. Provide the annual amount of federal income tax payments made by Essential Utilities pertaining to the accounting periods 2018 – 2023.

Response:

Essential Utilities, Inc. and Subsidiaries did not make any federal tax payments for the accounting periods 2018-2023. The 2019-2023 tax return years showed a taxable loss and the 2018 tax return year's liability was paid by an overpayment carryover from the 2017 tax return year.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-042

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

42. Identify the annual amount of current tax expense recorded on the books of Essential Utilities pertaining to the accounting periods 2018 – 2023.

Response:

The annual amount of current tax expense / (benefit) recorded on the books of Essential Utilities pertaining to the accounting periods 2018 – 2023 are as follows:

2018 - \$0 Fed; \$1,281,000 State

2019 – (\$4,415,000) Fed; \$1,834,000 State

2020 – (\$1,831,000) Fed; (\$265,000) State

2021 – (\$5,132,000) Fed; \$4,034,000 State

2022 - \$0 Fed; \$8,716,000 State

2023 - \$1,913,000 Fed; \$11,487,000 State

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-043

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

43. Refer to page 500 of 1265 within Tab 46 of Delta's application, specifically footnote 7 to the 2023 Form 10k of Essential Utilities and respond to the following:

a. Confirm that for purposes of reporting Federal Income Tax Expense in its 10k Essential Utilities uses the flow-through methodology for the recognition of the Repair Deduction. If this is not confirmed, explain this response in light of the \$117,370,000 decrease in Federal Tax Expense identified within the table on this page.

b. Confirm that for purposes of establishing rates in Pennsylvania, Delta's affiliates flow-through the benefits of the Repair Deduction rather than normalized such benefits. If this is not confirmed, please explain this response in light of statements made on page 501 of 1265 within Tab 46.

c. Confirm that Delta is proposing to use the normalization method for recognition of the Repair Deduction in computing Income Tax Expense included in this proceeding. If this is not confirmed, please identify the schedule in which Delta is proposing to flow-through the benefits of the Repair Deduction.

d. Provide the rationale for applying the flow-through method of computing income tax expense in Essential's larger Pennsylvania jurisdiction, while proposing to use the normalization method in this proceeding.

Response:

a. Certain affiliates of Delta, namely Peoples Natural Gas, Peoples Gas Division, Aqua Pennsylvania, and Aqua New Jersey, Inc., use the flow-through method of accounting for the income tax benefit of the Repair Deduction, resulting in the \$117,370,000 decrease in tax expense in 2023, however Delta does not. Additionally, certain affiliates use the "Normalized" method of accounting and rate making, namely Aqua North Carolina and Aqua Ohio.

b. Yes, see the response to a.

c. Yes, Delta is proposing to use the normalization method of accounting for the income tax

benefit of the Repair Deduction.

d. The Repair Deduction was elected prior to Essential Utilities, Inc.'s acquisition of Delta in 2020. The normalization method of accounting for the Repair Deduction and other property related deductions was also implemented by the prior owner of Delta. The recent work to modify the Company's procedures and accounting for the Repair Deduction to adhere with recently issued IRS guidance was not an option. It was required for all companies, such as Delta, that at some point had made the election to receive audit protection. Delta's customers have benefited this entire time from this election and will continue to do so as long as the Company follows the IRS Guidance.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-044

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

44. Please confirm that IRS regulations allow the flow-through methodology to be applied for the Cost of Removal and the Repair Deductions in computing Income Tax Expense for ratemaking purposes. If this is not confirmed, provide the source for the conclusion that either (or both) of the deductions identified above are required to be normalized for ratemaking purposes.

Response:

Yes, cost of removal and the repairs are both deductions under IRC Section 162 and not subject to the IRS normalization rules, thereby allowing the option to use the flow through method of accounting as a permissible method.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-045

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

45. Is Delta seeking rate base recognition of any Net Operating Losses in its forecasted Proforma test period? If so, provide the following:

a. the underlying calculations supporting the December 2023 balance of the Net Operating Loss Asset; and

b. a list of all assumptions used to project the Net Operating Loss balance in the forecasted proforma test period.

Response:

45. Yes.

a. The Net Operating Loss deferred tax asset at December 2023 included in rate base in the amount of \$75,677 is a result of Peoples Gas of KY (now a part of Delta) unused taxable losses since the acquisition of the Companies in 2020. See attached.

b. The Net Operating loss balance for the forecasted test year was based upon future test period revenues and expenses included in the filing. See attached for the calculation of the future test period Net Operating Loss deferred tax asset balance at 6-30-26.

Taxable Loss

2020	\$	(850,895)
2021	\$	(825,841)
2022	\$	(298,738)
2023	\$	(168,662)
	\$	<u>(2,144,136)</u>
Losses Utilitized by Affiliates	\$	<u>1,783,769</u>
Unutilized NOL	\$	<u>(360,367)</u>
Tax Rate		<u>21%</u>
Deferred Tax Asset	\$	<u>75,677</u>

		Fed NOL DTA		State NOL DTA	
Balance 12-31-23	\$	<u>75,677</u>	\$	<u>(82,176)</u>	
OL, Schedule 7.2, Line 5 & 10	\$	4,942,242	\$	5,756,607	1,113,547
Tax Rate		<u>0.21</u>		<u>0.0395</u>	145,210
	\$	<u>1,037,871</u>	\$	<u>227,386</u>	
Balance 6-30-26	\$	<u><u>1,113,547</u></u>	\$	<u><u>145,210</u></u>	

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-046 A

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

46. Please refer to pages 8-10 of Mr. Azeez Odusanya's testimony regarding the proposal to establish a regulatory asset for tax consulting costs and respond to the following:

a. Provide a copy of the contract entered into between PNG and Ernst and Young and Regulated Capital.

Response:

See attached.



Statement of Work - Natural Gas Safe Harbor

This Statement of Work, which is effective as of May 9, 2023 (this “SOW”), is made by Ernst & Young LLP (“EY”) and Essential Utilities, Inc. (“Client”), pursuant to the Agreement, dated July 17, 2020 (the “Agreement”), between EY and Essential Utilities, Inc.

This SOW incorporates the Agreement by reference to form a contract. Capitalized terms used, but not otherwise defined, in this SOW shall have the meanings in the Agreement.

Scope of Services

EY will provide the following Services (the “Services”) to Client.

We will provide the following tax advisory Services to you for the following legal entities:

- People Natural Gas Company, LLC (“PNGC”)
- People Gas Company, LLC (“PGC”)
- Delta Natural Gas, Inc. (“Delta”)

Specifically, the following tax services will be provided for the entities listed above:

- Review regulatory program documentation and hold discussions with Company personnel to get an understanding of the data points available to apply the Natural Gas Safe Harbor (“NGSH”) guidance issued under Revenue Procedure 2023-15;
- Develop a statistical sample to compute the IRC Section 481(a) and current year adjustment (hereinafter referred to as “sampling items”). EY estimates the sample size to be between 200-250;
- Analyze the supporting detail of the sampling items to determine whether each item qualifies as a deductible repair under the NGSH. EY will work with the Client to understand the nature of the work performed and if the material capacity test and aggregation principles apply;
- Perform extrapolation of the sample results to the population;
- Prepare a Statistical Sampling Memorandum to support the validity of the sample under Revenue Procedure 2011-42.



- Calculate tax depreciation expense for assets subject to the NGSH that are placed-into-service in the following tax years:
 - PNGC: December 31, 2012, December 31, 2013, December 31, 2015 through December 31, 2023
 - PGC: December 31, 2013, December 31, 2015 through December 31, 2023
 - Delta: To be determined based on review of data
- Compute the applicable IRC Section 481(a) adjustments;
- Compute estimated book-tax difference amounts for the tax year ended December 31, 2023;
- Compute the final book-tax difference amounts for the tax year ended December 31, 2023;
- Prepare two Forms 3115, Application for Change in Accounting Method to effectuate the change related to the above analysis;
- Prepare a Process Memorandum to document the steps undertaken to determine qualified deductible repairs under the NGSH;
- Prepare a Technical Memorandum that supports the technical positions taken as it relates to the items analyzed.

Key Assumptions:

- The scope of our services relates only to the federal income tax implications of the capitalization regulations. Our analysis will not address the impact that the capitalization regulations have on state income taxes, or any other taxes.

Your Obligations

We draw your attention to the reservations set out in paragraph 5 of the General Terms and Conditions of the Agreement, as well as your management responsibilities under paragraph 6, and your representation, as of the date hereof, under paragraph 26 thereof. You have obtained the prior approval of your Audit Committee for these Services, as applicable.

You will not, and you will not permit others to, quote or refer to any Reports, any portion, summary or abstract thereof, or to EY or any other EY Firm, in any document filed or distributed in connection with (i) a purchase or sale of securities to which the United States or state securities laws (“Securities Laws”)



are applicable, or (ii) periodic reporting obligations under Securities Laws. You will not contend that any provisions of Securities Laws could invalidate any provision of this SOW.

Other Provisions

Client shall assign a qualified person to oversee the Services. Client is responsible for all management decisions relating to the Services and for determining whether the Services are appropriate for its purposes.

If the Services are subject to the audit committee pre-approval requirements of the SEC and/or the PCAOB, this SOW will not be effective until the later of (1) the execution of this SOW or (2) the approval of Client's Audit Committee (or a duly authorized representative of Client's Audit Committee).

Notwithstanding anything to the contrary in the Agreement or this SOW, EY does not assume any responsibility for any third-party products, programs or services selected by Client, their performance or compliance with Client's specifications or otherwise.

EY and other EY Firms may retain and use Client Information for benchmarking, analytics, research and development, thought leadership and related purposes, and to enhance their services, provided that any use does not externally identify, or make reference to, Client. In all such matters, EY and other EY Firms will comply with applicable law and professional obligations.

EY may subcontract a portion of the Services to one or more EY Firms and to subcontractors working under EY's direction who may communicate directly with Client. EY, however, will remain solely responsible to Client for the performance of the Services. If EY has prepared or reviewed (or will prepare or review) Client's U.S. income tax returns, Client authorizes the EY Firms, including those located outside the United States, and EY's subcontractors to disclose information received or generated in connection with the preparation of any such U.S. income tax returns of Client to and among each other for the purpose of rendering the Services and discussing and providing other services to Client. Client has the ability to request a more limited disclosure of tax return information than that described above. If, at any time, Client would like EY to narrow the scope of the information to be disclosed, please contact EY in writing and EY will limit any disclosures that have not yet occurred. Client acknowledges that this consent will be valid for three years from the date this SOW is signed by Client below.

Contacts



Client has identified Christine Saball as Client's contact with whom EY should communicate about these Services. Client's contact at EY for these Services will be Julia Thompson.

Fees

The General Terms and Conditions of the Agreement address our fees and expenses generally.

Client shall pay EY a fee between \$350,000 and \$400,000 for the Services.

Client shall also pay any potential value-added taxes (VAT), sales taxes, and other indirect taxes incurred in connection with the delivery of the Services, including any such taxes and related administrative costs that result from billing arrangements specifically requested by Client. In addition, a charge will be added to EY's fees reflecting an estimated technology cost incurred equal to 3% of the professional fees for this engagement.

EY will bill Client for EY's fees, expenses, and applicable taxes or other charges, if any, on a monthly basis. Payment is due 30 days after receipt of our invoice.

- \$80,000 upon execution of this SOW
- \$80,000 – June 1, 2023
- \$80,000 – July 1, 2023
- \$80,000 – August 1, 2023
- Balance upon the completion of the Services.

Any fee, or estimate thereof, for the Services under this SOW assumes that Client will, in a timely manner, provide, or cause to be provided, to EY all appropriate information and assistance, and that the scope and complexity of such Services will be consistent with our prior discussions, as well as the description thereof above. During the term of this SOW, if EY determines that any additional work is necessary, whether at Client's request, because the complexity of the project increases, or Client is not able to perform its obligations as mentioned above, EY will promptly contact Client to discuss any adjustments to the scope of work or EY's fees.



IN WITNESS WHEREOF, EY and Client each caused this SOW to be signed and delivered by its duly authorized representative(s).

Ernst + Young LLP

AGREED:

Essential Utilities, Inc.

By: **Christine Saball** Digitally signed by: Christine Saball
DN: CN = Christine Saball
Date: 2023.05.30 10:52:26 -04'00'

Christine Saball, Vice President, Tax

Date: May 30, 2023

By: *Kim Edvardsson*

Kim Edvardsson , Vice President, Finance

Date: May 23, 2023

Essential PNG, PGC, Delta – 481a Assistance



Essential PNG PGC & Delta - 481a Assistance

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Essential PNG PGC & Delta - 481a Assistance

STATEMENT OF WORK

This document serves as a Statement of Work to the Master Services Agreement, dated as of August 3rd, 2021 ("Agreement" or "MSA"), by and between Regulated Capital Consultants, L.L.C. (herein "RCC" or "Consultant") and Aqua Services, Inc. (herein "Client"), which is hereby incorporated by reference.

Overview

This statement of work is for RCC to assist client with loading 481a Adjustment amounts into the Tax systems ensuring that both the Tax depreciation and Deferred Tax impacts are properly treated for the following Essential companies: PNG, PGC and Delta.

Scope Overview

The scope for this effort includes the following high-level tasks to be performed for all three companies:

481a Load – PowerTax Impacts

- Creation of Master Tax Record Adjustment ("MTRA") Workbook
- Creation of Load Scripts
- Testing and Reconciliations of all Results
- Migration to Production

481a Load - Deferred Tax Impacts

- Estimation of All ADIT Impacts
- Creation of Deferred Tax Load Scripts
- Testing and Reconciliations of all Results
- Migration to Production

Scope Details

The detailed scope for this effort, including the estimated RCC and Client Effort is as follows:



Essential PNG PGC & Delta - 481a Assistance

Phase	Work-Stream	RCC Effort (Days)	Client Effort (Days)	RCC Effort (Costs)
1. 481a Load - PowerTax Impacts	1. Creation of Master Tax Record Adjustment ("MTRA") Workbook, Create Load Scripts, Testing and Reconciliations of all Results - Migration to Production	30	10	93,600
	*481a (cumulative through TY 2023) MTRA for Essential PNG, PGC and Delta, Prior Disallowed Tax Loss Computation			-
	*481a Tax Basis validation and analysis to be provided to KPMG			-
	*Tie Back to Client Provided Extrapolation workpapers - Summary by Tax Book			-
	*Provide MTRA files to Essential Tax for review and sign off before load			-
	*Creation of Load Scripts for all inputs, Testing inside Development			-
	*Run scripts in Dev, iterate to perfect and perform all records tie down - review with client			-
	*Run perfected scripts in QA, perform all records tie down - review with client			-
	*Data Migration to Production - work with client Tax and IT groups			-
1. 481a Load - PowerTax Impacts Sub-Total:		30	10	93,600
2. 481a Load - Deferred Tax Impacts	2. Estimation of All ADIT Impacts, Creation of Def Tax Load Scripts, Testing and Reconciliations of all Results - Migration to Production	20	8	62,400
	*Create appropriate Normalization Schemas for FAS71 and FAS109 Deferred Impacts			-
	*Revised detailed estimate of ADIT (including Protected to Unprotected EDIT reclass)			-
	*Calculate and compare actual results back to the Estimated ADIT impacts (initial and revised)			-
	*Generate ADIT-only records to account for reclassification of normalized method-life timing difference to flow-through timing difference			-
	*Review all PowerTax ADIT impacts in Development with client			-
	*Validate changes compared to current Provision balances			-
	*Create and Run scripts in Dev, iterate to perfect and perform all records tie down - Run in QA - review with client			-
	*Data Migration to Production - work with client Tax and IT groups			-
2. 481a Load - Deferred Tax Impacts Sub-Total:		20	8	62,400
3. Project Management and Oversight	3. Project Management and Oversight	5	2	15,600
	*Project scope management, weekly status reporting and meetings including cost tracking, goals, risks, constraints, RCC resource schedule and Essential resource expectations. Overall project oversight.			-
3. Project Management and Oversight Sub-Total:		5	2	15,600
Project Total Estimate		55	20	171,600

Project Timeline

This project is anticipated to start in April 2024, with a completion date of December 2024.

Project Assumptions

Client will make available to RCC all files, requested reports, and other materials reasonably required by RCC to perform the services on a timely basis.

Client will assign the necessary resources, SME and key stakeholders to complete the project.

Client SMEs will actively participate in the design sessions and provide, to the best of their ability, all the information required to successfully complete this project.

Client resources have the appropriate knowledge to perform anticipated tasks and will assign resources to complete quality deliverables in a timely manner.

Client IT will provide the necessary network and database access to RCC resources (as appropriate).



Essential PNG PGC & Delta - 481a Assistance

Client IT will provide the necessary access to applications that are required during this project.

Work Effort

Effort Summary

The below chart represents the estimated RCC days associated with the work streams and schedule described above:

Workstream	Effort (Days)
1) 481a load – PowerTax Impacts	30
2) 481a load – Provision Impacts	20
3) Project Management and Oversight	5
Total:	55

Consulting Fees

RCC's standard consulting fee is \$390 per hour. RCC's fees are based upon the time required to complete the engagement. RCC estimates that the work effort surrounding the tasks in this proposal is **55 workdays**. The total estimated costs covered under this proposal are summarized below:

Consulting Fees (USD \$3,120 per day * 55 days) =	USD \$171,600
Travel Expenses (~18% of consulting fees) =	USD \$ 30,888
Total Estimated Consulting and Travel =	USD \$202,488

Reimbursement

Client will reimburse Consultant for all reasonable and necessary costs and expenses associated with performance of the Services, including without limitation travel, airfare, overnight accommodations, rental car, communication (voice & data) and telephone charges.

Invoicing

Consultant will invoice Client for fees and expenses on a weekly basis. Such invoices shall adhere to the terms of the Agreement and shall be sent to the following address:



Essential PNG PGC & Delta - 481a Assistance

Remittances shall be sent to the following address:

Christy A. Williams, Treasurer
Regulated Capital Consultants, L.L.C.
4355 Cobb Parkway
Suite J255
Atlanta, GA 30339

Engagement Manager

Mr. Elhadj Bah will be the project managing director for RCC. Additional RCC resources will be utilized as needed.

Accepted and Agreed**Regulated Capital Consultants, LLC**

By: *Terry Kizzar*
CA1F8A2B0A624AA...
Name: Terry Kizzar
Title: CFO

PNG Companies LLC

By: June 13, 2024
Name: Kim Edvardsson X
Title: VP & Gas Segment CFO
kim edvardsson



Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-046

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

46. Please refer to pages 8-10 of Mr. Azeez Odusanya's testimony regarding the proposal to establish a regulatory asset for tax consulting costs and respond to the following:

b. Provide all internal documentation estimating the potential benefits from a more aggressive approach to identify capital expenditures that qualify for the Repair Deduction.

c. Provide all documentation received from Ernst and Young estimating the potential benefits from a more aggressive approach to identify capital expenditures that qualify for the Repair Deduction.

Response:

b. Customers have benefitted and continue to benefit from Delta taking the Tax Repair deduction. This deduction reduces Delta's cash outlay for taxes which benefits customers when the Company records accumulated deferred income taxes (ADIT) for the amount of taxes deferred. The ADIT is then included as a reduction to rate base. In the forecast period this rate base reduction is over \$13M to customers. See attachment for the portion of Tab 55 p. 13 that reflects the \$13M+ rate base reduction for Tax Repairs.

c. The Ernst and Young consulting costs were not for the purposes of a more aggressive deduction. The costs were required to assist Delta with adoption and compliance with Revenue Procedure 2013-15, issued May 2013, which has very complex requirements including calculation of the actual Tax Repair deduction for 3 historical years under the new method and then calculating the impact to all historical years as if the new method had been in place. This includes calculation of the impact to tax depreciation in the historical years. The benefit to customers of adoption is that Delta receives audit protection for future and historical Tax Repairs deductions taken, so that the \$13M and growing rate base reduction to customers is preserved from being wholly or partially reversed on audit.

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PT-FED BASIS DIFFS 481A-NORM	(1,066,958)
PT-FED BASIS DIFFS-NORM	2,294,134
PT-FED M/L-NORM	(16,058,531)
PT-FED REPAIRS-NORM	(11,643,617)
PT-FED RSG AMORT	
PT-KY BASIS DIFFS 481A-NORM	(200,690)
PT-KY BASIS DIFFS-NORM	431,946
PT-KY M/L-NORM	(2,836,989)
PT-KY REPAIRS-NORM	(2,190,109)
PT-KY RSG AMORT	
	<hr/>
	(31,270,813)

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-046

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

46. Please refer to pages 8-10 of Mr. Azeez Odusanya's testimony regarding the proposal to establish a regulatory asset for tax consulting costs and respond to the following:

d. Provide the underlying calculations that support an allocation of \$162,900 to Delta associated with this joint PNG/Delta study.

Response:

Amounts invoiced by Ernst & Young (EY) were split into 3 among the three entities (PNG, PGC and Delta) involved in the study. See attached for a breakdown of the amounts allocated to Delta. Additional invoices have been received since the Pro forma projection was made.

Vendor	Invoice #	Year	Amount	Entry	Delta's Entry	Notes
E&Y	US01U001305866	2023	\$ 82,400.00	Split 1/3 to Delta	\$ 27,466.67	Included in Forecasted Proforma
E&Y	US01U001295919	2023	\$ 82,400.00	Split 1/3 to Delta	\$ 27,466.67	Included in Forecasted Proforma
E&Y	US01U001280370	2023	\$ 82,400.00	Split 1/3 to Delta	\$ 27,466.67	Included in Forecasted Proforma
E&Y	US01U001280354	2023	\$ 82,400.00	Split 1/3 to Delta	\$ 27,466.67	Included in Forecasted Proforma
E&Y	US01U001665139	2024	\$ 57,118.65	Split 1/3 to Delta	\$ 19,039.55	Included in Forecasted Proforma
E&Y	US01U001537865	2024	\$ 27,810.00	Split 1/3 to Delta	\$ 9,270.00	Not included in Forecasted Proforma
E&Y Total			\$ 414,528.65		\$ 138,176.22	

Vendor	Invoice #	Year	Delta's Entry	Notes
RCC	5162709062024	2024	\$ 27,690.00	Included in Forecasted Proforma
RCC	5162709132024	2024	\$ 6,337.50	Included in Forecasted Proforma
RCC	5162710112024	2024	\$ 585.00	Not included in Forecasted Proforma
RCC	5162709272024	2024	\$ 195.00	Not included in Forecasted Proforma
RCC	5162710042024	2024	\$ 5,850.00	Not included in Forecasted Proforma
RCC	5162710182024	2024	\$ 975.00	Not included in Forecasted Proforma
RCC Total			\$ 41,632.50	

Total Amount included in Forecasted Proforma

\$ 162,933.72

Additional Invoices received after Proforma Projection
check

\$ 16,875.00
\$ -

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-046

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

46. Please refer to pages 8-10 of Mr. Azeez Odusanya's testimony regarding the proposal to establish a regulatory asset for tax consulting costs and respond to the following:

e. Confirm that Revenue Procedure 2023-15 permits the amendment of previously filed tax returns to reflect retroactive changes in the Repair Deduction.

Response:

e. Yes Rev. Proc. 2023-15 allows companies to reflect the effect of retroactive changes, as if all the previous year returns were amended, in the year of adoption if companies adopt within the allowed period of time.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-046

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

46. Please refer to pages 8-10 of Mr. Azeez Odusanya's testimony regarding the proposal to establish a regulatory asset for tax consulting costs and respond to the following:

f. Provide a comprehensive explanation and supporting documentation for any projections of an increased Repair Deduction associated with the study identified by Mr. Azeez Odusanya that were incorporated into the forecasted Proforma test period.

Response:

Delta does not have a projection of an increased Repair Deduction. The study was done to ensure that Delta maintains its ability to continue to benefit from the deduction, as the company has benefited for many years.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-047 A

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

47. Please refer to pages 8-10 of Mr. Azeez Odusanya's testimony regarding the proposal to establish a regulatory asset for tax consulting costs and respond to the following:

a. Identify the anticipated completion date of the Ernst and Young tax study.

Response:

The E&Y study was completed in 2024.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-047 B

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

47. Please refer to pages 8-10 of Mr. Azeez Odusanya's testimony regarding the proposal to establish a regulatory asset for tax consulting costs and respond to the following:

b. Identify the annual Repair Deduction associated with Delta assets taken on any affiliates' tax return for the period 2019 – 2023.

