

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DELTA)	
NATURAL GAS COMPANY, INC. FOR AN)	CASE NO. 2024-00346
ADJUSTMENT OF RATES)	

**DELTA NATURAL GAS COMPANY, INC.’S DATA REQUESTS
PROPOUNDED TO OFFICE OF THE ATTORNEY GENERAL**

Delta Natural Gas Company, Inc. (“Delta”) respectfully submits the following data requests to the Office of the Attorney General (“OAG”) to be answered by the date specified in the procedural schedule established by the Kentucky Public Service Commission (“Commission”) in this matter on December 5, 2024.

Instructions

1. As used herein, “Documents” include all correspondence, memoranda, notes, email, maps, drawings, surveys or other written or recorded materials, whether external or internal, of every kind or description in the possession of, or accessible to, OAG, its witnesses, or its counsel.
2. Please identify by name, title, position, and responsibility the person or persons answering each of these data requests.
3. These requests shall be deemed continuing so as to require further and supplemental responses if OAG receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted herein.

4. To the extent that the specific document, work paper, or information as requested does not exist, but a similar document, work paper, or information does exist, provide the similar document, work paper, or information.

5. To the extent that any request may be answered by a computer printout, spreadsheet, or other form of electronic media, please identify each variable contained in the document or file that would not be self-evident to a person not familiar with the document or file.

6. If OAG objects to any request on the ground that the requested information is proprietary in nature, or for any other reason, please notify the undersigned counsel as soon as possible.

7. For any document withheld on the ground of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown or explained; and the nature and legal basis for the privilege asserted.

8. In the event any document requested has been destroyed or transferred beyond the control of OAG, its counsel, or its witnesses, state: the identity of the person by whom it was destroyed or transferred and the person authorizing the destruction or transfer; the time, place and method of destruction or transfer; and the reason(s) for its destruction or transfer. If such a document was destroyed or transferred by reason of a document retention policy, describe in detail the document retention policy.

9. If a document responsive to a request is a matter of public record, please produce a copy of the document rather than a reference to the record where the document is located.

Data Requests

1. Please refer to Mr. Baudino's testimony at Exhibit RAB-2 through Exhibit RAB-4. Please provide an electronic copy of all of Mr. Baudino's exhibits in their native format (i.e., Microsoft Excel) with all formulas intact.
2. Please refer to Mr. Baudino's Testimony at page 14 and footnote (8). Please provide a complete copy of Major energy rate case decisions in the US, January-December 2024, Feb 4, 2025, Regulatory Research Associates, a group within S&P Global Commodity Insights.
3. Please refer to Mr. Baudino's Testimony at page 18, lines 5-7 and Exhibit RAB-2. Please provide a copy of the source documents for the dividends per share and prices per share for the companies in the gas distribution group.
4. Please refer to Mr. Baudino's Testimony at page 18, line 19 through page 19 line 12 and Exhibit RAB-3. Please provide the source documents from Zacks and S&P Capital IQ that were employed in this schedule.
5. Please refer to Mr. Baudino's Testimony at page 18, line 19 through page 19 line 12. Is Mr. Baudino aware of any additional sources of analysts' forecasts of growth. If so, name them and explain why they were not used.
6. Please refer to Mr. Baudino's Testimony at page 21, lines