Response:

b. None.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-048

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

48. Identify and provide supporting calculations for the Cost of Removal component of Depreciation Expense included within the forecasted pro-forma test year

Response:

The Cost of Removal is incorporated within the new composite depreciation rate recommendations via the Net Salvage ratios for each plant account evaluated in the depreciation study discussed in Jeff Wernert's testimony. Each of the accounts evaluated within the study has its own specific Cost of Removal which is shown in the appendices of the depreciation study. Please refer to the depreciation study included in Mr. Wernert's testimony for more detail.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-049 A

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

49. Refer to Tab 57 D-2.1 within the file FPFTY O&M Delta_R_PSC DR 1_Num 054 and provide the following:

a. the supporting calculations for all amounts within the "Billing Determinants" column. Provide this response in Excel format with cell references intact; and

Response:

See the attachment to PSC 2-1. Sheet "Tab 57 D-2.1" for cell references to supporting schedules for each number.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-049 B

Witness: Feltner, Larry

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

49. Refer to Tab 57 D-2.1 within the file FPFTY O&M Delta_R_PSC DR 1_Num 054 and provide the following:

b. the supporting calculations for all amounts identified within the Temperature Adjustment for Months without a WNA” column. This response should comprehensively explain why such an adjustment is appropriate for months outside of the WNA mechanism.

Provide this response in excel format with cell references intact.

Response:

b. See attached. The WNA only applies to the months of December, January, February, March, and April. However, September, October, November, May, and June all have temperature sensitive load. Failure to adjust for normal weather in those months would not create annual sales that are reflective of normal weather. Delta used the same methodology to weather normalize sales in its last rate case and every rate case before that.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-050

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

50. Refer to Section 16 (8)(e) of the minimum filing requirements and provide the following information:

a. all underlying documentation and calculations supporting the Excess of Tax Accelerated over Book Depreciation; and

b. Confirm that no deferred taxes are associated with book/tax timing differences associated with the Repair Deduction. If this is not confirmed, identify where the Repair Deduction is reflected as a book/tax timing difference within these schedules.

Response:

a. Excess of Tax Accelerated over Book Depreciation in the amount of \$1,630,123 per line 8 of Section 16(8)(e) of the minimum filing requirements is the sum \$841,476 from 2025 and \$788,646 from 2026 as shown in the attached.

b. There is deferred income tax expense and current income tax expense on the Repairs deduction since Delta is using the normalization method of accounting. The Repairs deduction can be seen on line 9 of Section 16(8)(e) of the minimum filing requirements as shown below. This line was inadvertently named "Cost of Removal" but should be correctly stated as "Repairs." See attached.

Line No.	Description	At Current Rates			At Proposed Rates	
		Base Period TME 2/28/25	Proforma Adjustments	Forecast Period TME 6/30/26	Proforma Adjustments	Forecast Period TME 6/30/26
		(1)	(2)	(3)		
		\$	\$	\$		
1	Other Reconciling Items-Flow Through					
2	Political Action Expense/Penalties	12,746	(12,746)	0	0	0
3	Employee Fringe Benefits	0	0	0	0	0
4	Cash Surrender Value Life Insurance	(64,296)	64,296	0	0	0
5	Meals & Entertainment	11,043	(11,043)	0	0	0
6	Total Other Recon. Items-Flow Thru	(40,506)	40,506	0	0	0
7	Other Reconciling Items-Deferred					
8	Excess of Tax Accelerated over Book Depreciation	44,233	1,585,889	1,630,123	0	1,630,123
9	Cost of Removal (Description should be 'Repairs')	(5,415,424)	(1,791,814)	(7,207,237)	0	(7,207,237)

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-051

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

51. Refer to the response to Staff Request 1-54 and specifically the forecasted amount of revenue estimated to be recovered from the Pipeline Replacement Program (PRP) (\$1,370,892).

- a. Provide all supporting documentation underlying this forecast.
- b. Identify the amount of PRP revenue recorded in 2023.
- c. Identify the amount of PRP revenue recorded in 2024 through November.

Response:

- a. See attached.
- b. \$671,026, as shown on 2023 Billing Determinants Tab in workbook filed with PSC 2-1.
- c. \$826,682.

	Proposed:	Base	PRP
Rate Base-ave 7/25-6/26	\$ 180,570,376	\$ 166,999,429	\$ 13,570,947
Rate of Return	<u>7.91%</u>	<u>7.91%</u>	<u>7.91%</u>
Operating Income	\$ 14,279,307	\$ 13,206,131	\$ 1,073,176
Purchased Gas	\$ 16,227,683	\$ 16,227,683	\$ -
O&M	\$ 20,136,170	\$ 20,160,666	\$ (24,496)
Depreciation & Amort.	\$ 13,171,785	\$ 12,585,666	\$ 586,120
Taxes Other	\$ 3,344,780	\$ 3,199,850	\$ 144,930
Income Taxes	\$ 2,481,058	\$ 2,218,870	\$ 262,188
Revenue Requirement	\$ 69,640,783	\$ 67,598,866	\$ 2,041,917
Revenues at present rates	\$ 57,360,378	\$ 56,689,352	\$ 671,026
\$ Increase	\$ 12,280,405	\$ 10,909,513	\$ 1,370,891

	PRP Tax Calc.	Base Tax Calc.	Total	Sch A
Revenue Requirement	\$ 2,041,917	\$ 67,598,866	\$ 69,640,783	\$ 69,640,783
Interest	\$ (288,981)	\$ (3,556,106)	\$ (3,845,087)	\$ (3,845,087)
Purchased Gas	\$ -	\$ (16,227,683)	\$ (16,227,683)	\$ (16,227,683)
O&M	\$ 24,496	\$ (20,160,666)	\$ (20,136,170)	\$ (20,136,170)
Depreciation & Amort.	\$ (586,120)	\$ (12,585,666)	\$ (13,171,785)	\$ (13,171,785)
Taxes Other	\$ (144,930)	\$ (3,199,850)	\$ (3,344,780)	\$ (3,344,780)
Taxable for State	\$ 1,046,382	\$ 11,868,895	\$ 12,915,278	\$ 12,915,278
SIT Rate	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>	<u>5.00%</u>
SIT	\$ 52,319	\$ 593,445	\$ 645,764	\$ 645,764
Taxable for Fed	\$ 994,063	\$ 11,275,451	\$ 12,269,514	\$ 12,269,514
FIT Rate	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>	<u>21.00%</u>
FIT	\$ 208,753	\$ 2,367,845	\$ 2,576,598	\$ 2,576,598
Income Taxes	\$ 261,072	\$ 2,961,289	\$ 3,222,362	\$ 3,222,362
EDIT Amort.	\$ -	\$ (752,652)	\$ (752,652)	\$ (752,652)
	\$ 261,072	\$ 2,208,638	\$ 2,469,710	\$ 2,469,710
Sch 7 Break out				
Return, net of tax	\$ 1,073,176	\$ 13,206,131	\$ 14,279,307	
Interest	\$ (288,981)	\$ (3,556,106)	\$ (3,845,087)	
Equity portion of return	\$ 784,194	\$ 9,650,025	\$ 10,434,219	
tax rate 24.95%	\$ 195,656	\$ 2,407,681	\$ 2,603,338	
EDIT Amort.	\$ -	\$ (752,652)	\$ (752,652)	
	\$ 195,656	\$ 1,655,030	\$ 1,850,686	
Tax Expansion Factor	<u>1.332445037</u>	<u>1.332445037</u>	<u>1.332445037</u>	
Total inc tax liab	\$ 260,701	\$ 2,205,236	\$ 2,465,938	\$ 262,188
All-in Tax exp factor	<u>1.340615318</u>	<u>1.340615318</u>	<u>1.340615318</u>	
All-in Total inc tax liab	\$ 262,300	\$ 2,218,758	\$ 2,481,058	
	\$ (112)	\$ 112	\$ 3,773	

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-052

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

52. Refer to the Excel worksheet provided in response to Staff Discovery Request 1-54, Tab 51 and respond to the following:

a. Customer Services costs allocated on the basis of customers has increased dramatically since 2021. Provide a comprehensive explanation of why such costs have increased at this rate for the period 2021 – the forecasted pro-forma test year.

b. Provide the underlying support for the allocation of Customer Services costs to Delta for the periods 2021 – the forecasted pro-forma test year.

Response:

a. Customer Services costs allocated on the basis of customers have increased since 2021 because Delta transitioned call center customer service operations to shared services with PNG in summer 2023. Prior to 2023, these expenses were not included in Customer Services allocated costs.

b. As a result of transitioning Delta's call center customer service operations to a shared services model, Delta's allocated ratio of the call center costs increased in August 2023. Please see attached for the breakdown of the allocated Customer Service costs from 2021 to the Test Year. Conversely, please note that Delta's headcount has decreased from 2021 to current Rate Case as a direct result of the centralization of Customer Service and other related functions.

Service	Service Description	Unit	Allocation Method	Billing WBS Element	2021	2022	2023	Base Period	Test Year
Customer Services	Customer Operations	Meters	Customers	METERS.ALLOC2	1,053	1,072	1,138	813	765
Customer Services	AMR Support	Metering	Customers	METERING.ALLOC2	2,289	2,214	2,158	1,637	1,541
Customer Services	Energy Diversion	Energy Diversion	Customers	ENERGYDIV.ALLOC2	332	344	365	264	249
Customer Services	Call Center - Billing, Credit, Etc.	Credit	Customers	CUSTCREDIT.ALLOC2	3,145	3,041	3,538	2,831	2,665
Customer Services	Call Center - Billing, Credit, Etc.	Call Center	Customers	CALL.ALLOC2	29,148	27,360	180,218	302,650	301,154
Customer Services	Call Center - Billing, Credit, Etc.	Billing Svcs	Customers	BILL.ALLOC2	55,883	7,833	7,194	4,148	3,904
Subtotal					91,850	41,865	194,612	312,343	310,278
Customer Services	Call Center - Billing, Credit, Etc.	Cust Relations	Customers - Residential	CUSTRELAT.ALLOC2	36,321	54,663	40,440	40,107	42,092

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-053 A

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

53. Refer to the excel worksheet provided in response to Staff Discovery Request 1-54, Tab 55 and respond to the following questions:

a. Refer to the \$340,448 in Prepayments include in Rate Base. Identify the prepayments by type of prepayment and document that the related expense associated with these prepayments is excluded from the Expense lead calculation of Cash Working Capital.

Response:

See attached.

Natural Account Number	Account Name	Totals
1191250	Prepaid Insur - Benefits (Health Insur-HSA)	\$ 4,677.89
1191280	Prepaid Insurance - Other	\$ 2,484.41
1191435	Prepaid Leases	\$ 2,200.00
1191440	Prepaid Postage	\$ 21,307.17
1191900	Prepaid Miscellaneous	\$ 48,256.92
1191910	Prepaid Maintenance Agreements	\$ 22,286.21
1199030	Pipeline Exchange Gas Imbalance Receivable	\$ 239,235.38
		\$ 340,447.98

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-053 B

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

53. Refer to the excel worksheet provided in response to Staff Discovery Request 1-54, Tab 55 and respond to the following questions:

b. Confirm that the Unamortized Debt costs have not been incorporated into the cost of debt calculation.

Response:

Confirmed.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-053 C

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

53. Refer to the excel worksheet provided in response to Staff Discovery Request 1-54, Tab 55 and respond to the following questions:

c. Provide any prior Kentucky regulatory precedents the Company is relying upon to include the balance of Unamortized Debt costs in Rate Base.

Response:

Delta is relying on the manner in which it has historically calculated rate base and not regulatory precedents involving other utilities. In Delta's last rate case, Case No. 2021-00185, Delta included Unamortized Debt expense in its rate base. The Commission did not make an adjustment regarding the expense or otherwise question its inclusion in rate base. Delta's inclusion of Unamortized Debt expense in rate base in this proceeding is therefore consistent with Case No. 2021-00185.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-053 D

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

53. Refer to the excel worksheet provided in response to Staff Discovery Request 1-54, Tab 55 and respond to the following questions:

d. Did the Company incur any cash outlay in obtaining the debt included in the proposed capital structure? If so, provide documentation of such payments.

Response:

Refer to page 5 of Tab 55 of Delta's Application for details of the debt issuance costs incurred and claimed.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-054 A

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

54. To the extent the requested Rate Base contains any actual and/or forecasted plant in service allocated to Delta from an affiliate, provide the following information:

a. A description of the nature of the allocated plant in service, including how such asset is necessary to provide service to Delta's customers. Also provide the allocated amount of such asset costs and the account where such costs are reflected in this application

Response:

Actual and forecasted plant in service contains allocated costs from Peoples for IT and other corporate projects. These projects benefit Delta's customers by implementing and enhancing systems that help deliver prompt and informative customer service, accurate bills, and safe and reliable gas service. They enable Delta to satisfy regulatory requirements; reduce cybersecurity risk; enhance IT reliability, resiliency, and data integrity; and improve internal communications and employee productivity, all of which also benefits customers. Examples of these types of projects include enhancements to our SAP system to add new functionality for Customer Service and Finance areas, installation of new computer server hardware and other infrastructure components to ensure high availability of SCADA and other critical business applications, deployment of new network hardware and software to maintain high reliability and performance, and implementation of new tools to enhance security management and reduce the risk of outside threats. The allocated amount for each project is based on the customer count of each affiliate that benefits from the project. The allocated amounts for plant in service are included in the "IT and Other" category of capital expenses and in FERC account 3030 - Misc Intangible Plant (Software).

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-054 B

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

54. To the extent the requested Rate Base contains any actual and/or forecasted plant in service allocated to Delta from an affiliate, provide the following information:

b. For each allocated item, identify how the asset is also used by any affiliate of Delta and the methodology used to allocate the joint asset costs between affiliates.

Response:

See response to part a.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-054 C

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

54. To the extent the requested Rate Base contains any actual and/or forecasted plant in service allocated to Delta from an affiliate, provide the following information:

c. For each identified asset in part a, identify the amount of Accumulated Deferred Income Taxes (ADIT) allocated to Delta.

Response:

c. Delta does not maintain ADIT by plant account, however the estimated amount of ADIT on the \$4,564,529 of IT assets from January 2023 to June 2026 is \$587,000.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-055

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

55. Regarding Supplemental Executive Retirement Program (SERP) costs, respond to the following:

a. Identify the amount of SERP costs included in the forecasted pro-forma test year revenue requirement.

b. Provide the rationale for recovery of these costs within the revenue requirement.

c. Identify any case numbers that Delta knows in which the Kentucky Public Service Commission approved the recovery of SERP costs.

Response:

a. No SERP costs are included in the fully projected future test year. The Company's only SERP is a defined contribution trust that is no longer being funded and thus has no net income impact on the Company.

b and c. See a.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-056

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

56. Provide a comprehensive listing of employee benefits and the associated expense included in the forecasted pro forma test year.

Response:

The 2025 Benefits Open Enrollment Guide attached as 56-1 is a comprehensive listing and description of employee benefits. Attachment 56-2 lists benefits assumptions by year utilized in the Company's projections. Attachment 56-3 shows the associated expense of employee benefits as projected in the FPFTP.

2025 BENEFITS OPEN ENROLLMENT GUIDE

Aqua/Delta/PNG Non-Union/IBEW/USW



WELCOME

to your benefits guide!

Essential Utilities recognizes how important benefits are to you. That's why we're committed to helping you and your family enjoy the best possible physical, financial, and emotional well-being.

It's also why we provide you with a comprehensive, highly-competitive benefits package, with the flexibility to make the choices that best meet your needs.

Use this guide to better understand the benefits offered by Essential Utilities, then be sure to enroll during your enrollment period, so that you receive the benefits you want for 2025.

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OPEN ENROLLMENT

The Open Enrollment period for 2025 benefits is November 4 – 15, 2024.

Passive Open Enrollment

This year's Open Enrollment will be PASSIVE. Passive enrollment means your current coverage will remain in place and roll-over into the new plan year, unless you want to make changes to your elections and/or covered dependents via Workday by November 15, 2024.

IMPORTANT: If you wish to continue to contribute toward a Flexible Spending Account (FSA) or Health Savings Account (HSA) you **MUST** make that election during Open Enrollment each year. Elections for the FSA and HSA **DO NOT** roll-over from one year to the next, in accordance with IRS regulations.

What to expect for 2025!

We have consolidated our benefit vendors across all of Essential to better manage our employee benefits plan.

- **Medical & Prescription Drug:** Your medical & prescription drug benefit will be offered through Independence Blue Cross and RxBenefits.
 - For PNG Non-Union, IBEW, and USW employees, you will now have access to important enhancements through IBX such as Progyny and Teladoc.
 - Tele-Dermatology is now available through Teladoc.
- **Dental:** The dental carrier will transition from Delta Dental to Metlife.

How to Enroll

After you've carefully considered your benefit options and anticipated needs, it's time to make your benefit selections. Log into Workday to enroll yourself and any eligible dependents in health and insurance benefits for 2025.



Enrolling via Workday

To get started, log in to the Workday self-service portal and go to your inbox, where you will see a **Benefits Enrollment Task**. Click on the Task to get started. Continue through all required screens to complete enrollment. Check the I Agree checkbox to provide an electronic signature. Click Submit, then Done to confirm your elections.

Need help enrolling?

Please contact the HR Service Desk at **888.366.3300** or email **HRServiceDesk@Essential.co**.

ELIGIBILITY & ENROLLMENT

Who Can Enroll in Benefits?

All full-time employees (averaging 30+ hours per week) are eligible to enroll in Essential Utilities' benefits program, with the following exceptions:

- **Basic and Voluntary Life/AD&D:** Must regularly work 40 hours per week (No waiting period)
- **Long-Term Disability (LTD):** Must regularly work 40 hours per week; waiting period of first day of the month that coincides with or follows the day the employee becomes eligible

In addition, the following family members are eligible for medical, dental and vision coverage:

- Your spouse
- Your domestic partner
- Your child(ren) up to age 26
- Your disabled dependent child(ren) of any age who meet plan criteria

Making Changes During the Plan Year

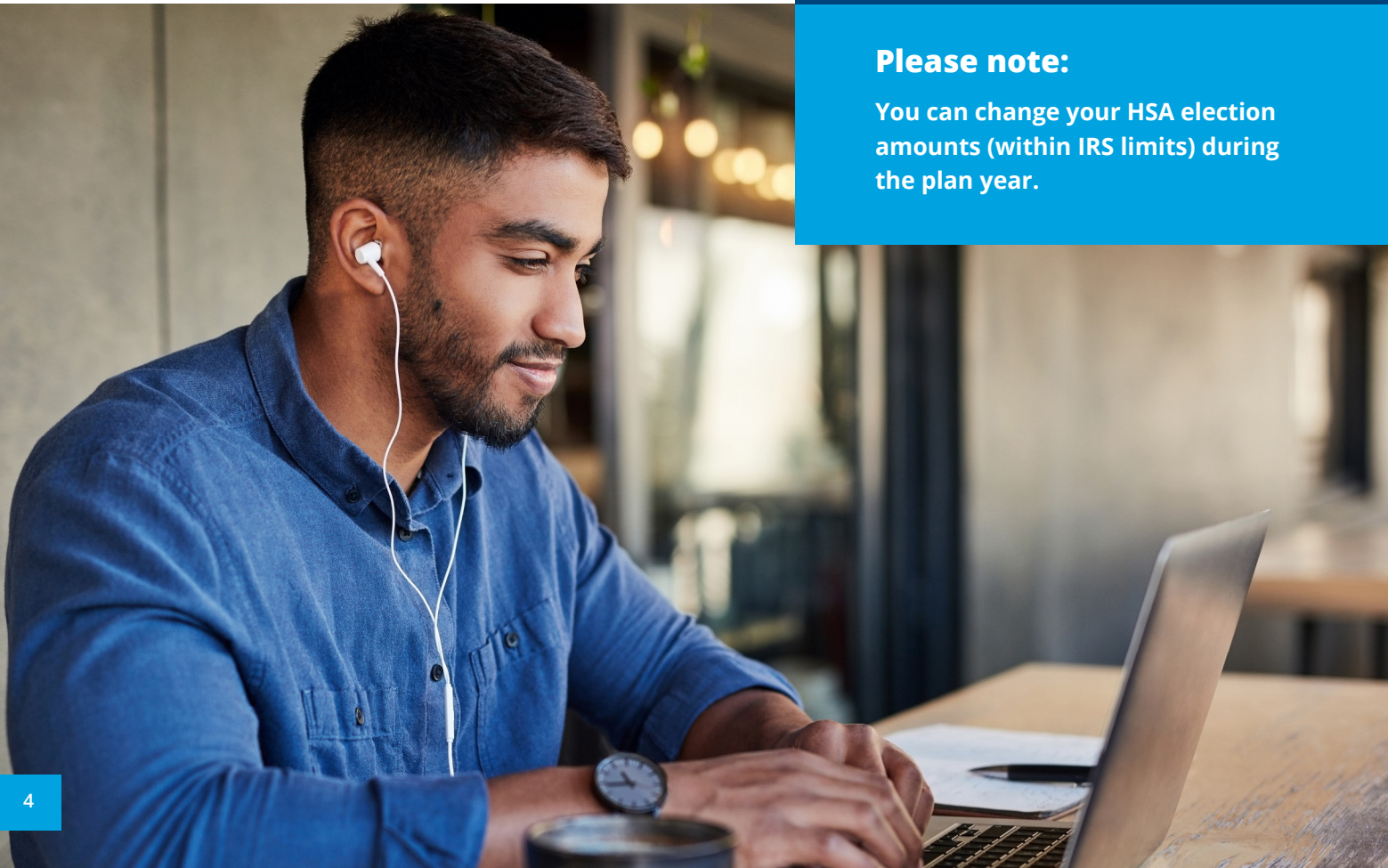
After your enrollment opportunity ends, you won't be able to change your benefits until the next Open Enrollment period, unless you experience a qualifying life event. Qualifying life events include:

- Marriage, divorce or legal separation
- Birth or adoption of a child
- Change in child's dependent status
- Death of a spouse, child or other qualified dependent
- Change in employment status or a change in coverage under another employer-sponsored plan

You must notify Human Resources within 30 days of a life event to change your benefits.

Please note:

You can change your HSA election amounts (within IRS limits) during the plan year.



ABOUT THE IBX MEDICAL PLANS

Quality health coverage is one of the valuable benefits you enjoy as an Essential Utilities employee. Our benefits program offers plans to help keep you and your family healthy and also provide important protection in the event of illness or injury.

Medical Plan Options

Essential Utilities offers two Preferred Provider Organization (PPO) plans and one High Deductible Health Plan (HDHP) through Independence Blue Cross (IBX). For additional information, visit www.ibx.com.

PPO 1 (Pay Later)

- \$1,000 individual deductible
- A preferred provider organization plan with copays for primary care and specialist services, including urgent care. Once you reach your deductible, the plan pays 80% up to your out-of-pocket maximum.

PPO 2 (Pay Now)

- \$500 individual deductible
- A preferred provider organization plan that has a higher payroll deduction with lower copays and out-of-pocket maximum. For eligible deductible services, the plan pays 100% once you meet your annual deductible.

HDHP \$1,650 Deductible Plan (HDHP with HSA)

- A high deductible health plan with a deductible that must be met before the plan starts paying. Once you reach your deductible, the plan pays 80% up to your out-of-pocket maximum.
- A Health Savings Account (HSA) is offered alongside the HDHP where you can contribute tax-free dollars to help cover the deductible. You have the ability to take the HSA account with you when you leave Essential Utilities. **Essential Utilities will make a \$1,000 contribution to the HSA for single coverage, and \$1,500 for family coverage.** For more information, see page 11.

Effective 1/1/2025, the Medical Waiver Credit will be eliminated for PNG non-union employees, employees represented by IBEW, and employees represented by USW who were hired after February 5, 2023.

Key Features of All Plans:

- Flexibility to see any provider you want, although you'll save money when you stay in-network
- Free in-network preventive care, with services such as:
 - Annual physicals
 - Recommended immunizations
 - Well-woman & well-child exams
 - Flu shots
 - Routine cancer screenings
- Prescription drug coverage included
- Choice of 7 (seven) coverage levels: Employee Only, Employee + Spouse, Employee + 1 Child, Employee + Children, Employee + Family, Employee + Domestic Partner, Employee + Child(ren) + Domestic Partner



MEDICAL BENEFITS: INDEPENDENCE BLUE CROSS

You have the choice of enrolling in three medical plans, outlined below. Each medical plan includes prescription drug benefits, outlined on the following page. **Please refer to Workday and/or the rate sheets for employee contributions. Note:** Out-of-network benefits are the same for all three plans. For more information, visit www.ibx.com or call **800.275.2583**. **Please note: In order for the HDHP to stay HSA compliant, the in-network deductible was increased to \$1,650/\$3,300.**

	PPO 1 Plan (Pay Later)		PPO 2 Plan (Pay Now)		HDHP with HSA	
BENEFITS	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK
Annual Deductible (Individual/Family)	\$1,000/\$3,000*	\$5,000/\$15,000*	\$500/\$1,500*	\$5,000/\$15,000*	\$1,650/\$3,300**	\$5,000/\$15,000**
Out-of-Pocket Max (Individual/Family)	\$3,000/\$9,000	\$15,000/\$45,000	\$1,000/\$3,000	\$15,000/\$45,000	\$3,000/\$6,000	\$15,000/\$45,000
Preventive Care Services	Plan pays 100%; no deductible	You pay 50% ¹	Plan pays 100%; no deductible	You pay 50% ¹	Plan pays 100%; no deductible	You pay 50% ¹
Primary Care Physician (PCP) Required?	No		No		No	
PCP Office Visit	\$35 copay; no deductible	You pay 50% ¹	\$20 copay; no deductible	You pay 50% ¹	You pay 20% ¹	You pay 50% ¹
Specialist Office Visit	\$50 copay; no deductible	You pay 50% ¹	No charge ¹	You pay 50% ¹	You pay 20% ¹	You pay 50% ¹
Diagnostic Laboratory	X-Ray: You pay 20% (deductible does not apply) Blood work: No charge	You pay 50% ¹	No charge ¹	You pay 50% ¹	You pay 20% ¹	You pay 50% ¹
Diagnostic X-Ray/Imaging ² (MRI, CT-Scan)	You pay 20% ¹	You pay 50% ¹	No charge ¹	You pay 50% ¹	You pay 20% ¹	You pay 50% ¹
Emergency Room	You pay 20% ¹		No charge ¹		You pay 20% ¹	
Urgent Care Center	\$50 copay/visit (deductible does not apply)	You pay 50% ¹	No charge ¹	50% after deductible	You pay 20% ¹	You pay 50% ¹
Inpatient Hospital ²	\$200/day; max \$1,000 per admission	You pay 50% ¹	No charge ¹	You pay 50% ¹	You pay 20% ¹	You pay 50% ¹
Outpatient Surgery ²	You pay 20% ¹	You pay 50% ¹	No charge ¹	You pay 50% ¹	You pay 20% ¹	You pay 50% ¹

* The single deductible is embedded in the family deductible, so no one family member can contribute more than the individual deductible amount during the plan year. Once the member meets their single deductible, they will start paying copays and/or coinsurance until they have reached their out-of-pocket maximum.

** The entire family deductible must be met before plan pays any benefits. If you cover any dependents under the plan, the full family deductible must be met before the plan pays any benefits. However, once any individual meets the individual out-of-pocket maximum, the plan will begin to pay benefits and that individual has no further liability for the balance of the year. Other members of the family will continue to pay toward the family deductible and out-of-pocket maximum.

¹ After deductible

² Precertification may be required for certain services

PRESCRIPTION PLANS: RXBENEFITS

If you enroll in one of the IBX medical plans, you are automatically enrolled in the corresponding prescription drug plan. This coverage is offered through RxBenefits, a full-service pharmacy benefits administrator, and utilizes the Express Scripts formulary. To access your account online, visit www.express-scripts.com or call **800.334.8134**.

PPO 1 Plan (Pay Later)

PPO 2 Plan (Pay Now)

HDHP with HSA

RETAIL PHARMACY: UP TO A 30-DAY SUPPLY

Generic	\$10 copay	\$5 copay	You pay 20% after deductible
Preferred Brand	\$25 copay	\$25 copay	You pay 20% after deductible
Non-Preferred Brand	You pay 20% (\$50 min/\$100 max)	\$50 copay	You pay 20% after deductible
Specialty Medications	You pay 20% (\$50 min/\$100 max)	\$50 copay	You pay 20% after deductible

MAIL-ORDER: UP TO A 90-DAY SUPPLY

Generic	\$20 copay	\$10 copay	You pay 20% after deductible
Preferred Brand	\$50 copay	\$50 copay	You pay 20% after deductible
Non-Preferred Brand	You pay 20% (\$100 min/\$200 max)	\$100 copay	You pay 20% after deductible
Specialty Medications	You pay 20% (\$100 min/\$200 max)	\$100 copay	You pay 20% after deductible

How much can you save when you use Mail Order? Compare for yourself!*

RETAIL PHARMACY	MAIL ORDER	ANNUAL SAVINGS
Preferred Brand-Name Copay \$50	Preferred Brand-Name Copay \$100	
Annual Cost (\$50 per month x 12 fills) \$600	Annual Cost (\$100 per order x 4 fills per year) \$400	\$200

* Example amounts are based off of the PPO 2 (Pay Now) Plan

Please note:

Essential no longer has a mandatory mail order requirement. Members can now obtain a 90-day prescription at any in-network retail pharmacy and/or have the option to choose home delivery.



FERTILITY BENEFIT: PROGYNY

Note: This benefit is available to members enrolled in one of the Independence Blue Cross medical plans.

Progyny Fertility Benefits

Eligible employees have access to fertility benefits through Progyny, the country's leading fertility benefits solution.

The Progyny benefit includes comprehensive treatment coverage leveraging the latest technologies and treatments, access to high-quality care through a premier network of fertility specialists, and personalized emotional support and guidance for every path to parenthood from dedicated Patient Care Advocates (PCAs).

Members are eligible for up to 2 IVF cycles through Progyny. Only employees and their covered dependents, enrolled in one of our IBX medical plans are eligible for this benefit.

Get started with Progyny today!

For more information, visit: www.progyny.com
or call **866.878.7191**.



VISION BENEFITS: VSP

Having vision coverage allows you to save money on eligible eye care expenses, such as periodic eye exams, eyeglasses, contact lenses, and more for yourself and your covered dependents. **Vision is a separate election** — you can elect to receive vision coverage even if you are waiving Essential Utilities' medical coverage. **Please refer to Workday and/or the rate sheets for employee contributions.** You have the following two vision plans to choose from: a base plan and a buy-up option. For more information, visit www.vsp.com or call **800.877.7195**.

VSP Basic Vision Plan

BENEFITS	IN-NETWORK	OUT-OF-NETWORK REIMBURSEMENT
Exam	\$0 copay	Up to \$45
Prescription Glasses	\$20 copay	See Lenses
Frames (Copay included in prescription glasses)	\$175 allowance for wide selection; \$195 allowance for featured frame brands, plus 20% off amount over allowance; \$100 Costco allowance	Up to \$70
Lenses Single Vision Bifocal Trifocal Progressive	Copay included in prescription glasses	Up to \$30 Up to \$50 Up to \$65 Up to \$50
Contact Lenses (in lieu of eyeglasses)	\$150 allowance; up to \$50 copay for fitting/evaluation	Up to \$105
Frequency Vision Exam Lenses Frames	Once per calendar year Once per calendar year Once per calendar year	

* Important Update:

Effective January 1, 2025, Protec Prescription Safety Glasses will be removed from our VSP insurance plan. For those that require prescription safety glasses, employees can go to their eye doctor, pay out of pocket, and then submit the reimbursement to the Benefits team. The cost is 100% reimbursed by Essential.

* No change in process for Peoples employees.

VSP Buy-Up Vision Plan

With the EasyOptions Buy-Up plan, you can choose to upgrade your vision plan based on your needs. You may choose **one** of the following:

- \$250 frame allowance
- Anti-reflective lenses
- Progressive lenses
- Photochromic Lenses
- \$200 contact lens allowance (in lieu of glasses)



DENTAL BENEFITS: METLIFE

Healthy teeth and gums are important to your overall wellness. That's why it's important to have regular dental checkups and maintain good oral hygiene. You have two dental plans to choose from for 2025. You can elect to receive dental coverage even if you are waiving Essential Utilities' medical coverage. **Our MetLife dental plans allow you to use any dentist you wish; however, selecting a participating dentist will significantly reduce your out-of-pocket costs. Please refer to Workday and/or the rate sheets for employee contributions.**

For more information, please visit www.metlife.com or call **800.275.4638**.

	Base Plan		Buy-Up Plan	
BENEFITS	IN-NETWORK	OUT-OF-NETWORK	IN-NETWORK	OUT-OF-NETWORK
Annual Deductible (Individual/Family)	\$0/\$0	\$50/\$100	\$0/\$0	\$50/\$150
Annual Maximum	\$2,000	\$1,500	\$2,500	\$2,500
Preventive & Diagnostic Services	Covered 100%	Covered 100%	Covered 100%	Covered 100%
Basic Services	You pay 15%	You pay 35%	You pay 10%	You pay 10%
Major Services	You pay 30%	You pay 35%	You pay 30%	You pay 30%
Oral Surgery	You pay 10%	You pay 50%	You pay 10%	You pay 10%
Prosthodontics	You pay 40%	You pay 60%	You pay 30%	You pay 30%
Orthodontia Benefits *	You pay 50%	You pay 50%	You pay 50%	You pay 50%
Orthodontia Lifetime Maximum (per patient)	\$1,500	\$1,000	\$1,500	\$1,500

* Orthodontia benefits eligibility for the base plan is dependent child(ren) up to age 26. Eligibility for the buy-up plan includes both adults and their dependent child(ren) up to age 26

Diagnostic & Preventive (D&P) Maximum Waiver

With D&P Maximum Waiver, costs for covered diagnostic and preventive dental services don't accrue against your plan year maximums. Enrollees will effectively have more dollars to use for other needed dental services.

Money-saving tip!

Remember, you can use your Healthcare Flexible Spending Account or Health Savings Account for qualified out-of-pocket dental expenses.

HEALTH SAVINGS ACCOUNT: HEALTHEQUITY

HSA Overview

If you participate in a qualified High Deductible Health Plan (HDHP) you may be eligible to participate in a Health Savings Account (HSA). An HSA is a great way to save money by allowing you to set aside pre-tax dollars, via payroll deductions, to efficiently pay for qualified healthcare, dental and vision expenses.

HSA Eligibility

In order to qualify for an HSA, you must be an adult who meets the following qualifications:

- You have coverage under an HSA-qualified, high deductible health plan (HDHP)
- You (or your spouse, if applicable) have no other health coverage (excluding other types of insurance, such as dental, vision, disability, or long-term care coverage)
- Are not enrolled in Medicare
- You cannot be claimed as a dependent on someone else's tax return

HSA Advantages:

- There is no "use it or lose it" provision with an HSA. If you don't use the money in your account by the end of the year, don't worry! Unused funds will roll over year after year.
- You can save and invest unused HSA money for future healthcare needs
- Your HSA is portable. When you retire or leave the company, your HSA funds go with you
- HSA contributions are tax deductible, you can spend the money tax-free, and any growth is tax free.

HSA Contributions

The maximum amount that can be contributed to the HSA in a tax year is established by the IRS and is dependent on whether you have individual or family coverage in the HDHP plan.

For 2025, the contribution limits are:

- \$4,300 for individual coverage
- \$8,550 for family coverage
- \$1,000 annual catch-up contribution for age 55+

IMPORTANT: Employer Contribution

For the 2025 plan year, Essential Utilities will make a \$1,000 contribution to the HSA for single coverage, and \$1,500 for family coverage. When making your HSA election, remember to factor in and account for these funding amounts.

HSA-Qualified Healthcare Expenses

You can use the funds in your HSA to pay for qualified healthcare expenses such as:

- Doctor visits
- Dental care, including extractions and braces
- Vision care, including contact lenses, prescription sunglasses and LASIK surgery
- Prescription medications
- Chiropractic services
- Acupuncture
- Hearing aids and batteries
- Over the counter (OTC) medications
- Menstrual care products



For more details on HSA eligibility, and for a full list of eligible expenses, visit www.irs.gov.

FLEXIBLE SPENDING ACCOUNTS: HEALTHEQUITY

FSA Overview

Flexible spending accounts, or FSAs, provide you with an important tax advantage that can help you pay healthcare and dependent care expenses on a pre-tax basis. By anticipating your family's healthcare and dependent care costs for the next plan year, you can lower your taxable income.

Healthcare FSA

The Healthcare FSA allows you to set aside pre-tax dollars via payroll deductions to pay for qualified healthcare expenses for you and your dependents. For 2025, the annual maximum amount you may contribute is \$3,300 per calendar year.

The Healthcare FSA can be used for:

- Doctor office copays
- Non-cosmetic dental procedures (crowns, dentures, orthodontics)
- Prescription contact lenses, glasses, and sunglasses
- LASIK eye surgery

Dependent Care FSA

The Dependent Care FSA lets you use pre-tax dollars toward qualified dependent care expenses. The annual maximum amount you may contribute is \$5,000 (or \$2,500 if married and filing separately) per calendar year.

The Dependent Care FSA can be used for:

- The cost of child or adult dependent care
- The cost for an individual to provide care either in or out of your house
- Nursery schools and preschools (excluding kindergarten)

For a full list of FSA eligible expenses, visit www.irs.gov and see Publications 502 and 503.

Use it or lose it!

FSAs are “use-it-or-lose-it” accounts, meaning you will forfeit any unused amount remaining in the account at the end of the plan year. In addition, you can incur expenses up until March 15, 2026, and have money withdrawn from your 2025 FSA.

Additionally, you have 90 days from the end of the plan year (until March 31, 2026) to submit any claims that you incurred anytime during 2025 but had not submitted for reimbursement.

After this run-out period, any remaining balances from the prior year are forfeited.

Managing your FSA

When you enroll in a Healthcare FSA, HealthEquity will send you a debit card, which you can use to pay for eligible expenses.

Depending on the transaction, you may need to submit receipts or other documentation to HealthEquity. You can review claims and manage your accounts online at www.healthequity.com or by using HealthEquity's EZ Receipts mobile app.



NOTE: If you elect the HDHP for medical, you cannot participate in the Healthcare FSA.

COMMUTER BENEFITS: HEALTHEQUITY

Commuter Benefits Overview

Commuter Benefits allow you to pay for eligible work-related transit and parking expenses through pre-tax payroll deductions from your paycheck.

You are able to make changes to your pre-tax election amount on a month to month basis. Once you make your election, you will receive a debit card that can be used to pay for work-related transit and parking expenses. Your debit card is loaded with your pre-tax deductions each time a deduction is taken from your paycheck.

Each time you use your debit card to pay for transit purchases, the funds are automatically debited from your transit account.

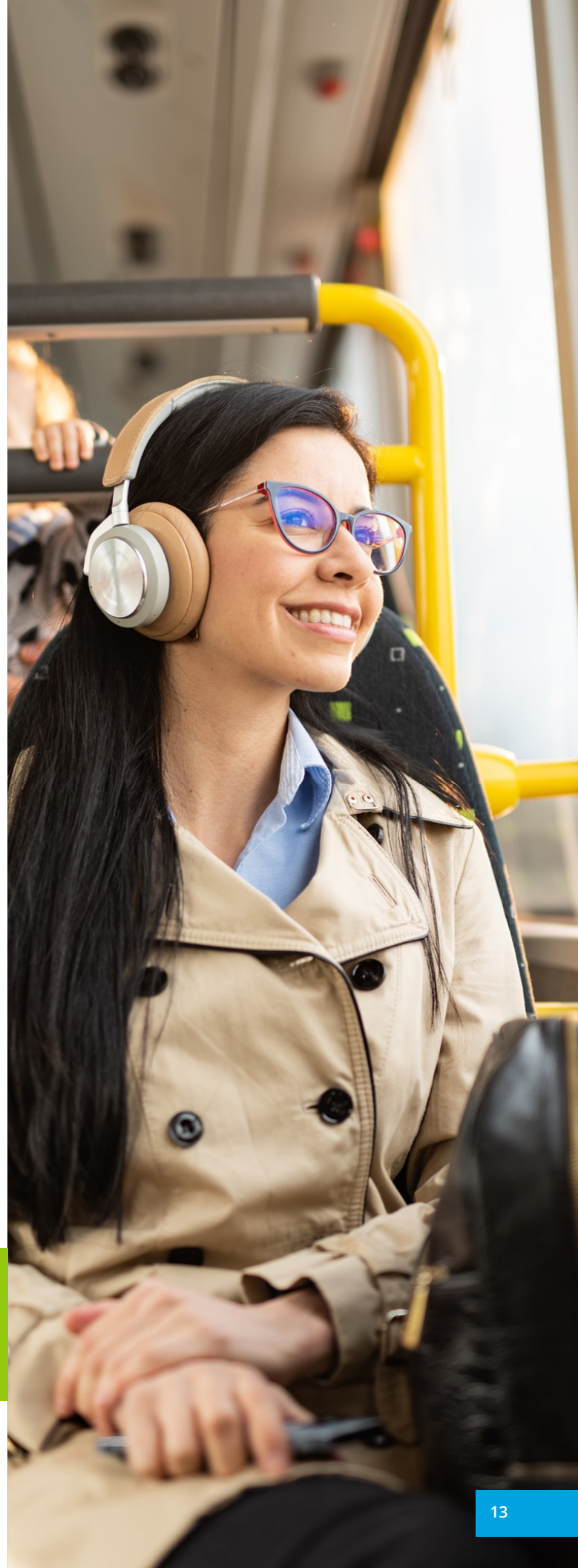
2025 Contribution Limits

- **Transit:** You may contribute up to \$325 per month for transit expenses (mass transit, bus, light rail, regional rail, streetcar, trolley subway or ferry, vanpool).
- **Parking:** You may contribute up to \$325 per month for parking expenses (incurred at or near your work location or near a location from which you commute using mass transit).

How to Register

Visit www.healthequity.com/wageworks and select "LOG IN/REGISTER" and then "Employee Registration". You'll need to answer a few simple questions and create a username and password.

Please note: Commuter elections will be made through HealthEquity directly (either online or through the app), NOT in Workday.



BASIC LIFE, AD&D AND DISABILITY: NEW YORK LIFE

Basic Life/AD&D Insurance

The company provides you with basic life and accidental death and dismemberment (AD&D) insurance through New York Life Group Benefit Solutions (NYL GBS) so that you can protect those you love from the unexpected.

For more details about this coverage, visit Workday.

Long-Term Disability (LTD)

Company-paid LTD provides you with income continuation in the event your illness or injury lasts beyond 180 days. This helps ensure you have a continued income if you are unable to work due to a covered sickness or injury.

For more details about this coverage, visit Workday.

Have you named a beneficiary?

Be sure you've selected a beneficiary for your life insurance policy. The beneficiary will receive the benefit paid by a policy in the event of the policyholder's death. It's important to designate a beneficiary and keep that information up to date.

To update your beneficiaries, please log in to the Workday self-service portal and click on Benefits and select Beneficiary Change under the Benefits Event Type. You can also find Workday User Guides in the HR Service Center location on the Pipeline.

For Union Groups, please reference your CBAs for more details.



VOLUNTARY LIFE AND AD&D: NEW YORK LIFE



Voluntary Life/AD&D Insurance

If you want added protection, you can purchase voluntary supplemental life and AD&D insurance through NYL GBS for yourself, your spouse, and your children. You pay the full cost of this benefit through payroll deductions.

VOLUNTARY LIFE/AD&D INSURANCE*		
	AQUA, DELTA, PNG NON-UNION, & USW	IBEW
Employee Benefit	1-5x annual compensation; Maximum benefit: Lesser of 5x annual compensation or \$1,000,000"	An amount elected in units of \$25,000; Maximum benefit: \$150,000
Spouse Benefit	Increments of \$5,000 up to a maximum benefit of \$500k (can't exceed 100% of employee's election)	An amount elected in units of \$5,000; Maximum benefit: \$150,000
Child(ren) Benefit (Age 6 months to age 19, or 26 if full-time student)	Maximum of \$10k; Maximum benefit for child(ren) less than 14 days old: \$1,000; Maximum benefit for child(ren) age 14 days - 6 months: \$2,000	An amount elected in units of \$2,500; Maximum benefit: \$10,000
Employee Guaranteed Issue	Greater of: 1. Lesser of 3x annual compensation or \$300k or 2. Amount equal to life insurance benefit in effect on termination date of prior plan	Greater of: 1. \$150,000 or 2. Amount equal to life insurance benefit in effect on termination date of prior plan
Spouse Guaranteed Issue	Greater of: 1. \$75,000 or 2. Amount equal to life insurance benefit in effect on termination date of prior plan	Greater of: 1. \$25,000 or 2. Amount equal to life insurance benefit in effect on termination date of prior plan
Child(ren) Guaranteed Issue	\$10,000	\$10,000

* If you are in a union, please refer to your CBA for more details on your plan design.

Evidence of Insurability (EOI)

Evidence of insurability will be required for voluntary life and AD&D elections if:

- You declined coverage when first eligible OR wish to purchase additional coverage at open enrollment or after experiencing a qualifying life event.

Have you named a beneficiary?

Be sure you've selected a beneficiary for your life insurance policy. The beneficiary will receive the benefit paid by a policy in the event of the policyholder's death. It's important to designate a beneficiary and keep that information up to date.

To update your beneficiaries, please log in to the Workday self-service portal and click on Benefits and select Beneficiary Change under the Benefits Event Type. You can also find Workday User Guides in the HR Service Center location on the Pipeline.

ADDITIONAL VOLUNTARY BENEFITS: VOYA

Critical Illness Insurance

When a serious illness strikes, such as a heart attack, stroke, or cancer, critical illness insurance can provide a lump-sum benefit to cover out-of-pocket expenses for your treatments that are not covered by your medical plan.

You can also use the money to take care of your everyday living expenses, such as housekeeping services, special transportation services, and daycare. Plus, you can use the benefits more than once. Diagnoses must be at least 12 months apart or the conditions can't be related to each other.

Levels of Coverage

You will have the following levels of coverage to choose from: \$10,000, \$15,000, \$20,000, and \$30,000.

Examples of covered illnesses include:

- Heart attack
- End-stage renal (kidney) failure
- Coronary artery bypass
- Stroke
- Coma
- Major organ failure
- Cancer

Wellness Benefit

Your Critical Illness insurance includes a wellness benefit. This benefit provides an annual payment if you complete a health screening test. Employees and spouses will each receive \$50 for completing. Children receive 50% of an employee's wellness benefit amount (up to a maximum of \$100 for all children).

See pages 27–28 of this guide for critical illness rates and cost of coverage.



ADDITIONAL VOLUNTARY BENEFITS: VOYA



Accident Insurance

Accident insurance supplements your primary medical plan by providing cash benefits in cases of accidental injuries. You can use this money to help pay for medical expenses not paid by your medical plan (such as your deductible or coinsurance) or for anything else (such as everyday living expenses). If you apply, you automatically receive the base plan — no health questions to answer. Benefits are paid directly to you (unless assigned to someone else).

You receive a cash benefit up to a specific amount for:

- Accidental death or dismemberment
- Dislocation or fracture
- Initial hospital confinement
- Intensive care
- Ambulance and other medical expenses
- Outpatient physician's treatment

Voluntary Accident Rates

TIER	LOW PLAN	HIGH PLAN
Employee Only	\$1.52	\$5.30
Employee + Spouse	\$2.93	\$10.39
Employee + Children	\$3.18	\$10.92
Employee + Family	\$4.59	\$16.01

Hospital Indemnity Insurance

A trip to the hospital can be stressful, and so can the bills. Even with a major medical plan, you may still be responsible for copays, deductibles, and other out-of-pocket costs.

A voluntary hospital indemnity insurance plan can help by supplementing your major medical insurance coverage with cash benefits when you're admitted to the hospital due to a covered sickness or accident. This money is paid directly to you — unless assigned to someone else — that you can use to cover expenses that your medical plan doesn't cover.

Hospital Indemnity Daily Benefit

- **Low plan:** \$100 per day
- **High plan:** \$200 per day

Use this money to help cover the cost of your hospital stay and time out of work. Hospital indemnity benefits are paid in addition to any other insurance. There are no pre-existing condition exclusions with this plan, but similar to medical insurance, benefits are subject to carrier review. You can select the benefit coverage amount based on your individual needs and budget.

Voluntary Hospital Indemnity Rates

TIER	LOW PLAN	HIGH PLAN
Employee Only	\$4.55	\$9.31
Employee + Spouse	\$11.98	\$24.53
Employee + Children	\$8.46	\$17.34
Employee + Family	\$15.90	\$32.55

Want to learn more?

For more information about these benefits, visit <https://go.voya.com/eu> or call 877.236.7564.

VOLUNTARY LEGAL BENEFIT: LEGALSHIELD

LegalShield allows members access to a lawyer for most personal matters, no matter how trivial or traumatic, all without worrying about high hourly legal costs. LegalShield provides identity theft protection, consulting and restoration.

LegalShield membership includes:

- Legal advice for personal legal issues
- Letters/calls made on your behalf
- Contracts & documents reviewed up to 15 pages
- Residential Loan Document Assistance
- Attorneys prepare your Will, your Living Will and your Healthcare Power of Attorney
- Moving Traffic Violations (available 15 days after enrollment)
- Uncontested Divorce, separation, adoption and/or name change representation (available 90 days after enrollment)
- IRS audit assistance
- 25% preferred member discount (bankruptcy, criminal charges, other matters)
- 24/7 emergency access for covered situations

LegalShield Coverage

LegalShield plans cover the member, member's spouse, never married dependent children under age 26 living at home; dependent children under age 18 for who the member is legal guardian; never married dependent children up to age 26 if a full-time college student; and physically or mentally disabled dependent children.

Getting started

Visit www.benefits.legalshield.com/essential or call **888.807.0407**. The cost per pay for this benefit is \$9.81.



TELEMEDICINE & IBX CONDITION CARE

Teladoc Telemedicine

Teladoc is a national network of U.S. board-certified doctors available 24/7/365 to diagnose, treat and prescribe medication when necessary for many common medical issues.

Teladoc uses digital devices such as computers and smartphones, and in most cases, video conferencing. Using Telemedicine is a convenient option when it's not possible to visit your doctor's office for non-emergency medical conditions such as:

- Allergies
- Asthma
- Acne
- Pink eye
- Ear infections
- Sinus issues
- Respiratory infections
- Urinary tract infections
- Cold and flu symptoms

Teladoc also provides dermatology services from licensed dermatologists for persistent or serious skin issues like acne, rosacea, psoriasis, moles or rashes.

Employees will also have access to Behavioral Health Services like addiction, grief, and loss, parenting issues, men's and women's issues, relationship issues and more.

Getting started with Teladoc

Why wait for the care you need? Contact Teladoc and feel better now! Download the Teladoc mobile app, call **800.835.2362** or visit **www.teladoc.com**.

IBX Disease/Condition Care Management

Available to employees enrolled in one of the Independence Blue Cross medical plans

Your Independence Blue Cross medical plan options provide certain disease/condition management services under the plan.

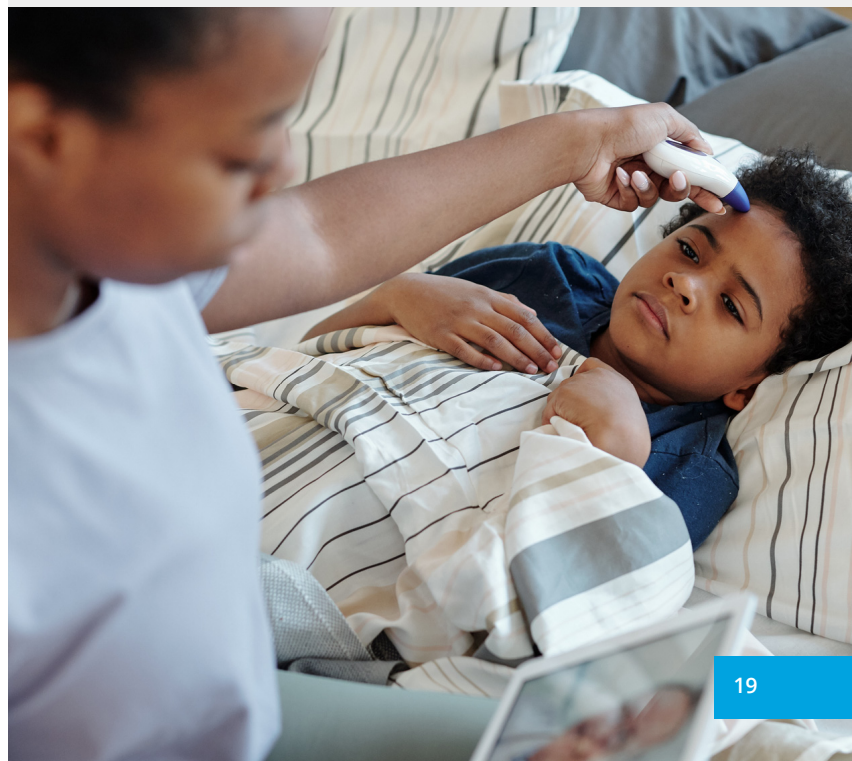
Registered Nurse Health Coaching

You can talk to a Registered Nurse Health Coach 24/7 to get answers to your health-related questions and concerns, big or small.

These nurses can help you answer questions related to health issues, treatment instructions, tests, or procedures, understand your medications and why you take them, prepare for a planned admission or procedure, and coordinate your discharge and follow-ups, and work with you and your doctor to address health concerns.

You or a family member may receive calls and assistance from a nurse related to an upcoming hospital stay, your discharge from the hospital, chemotherapy treatment, or a complex medical situation.

Please contact your medical carrier at the number on your ID card if you have any questions.



DIABETES/HYPERTENSION MANAGEMENT: TELADOC

Teladoc Diabetes Support

Essential will continue to partner with Teladoc for the same great benefits for diabetic members. Members enrolled in the Diabetes program will also receive support for hypertension, weight loss, and mental health. Please consult your health coach for more information.

Diabetes Management

With Teladoc, you receive health monitoring devices, unlimited strips and lancets, personalized insights, support from health coaches you can trust, and more.

More Than a Standard Meter

The Teladoc meter is connected and provides real-time tips and automatically uploads a member's blood glucose readings, making log books a thing of the past.

Strips at No Cost to Members

Members get the strips and lancets they need at no extra cost. When members are about to run out, Teladoc ships more strips and lancets, right to their door.

Coaching Anytime and Anywhere

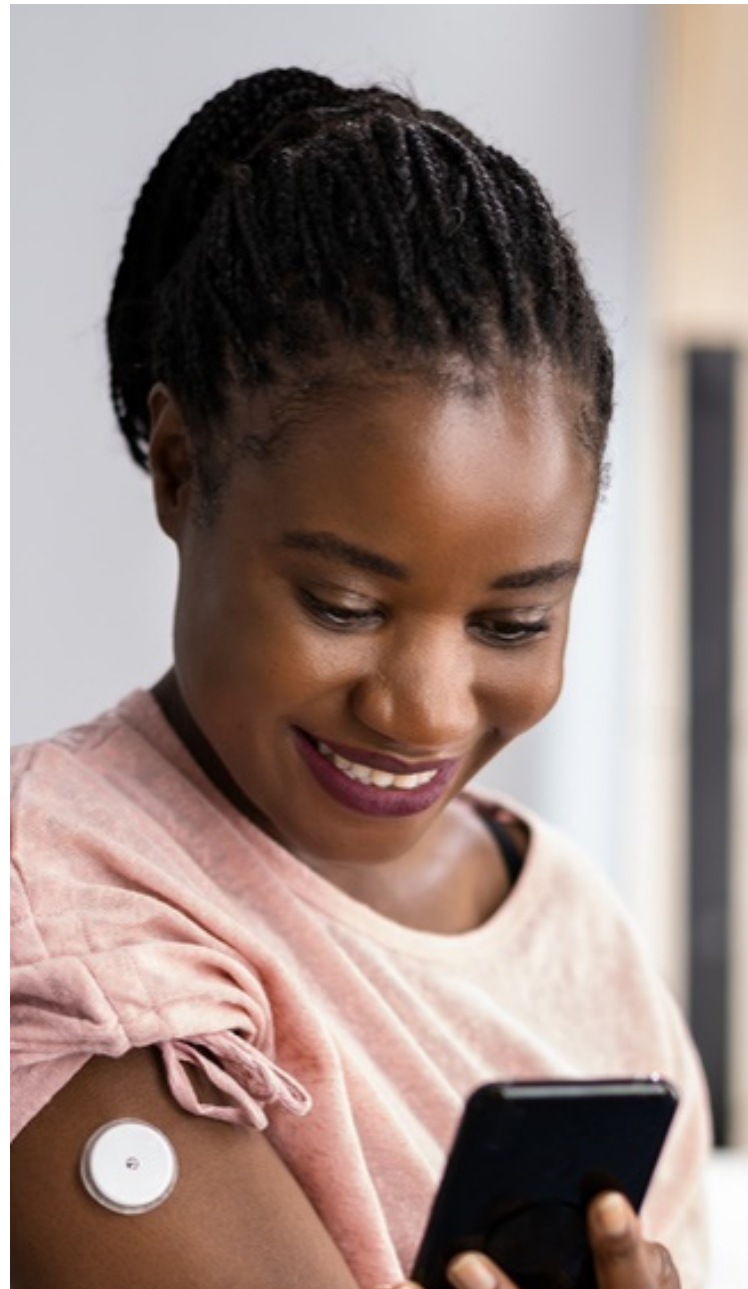
Teladoc coaches are Certified Diabetes Educators who are available anytime by phone, text, or mobile app to give members guidance on their nutrition and lifestyle.

Hypertension Management

Teladoc for Hypertension helps make managing blood pressure easier with advanced technology and expertise from health coaches. If you and your family are enrolled in an Essential Utilities medical plan and you or a family member has hypertension, you can participate in Teladoc's hypertension management program.

The program offers:

- An advanced blood pressure monitor and cuff
- Personalized messages
- 24/7 coaching from chronic condition professionals



Getting started

Essential Utilities is happy to cover 100% of the costs of this program to help employees and their families with their hypertension diagnosis. Teladoc will reach out to you and your dependents so you can choose to opt in.

To get started with Teladoc, download the Teladoc mobile app, call **800.835.2362** or visit **www.teladoc.com**.

WELLNESS RESOURCES

You play an important role in managing your healthcare costs by maintaining or moving toward a healthy lifestyle. Essential Utilities' wellness programs and resources are here to help you.

IBX Wellness Discounts

Available to employees enrolled in one of the Independence Blue Cross medical plans

In addition to complimentary nutrition and wellness counseling, you can also receive reimbursements and discounts through Independence Blue Cross for the following:

- Weight-loss programs and gym memberships
- Smoking cessation
- Alternative health services including acupuncture

Visit www.ibx.com to learn more.

Take advantage of preventive care

- Good preventive care can help you stay healthy and detect any "silent" problems early, when they're most likely to be treatable. Most in-network preventive services are covered in full, so there's no excuse to skip it.
- Have a routine physical exam each year. You'll build a relationship with your doctor and can reduce your risk for many serious conditions.
- Get regular dental cleanings. Numerous studies show a link between regular dental cleanings and disease prevention — including lower risks of heart disease, diabetes, and stroke.
- See your eye doctor at least once every year. If you have certain health risks, such as diabetes or high blood pressure, your doctor may recommend more frequent eye exams. Essential Utilities provides benefits for an eye exam once every year.

Employee Assistance Program (EAP)

Balancing work and home life can sometimes be a challenge. We are pleased to announce that SupportLinc is available with emotional wellbeing and work-life balance resources to help keep you at your best. Administered by CuraLinc Healthcare, your program offers guidance to address and resolve everyday issues at no cost to you or your family.

Features include:

- In-the-moment support
- Short-term counseling
- Coaching
- Work-life benefits
- Web portal and mobile app
- Text therapy
- Self-guided digital therapy
- Digital group support
- Mental health navigator

Contacting SupportLinc

All requests for information or assistance are free and completely confidential. You can contact SupportLinc 24/7/365. Access support whenever needed, wherever it is most convenient for you.

- Phone: **888.881.5462**
- Website: www.supportlinc.com (group code: **essentialutilities**)
- Email: support@curalinc.com



HEALTH ADVOCACY: BENEFITS MAC

Do you need help resolving a benefits issue?

The Benefits Member Advocacy Center (Benefits MAC), provided by Conner Strong & Buckelew, allows you to speak to a specially trained Member Advocate who can help you get the most out of your benefits.

You can contact the Benefits MAC for assistance if you:

- Believe your claim was not paid properly
- Need clarification on information from the insurance company
- Have a question regarding a medical bill
- Are unclear on how your benefits work
- Need information about adding or removing a dependent
- Need help resolving a benefits problem you've been working on

You can contact the Benefits MAC in any of the following ways:

- Via phone: **800.563.9929**, Monday through Friday, 8:30 am to 5:00 pm
- Via the web:
www.connerstrong.com/memberadvocacy
- Via e-mail: cssteam@connerstrong.com
- Via fax: **856.685.2253**

Member Advocates are available Monday through Friday, 8:30 am to 5:00 pm (Eastern Time). After hours, you will be able to leave a message with a live representative and receive a response by phone or email during business hours within 24 to 48 hours of your inquiry.



VALUE-ADDED SERVICES: CONNER STRONG

Benefit Perks Rewards Program

CSB Benefit Perks is a discount and rewards program provided by Conner Strong & Buckelew (CSB) that is available to all employees at no additional cost. The program allows employees to receive discounts and cash back for hand-selected shopping online at major retailers.

Employees can also print coupons to present at local retailers and merchants for in-person savings, including movie theatres and other services.

Start saving today by registering online at www.connerstrong.corestream.com.

HealthyLearn

HealthyLearn covers over a thousand health and wellness topics in a simple, straightforward manner. The data and information is laid out in an easy-to-follow format. HealthyLearn includes the following interactive features and services:

- Symptom Checker and Encyclopedia
- Health News
- Medical Self-Care Guides
- Stress Management
- Health Trackers
- Monthly Wellness Newsletter
- And much more!

Learn more and get started on your path to wellness today by visiting HealthyLearn at www.healthylearn.com/connerstrong

Download the HealthyLife Mobile App for access on-the-go!

Enter the Conner Strong & Buckelew special access code: **CSB** (all caps). Note: You must use the special access code above each time you open the app.

GlobalFit

GlobalFit's Gym Network 360 provides exclusive savings to over 8,000 gyms and specialty studios across the country. You can expect to save on initiation fees and receive 5-20% savings on monthly membership dues. Exclusive savings can be found on popular top brands nationwide. To browse locations in your area, simply log in and search by zip code.

Workout at Home

Not a traditional gym goer? GlobalFit has you covered! Gym Network 360 provides various options for anyone looking to exercise wherever they choose and at their convenience. You will receive exclusive savings to virtual workout programs and have access to a free online library of fitness, wellness, and nutrition videos from top trainers across the country!

GlobalFit Anywhere

Available for a one-time fee of \$4.95 through Gym Network 360, GlobalFit Anywhere is the first app connecting users to in-person and virtual studios, gyms and trainers using dynamic pricing. No monthly membership required. No expensive cancelation fees.

Visit www.globalfit.com/connerstrong or call **800.294.1500** to learn more about how you can save with GlobalFit!



CARRIER CONTACTS

Contact the HR Service Desk at **888.366.3300** or email **HRServiceDesk@Essential.co** for general benefit questions. You can also contact the appropriate provider listed below to learn more about a specific benefit plan.

BENEFIT PLAN	CARRIER	PHONE	WEBSITE
Medical	Independence Blue Cross	800.275.2583	www.ibx.com
Prescription Drug	RxBenefits	800.334.8134	www.express-scripts.com
Fertility Benefit	Progyny	888.597.5065	www.progyny.com
Vision	VSP	800.877.7195	www.vsp.com
Dental	MetLife	800.275.4638	www.metlife.com
Flexible Spending Accounts and Health Savings Account	HealthEquity	FSA: 877.924.3967 HSA: 866.346.5800	www.healthequity.com
Telemedicine	Teladoc	800.835.2362	www.teladoc.com
Diabetes & Hypertension Management	Teladoc	800.945.4355	https://well.livongo.com/ESSENTIALUTILITIES/register
Disease Management	Independence Blue Cross	800.275.2583	www.ibx.com
Employee Assistance Program	SupportLinc	888.881.5462	www.supportlinc.com (group code: essentialutilities)
Advocacy	Conner Strong & Buckelew (Benefits MAC)	800.563.9929	www.connerstrong.com/memberadvocacy
Voluntary Accident, Critical Illness, Hospital Indemnity	Voya	877.236.7564	https://go.voya.com/eu
Basic & Voluntary Life/AD&D and Long-Term Disability	New York Life	888.842.4462	www.newyorklife.com/group-benefit-solutions/employees
Legal Services	Legal Shield	888.807.0407	https://benefits.legalshield.com/essential
401(k)	Fidelity	800.835.5095	www.netbenefits.com
ESPP	Computer Share	800.205.8314	www.computershare.com/us

GLOSSARY OF BENEFIT TERMS

Balance Billing

Balance billing, sometimes called surprised billing, is a medical bill from a healthcare provider billing a patient for the difference between the total cost of services being charged and the amount the insurance pays.

Coinsurance

The amount or percentage that you pay for certain covered healthcare services under your health plan. This is typically the amount paid after a deductible is met, and can vary based on the plan design.

Copayment/Copay

A flat fee that you pay toward the cost of covered medical services.

Covered Expenses

Healthcare expenses that are covered under your health plan.

Deductible

A specific dollar amount you pay out of pocket before benefits are available through a health plan. Under some plans, the deductible is waived for certain services.

Dependent

Individuals who meet eligibility requirements under a health plan and are enrolled to receive benefits from the plan as a qualified dependent.

Flexible Spending Account (FSA)

An account that allows you to save tax-free dollars for qualified medical and/or dependent care expenses that are not reimbursed. You determine how much you want to contribute to the FSA at the beginning of the plan year. Most funds must be used by the end of the year, as there is only a limited carryover amount.

Health Savings Account (HSA)

An employee-owned medical savings account used to pay for eligible medical expenses. Funds contributed to the account are pre-tax and do not have to be used within a specified time period. HSAs must be coupled with qualified high-deductible health plans (HDHP).

High Deductible Health Plan (HDHP)

A qualified health plan that combines very low monthly premiums in exchange for higher deductibles and out-of-pocket limits. These plans are often coupled with an HSA.

In-network

Healthcare received from your primary care physician or from a specialist within an outlined list of healthcare practitioners.

Inpatient

A person who is treated as a registered patient in a hospital or other healthcare facility.

Medically Necessary (or medical necessity)

Services or supplies provided by a hospital, healthcare facility or physician that meet the following criteria: (1) are appropriate for the symptoms and diagnosis and/or treatment of the condition, illness, disease or injury; (2) serve to provide diagnosis or direct care and/or treatment of the condition, illness, disease or injury; (3) are in accordance with standards of good medical practice; (4) are not primarily serving as convenience; and (5) are considered the most appropriate care available.

Medicare

An insurance program administered by the federal government to provide health coverage to individuals aged 65 and older, or who have certain disabilities or illnesses.

GLOSSARY OF BENEFIT TERMS

Member

You and those covered become members when you enroll in a health plan. This includes eligible employees, their dependents, COBRA beneficiaries and surviving spouses.

Out-of-network

Healthcare you receive without a physician referral, or services received by a non-network service provider. Out-of-network healthcare and plan payments are subject to deductibles and coinsurance.

Out-of-pocket Expense

Amount that you must pay toward the cost of healthcare services. This includes deductibles, copayments and coinsurance.

Out-of-pocket Maximum (OOPM)

The highest out-of-pocket amount that you can be required to pay for covered services during a benefit period.

Preferred Provider Organization (PPO)

A health plan that offers both in-network and out-of-network benefits. Members must choose one of the in-network providers or facilities to receive the highest level of benefits.

Premium

The amount you pay for a health plan in exchange for coverage. Health plans with higher deductibles typically have lower premiums.

Primary Care Physician (PCP)

A doctor that is selected to coordinate treatment under your health plan. This generally includes family practice physicians, general practitioners, internists, pediatricians, etc.

Usual, Customary and Reasonable (UCR) Allowance

The fee paid for covered services that is: (1) a similar amount to the fee charged from a healthcare provider to the majority of patients for the same procedure; (2) the customary fee paid to providers with similar training and expertise in a similar geographic area, and (3) reasonable in light of any unusual clinical circumstances.



APPENDIX: CRITICAL ILLNESS RATES

The tables below and on the following page show the per-pay cost of coverage for voluntary critical illness insurance, based on the amount of coverage chosen (\$10,000, \$15,000, \$20,000, or \$30,000)

Employee: \$30,000 / Spouse: \$15,000 / Child(ren): \$15,000 (Wellness Included)

ATTAINED AGE	EE ONLY	EE + SP	EE+ CH	EE + FAM
Under 25	\$3.07	\$4.68	\$4.11	\$5.72
25 – 29	\$4.04	\$6.07	\$5.08	\$7.11
30 – 34	\$5.42	\$8.08	\$6.46	\$9.12
35 – 39	\$6.81	\$10.02	\$7.85	\$11.05
40 – 44	\$9.30	\$13.62	\$10.34	\$14.65
45 – 49	\$15.81	\$22.89	\$16.85	\$23.93
50 – 54	\$19.96	\$28.78	\$21.00	\$29.82
55 – 59	\$24.81	\$35.70	\$25.85	\$36.74
60 – 64	\$31.04	\$44.56	\$32.08	\$45.60
65 – 69	\$39.58	\$57.37	\$41.08	\$58.41
70+	\$42.12	\$60.35	\$44.54	\$61.38

Employee: \$20,000 / Spouse: \$10,000 / Child(ren): \$10,000 (Wellness Included)

ATTAINED AGE	EE ONLY	EE + SP	EE+ CH	EE + FAM
Under 25	\$2.24	\$3.51	\$2.93	\$4.20
25 – 29	\$2.88	\$4.43	\$3.58	\$5.12
30 – 34	\$3.81	\$5.77	\$4.50	\$6.46
35 – 39	\$4.73	\$7.06	\$5.42	\$7.75
40 – 44	\$6.39	\$9.46	\$7.08	\$10.15
45 – 49	\$10.73	\$15.65	\$11.42	\$16.34
50 – 54	\$13.50	\$19.57	\$14.19	\$20.26
55 – 59	\$16.73	\$24.18	\$17.42	\$24.88
60 – 64	\$20.88	\$30.09	\$21.58	\$30.78
65 – 69	\$26.88	\$38.63	\$27.58	\$39.32
70+	\$28.27	\$40.62	\$28.96	\$41.31

APPENDIX: CRITICAL ILLNESS RATES

The tables below show the per-pay cost of coverage for voluntary critical illness insurance, based on the amount of coverage chosen (\$10,000, \$15,000, \$20,000, or \$30,000)

Employee: \$15,000: / Spouse: \$7,500 / Child(ren): \$7,500 (Wellness Included)

ATTAINED AGE	EE ONLY	EE + SP	EE+ CH	EE + FAM
Under 25	\$1.82	\$2.92	\$2.34	\$3.44
25 – 29	\$2.31	\$3.61	\$2.83	\$4.14
30 – 34	\$3.00	\$4.62	\$3.52	\$5.14
35 – 39	\$3.69	\$5.58	\$4.21	\$6.11
40 – 44	\$4.94	\$7.38	\$5.46	\$7.91
45 – 49	\$8.19	\$12.02	\$8.71	\$12.54
50 – 54	\$10.27	\$14.97	\$10.79	\$15.49
55 – 59	\$12.69	\$18.43	\$13.21	\$18.95
60 – 64	\$15.81	\$22.86	\$16.33	\$23.38
65 – 69	\$20.31	\$29.26	\$20.83	\$29.78
70+	\$21.35	\$30.75	\$21.87	\$31.27

Employee: \$10,000 / Spouse \$5,000 / Child(ren) \$5,000 (Wellness Included)

ATTAINED AGE	EE ONLY	EE + SP	EE+ CH	EE + FAM
Under 25	\$1.41	\$2.33	\$1.75	\$2.68
25 – 29	\$1.73	\$2.79	\$2.08	\$3.14
30 – 34	\$2.19	\$3.46	\$2.54	\$3.81
35 – 39	\$2.65	\$4.11	\$3.00	\$4.45
40 – 44	\$3.48	\$5.31	\$3.83	\$5.65
45 – 49	\$5.65	\$8.40	\$6.00	\$8.75
50 – 54	\$7.04	\$10.36	\$7.38	\$10.71
55 – 59	\$8.65	\$12.67	\$9.00	\$13.02
60 – 64	\$10.73	\$15.62	\$11.08	\$15.97
65 – 69	\$13.73	\$19.89	\$14.08	\$20.24
70+	\$14.42	\$20.88	\$14.77	\$21.23



This benefit summary provides selected highlights of the employee benefits program at Essential Utilities. It is not a legal document and shall not be construed as a guarantee of benefits nor of continued employment at the Essential Utilities. All benefit plans are governed by master policies, contracts and plan documents. Any discrepancies between any information provided through this summary and the actual terms of such policies, contracts and plan documents shall be governed by the terms of such policies, contracts and plan documents. Essential Utilities reserves the right to amend, suspend or terminate any benefit plan, in whole or in part, at any time. The authority to make such changes rests with the Plan Administrator.

2025-2029 Benefits Assumptions

2025

	<u>Medical, Rx</u>	<u>MetLife</u>	<u>VSP</u>	<u>NY Life</u>	<u>NY Life</u>	<u>401(k)</u>
		Dental	Vision	Life/Add	LTD	Corporate Contribution
Delta						
2025	7.00%	-4.00%	4.00%	0.00%	0.00%	3.00%
2026	9.00%	0.00%	0.00%	4.00%	4.00%	3.00%
2027	9.00%	7.00%	0.00%	4.00%	4.00%	3.00%
2028	9.00%	4.00%	0.00%	4.00%	4.00%	3.00%
2029	9.00%	4.00%	3.00%	4.00%	4.00%	3.00%

	Case as Filed		Case as Adjusted AG-I-66c	
	2025 Budget	FPFTP	2025 Budget	FPFTP
Employee Benefits				
5301010 Employee Benefits - Medical	3,521,953	3,574,783	2,386,689	2,422,490
Allocated Benefits	147,131	149,338	147,131	149,338
5301011 Employee Benefits - Medical-HSA Contributions	24,238	24,602	24,238	24,602
5301020 Employee Benefits - Dental / Vision	171,637	174,212	171,637	174,212
5301090 Employee Benefits - Plan Administration	6,913	7,017	6,913	7,017
Employee Benefits - Health Plans	3,871,873	3,929,951	2,736,609	2,777,658
5301080 Employee Benefits - NonService Costs Benefits Recl Pension	141,000	143,115	141,000	143,115
5301130 Employee Benefits - Savings Plan 401k	607,004	616,109	607,004	616,109
	<u>4,619,877</u>	<u>4,689,175</u>	<u>3,484,613</u>	<u>3,536,882</u>

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-057

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

57. Provide a copy of the most recently available actuarial reports that support Delta's 2023 pension expense.

Response:

Actuarial reports for 2023 and 2024 are attached. These attachments are confidential and provided under seal pursuant to a Petition for Confidential Protection.

**ATTACHMENTS FILED UNDER SEAL PURSUANT TO THE
PETITION FOR CONFIDENTIAL PROTECTION FILED ON
JANUARY 3, 2025**

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-058

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

58. Provide a comprehensive listing of the assumptions used to project pension expense included in the forecasted pro-forma test year.

Response:

The most recent pension expense forecast (June 2024) is attached. This attachment is confidential and provided under seal pursuant to a Petition for Confidential Protection.

All the key assumptions are listed on the 2024 Forecasting Exhibit and the 2024 actuarial report (see response to question 57). Listed below are the assumptions for plan year 2025. Note that the forecasts are done on Essential's corporate plan year (Jan 1 – December 31) not the proforma test year (July 1 – June 30). However, the forecast includes both calendar 2025 and calendar 2026:

- Discount rate – 5.61%
- Expected return on Assets – 5.95%

**ATTACHMENT FILED UNDER SEAL PURSUANT TO THE
PETITION FOR CONFIDENTIAL PROTECTION FILED ON
JANUARY 3, 2025**

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-059

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

59. Refer to Tab 55, page 13, within the public version of file Delta PSCDR1_NUM054_120924. Explain the nature of the tax-timing difference identified as "PT-FED RSG Amort" in the amount of \$2,987,621. Further, provide supporting documentation for the balance as reflected on page 13 for the forecasted pro-forma test year.

Response:

The tax-timing difference "PT-FED RSG Amort" is the deferred tax asset for the tax gross-up on the regulatory liability excess. It is offset by the balance in account 2220120, "REGULATORY LIABILITY EXCESS - FED/STATE (GROSS UP)". For support see attached. The amounts should offset to zero but are slightly off due to rounding in the tax gross-up factors.

	6/30/2026	
2220110 REGULATORY LIABILITY EXCESS - FED/STATE (NET)	(9,433,851)	Rate Base
2220120 REGULATORY LIABILITY EXCESS - FED/STATE (GROSS UP)	(3,136,237)	Non-Rate Base
Total	(12,570,089)	
Blended Tax Rate	0.2495	
Calculated Tax Gross-up on Reg Liability Excess	(3,136,237)	
282 PT-FED RSG AMORT	2,987,621	Non-Rate Base
282 PT-KY RSG AMORT	137,335	Non-Rate Base
Total	3,124,956	
Net	(11,281)	

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-060

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

60. Refer to Tab 55, page 13, within the public version of file Delta PSCDR1_NUM054_120924. Provide the supporting documentation for the forecasted Net Operating Loss-Fed (\$1,113,547) and Net Operating Loss-KY (\$145,210). Confirm whether such balances were based upon data that was consistent with the data used to forecast the forecasted pro-forma test year balance of ADIT of \$39,546,159.

Response:

For support see the response to 45b. The balances are based on forecasted revenues and expenses and deductions consistent with other amounts calculated in the filing.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-061

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

61. Refer to Tab 55, page 13, within the public version of file Delta PSCDR1_NUM054_120924. Provide the following information regarding PT-Fed Repairs-Norm and PT-KY Repairs-Norm:

a. the underlying support for the two balances; \$11,643,617 and \$2,190,109, respectively.

b. Reconcile the forecasted pro-forma test year balances with the balances as of August 2024 contained in Tab 55 page 12.

c. In supporting Schedules included in Case No. 2024-00332, specifically Schedule II 2023 year 1, the Company reflects 100% of its Distribution Mains, Transmission Mains, and Services as eligible for 100% Tax Expensing. Demonstrate whether the Company applied 100% tax expensing to Mains and Services to calculate its forecasted pro-forma test year ADIT balance in a manner consistent with its calculation of such costs in its PRP filing.

Response:

a. See attached for support of the ADIT balances for PT-FED and PT-KY repairs at 6-30-26.

b. See response to a.

c. The Company did not apply an estimate of 100% of capital as eligible for repairs in calculating the pro forma test period ADIT balance. The PRP capital program spend is all replacement type work that has a very high degree of eligibility for tax repairs under the IRS rules. The capital spend in the forecast test period is a mix of replacement and new business as well as non-mains and services spend that is not entirely eligible for tax repairs, so it would not be accurate to use a 100% eligibility estimate for the pro forma test period.

Line No	Description	PT-FED REPAIRS- NORM	PT-KY REPAIRS- NORM
1	Actual Balance at 8-30-24 ADIT	\$ (8,586,767)	\$ (1,615,130)
2	Est Repairs Deduction 2024 remainder	\$ (2,839,606)	\$ (2,839,606)
3	Est Repairs Deduction 2025 (per reponse to DR#50, Line 4)	\$ (9,019,162)	\$ (9,019,162)
4	Est Repairs Deduction 6 mos. 2026 (per response to DR#50, Line 4 times 6/12)	\$ (2,697,656)	\$ (2,697,656)
5	Subtotal (Ln2 + Ln3 + Ln4)	\$ (14,556,425)	\$ (14,556,425)
6	Tax Rate	0.21	0.0395
7	Incremental ADIT (Ln5 X Ln6)	\$ (3,056,849)	\$ (574,979)
8	Balance 6-30-26 (Ln1 + Ln7)	\$ (11,643,617)	\$ (2,190,109)

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-062

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

62. The Company's tariff, supplied in Tab 04_112524, page 47 of 50, indicates that the PRP Rider Revenue Requirement includes PRP-related plant in service, accumulated depreciation and accumulated deferred income taxes that are not included in base gas rates. Identify the portion of plant in service that will not be included in base gas rates on the date that new base rates become effective in this case.

Response:

\$19,314,155 of plant in service at ending 6/30/26 will not be included in new base gas rates, as shown on the second sheet of the attachment to AG 1-51a.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-063

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

63. Identify the labor capitalization rate for Delta labor for 2023, 2024 year to date, 2025 budget, and the 2026 forecasted pro-forma test year.

Response:

The labor capitalization rates are as follows: 2023 - 21.5%, November 2024 YTD - 24.4%, 2025 Budget - 24.6%, 2026 - 24.6%

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-064 A

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

64. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2 and respond to the following:

a. Provide all underlying calculations and assumptions supporting the \$1,107,106 increase in accounts 8400000 and 8402004.

Response:

The \$1.1m increase is the difference between 2025 budget and the projection for the Test Year. This increase is because projected overhead capitalizations decreased from 2025 to 2026 as a result of projected decrease in capital expenditure from 2025 to 2026. See attached file for the requested calculations and assumptions.

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
2024 G&A	(173,209)	(127,773)	(186,154)	(132,331)	(431,660)	(446,430)	(960,472)	(257,280)	(508,799)	(485,740)	(348,389)	(129,831)	(4,188,068)
2025 G&A	(314,222)	(570,736)	(482,775)	(617,750)	(673,313)	(676,748)	(663,593)	(686,964)	(638,367)	(612,081)	(346,632)	(12,941)	(6,296,123)
2025 Monthly Ratio	4.99%	9.06%	7.67%	9.81%	10.69%	10.75%	10.54%	10.91%	10.14%	9.72%	5.51%	0.21%	100.00%
2026 G&A	(220,283)	(400,110)	(338,445)	(433,068)	(472,020)	(474,428)	(465,206)	(481,590)	(447,522)	(429,094)	(243,003)	(9,072)	(4,413,842)

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Description	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Total
Base Year	(186,154)	(132,331)	(431,660)	(446,430)	(960,472)	(257,280)	(508,799)	(485,740)	(348,389)	(129,831)	(314,222)	(570,736)	(4,772,045)

Description	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Total
FPFTY	(663,593)	(686,964)	(638,367)	(612,081)	(346,632)	(12,941)	(220,283)	(400,110)	(338,445)	(433,068)	(472,020)	(474,428)	(5,298,933)

2025 Budget (6,296,123)

Forecasted Test Year (5,298,933)

2025 BUD Vs FPFTY (997,191)

Description	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	
2024 M&S	(3,999)	(3,767)	(10,223)	(3,793)	(12,552)	(5,047)	(26,287)	(14,154)	(23,735)	(23,735)	(23,735)	(23,735)	(174,761)	
2025 M&S	(10,688)	(10,688)	(20,428)	(44,064)	(51,227)	(62,857)	(61,701)	(65,018)	(57,961)	(46,364)	(16,335)	(14,570)	(461,900)	
2025 Monthly Ratio	2.31%	2.31%	4.42%	9.54%	11.09%	13.61%	13.36%	14.08%	12.55%	10.04%	3.54%	3.15%	100.00%	
2026 M&S	(4,813)	(4,813)	(9,198)	(19,842)	(23,067)	(28,304)	(27,783)	(29,277)	(26,099)	(20,877)	(7,355)	(6,561)	(207,990)	(207,990)

Description	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Total
Base Year	(10,223)	(3,793)	(12,552)	(5,047)	(26,287)	(14,154)	(23,735)	(23,735)	(23,735)	(23,735)	(10,688)	(10,688)	(188,372)

Description	Jul 2025	Aug 2025	Sep 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Feb 2026	Mar 2026	Apr 2026	May 2026	Jun 2026	Total
FPFTY	(61,701)	(65,018)	(57,961)	(46,364)	(16,335)	(14,570)	(4,813)	(4,813)	(9,198)	(19,842)	(23,067)	(28,304)	(351,985)

2025 Budget	(461,900)
Forecasted Test Year	(351,985)
2025 BUD Vs FPFTY	<u>(109,915)</u>

Months	2025 Dist	2025 Dist	2025 Transm	2025 Transm	Combined	Combined	M&S 2025 BUD (\$3.1m)	M&S CAP - 14.9%?	2025	2026			
Jan	2.255%	184,906	2.337%	488,400	673,306	2.31%	71,733.93	(10,688.36)	38,825,308	17,482,741			
Feb	2.255%	184,906	2.337%	488,400	673,306	2.31%	71,733.93	(10,688.36)	-1.19%	(207,990)			
Mar	3.780%	310,031	4.675%	976,800	1,286,831	4.42%	137,098.79	(20,427.72)					
Apr	12.573%	1,031,149	8.349%	1,744,647	2,775,797	9.54%	295,733.00	(44,064.22)	Change	253,910			
May	13.573%	1,113,165	10.116%	2,113,847	3,227,012	11.09%	343,805.45	(51,227.01)					
June	13.573%	1,113,165	13.622%	2,846,447	3,959,612	13.61%	421,856.55	(62,856.63)					
July	14.209%	1,165,350	13.024%	2,721,447	3,886,797	13.36%	414,098.85	(61,700.73)					
Aug	14.209%	1,165,350	14.024%	2,930,400	4,095,750	14.08%	436,360.63	(65,017.73)					
Sept	11.721%	961,304	12.873%	2,689,900	3,651,204	12.55%	388,998.76	(57,960.82)					
Oct	10.221%	838,304	9.966%	2,082,360	2,920,664	10.04%	311,167.13	(46,363.90)					
Nov	0.636%	52,185	4.675%	976,800	1,028,985	3.54%	109,627.92	(16,334.56)					
Dec	1.000%	82,016	4.000%	835,810	917,826	3.15%	97,785.06	(14,569.97)					
	100.00%	8,201,831	100.000%	20,895,260	29,097,091	100.00%	3,100,000	(461,900)					
Budget	8,201,562		20,895,260										
	29,096,822		38,696,822		-1.19%								
	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	
8400000	(10,688)	(10,688)	(20,428)	(44,064)	(51,227)	(62,857)	(61,701)	(65,018)	(57,961)	(46,364)	(16,335)	(14,570)	(461,900)

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-064

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

64. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2 and respond to the following:

b. Provide a comprehensive explanation of the Company's accounting process for capitalizing construction overheads.

c. Provide the underlying calculations supporting the Company's base period charges to these two accounts.

Response:

b. See attached.

c. See attached file in 064 A for the supporting calculations for 8402004 and 8400000.

SURCHARGES REVIEW

June 2022

Objective

Document current mechanisms for capitalizing direct and indirect labor, materials, non-labor G&A expenses and Construction Group

- G&A Overhead Surcharge
- Materials Handling Surcharge
- Construction Group Assessment
- Special WBS (projects)

Current Mechanisms to Capitalize Costs

Direct Charging to Capital Jobs

- Internal labor hours prices at per hour activity price rates (transfer pricing)
- Materials, contractor/outside services, travel, etc. directly charged
- Vehicles/equipment usage hours priced at per hour vehicle activity price rates

Surcharges to Capital

- General & Administration (G&A) - applied to total non-surcharge project cost
- Material Handling (Stores Clearing) – applied to stock material & meter purchases
- Billing/G&A – applied to all billed charges (capital billable projects only)

WBS Allocations to Capital

- Non-Field or Corporate employees who dedicate a significant portion of their time to capital support including Sales Reps (New Construction) and GIS (LTIIP, MLX) by charging special WBS (projects) that are then allocated to Services and Lines
- IT Analysts charge special WBS (projects) for each implementation that are then allocated to the companies that will use that particular application

Assessments

- Construction Related Support Costs - costs not charged directly to projects are “assessed” to capital project work that is “managed” by the Construction Group
- Restoration 3rd Party Fixed Management Fee – costs allocated to jobs with restoration

INTERNAL DIRECT CAPITALIZED LABOR

(Activity Allocations)

Activity Allocations

$$\text{Activity Rate} = \frac{\text{Labor} + \text{PT} + \text{APIP} + \text{Benefits}}{\text{Productive Hours}}$$

Productive Hours = Total Annual Hours less Holidays, Vacation*,
Sick Time**, and Other Unproductive Hours***

The Productive Hours methodology is utilized so that a portion of unproductive time will follow the productive hours that are charged to projects (wbs's). Productive hours are generally estimated at ~1856 for salaried and ~1765 for union out of a 2,080 total available hours.

The Productive Hours are an annualized number and do not vary month to month for vacation, APIP, etc.

- * Vacation hours based on start date for both union & salaried
- ** Sick Time based on prior year actual for union only.
- *** Includes training, employee meetings, union business, light duty, stand-by time, safety meetings, drug testing

SURCHARGES

G&A Surcharge Definition

Objective

- The G&A surcharge is designed to capitalize a portion of Corporate or Administrative support costs, both labor and non-labor

Calculation

- The calculation applies all indirect O&M resources to all direct O&M (less a few exclusions...bad debt, rider expenses, etc.) plus all Capital resources (less General & IT).

Rate

- The rate allocates the indirect costs in the same proportion to O&M and Capital resource mix.

Application

- G&A surcharge is applied to all capital expenses charged directly to a project.

G&A Surcharge Calculation

G&A Surcharge Example

	\$MM
<u>Indirect Expenses</u>	
Indirect Labor Estimate	\$ 37.7
Indirect Non-Labor Estimate	\$ 20.5
Total Indirect Expenses (A)	\$ 58.2
<u>Direct Expenses</u>	
Direct O&M Labor (1)	\$ 81.7
Direct O&M Non-Labor (1)	\$ 57.7
Capital Budget (2)	\$ 164.1
Total Direct Expenses (B)	\$ 303.5
 Total Indirect & Direct	 \$ 361.7
 G&A Rate (A/B) to be applied to direct expenses	 19.2%
 Direct Expense - % O&M	 45.9%
Direct Expense - % Capx	54.1%
 Indirect Expenses to be Capitalized (\$58.2 * 54.1%)	 \$ 31.5

(1) 2018 O&M Budget less Rider F, Warehouse, bad debt, overheads, donations, SR Mgt Fee

(2) 2018 CB less surcharges, assessments, meters, general & IT capital

Indirect Labor/ICO Labor – Total labor from all corporate depts. – IT, HR, Accounting, Legal, Executive, etc...

Indirect Non Labor – details on next slide

Direct O&M Labor – Primarily Hourly & some Gas Operations Salary labor charged to O&M wbs's or an O&M cost center

Direct O&M Non Labor – materials, outside services, miscellaneous expenses, etc...

Capx Budget – Most non secondary cost element resources (excludes IT, General), meters

G&A - Indirect Non Labor Expenses

Indirect Non-Labor Accounts
5304310 Office Supplies
5304340 Sftwr/Hrdwr Purchases
5304350 Office Furn & Equipment
5304390 Misc Supplies
5304410 Purchsng Card
5303110 Office Equipment
5303120 Comp & Sftwar
5303130 Building/Grds
5303150 Comm Equip Ma
5305030 Claims Reimbu
5306010 Insurance-Dir&Offic
5306020 Insurance-Excxs Lia
5306060 Insurance-General P
5306070 Insurance-Worker's
5306099 Insurance-Other
5307010 Rent Exp-Buildings
5307030 Rent Exp-Equipment
5307050 Rent Exp-Land
5307090 Rent Exp-Misc
5309010 Utils-Electric
5309020 Utilities - Phone
5309021 Utilities - Wireless
5309030 Utilities - Water

Material Handling Surcharge Definition

Objective

- The Material Handling surcharge is designed to capitalize the a portion of warehouse & supply chain related expenses.

Rate

- The rate is developed to allocate these costs in the same proportion to all stock and meter purchases

Application

- The material surcharge is applied to both stock material (GL 5304100) & meter purchases (WBS X9700)

Material Handling Surcharge Calculation

Stores Clearing = $\frac{\text{Warehouse O\&M} + \text{Supply Chain L\&B} + \text{Inventory Adj}}{\text{All Stock Material} + \text{Meter Purchases}}$

Stores Clearing Rate = $\frac{\$0.754 \text{ M} + \$0.433 \text{ M} + 0 \text{ M}}{\$7.666\text{M} + \$3.437\text{M}} = 10.7\%$

Warehouse Expenses = All labor & misc. warehousing expenses (XX4988)

Support Staff L&B = All labor & misc. material purchasing expenses (XX7029)

O&M & Capital Stock Material = GL 5304100

Meter Purchases = meters & other measurement devices charged to WBS X9700

OTHER

Special WBS Capture

Objective

- Capitalize Sales Rep, IT Analyst & GIS Analyst time directly charged to capital without the administrative burden of charging specific multiple WBS on a weekly basis

Application

- Specific individuals charge their labor to a WBS on their timesheet which is then closed monthly to service line, lines and IT Project assets (one project per software application)

Construction Assessment

Objective

- Capitalize 100% of the Construction Group and other costs that are not directly charged to capital or O&M projects. These costs include management related labor costs and small amounts of non-labor costs associated with the Construction department (e.g. expense reports, office supplies, etc.) as well as 3rd party engineering design costs and small bin stock materials

Rate:

- Rate is variable and dependent on the amount of capital work “managed” by the group, and the amount of costs that are not directly charged to projects.

Application:

- Costs are “assessed” to the current month’s charges on work “managed” by the CG, as designated by specific “work request types”. This is an automated process within SAP that uses the work request type.

Construction Group “Managed” Work

Construction Costs applied to these Capital Categories*

- All line replacements & relocations
- Service line renewals
- Demarcation & regulating stations
- Betterments
- Compressor Stations
- New Customer Facilities
- Other Growth (GWG, Commercial)
- Billable jobs

*excludes: meter purchases, meter exchanges, meter sets, M/C renewals singles, Fleet, Facilities, Tools & Work Equipment

Construction Costs

Construction Related Costs (to be assessed)

- Labor not charged to projects
- Department non-labor expenses – office supplies, personal expenses, etc.
- Engineering Design Services
- Bin Stock – small tools, under 2” fittings, gloves, shovels, etc. that are not easily charged to individual jobs
- Note – excluded from assessment – O&M work done by construction crews (time is direct charged to those O&M projects)

Construction Group Assessment Rate

$$\text{CG Rate} = \frac{\text{Construction Related Expenses}}{\text{Capital Work Managed by CG}}$$

$$\text{CG Rate} = \frac{\text{Construction Group Expenses} + \text{Engineering} + \text{Bin Stock}}{\text{Capital Work Managed by CG}}$$

$$\text{CG Rate} = \frac{\$31.3\text{M} + \$14.4\text{M} + \$1.2\text{M}}{\$148.2 \text{ M}} = 12.55\%$$

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-065

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

65. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2 and respond to the following:

a. There was a \$5.8 million credit balance in account 5399065 in the base period. Identify the amount and account distribution of underlying expenses in the base period that relates to the customer expense reimbursement. Further, indicate the amount of

such customer incurred costs reflected in the Company's 2025 budget.

b. Describe the nature of the transactions giving rise to the credit balance of \$1,292,939 in the base period as well as an explanation supporting a 2025 Budget balance of zero.

Response:

a. The \$5.8M credit balance in account 5399065 represents the capital project reimbursement money Delta has received from projects such as Lincoln County, Buffalo Trace, and Laurel Ridge.

All charges for Capital, as well as Operations & Maintenance, originally flow into accounts on the income statement. The amounts in capital settlement accounts 5300999, 5304999, 5303999 ,and 5399999 are offsetting balances that remove the impact of capital on the income statement. This way of reporting allows the company to see the gross expenditures per account, while also removing the capital impact from the income statement for the bottom line totals.

For the reimbursement payments specifically, the checks are credited to account 5399065. Then during month end settlement, a debit to 5399999 is made that offsets the 5399065 account, zeroing out the net impact on the income statement. At month-end, the balance sheet will show a net credit to the extent reimbursed amounts exceed related project costs to date.

b. As described in part a, there is no budget for account 5399065 because it is for capital reimbursement projects only. The offsetting amount to net this account to \$0 on the income statement is captured in account 5399999.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-066

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

66. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2 and respond to the following related to the forecasted pro-forma test year charges to account 5301010, Employee Benefits Medical:

a. Provide a comprehensive explanation for the significant increase in forecasted medical costs, including discussing the efforts to minimize such costs.

b. Compare the medical insurance premiums incurred by employees in 2024 versus those assumed in the forecasted pro-forma test year.

Response:

a. The original submission identified above was incorrect. See part c for a discussion of the error and correction. The 2025 budget has been revised to reflect an 7% increase over 2024's expense.

The 2025 medical benefits budget increased by 7% which reflects the projected increase in healthcare costs based on 2024 claim experience year to date. This projection was determined by our external actuary, Connor Strong. The 7% increase is also similar to general market cost increase trends for healthcare. See attachment 2 for assumptions recommended by Connor Strong. This attachment is confidential and provided under seal pursuant to a Petition for Confidential Protection.

b. See attachment 1 for actual claims paid compared with estimated future claims. This attachment is confidential and provided under seal pursuant to a Petition for Confidential Protection.

**ATTACHMENTS FILED UNDER SEAL PURSUANT TO THE
PETITION FOR CONFIDENTIAL PROTECTION FILED ON
JANUARY 3, 2025**

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-066

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

66. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2 and respond to the following related to the forecasted pro-forma test year charges to account 5301010, Employee Benefits Medical:

c. Provide all supporting documentation supporting the forecasted pro-forma test year medical costs.

Response:

See attached.

The original Total Benefits submission of \$3,929,951 for the Test Year included \$3,574,783 of Medical premiums, which were discovered to be over estimated by \$1,152,293. The adjusted Total Benefits cost is \$2,777,658; after escalating the \$2,230,550 projected 2024 employer contribution for Medical premiums by 7%, to arrive at \$2,386,689 Medical premiums projection for 2025 and \$2,422,490 projection for the Test Year. A decrease in projected O&M expenses by \$1,152,293 reduces the required rate increase from the case by \$1,159,544.

Case no: 2024-00346

Question: AG - I- 66c

	2025 Plan		Revised 2025	FPFTP -	FPFTP -	
	2025 Plan	Correction	Plan	Original	Adjusted	Correction
Medical Premiums	\$ 3,521,953	\$ (1,135,264)	\$ 2,386,689	\$ 3,574,783	\$ 2,422,490	\$ (1,152,293)
Other Benefits	\$ 202,789		\$ 202,789	\$ 205,831	\$ 205,831	
Total Direct Benefits	\$ 3,724,742	\$ (1,135,264)	\$ 2,589,478	\$ 3,780,613	\$ 2,628,321	\$ (1,152,293)
Indirect Benefits	\$ 147,131		\$ 147,131	\$ 149,338	\$ 149,338	\$ -
Total Benefits	\$ 3,871,873	\$ (1,135,264)	\$ 2,736,609	\$ 3,929,951	\$ 2,777,658	\$ (1,152,293)

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-067 A

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

67. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2. Provide an explanation of the nature of transactions recorded to the following accounts:

a. 59988899 SVC Only-Assoc Co Oper Ex-Miscellaneous

Response:

These are costs allocated from Peoples Natural Gas to Delta Natural Gas on a monthly basis. These are services (salaries, benefits, payroll taxes) and sundry (accounting services, internal audit, treasury, budgeting, HR, customer relations, legal, telecom, cybersecurity, help desk, etc.) provided by Essential and allocated to PNG Companies (parent company) who then allocates to Delta Natural Gas. Please refer to Tab 51 of Delta's Application for more detail regarding management fees.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-067 B

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

67. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2. Provide an explanation of the nature of transactions recorded to the following accounts:

b. 5399999 Capitalized Other-Proj Settmnt Use Only

Response:

b. Delta's income statement includes charges to Capital, as well as Operations and Maintenance. The capital charges settle to a different account so Delta can see the gross amount incurred in each account in the income statement. The amounts in capital settlement accounts 5300999, 5304999, 5303999, and 5399999 are offsetting balances that remove the impact of capital on the income statement. See response to Question No. 65 for further details.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-067 C

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

67. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2. Provide an explanation of the nature of transactions recorded to the following accounts:

c. 8203000 Planned Proj Labor

Response:

Account 8203000 represents planned labor and benefits cost charged to capital orders and therefore capitalized.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-067 D

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

67. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2. Provide an explanation of the nature of transactions recorded to the following accounts:

d. 8402004 Proj G&A Surcharge

Response:

d. The only transactions that flow through the noted account, 8402004, are directly related to G&A Surcharging. The G&A surcharge is a rate design mechanism to capitalize a portion of the "Corporate" or "Administrative" support costs regarding capital work, both labor and non-labor. The G&A surcharge is applied to capital expenses charged directly to a project.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-067 E

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

67. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2. Provide an explanation of the nature of transactions recorded to the following accounts:

e. 8402014 Construction

Response:

Account 8402014 is the Non Labor Construction Assessment account for planning. All non-labor cost related to a construction cost center are capitalized either through direct charging to a capital order or the balance is capitalized with the construction assessment.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-067 F

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

67. Refer to the file "FPFTY O&M Delta_R_PSCDR1_NUM054_120924 Tab 57 and specifically Schedule D-2.2. Provide an explanation of the nature of transactions recorded to the following accounts:

f. 8600000 Planned Benefits

Response:

f. Account 8600000 Planned Benefits is used for planning purposes only for Medical benefit related costs.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-068

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

68. Identify any orders of the Kentucky Public Service Commission that the Company is aware of which permits recovery of: a) Short-Term and b) Long-Term incentive compensation.

Response:

Please see the Commission's January 3, 2022 Order in Case No. 2021-00185, which was Delta's last rate case, that allowed Delta to recover a portion of its short-term and long-term incentive compensation. Moreover, Delta has presented testimony on the reasonableness of the short-term and long-term incentive compensation in this proceeding. The Commission's records that are available on its website contain numerous orders that address short-term and long-term incentive compensation and can be accessed by the Office of the Attorney General and its witnesses.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-069

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

69. Provide a copy of the Delta Accounting Manual or other documentation that defines each account in Tab 57 D-2.2.

Response:

Delta does not have an Accounting Manual.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-070 A

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

70. For any Delta employee or Delta affiliate employee whose costs are charged to Delta and who directly interacts with state or federal elected officials, provide the following:

a. Provide a copy of the employee's job description.

Response:

See response to Question No. 71. As a utility that is subject to extensive local, state and federal regulation, many Delta employees interact and communicate with local, state, and federal agencies and officials, some of whom may be elected officials, in the ordinary course of their employment regarding matters that are unrelated to lobbying.

a. Most recent job description is attached.

Job Posting Title: Vice President Public Affairs

Job Description

Are you looking for a fantastic career at Essential? We have a great opportunity for a Vice President Public Affairs. Under the direction of the CEO, the Vice President Public Affairs, is a key leadership role responsible for developing and promoting the overall messaging of the company' strategic priorities, corporate social responsibilities, investor relations, and employee experience. The role will support executive leadership as a public affairs advisor and strategist and lead media, community relations, internal communications, and reputation management. We are searching for a dynamic individual looking to lead a team of professionals who will bring excellence in all that we do and say to our communities, customers, employees, shareholders, and media. The Vice President will work closely as a direct report to the company's CEO, and as a member of the Senior Leadership Team, to lead the development of the overall public affairs and communications strategy execution.

ESSENTIAL DUTIES:

- Lead the development of the Company's public affairs and communication strategy and plan collaborating with leadership and the organization.
- Design comprehensive company programs, taking into consideration organizational image, message, and positioning; mission, goals, priorities and accomplishments of the company and its subsidiaries.
- Serve as a communications, public affairs, and public relations lead for the company; this includes proactive relationship management, reactive handling and active monitoring and reporting of media.
- Lead and builds corporate positioning and branding plans, including brand strategy and identity across multiple brands (Essential, Aqua, and Peoples).
- Oversee the preparation of press releases for senior level appointments, acquisitions, etc. establishing and maintaining a consistent image of the company throughout all operations, press releases, events, and print materials.
- In partnership with Human Resources, develop effective employee communications plans that strengthen recruitment, employee value proposition, engagement, and support to advance our thriving culture.
- Develop strategic media relations plan that includes issues management and risk assessment components.
- Closely monitors industry related issues and the competitive landscape to adjust Essential, Peoples and Aqua's messaging as needed.
- Drafts messages, presentations, executive communications, internal communications, and other media materials, as necessary.

- Works collaboratively across a variety of functions, including operating subsidiaries, investor relations, finance, corporate development, and others to support communications goals and ensure alignment with Essential's overall strategy.
- Provides day to day leadership and guidance to support the company's acquisition strategy.
- Works with company leaders to develop and support executive profiles and priorities.
- Responsible for managing the communications budget for the company.
- Manages various outside PR consultants and agencies that support the company.
- Assists with other tasks or projects as assigned.

QUALIFICATIONS:

- Bachelor's degree in marketing, communications, journalism, or related field. Advanced degree highly desired.
- A minimum of 15+ years of relevant full-time experience with developing and managing public relations and communications programs, writing, editing, and publications project management in a corporate setting.
- At least 10 years' experience supervising a team across multiple locations.

KNOWLEDGE, SKILLS, AND ABILITIES:

- Ability to develop, articulate and drive execution of large, long-term strategic communications initiatives.
- Extensive experience working with senior-most leadership with the confidence and ability to provide helpful feedback to all leadership levels.
- Proven experience working with financial functions such as Investor Relations to translate complex messaging in a creative fashion.
- Strong business acumen and the ability to comprehend and act on complex situations.
- Proven ability to develop and deliver strategic communications plans - successful candidate should be able to demonstrate successful outcomes from communications activities where they have conceptualized, developed, and executed a communications plan.
- Genuine communications savvy - strong media relations skills, a deep network, solid copywriting and editing skills.
- Strong project management skills - must be able to organize work in a methodical and rigorous manner but equally comfortable in a deadline-driven, fast-paced environment.
- Computer proficiency with Microsoft Office (Excel, PowerPoint, Word, and Outlook).
- Ability to travel 20% of the time, work after hours and on weekends when appropriate including on-call.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-070 B

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

70. For any Delta employee or Delta affiliate employee whose costs are charged to Delta and who directly interacts with state or federal elected officials, provide the following:

b. Provide the employee's total compensation included in the forecasted pro-forma test year costs, further split between direct labor costs and employee benefits by type.

c. Identify the portion, if any, that was charged to lobbying.

Response:

b. Delta has no employees engaged in lobbying. Essential and Peoples have three registered lobbyists: William Roland, Kimberly Joyce, and David Kralle. None of William Roland's expenses are allocated to Delta. Kim Joyce spends 5% of her time on lobbying and only 95% of her expenses are allocated to the operating units so none of her lobbying expenses are allocated to Delta. David Kralle, whose job description is attached to 70a, spends 40% of his time on lobbying. See attached for the calculation of Mr. Kralle's lobbying expenses allocated to Delta.

c. None of this amount was charged to Lobbying during the Fully Projected Future Test Period, so \$4,207 should be removed from operating expenses. This is in addition to the \$3,664 of third party lobbying expenses identified in PSC 1-13 to be excluded from the fully projected future test period, making the total revised adjustment for lobbying \$7,871.

PNG COMPANIES LLC ALLOCATED SHARE OF ESSENTIAL SERVICES LOBBYIST CHARGES
AMOUNTS ARE 41% ALLOCATION OF ORIGINAL CHARGES AT ESSENTIAL

MONTH	Source object name	PNG COST CENTER	CCR TITLE	ALLOCATION PERCENTAGES				1000	1300	1600	3100	TOTAL
				1000 - %	1300 - %	1600 - %	3100 - %					
Aug-24	David Kralle / VP Communications	224410	Comm Relations	82.820	0.320	6.790	10.070	9,770.64	37.75	801.05	1,188.00	11,797.44
Total Delta (labor including benefit loads)										839		
Lobbying percentage										40.0%		
Annualized										336		
Adjust from August 2024 actual to FPFTP										4,026		
										181		
Total lobbying expense allocated to Delta--recorded as corporate allocations										4,207		

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-071

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

71. For any Delta employee or Delta affiliate employee whose costs are charged to Delta and who oversees the activities of external lobbyists, and/or is involved in any way in the development of messaging and/or strategic communications with state or federal

elected officials, provide the following:

- a. Provide a copy of the employee's job description.
- b. Provide the employee's total compensation included in the forecasted pro-forma test year costs, further split between direct labor costs and employee benefits by type.
- c. Identify the portion, if any, of the employee's costs charged to lobbying.

Response:

Delta does not track or maintain the requested information. As a utility that is subject to extensive local, state and federal regulation, many Delta employees interact and communicate with local, state, and federal agencies and officials, some of whom may be elected officials, in the ordinary course of their employment regarding matters that are unrelated to lobbying. A significant portion of Delta's communications with local and state officials involve economic development, including developing industrial sites, attracting new business to the state, and extending natural gas service to unserved areas of the state. Further examples of such communications include: (1) communicating with local officials regarding construction activity in their municipality; (2) responding to service requests; (3) general updates on utility operations, (4) discussing policies related to better serving customers, (5) reporting to the Public Service Commission; and (6) reporting to PHMSA. No portion of Delta employee or Delta affiliate employee costs are charged to lobbying due to these types of interactions. As Delta stated in response to PSC 1-13, Delta has no employees that are registered lobbyists and primarily relies on Capital Link Consultants to direct, monitor, and report Delta's government relations activities. The time Delta employees spend engaging with Capital Link Consultants on lobbying matters is limited, immaterial, and is not tracked.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-072

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

72. Provide a comprehensive discussion identifying the process Delta intends to use to identify future PRP-qualifying investments, given the projects forecasted to be included in base rates in this proceeding. Discuss the Company's steps to ensure such projects are not double-counted.

Response:

Delta has proposed no changes in the process it has always used to identify future PRP-qualifying investments. The Company maintains a register of all identified replacement projects by vintage year. The Company updates and files this register as Schedule VI of the annual PRP filing each October and also calculates new rates based on the estimated projects to be completed in the current calendar year. Each March, after the calendar year is closed, the Company reports the actual PRP expenditures for the preceding calendar year and proposes to adjust the PRP rate taking into consideration any variances in the estimated and actual spend.

The Company has performed a PRP calculation for the 12 months ended 6/30/26, using the same estimate assumptions as in the Fully Projected Future Test Period for the base rate case. Removing the calculated PRP revenue requirement from the total calculated revenue requirement assuming all assets and expenses, as has been done in this case, eliminates the risk of double-counting. Even if the PRP revenue requirement is overstated, there would not be double-counting because the base revenue requirement would be understated by an equal amount. Conversely, if the PRP revenue requirement is understated, the base revenue requirement would be higher to make up for the understatement of the PRP revenue requirement, but there still would be no double-counting of the revenue requirement.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-073

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

73. Regarding the forecasted balance of excess accumulated deferred income taxes (EADIT) – (both state and federal), provide the individual book/tax timing differences further identified as protected or unprotected that correspond to the EADIT balance included in this filing.

Response:

See attached for the individual book/tax timing differences comprising EADIT for Delta. The exhibit is from the TCJA case where the determination of the amortization of EADIT was decided.

The TCJA EADIT for Peoples Gas of KY is primarily method/life protected book versus tax differences with a small amount of other book versus tax property related differences. See attached.

PEOPLES GAS KY LLC

Grouped By: Total Tax Classes

Jurisdiction: Federal	Ending Difference	Ending APB11 DFIT Balance	End FAS109 Liability @ Stat Rate	Regulatory Liab Before Gross-Up	Regulatory Liab After Gross-Up
Tax Year: 2025					
Company Totals:	758,874,880	37,683,026	27,914,614	(9,768,413)	(13,015,873)
PKY Fed COR/Salvage	66,960	14,062	14,062	-	-
PKY Fed Method/Life	836,877	208,721	175,744	(32,977)	(43,940)
Method/Life	903,837	222,783	189,806	(32,977)	(43,940)
PKY Fed 263A Int-Dist 20	(8,139)	(2,132)	(1,709)	425	566
PKY Fed AFUDC Debt	2,951	656	620	(37)	(49)
PKY Fed Int Dev SW	-	-	-	-	-
PKY Fed Net Book	-	-	-	-	-
Book Overhead	(5,188)	(1,476)	(1,089)	388	516
PKY Fed IP Dist LP 20	(5,713)	(2,032)	(1,200)	832	1,109
Tax Overhead	(5,713)	(2,032)	(1,200)	832	1,109
Total Tax Classes	892,936	219,275	187,517	(31,758)	(42,315)
PwrTax - 257					

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-074

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

74. Provide the Delta Trial Balance as of November 30, 2024.

Response:

See attached.

Delta Natural Gas Trial Balance

OL

Ledger

10

Currency type Company code currency

USD

Amounts in United States Dollar

2024.01 -2024.11

Reporting periods

Company Code	Account Number	Account Number & Description	P1-11.2024
		ASSETS	
		PLANT	
		Net Utility Plant	
		Gross Utility Plant	
****	1310110	1310110 Construction Complete Not Classified	3,702,258.27
1600	1311191	1311191 Asset Retirement Cost - Manual posting	60,974.44
****	1311200	1311200 Utility Plant in Service - PowerPlan	323,744,170.26
1600	1321230	1321230 Gas Stored In Reservoirs And Pipelines - Noncurr	4,208,069.49
		Total Utility Prop Plant & Equip	331,715,472.46
1600	1311140	1311140 Plant Acquisition Adjustments	-580,759.08
1600	1331140	1331140 Accum Amortization - Plant Acquisition Adj	580,759.08
		Total Net Utility Plant Adjustment	0
		Total Gross Utility Plant	331,715,472.46
		Allowance for Depreciation	
1600	1331191	1331191 Accum Depreciation - Asset Retirement Cost- Manual	-45,476.70
****	1331210	1331210 Accumulated Depreciation - Utility Plant	-150,011,992.12
****	1331800	1331800 Accum Depreciation - Salvage	-394,483.27
1600	1331900	1331900 Accum Depreciation - Plant History (108)	-2,984,608.03
		Less Allowance for Depreciation	-153,436,560.12
		Total Net Utility Plant	178,278,912.34
		Construction Work in Progress	
****	1311011	1311011 Construction Work In Progress-Utility-PowerPlan	17,443,893.39
1600	1311900	1311900 CWIP Clearing Acct/Direct Pstg	66,100.35
		Total Construction Work in Progress	17,509,993.74
		TOTAL PLANT	195,788,906.08
		OTHER ASSETS	
		CSV Life Insurance	
1600	1231010	1231010 Exec Insur - Cash Surrender Value	653,495.09
		Total CSV Life Insurance	653,495.09
		OTHER ASSETS SUBTOTAL	653,495.09
		CURRENT ASSETS	
		Prepayments & Other Current Assets	
		Prepayments	
****	1191250	1191250 Prepaid Insur - Benefits (Health Insur-HSA)	1,270.87
1600	1191280	1191280 Prepaid Insurance - Other	2,678.63
1300	1191435	1191435 Prepaid Leases	2,200.00
1600	1191440	1191440 Prepaid Postage	20,000.00
****	1191900	1191900 Prepaid Miscellaneous	63,934.05
1300	1191910	1191910 Prepaid Maintenance Agreements	11,914.64
		Total Prepayments	101,998.19
		Other Current Assets	
1600	1199030	1199030 Pipeline Exchange Gas Imbalance Receivable	167,623.79
		Total Other Current Assets	167,623.79
		Total Prepayments & Other Current Assets	269,621.98
		Cash	
1600	1111490	1111490 Cash in Banks - BB&T	2,346.48
1600	1111496	1111496 Cash in Banks - Winchester Admin-Traditional	10,049.08

****	1112321	1112321 Cash Clearing - PNC Lockbox	83,782.34
1600	1112499	1112499 Cash Clrng - Cash Desk	50
1600	1113200	1113200 Working Funds	300
		Total Cash	96,527.90
		Accts Receivable Trade	
1600	1136000	1136000 Accts Receivable - Reconciliation Account	40,182.59
1600	1136021	1136021 Accts Receivable - Reconciliation - Misc Gas/Elec	631,368.28
****	1136100	1136100 Customer A/R - Retail Gas Sales - CR&B	2,364.35
1300	1136101	1136101 Customer A/R - Utility - Manual	-20,000.00
****	1136230	1136230 Budget Billing Credit Balances	1,562,856.17
1600	1137045	1137045 A/R - Other-Accident/Property Claims-SAP Recon	39,285.36
1600	1137057	1137057 Accounts Receivable - Other	423,321.32
****	1139951	1139951 Cash Clrg Account - Unapplied Cash - PNC	-47,162.42
		Total Accts Receivable Trade	2,632,215.65
		Allowance for Bad Debts	
****	1138010	1138010 Provision for Uncollectible A/R-Customer Accounts	-424,962.15
1600	1138030	1138030 Provision for Uncollectible A/R-Misc Receivables	-37,845.17
		Total Allowance for Bad Debts	-462,807.32
		Accts Receivable - Affiliates	
****	1133150	1133150 Interco Rec - 1000 - Peoples NGC	16,077.10
1600	1133152	1133152 Interco Rec - 1300 - Peoples Gas KY LLC	545.03
****	1133155	1133155 Interco Rec - 3100 - Peoples Gas Co LLC	3,241.73
1300	1133156	1133156 Interco Rec - 1600 - Delta Natural Gas Inc	142.03
1600	1133157	1133157 Interco Rec - 1700 - Delta Resources	87,950.48
1600	1133158	1133158 Interco Rec - 1800 - Delgasco	70,292.50
1600	1133159	1133159 Interco Rec - 1900 - Enpro	4,087.75
1600	1135140	1135140 A/R - 2200 - PNG Companies LLC	22,397.94
****	1135150	1135150 A/R - 1000 - Peoples NGC	5,780.48
1600	1135152	1135152 A/R - 1300 - Peoples Gas KY LLC	2,681.16
1600	1135155	1135155 A/R - 3100 - Peoples Gas Co LLC	6,950.83
1300	1135156	1135156 A/R - 1600 - Delta Natural Gas	1,205.31
1600	1135157	1135157 A/R - 1700 - Delta Resources	1,483.95
1600	1135158	1135158 A/R - 1800 - Delgasco	48,689.38
1600	1135159	1135159 A/R - 1900 - Enpro	3,242.90
1600	2199258	2199258 Exchange Gas Payable-Affil-1800-Delgasco	-130,574.82
		Total Accts Receivable - Affiliates	144,193.75
		Materials & Supplies	
****	1142010	1142010 Materials Inventory	946,464.40
		Total Materials & Supplies	946,464.40
		Materials & Supplies - Gas stored	
1600	1141600	1141600 Gas Stored Underground - Current	2,372,763.76
		Total Materials & Supplies - Gas stored	2,372,763.76
		Unbilled Revenue	
****	1131015	1131015 Customer Accounts Receiv-Gas Unbilled-Residential	3,161,134.76
1600	1131016	1131016 Customer Accounts Receiv-Gas Unbilled-Commercial	1,610,816.48
		Total Unbilled Revenue	4,771,951.24
		Regulatory Assets - Current	
****	1194010	1194010 Deferred Gas-Actual Cost Adj - Unrecovered	6,052,224.28
1600	1194060	1194060 Deferred Gas - Unbilled	-1,374,162.00
		Total Regulatory Assets - Current	4,678,062.28
		TOTAL CURRENT ASSETS	15,448,993.64
		NONCURRENT ASSETS	
		Total Reg Assets LT	
		Rate Case Expense	
1600	1242020	1242020 Reg Asset - Rate Case Expenses	169,191.28

		Total Rate Case Expense	169,191.28
		Regulatory Assets	
****	1242010	1242010 Reg Asset - FAS 109	2,451.97
1600	1242142	1242142 Reg Asset - CEP	-9.77
1600	1242150	1242150 Reg Asset - Loss on Extinguishment of Debt	1,034,057.23
1600	1242202	1242202 Reg Asset - Cost of Removal	4,274,440.64
****	1242204	1242204 Reg Asset - Vacation Balancing	713,688.45
1600	1242206	1242206 Reg Asset - Asset Retirement Obligation	158,237.92
1600	1242207	1242207 Reg Asset - Debt Issuance Costs	29,296.47
		Total Regulatory Assets	6,212,162.91
		Total Reg Assets LT	6,381,354.19
		Prelim Survey & Invest	
1600	1250010	1250010 Preliminary Survey & Investigations	10,000.00
****	1251020	1251020 Retirement Work in Progress (Gas)- PP	-73,478.76
		Total Prelim Survey & Invest	-63,478.76
		Other (NC Assets)	
1600	1212015	1212015 Supplemental Retirement Benefit Trust	1,416,096.89
1300	1239100	1239100 Other Special Funds/Deposits-Other	1,250.00
****	1253920	1253920 Other Deferred Charges	144,676.41
		Total Other (NC Assets)	1,562,023.30
		TOTAL NONCURRENT ASSETS	7,879,898.73
		TOTAL ASSETS	219,771,293.54
		CAPITAL	
		Equity	
		Capital in Excess of Par	
1600	3121110	3121110 Other Paid-in Capital	-72,216,592.79
1300	3121120	3121120 Members Equity	-2,511,426.49
		Total Capital in Excess of Par	-74,728,019.28
		Balanace January 1st	
****	3220000	3220000 Unappropriated Retained Earnings	-22,489,912.59
		Balanace January 1st	-22,489,912.59
		Income - Current Year	
		Current Year Profit	-3,805,139.82
		Total Income - Current Year	-3,805,139.82
		Dividends - Common	
1600	3210100	3210100 Dividends & Equity Returns	13,000,000.00
		Total Dividends - Common	13,000,000.00
		Total Equity	-88,023,071.69
		Long-Term Debt	
		Mortgage Bonds	
1600	2150040	2150040 Notes Payable Affil- 2200 -Current Portion	-1,500,000.00
		Total Other Debt	-1,500,000.00
****	2200540	2200540 LT Notes Payable - 2200 - PNG Companies	-53,637,599.95
		Total Long Term Debt	-53,637,599.95
****	2112440	2112440 ST Interco Notes Payable-2200-PNG Companies	-7,843,650.30
		Total Long Term Debt-Pushdown	-7,843,650.30
		Total Mortgage Bonds	-62,981,250.25
		Unamort Debt Issue Costs	
1600	2201010	2201010 Debt Issuance Costs - LT - Essential	107,297.46
		Total Unamort Debt Issue Costs	107,297.46
		Total Long-Term Debt (Net)	-62,873,952.79
		TOTAL CAPITAL	-150,897,024.48
		CURRENT LIABILITIES	
		Accounts Payable - Trade	
****	2111020	2111020 Trade Accounts Payable	-570,505.65

1600	2111025	2111025 Cash Discounts Clearing - Trade A/P	4.06
****	2111200	2111200 Goods Received/Invoice Received Clearing	-1,265,521.96
****	2111400	2111400 Procurement Card Clearing	-65,232.88
****	2111430	2111430 Fleet Card Clearing	13,687.40
****	2111520	2111520 A/P-Revenue Related-Budget Billing Credit Balance	-1,562,856.17
****	2111580	2111580 A/P-Revenue Related-Gas Purchases-Current	-1,088,118.06
1600	2111811	2111811 Expense Report Clearing - Travel Expense	-1,913.72
****	2111910	2111910 Accts Payable Liability - Other	-1,616,010.94
****	2111915	2111915 Accts Payable Liability - Misc	-868
1600	2111950	2111950 Accrued Assessments & Fees	-69,208.00
		Total Accounts Payable - Trade	-6,226,543.92
		Accts Payable - Affiliate	
****	2113040	2113040 Interco Payable - 2200 - PNG Companies LLC	-3,597,611.76
****	2113050	2113050 Interco Payable - 1000 - Peoples NGC	-15,480.37
1600	2113052	2113052 Interco Payable - 1300 - Peoples Gas KY LLC	-142.03
1300	2113056	2113056 Interco Payable - 1600 - Delta	-545.03
1600	2113057	2113057 Interco Payable - 1700 - Resources	-223,241.05
1600	2113058	2113058 Interco Payable - 1800 - Delgasco	-731,600.00
1600	2113059	2113059 Interco Payable - 1900 - Enpro Inc LLC	-7,982.55
****	2113340	2113340 Interco Interest Payable - 2200 - PNG Companies	-1,711,565.32
****	2113540	2113540 A/P - 2200 - PNG Companies LLC	-2,750,068.50
****	2113550	2113550 A/P - 1000 - Peoples Natural Gas	-24,218.10
1600	2113552	2113552 A/P - 1300 - Peoples Gas KY LLC	-1,205.31
1600	2113555	2113555 A/P - 3100 - Peoples Gas Co LLC	-3,386.41
1300	2113556	2113556 A/P - 1600 - Delta Natural Gas	-2,681.16
		Total Accts Payable - Affiliate	-9,069,727.59
		Accr Inc Taxes - Federal	
****	2132010	2132010 Accrued Federal Income Tax - Current Year	-625,721.05
		Total Accr Inc Taxes - Federal	-625,721.05
		Accr Inc Taxes - State	
****	2133130	2133130 Accrued State Income Tax - Other-Curr Yr	-597,868.60
		Total Accr Inc Taxes - State	-597,868.60
		Accr Taxes - Other	
1300	2115200	2115200 Sales Tax	279,990.91
****	2115210	2115210 Sales Taxes Payable - State	-3,699,517.48
1300	2115300	2115300 Withholding Taxes Payable	-2.38
****	2131010	2131010 Accrued Use Taxes - State	3,410,788.00
****	2136010	2136010 Accrued Property Taxes	-3,884,566.44
****	2139010	2139010 Accrued State Business & Occupation Tax	-62,171.00
1600	2139020	2139020 Accrued Franchise Tax	-98,475.33
1600	2139100	2139100 Accrued Employer Payroll Taxes	-0.02
		Total Accr Taxes - Other	-4,053,953.74
		Accrued Interest	
****	2129030	2129030 Interest Accrued - Customer Deposits	-2,742.90
		Total Accrued Interest	-2,742.90
		Regulatory Liability - Current	
****	2171120	2171120 Regulatory Liability-CIS Riders	-140,125.08
		Total Regulatory Liability - Current	-140,125.08
		Other Accrued Expense	
****	2112015	2112015 A/P - Payroll W/H - 3rd Party	-28,283.54
1600	2112040	2112040 A/P - Payroll W/H - Garnishments	351.4
****	2114010	2114010 Customer Deposits	-1,001,241.15
****	2141050	2141050 Accrued Payroll	-217,132.37
****	2141100	2141100 Accrued Vacation	-713,688.45
****	2141200	2141200 Accrued Annual Incentive	-284,709.10

1600	2191800	2191800 Centralized Appropriations	-26,109.54
1300	2192037	2192037 OPEB ME Benefit Oblig FAS 158 - Current	-5,404.03
1600	2199285	2199285 Pooling & BBA Gas Imbalance Payable	-398,935.97
1600	2199440	2199440 Misc C&A Liabilities - Marketing Assistance Progrm	-263,700.71
****	2199615	2199615 Accrued Liab-Audit Fees	-54,139.75
1600	2199900	2199900 Misc C&A Liabilities	-435,120.62
		Total Other Accrued Expense	-3,428,113.83
		TOTAL CURRENT LIABILITIES	-24,144,796.71
		NONCURRENT LIABILITIES	
		Cust Advances for Construction	
1600	2199040	2199040 Customer Advances for Construction	-277,717.58
1600	2291040	2291040 Customer Advances for Construction - NC	-658,292.08
		Total Cust Advances for Constr.	-936,009.66
		Long Term Deferred - FIT	
****	1261010	1261010 Accumulated Deferred FIT Asset - Non-Current	1,096,332.85
****	1261020	1261020 Accumulated Deferred FIT Asset - Excess Gross UPNC	3,596,550.05
****	2210010	2210010 Accum Defd Plant Federal Income Tax Liab-Noncurr	-23,286,831.38
****	2210020	2210020 Accum Defd Other Federal Income Tax Liab-Noncurr	-1,133,504.45
		Total Long Term Deferred - FIT	-19,727,452.93
		Long Term Deferred - SIT	
****	1262010	1262010 Accumulated Deferred SIT Asset - Non-Current	146,596.54
****	2211010	2211010 Accum Defd Plant State Income Tax Liab-Noncurr	-5,514,672.80
****	2211020	2211020 Accum Defd Other State Income Tax Liab-Noncurr	-358,822.90
		Total Long Term Deferred - SIT	-5,726,899.16
		Regulatory Liability	
****	2220110	2220110 Reg Liab - Excess Deferred Income Tax - NonCurrent	-10,818,479.50
****	2220120	2220120 Reg Liab - Excess DIT - Gross Up NC	-3,596,549.81
		Total Regulatory Liability	-14,415,029.31
		Asset Retirement Obligations	
1600	2296010	2296010 Asset Retirement Obligation - Non-Current	-173,735.62
		Total Asset Retirement Obligations	-173,735.62
****	2291508	2291508 Noncurrent Liab-Pension Benefit Obligation	-1,996,757.11
1300	2291510	2291510 OPEB EGC 158 Benefit Obligation - Non Current	-192,817.51
		Total Pension and OPEB Liabilities	-2,189,574.62
		Other (NC Liab)	
1600	2291080	2291080 Deferred Compensation - Executives	-1,416,096.89
1600	2299200	2299200 Deferred Credit - Non Current	-144,674.16
		Total Other (NC Liab)	-1,560,771.05
		NONCURRENT LIABILITIES SUBTOTAL	-44,729,472.35
		TOTAL LIABILITIES & CAPITAL	-219,771,293.54
			0
		OPERATING INCOME	
		REVENUE	
		Operating Revenue	
****	4111010	4111010 Residential Gas Sales - Billed	-24,655,867.11
****	4111020	4111020 Residential Gas Sales - Unbilled	996,601.71
1600	4112010	4112010 Commercial Gas Sales - Billed	-15,865,915.96
1600	4112020	4112020 Commercial Gas Sales - Unbilled	773,610.95
1600	4113010	4113010 Industrial Gas Sales - Billed	-763,460.35
1600	4113020	4113020 Industrial Gas Sales - Unbilled	47,922.15
****	4115010	4115010 Forfeited Discounts - Gas	-20,121.15
****	4115040	4115040 Misc Gas Service Revenues	-29,999.01
1600	4116240	4116240 Rev From Trans of Gas-Distr Facil-Commercial	-102,384.45
1600	4116260	4116260 Rev From Trans of Gas-Distr Facil-Industrial	-4,762,431.68
1600	4116270	4116270 Rev From Trans of Gas-Distr Facil-Off System	-895,724.49

1600	4116278	4116278 Rev From Trans of Gas-Off System-Affil-1800	-1,120,924.47
1600	4116280	4116280 Rev From Trans of Gas-Distr Facil-Residential	-1,285.40
1600	4116297	4116297 Rev From Trans of Gas-Distr Facil-Affil-1700-DR	-1,018,384.23
1600	4118500	4118500 Provision for Rate Refunds	30.64
		Operating Revenue - Gas	-47,418,332.85
		Total Operating Revenue	-47,418,332.85
		Non Operating Revenue	
1600	4117010	4117010 Other Revenues - Sales of Products Extracted	-487,608.35
****	4305035	4305035 Revenues from M & J and Contract Work	-12,548.00
1600	6199900	6199900 Other Income - Miscellaneous	-3,489.67
		Total Non Operating Revenue	-503,646.02
		TOTAL REVENUE	-47,921,978.87
		UTILITY COSTS & EXPENSES	
		Purchased Gas:	
****	5205215	5205215 Nat Gas Trans Line Purch-Interstate-Gas Costs	12,748,200.45
1600	5205430	5205430 Purchased Gas Cost Adjustments - Unbilled Revenue	-929,650.34
1300	5205450	5205450 Unrecovered Purchased Gas Cost Adjustments	152,081.35
1300	5340100	5340100 Transportation of Gas - Commodity Charges	193,098.62
		Total Purchased Gas	12,163,730.08
		Operations & Maintenance Expense:	
		Labor	
****	5300110	5300110 Salaried - Straight-Time Wages	9,173,207.32
****	5300111	5300111 Salaried - Straight-Time Wages - 2200	593,493.52
1300	5300130	5300130 Salaried - Supplemental Pay	1,250.00
****	5300150	5300150 Salaried - Vacation Accrual	25,324.81
****	5300151	5300151 Salaried - Vacation Accrual - 2200	597.26
1600	5300210	5300210 Hourly - Straight-Time Wages	0
****	5300211	5300211 Hourly - Straight-Time Wages - 2200	194,101.59
****	5300262	5300262 Hourly - Severance JE - 2200	106.29
		Labor Regular	9,988,080.79
****	5300120	5300120 Salaried - Overtime Wages	684,490.11
****	5300121	5300121 Salaried - Overtime Wages - 2200	2,594.98
****	5300221	5300221 Hourly - Overtime Wages - 2200	5,535.47
		Labor Overtime	692,620.56
1600	5300170	5300170 Salaried - Incentives / Bonuses	82,326.00
****	5300171	5300171 Salaried - Incentives / Bonuses - 2200	34,979.28
****	5300180	5300180 Salaried - Annual Incentive	128,427.64
****	5300181	5300181 Salaried - Annual Incentive - 2200	50,666.87
****	5300271	5300271 Hourly - Incentives / Bonuses - 2200	7,371.06
1300	5300280	5300280 Hourly - Annual Incentive	0
****	5300281	5300281 Hourly - Annual Incentive - 2200	11,521.84
		Labor Short Term Incentive	315,292.69
1600	5300186	5300186 Performance Share Unit Amortization	38,296.88
1600	5300187	5300187 Restricted Stock Unit Amortization	27,299.92
		Labor Long Term Incentive	65,596.80
****	8203000	8203000 PLANNED PROJ LABOR	0
1300	8204003	8204003 ENGINRING/DESIGN ST	128.74
1600	8204006	8204006 TECH SVCS SUPPORT ST	-944.99
****	8204010	8204010 MANAGEMENT	-29,673.16
1600	8204016	8204016 INFO TECHNOLOGY ST	-14,484.98
1300	8204022	8204022 MECHANICAL - ST	3,376.64
1600	8204032	8204032 SUPERVISION	-346.12
1600	8204033	8204033 TELECOMM ST	-342.58
1300	8204042	8204042 FLD CUST SVC - ST	533.48
1600	8204049	8204049 GAS OPERATIONS - ST	-29,326.79

1600	8204059	8204059 GAS SUPPLY - ST	-26,646.41
1300	8204064	8204064 Clerical - IBEW	291.85
1600	8204116	8204116 INFO TECH - OT	-1,309.69
1300	8204122	8204122 MECHANICAL - OT	341.28
1600	8204149	8204149 GAS OPERATIONS - OT	-89.07
1300	8204164	8204164 Clerical - IBEW	92.01
		Activity Allocations	-98,399.79
****	5300999	5300999 Capitalized Labor & Benefits-PROJ SETTLMT USE ONL	-2,475,014.14
		Labor - Overheads & Capitalization	-2,475,014.14
		Total Labor	8,488,176.91
		Employee Benefits	
****	5301010	5301010 Employee Benefits - Medical	2,034,452.10
****	5301011	5301011 Employee Benefits - Medical-HSA Contributions	13,979.13
****	5301020	5301020 Employee Benefits - Dental / Vision	99,919.16
****	5301090	5301090 Employee Benefits - Plan Administration	3,262.25
****	5301192	5301192 Employee Benefits - Medical Dental Vision - 2200	88,909.17
		Employee Benefits - Health Plans	2,240,521.81
****	5301030	5301030 Employee Benefits - Life Insurance	52,054.40
****	5301040	5301040 Employee Benefits - Disability	24,439.43
		Employee Benefits - Insurance	76,493.83
1300	5301060	5301060 Employee Benefits - OPEB	14,117.39
		Employee Benefits - OPEB	14,117.39
****	5301130	5301130 Employee Benefits - Savings Plan	731,602.94
		Employee Benefits - 401K	731,602.94
****	5301990	5301990 Other Employee Benefits - Miscellaneous	46,508.84
****	5301991	5301991 Other Employee Benefits - Miscellaneous - 2200	75,761.81
1600	5302110	5302110 Recruiting Expenses	0
1600	5302920	5302920 Tuition Reimbursement Expense	990
****	5302930	5302930 Employee Relations Expense	31,664.15
****	5302940	5302940 Safety Functions Expense	1,713.81
****	5302990	5302990 Miscellaneous Employee-Related Expense	8,982.27
****	5302991	5302991 Misc Employee-Related Expense - 2200	10,671.51
****	8600000	8600000 PLANNED BENEFITS	0
		Employee Benefits - Miscellaneous	176,292.39
		Total Employee Benefits	3,239,028.36
		Materials & Supplies	
****	5304100	5304100 Material Exp-Stock	2,900,369.66
1600	5304140	5304140 Material Exp-Inv Rvl	-4,059.38
****	5304200	5304200 Material Exp-Non Stk	1,663,614.57
1600	5304300	5304300 Meter/ERT Purchases	126,459.61
****	5304340	5304340 Software/Hardware Purchases	348,678.59
****	5304370	5304370 Small Tools & Work Equipment	354,441.86
****	5304380	5304380 Materials & Supplies - Safety Supplies	1,899.93
****	5304390	5304390 Misc Supplies	176,949.50
****	5304991	5304991 Miscellaneous Materials & Supplies - 2200	-1,395.36
		Supplies	5,566,958.98
****	5304999	5304999 Capitalized M&S-PROJ SETTLMT USE ONLY	-3,836,450.04
1600	8400000	8400000 MATERIAL OVERHEAD	0
		Capitalized Supplies	-3,836,450.04
		Total Materials & Supplies	1,730,508.94
		Outside Services	
****	5303210	5303210 Accounting/Auditing Services	97,449.55
		Outside Services - Accounting	97,449.55
****	5303220	5303220 Legal Services	339,911.55
		Outside Services - Legal	339,911.55

1600	5303850	5303850 Testing Services	3,824.00
		Outside Services - Lab Testing	3,824.00
****	5303020	5303020 Contractor Materials	17.34
****	5303030	5303030 Contractor Services	16,396,101.62
1300	5303040	5303040 Environmental Services	1,854.74
		Outside Services - Operations	16,397,973.70
		Outside Services - Other	
****	5303130	5303130 Building & Grounds Maintenance Services	152,845.72
1600	5303840	5303840 Security & Investigative Services	159.6
		Outside Services - Bldg & Grounds	153,005.32
1300	5303820	5303820 Collection Agency Services	871.2
		Outside Services - Collections	871.2
1600	5303150	5303150 Communications Equipment Maintenance Services	431.5
		Outside Services - Communications	431.5
****	5303110	5303110 Office Equipment Maintenance Services	32,634.61
****	5303120	5303120 Computer & Software Maintenance Services	275,570.35
****	5303315	5303315 IT/Telecom Contractor Services	623,026.47
		Outside Services - IT	931,231.43
1600	5303325	5303325 Professional/Temporary Labor	207,353.20
		Outside Services - Temporary Labor	207,353.20
****	5303190	5303190 Miscellaneous Repairs/Maintenance	58,943.40
****	5303310	5303310 Consultant Services	183,880.01
****	5303320	5303320 Training Services	83,001.89
****	5303890	5303890 Miscellaneous Outside Services	452,182.64
****	5303991	5303991 Miscellaneous Outside Services - 2200	45,318.24
		Outside Services - Admin & General	823,326.18
		Total Outside Services - Other	2,116,218.83
****	5303999	5303999 Capitalized Outside Services-PROJ SETTLMT USE ONL	-17,228,085.98
		Capitalized Outside Services	-17,228,085.98
		Total Outside Services	1,727,291.65
		Managment Fees	
****	5998501	5998501 SVC Only-Essential Services - 2200	1,133,663.55
****	5998511	5998511 SVC Only-Essential Sundry - 2200	379,146.87
		Management Fees - Gas	1,512,810.42
****	5999999	5999999 Clearing Acct-Capitalized SVC Interco Expenses	743,753.78
		Capitalized Management Fees	743,753.78
		Total Managment Fees	2,256,564.20
		Leases	
1300	5307010	5307010 Rent Expense - Buildings	19,522.72
1600	5307050	5307050 Rent Expense - Land & Land Rights	59,615.47
		Leases - Building	79,138.19
1600	5307030	5307030 Rent Expense - Equipment (Office & Other)	22,478.94
		Leases - Equipment	22,478.94
1600	5307090	5307090 Rent Expense - Miscellaneous	175
		Leases - Other	175
		Total Leases	101,792.13
		Transportation	
****	5303170	5303170 Automobile Repairs/Maintenance	420,077.41
****	5304210	5304210 Auto Parts & Supplies	65,605.47
1300	5399070	5399070 Vehicle Expenses-Fleet System- Maintenance	0
		Transportation - Services & Maintenance	485,682.88
****	5304510	5304510 Gasoline	525,423.09
		Transportation - Fuel	525,423.09
****	8205001	8205001 VEHICLE USAGE	199.3
		Transportation - Activity Allocations	199.3

****	5399076	5399076 Vehicle Usage - 2200	3,981.87
		Transportation - Other	3,981.87
		Total Transportation	1,015,287.14
		Miscellaneous Expenses	
1600	5308010	5308010 Subscriptions	9,220.51
1600	5308020	5308020 Professional Dues	1,130.00
1600	5308040	5308040 Industry Assoc Dues	20,268.65
****	5308090	5308090 Other Dues&Membershp	21,171.27
****	5308991	5308991 Misc Dues & Subscriptions - 2200	558.89
		Dues & Subscriptions	52,349.32
1600	5310010	5310010 Operating Permits	17,856.32
****	5310020	5310020 Licensing Fees	67,717.59
1600	5310050	5310050 Environmental Fees	5,364.03
****	5310991	5310991 Misc Permits & Fees - 2200	2,054.32
		Licenses & Permits	92,992.26
****	5310080	5310080 Bank Fees	4,885.05
		Bank Fees	4,885.05
****	5302010	5302010 Travel Expense	29,553.75
****	5302015	5302015 Travel - Meals (50% Non-Deductible)	26,423.52
****	5302020	5302020 Entertainment Expense	3,086.37
1600	5302021	5302021 Entertainment Expense - Non-Deductible	0
****	5302091	5302091 Travel & Entertainment Expense - 2200	6,776.13
1300	8205101	8205101 OT MEALS	90
		Travel & Entertainment	65,929.77
1600	5303830	5303830 Advertising	1,500.00
		Public Relations	1,500.00
1600	5399200	5399200 Penalties - Operating - Non-deductible	16,000.00
		Fines & Penalties	16,000.00
****	5304310	5304310 Office Supplies	54,581.92
****	5304320	5304320 Postage, Shipping, & Freight	344,069.85
****	5304350	5304350 Office Furn & Equip	47,905.32
1600	5304360	5304360 Promotion Supplies	0
****	5304410	5304410 Purchasing Card Expenses-MC	34,280.57
		Office Supplies	480,837.66
****	5309010	5309010 Utilities - Electric and Gas	201,640.78
****	5309020	5309020 Utilities - Phone	641,617.32
****	5309021	5309021 Utilities - Wireless Services-Cell Phones & Pagers	96,799.86
****	5309030	5309030 Utilities - Water	19,651.31
1600	5309040	5309040 Utilities - Other	24,641.91
		Utilities	984,351.18
1600	5999058	5999058 Inter-Company Operating Expenses-1800-Delgasco	-179,634.67
1600	5999059	5999059 Inter-Company Operating Expenses-1900-ENPRO	-80,593.46
		Intercompany	-260,228.13
1600	5330080	5330080 Gas Lost	462.87
1600	5330090	5330090 Compressor Station Fluids	10,693.10
		Gas Used in Operations	11,155.97
1600	5310040	5310040 Directors Fees and Expenses	39,000.00
****	5310090	5310090 Miscellaneous Fees	7,082.17
1600	5320140	5320140 Land Rights & Right of Way Fees	418,851.00
1600	5399040	5399040 Lost Discount Exp	70.7
****	5399900	5399900 Miscellaneous Expense	46,438.83
****	5399991	5399991 Miscellaneous Expense - 2200	62.35
		Other Miscellaneous	511,505.05
1600	5399065	5399065 Expense Reimbursements from Customers	-9,201,570.33
****	5399074	5399074 Vehicle Purchases	1,163,411.58

****	5399998	5399998 Project Clearing Account - Settlement	-743,753.78
****	5399999	5399999 Capitalized Other-PROJ SETTLMT USE ONLY	2,694,170.10
1600	8402004	8402004 PROJ G&A SURCHARGE	0
1600	8402014	8402014 Construction	0
		Capital Miscellaneous & Overheads	-6,087,742.43
		Total Miscellaneous Expenses	-4,126,464.30
		Insurance	
****	5305020	5305020 Damages - Property	77,072.69
1600	5305030	5305030 Claims Reimburse	-4,915.39
****	5305050	5305050 Worker's Compensation Claim Expenses	209,616.44
****	5306010	5306010 Insurance-Directors&Officers/Fiduciary/Crime	60,812.29
****	5306020	5306020 Insurance-Excess Liability/Surty	663,733.07
****	5306060	5306060 Insurance-General Property	116,436.83
****	5306070	5306070 Insurance-Worker's Comp	47,923.92
****	5306099	5306099 Insurance-Other	81,633.41
1600	6299020	6299020 Life Insurance Premiums	-95,101.44
		Total Insurance	1,157,211.82
		Bad Debt	
****	5311010	5311010 Uncollect Accts Exp	264,462.64
		Total Bad Debt	264,462.64
		Non Operating Expenses	
1600	6201010	6201010 Donations - 501(c)(3)	293.37
1600	6201040	6201040 Donations - Non 501(c)(3)	0
1600	6201070	6201070 Donation Dollar Energy Fund	45,000.00
1600	6202020	6202020 Civic/Politic Activities	12,462.69
1600	6203020	6203020 Penalties - Other	30.09
1600	6204000	6204000 Other Expense - Miscellaneous	1,415.66
		Total Non Operating Expenses	59,201.81
		Total Operations & Maintenance Expense	15,913,061.30
		Depreciation:	
****	5501000	5501000 Deprec Exp - Utility Plant	9,895,353.99
		Total Depreciation	9,895,353.99
		Amortization:	
1600	5507010	5507010 Amortization Exp - Rate Case Expenses	289,464.67
		Total Amortization	289,464.67
		Taxes Other Than Income:	
1600	5310031	5310031 Assessment-PUC	186,334.81
1600	5701150	5701150 Franchise Taxes	-92,099.00
****	5702100	5702100 Property Taxes	2,721,620.00
****	5703100	5703100 Payroll Taxes	754,664.89
****	5703101	5703101 Payroll Taxes - 2200	75,901.06
****	5706100	5706100 Sales and Use Tax	-1,683.25
		Total Taxes Other Than Income	3,644,738.51
		TOTAL UTILITY COSTS & EXPENSES	41,906,348.55
		TOTAL OPERATING INCOME	-6,015,630.32
		OTHER (INCOME) EXPENSE	
		Interest Expense:	
****	6406040	6406040 Interco Interest Expense-2200-PNG Companies LLC	1,420,199.69
1600	6407010	6407010 Interco Interest Expense-Essential-9100	420,325.00
		Interest on Pushdown Debt	1,840,524.69
1600	6402410	6402410 Amort Debt Disc & Exp - Debentures	170,753.55
		Amortization of Debt Issuance Costs	170,753.55
		Interest on Long Term Debt	2,011,278.24
1600	6101900	6101900 Interest Income - Miscellaneous	-1,413.77
		Interest Income	-1,413.77

1300	6499040	6499040 Interest Expense - Deposits	231.61
1600	6499090	6499090 Interest Expense - Tax Deficiencies	283.55
		Interest Expense - Other	515.16
		Other Interest (Income) Expense	-898.61
		Total Interest Expense	2,010,379.63
		Other Net (Income) Expense:	
****	6299100	6299100 Other Expense - Non-Service Cost Benefits-Pension	-756.16
1300	6299101	6299101 Other Expense - Non-Service Cost OPEB	33,998.57
		Other Net Periodic Benefit Costs	33,242.41
		Other Net (Income) Expense	33,242.41
		TOTAL OTHER (INCOME) EXPENSE	2,043,622.04
		TOTAL INCOME BEFORE TAX & GAIN	-3,972,008.28
		INCOME TAXES	
		Income Taxes - Current	
****	6310010	6310010 Federal Income Tax Expense	655,140.84
		Federal Taxes - Current	655,140.84
****	6311010	6311010 State Income Tax Expense	113,360.89
		State Taxes - Current	113,360.89
		Total Income Taxes - Current	768,501.73
		Income Taxes - Deferred	
****	6320020	6320020 Defd Federal Income Tax Expense-Noncurr Asset	1,010,253.70
****	6320030	6320030 Defd Federal Income Tax Expense-Other Curr Liab	-1,194,473.25
****	6320040	6320040 Defd Federal Income Tax Expense-Plant Noncurr Liab	1,268,182.89
****	6320050	6320050 Defd Federal Income Tax Expense-Other NC Liab	-1,664,055.38
		Federal Taxes - Deferred	-580,092.04
****	6321020	6321020 Defd State Income Tax Expense-Noncurr Asset	229,455.00
****	6321030	6321030 Defd State Income Tax Expense-Other Curr Liab	-275,913.26
****	6321040	6321040 Defd State Income Tax Expense-Plant Noncurr Liab	322,889.01
****	6321050	6321050 Defd State Income Tax Expense-Other NC Liab	-297,971.98
		State Taxes - Deferred	-21,541.23
		Total Income Taxes - Deferred	-601,633.27
		TOTAL INCOME TAXES	166,868.46
		TOTAL NET INC BFR EQTY EARNG IN SUBSIDIARIES	-3,805,139.82
		TOTAL NET INCOME	-3,805,139.82
		NET INCOME AVAILABLE FOR COMMON	3,805,139.82
		TOTAL NET INCOME AVAILABLE FOR COMMON	0

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-075

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

75. Indicate whether the Company's balance of Tax Collections are recognized as a rate base reduction, either within Working Capital or the Cash Working Capital calculation.

Response:

Tax Collections (pass-throughs) are offsetting, and thus net \$0 impact on the Cash Working Capital calculation as shown on Tab 55 page 6.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-076

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

76. Refer to the file Delta_R_PSCDR1_NUM054_120924_Tab 23. Identify any components of Account 254, Other Regulatory Liabilities other than EADIT. For these non-EADIT balances, provide the description and balance of the subaccount and indicate whether such balances are included within the proposed revenue requirement.

Response:

Of the (\$15,305,495) Other Regulatory Liabilities at 12/31/23, (\$15,123,719) is EADIT-related. The remaining (\$181,776) is CIS Riders. (The CIS Riders balance decreased to (\$119,615) at 9/30/24).

Columns 8/31/24 through 12/31/28 reflect minimal, if any Other Regulatory Liabilities other than EADIT such as CIS Riders.

Only the EADIT – related portion of Other Regulatory Liabilities, net of the tax gross-up, impacts the proposed revenue requirement via a reduction to rate base.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-077

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

77. Refer to the file Delta_R_PSCDR1_NUM054_120924_Tab 23. Identify the components and associated amounts of Account 253, Other Deferred Credits. Further, indicate whether such subaccounts are incorporated into the proposed revenue requirement.

Response:

The components and associated amounts of Account 253 - Other Deferred Credits of (\$254,644) at 12/31/23 are as follows:

-Acct. 2291510 - OPEB EGC 158 Benefit Obligation - Non Current	(\$144,777)
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-Acct. 2299200 Deferred Credit - Non Current (offset of the

Regulatory Asset in Other Deferred Charges for the Tax

Repair Consulting work).	(\$109,867)
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Consistent with Delta's most recent rate case, Case No. 2021-00185, subaccount 2291510 is not a component of rate base. Subaccount 2299200 is not a component of rate base, nor is the Regulatory Asset in Other Deferred Charges for the Tax Repair Consulting work. Please note that Delta has proposed a three year amortization of the total Tax Study costs, which is further described in the testimony of Delta witness Abdul-Azeez Odusanya.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-078

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

78. Describe the accounting convention used to price gas in storage (i.e. LIFO, FIFO, wtd average cost, etc.). Provide a listing of assumptions used to forecast gas in storage values.

Response:

Delta uses the Weighted Average Cost of Gas ("WACOG") to determine the gas price in storage. Delta does not forecast storage values. However, the WACOG of gas in storage is used to calculate the EGC component of our GCR rates. Delta used the currently approved GCR rate for gas cost in the forecasted projected future test period.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-079

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

79. Provide a list of rate case costs incurred to date by vendor, which should sum to the total rate case costs. Please update this response monthly as new billings become available.

Response:

See attached.

Delta Natural Gas Company, Inc.

Case No. 2024-00346

Schedule of Rate Case Preparation Costs

Response to PSC/AG Order

Dated 3/5/24-12/4/2024

Date	Invoice #	Vendor Name	Hours (1)	Rate/Hr.	Amount	Description	Object Name	WBS Element	Cost Element	Cost Element Name
5/1/2024	ID-5/1/2024	The Prime Group	12	\$175	\$2,100.00	Consulting/Depreciation Study	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
6/3/2024	062024-1	The Prime Group	1	\$200	\$200.00	Larry Feltner Participation on May Rate Case Strategy	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
6/3/2024	062024-1	The Prime Group	7	\$175	\$1,225.00	Eric Blake Assisting with Depreciation Study	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
6/3/2024	062024-1	The Prime Group	5	\$175	\$875.00	Eric Blake Consulting/May Assist/Lead-Lag Study	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
6/3/2024	062024-1	The Prime Group	1	\$230	\$230.00	Steve Seeyle May participation/Rate Case Strategy	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
6/3/2024	062024-1	The Prime Group	6	\$230	\$1,380.00	Steve Seeyle May Assisting/Depreciation Study	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
6/3/2024	062024-1	The Prime Group	10	\$230	\$2,300.00	Steve Seeyle May Assisting/Lead-Lag Study	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
7/1/2024	072024-1	The Prime Group	2	\$175	\$350.00	Eric Blake/June Assisting/Depreciation Study	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
7/1/2024	072024-1	The Prime Group	1	\$175	\$175.00	Eric Blake/June Assisting/Lead-Lag Study	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
7/1/2024	072024-1	The Prime Group	2	\$175	\$350.00	Eric Blake/June Assisting/Testimony	2024 Delta Rate Case Expenses	2024DELTARATECASE	5303220	CONSULTANT SERVICES
8/1/2024	082024-1	The Prime Group	6	\$175	\$1,050.00	Jeff Wernert/July Consulting/Lead Lag-Depreciation	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
10/1/2024	102024-1	The Prime Group	3.5	\$200	\$700.00	Larry Feltner/September Consulting/Rate Case	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
10/1/2024	102024-1	The Prime Group	9.5	\$175	\$1,662.50	Jeff Wernert/September Consulting/Rate Case	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
11/1/2024	112024-1	The Prime Group	38.5	\$200	\$7,700.00	Larry Feltner/October Consulting/Rate Case	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
11/1/2024	112024-1	The Prime Group	33	\$175	\$5,775.00	Jeff Wernert/October Consulting/Rate Case	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
11/1/2024	112024-1	The Prime Group			\$100.50	Mileage Occurred from 10/4/24 Lexington Meeting (150 miles @ 0.67/mile)	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
11/1/2024	112024-1	The Prime Group			\$13.00	Parking Associated wit 10/4/24 Lexington Meeting	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
12/1/2024	122024-1	The Prime Group	79.5	\$200	\$15,900.00	Larry Feltner/November Consulting/Rate Case	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
12/1/2024	122024-1	The Prime Group	43	\$175	\$7,525.00	Jeff Wernert/November Consulting/Rate Case	2024 Delta Rate Case Expenses	2024DELTARATECASE	530220	CONSULTANT SERVICES
					The Prime Group Total					
						\$49,611.00				

Date	Invoice #	Vendor Name	Hours (1)	Rate/Hr.	Amount	Description	Object Name	WBS Element	Cost Element	Cost Element Name
3/5/2024	1038601	Stoll Keenon & Ogden	0.30	\$415	\$124.50	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
3/5/2024	1038601	Stoll Keenon & Ogden			-\$12.45	COURTESY REDUCTION	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden	0.20	\$415	\$83.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden	0.30	\$310	\$93.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden	0.20	\$310	\$62.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden	0.80	\$415	\$332.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden	0.50	\$310	\$155.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden	0.30	\$415	\$124.50	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden	2.30	\$415	\$954.50	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden	0.20	\$320	\$64.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
5/3/2024	1043982	Stoll Keenon & Ogden			-\$186.80	COURTESY REDUCTION	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	0.20	\$415	\$83.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	0.30	\$415	\$124.50	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	1.20	\$415	\$498.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	0.30	\$320	\$96.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	0.20	\$415	\$83.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	0.90	\$320	\$288.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	1.30	\$0	\$0.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	0.60	\$320	\$192.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
6/5/2024	1046586	Stoll Keenon & Ogden	1.70	\$310	\$527.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE

12/4/2024	1062870	Stoll Keenon & Ogden	2.90	\$320	\$928.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	6.30	\$415	\$2,614.50	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	3.70	\$320	\$1,184.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	5.60	\$310	\$1,736.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	7.60	\$365	\$2,774.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	5.60	\$415	\$2,324.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	6.70	\$310	\$2,077.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	1.90	\$320	\$608.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	4.50	\$365	\$1,642.50	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	3.60	\$415	\$1,494.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	6.40	\$310	\$1,984.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	4.80	\$415	\$1,992.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	4.50	\$320	\$1,440.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	7.20	\$310	\$2,232.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	5.30	\$365	\$1,934.50	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	8.40	\$415	\$3,486.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	8.40	\$365	\$3,066.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	8.30	\$310	\$2,573.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	1.30	\$320	\$416.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	0.60	\$415	\$249.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	0.70	\$365	\$255.50	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	0.80	\$310	\$248.00	PROFESSIONAL LEGAL SERVICE - PARALEGAL	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	0.80	\$320	\$256.00	PROFESSIONAL LEGAL SERVICE - ASSOCIATE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	0.60	\$415	\$249.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	0.80	\$365	\$292.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden	0.20	\$415	\$83.00	PROFESSIONAL LEGAL SERVICE - MEMBER	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden			\$10.00	CERTIFICATE OF EXISTENCE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303220	LEGAL SERVICE
12/4/2024	1062870	Stoll Keenon & Ogden			-\$8,810.75	COURTESY REDUCTION				
		Stoll Keenon & Ogden Total			\$121,569.40					

Date	Invoice #	Vendor Name	Hours (1)	Rate/Hr.	Amount	Description	Object Name	WBS Element	Cost Element	Cost Element Name
6/12/2024	313135	Secretary of State			\$10.00	Certificate of Existence	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5310031	State Authorization
11/25/2024		United States Postal Service			\$19.86	Certified Mail - Special Contract Customers	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE		
		Total Delta Expenses			\$29.86					

Date	Invoice #	Vendor Name	Hours (1)	Rate/Hr.	Amount	Description	Object Name	WBS Element	Cost Element	Cost Element Name
9/6/2024	5161609062024	Regulated Capital Consultants	3.9375	\$3,120	\$12,285.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
9/6/2024	5161609062024	Regulated Capital Consultants	0.125	\$3,120	\$390.00	T. SYNER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
9/13/2024	5161609132024	Regulated Capital Consultants	0.09375	\$3,120	\$292.50	M. DIBBLE/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
9/13/2024	5161609132024	Regulated Capital Consultants	1.5	\$3,120	\$4,680.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
9/13/2024	5161609132024	Regulated Capital Consultants	0.125	\$3,120	\$390.00	T. SYNER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
9/20/2024	5161609202024	Regulated Capital Consultants	0.8125	\$3,120	\$2,535.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
9/27/2024	5161609272024	Regulated Capital Consultants	1.5625	\$3,120	\$4,875.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
10/4/2024	5161610042024	Regulated Capital Consultants	1.125	\$3,120	\$3,510.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
10/11/2024	5161610112024	Regulated Capital Consultants	0.09375	\$3,120	\$292.50	M. DIBBLE/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
10/11/2024	5161610112024	Regulated Capital Consultants	1.125	\$3,120	\$3,510.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
10/18/2024	5161610182024	Regulated Capital Consultants	2.3125	\$3,120	\$7,215.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
10/25/2024	5161610252024	Regulated Capital Consultants	1.5	\$3,120	\$4,680.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
11/1/2024	5161611012024	Regulated Capital Consultants	1.875	\$3,120	\$5,850.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
11/8/2024	5161611082024	Regulated Capital Consultants	0.8125	\$3,120	\$2,535.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
11/15/2024	5161611152024	Regulated Capital Consultants	0.0625	\$3,120	\$195.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING

11/22/2024	5161611222024	Regulated Capital Consultants	0.46875	\$3,120	\$1,462.50	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
11/29/2024	5161611292024	Regulated Capital Consultants	0.025	\$3,120	\$780.00	P. FISCHER/CONSULTING WORK RELATED TO RATE CASE	2024 DELTA RATE CASE EXPENSES	2024DELTARATECASE	5303310	CONSULTING
		Regulated Capital Consultants Total			\$55,477.50					
		TOTAL EXPENSES			\$226,687.76					

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-080 A

Witness: Packer, Jr., William

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

80. Refer to the public portion of Delta_R_PSCDR1_NUM054_120924_Tab 60. Identify the following regarding the time and costs associated with the President of Delta.

a. Provide a copy of the job description for the position.

Response:

See attached.

Job Posting Title: State President of Delta Kentucky

JOB SUMMARY

At Essential, we know that water and gas are precious resources – ones that play a critical role in sustaining life. That's why we take seriously our mission: protecting and providing Earth's most essential resources. At Essential, we are guided by a set of principles that embody the character of our company and inspire our work together. They are embedded within our business practices and our behavior. We are proud to be united by integrity, respect, and the pursuit of excellence to be the best we can be for the customers and communities we serve.

Together, the women and men of Essential serve over 1.8 million customers across ten states. Essential uses science, technology, capital investments, and amazing talent to provide communities with clean, and safe essential resources. Join our team and make a difference!

Reporting to the President of People's Natural Gas, this position is based out of Delta Kentucky's state headquarters in Winchester, but also spends considerable time at several operational centers throughout the state. Delta Kentucky is the natural gas utility subsidiary of Essential Utilities, Inc. The President provides leadership, strategy, and vision for our Kentucky natural gas business, including overall responsibility for utility operations, business development, financial management, forecasting and planning, internal management reporting, risk management and internal control functions. The President will cultivate and maintain regulatory and legislative relationships to facilitate a high level of credibility in these activities and issues. Growing the customer base and net income will be among the President's objectives.

ESSENTIAL DUTIES: (Primary Duties and Responsibilities)

- Leads and develops high-performing teams capable of delivering natural gas safely, by meeting environmental compliance regulations, while maintaining system reliability and efficient operations.
- Leads the financial management of the state's performance including the development of a successful rates and financial strategy and execution while ensuring proper internal controls are in place to function effectively. Oversees long-term financial planning and budgeting.
- Leads the Delta Kentucky team. Interviews, hires, sets high performance standards, and manages performance in accordance with all applicable HR policies and procedures. Creates an energized work environment, fostering an atmosphere that enables employee trust and engagement. Inspires confidence and motivates others to perform at their best. Develops and coaches' staff while effectively addressing performance issues.
- Leads diversity, equity, and inclusion efforts for the state, including ensuring opportunities for employment and advancement based upon qualifications are afforded to all females and minorities and others.
- Develops and establishes the state's operation and financial growth strategies in cooperation with corporate leadership.

- Responsible for growing the Delta Kentucky's footprint in conjunction with the Business Development Team by identifying, qualifying, and acquiring new business opportunities.
- Develops and oversees the capital expenditure strategy and plan to deliver business-applicable, timely, accurate, effective, and executable natural gas infrastructure.
- Develops and establishes company operating policies and procedures consistent with Essential guidelines. Leads and directs management members in the development of departmental goals, objectives, and strategies to attain the company goals.
- Fosters and develops relationships with external agencies, governments, and municipalities to enhance long-term partnerships and business opportunities and drive expansion in Kentucky.
- Acts as a key member of the Essential leadership team in the development of overall long-range Company strategy and direction designed to provide strong shareholder return.
- Ensures that all corporate activities and operations are carried out in compliance with local, state, and federal regulations and laws governing business operations.
- Leads other related efforts as needed.

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential function(s).

QUALIFICATIONS (Required Experience, Education, Licenses, and Certifications)

- A Bachelor's degree
- Minimum of ten years of utility management experience with increasing management responsibilities including demonstrated ability to grow customers and revenues through acquisitions
- Demonstrated regulated utility experience preferably in natural gas.
- Experience should include working with municipalities and other government entities on financial, managerial procurement consulting or similar activities.

KNOWLEDGE, SKILLS, AND ABILITIES: (Examples below)

- Sound background and level of knowledge in operational, environmental, and financial aspects of managing a utility. Technical experience and knowledge of natural gas operations preferred.
- Strong leadership skills including contributing to an atmosphere in which people work together, enthusiastically, and effectively, in producing outstanding results.
- Ability to develop positive relationships with customers, communities, public officials, and regulators.
- Ability to motivate people, manage differences and resolve conflicts to unite people in a common effort to obtain company objectives. Must be able to anticipate change and organize people to adapt to the environment.

- Excellent written and verbal communications skills and understanding of executive conciseness.
- Excellent financial and analytical abilities.
- Ability to work on multiple projects simultaneously and adapt to changing priorities in a fast-paced environment.
- A team player able to work effectively in a team fostered multi-tasking environment.

WORKING CONDITIONS/PHYSICAL DEMANDS:

- Perform sedentary work- exerting up to 20 pounds of force occasionally, and/or a negligible amount of force frequently or constantly to lift, carry, push, pull, or otherwise move objects, including the human body. Sedentary work involves sitting most of the time.
- See, hear, talk, and perform tasks requiring manual dexterity.
- Working conditions include travel to work sites of Essential Utilities.
- Overnight travel is required.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-080 B

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

80. Refer to the public portion of Delta_R_PSCDR1_NUM054_120924_Tab 60. Identify the following regarding the time and costs associated with the President of Delta.

b. Identify any portion of the President's annual compensation, if any, assigned to either non-regulated operations of Delta or affiliates of Delta.

Response:

\$15,461 was assigned to non-regulated operations for the Base Period.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-081

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

81. Provide a summary of any non-regulated business activities of Delta.

Response:

Delta Resources is a non-regulated affiliate of Delta Natural Gas that procures the commodity for large industrial customers (25 mcf/d usage) located on Delta Natural's system. Delta Natural Gas charges these customers On-system transportation rates under our tariff on file with the Commission to move the gas to their meter.

Delgasco is a non-regulated affiliate of Delta Natural Gas that sells gas to customers located off Delta Natural Gas's system. Delgasco pays Delta Natural Gas the Off-System transportation rate.

Enpro is a non-regulated affiliate of Delta Natural Gas. Enpro is a local production company that produces natural gas wells located on Delta Natural Gas's system.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-082

Witness: Brown, John **Title:** State President

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

82. Confirm that the Company has not incorporated any late fee implications of the pending rate increase within the gross-up factor within the file Delta_R_PSCDR1_NUM054_120924_Tab 61. Explain why it would not be appropriate to incorporate a late fee component of the gross-up factor.

Response:

Confirmed as Delta does not charge a late fee.

Company: Delta Natural Gas Company, Inc.

Question Number: AG-I-083

Witness: Odusanya, Abdul-Azeez **Title:** Controller III

CASE NO. 2024-00346

AG INITIAL DATA REQUEST

DATED DECEMBER 17, 2024

83. Provide an itemization of 'Other Operating Revenues' as reflected within the file Delta_R_PSCDR1_NUM054_120924_Tab 62.

Response:

See attached.

Description	FPFTP at Proposed Rates	Base Period	2023	2022	2021	2020	2019
9489300 Revs from Transp of Gas of Others thru Distri Fac.	(9,102,912)	(9,125,418)	(9,112,303)	(9,306,881)	(6,228,153)	(5,295,516)	(6,374,194)
9487000 Forfeited Discounts (Late Fees)	(19,774)	(19,774)	(17,424)	(22,402)	(38,212)	(161)	(105)
9488000 Miscellaneous Service Revenues (Connection & Service Fee)	(35,149)	(35,149)	(29,679)	(33,208)	(110,061)	(133,138)	(291,766)
Other Revenues - Sales of Products Extracted ***	-	-	(335,553)	(1,066,536)	(369,299)	-	(506,341)
Other Operating Revenues TOTAL	(9,157,834)	(9,180,340)	(9,494,959)	(10,429,027)	(6,745,725)	(5,428,815)	(7,172,406)

*** Sales of Natural Gas Liquids is a non-regulated activity, so classified below the line for ratemaking purposes, and therefore not included in the Revenue projections submitted for the Base Period and Test Year.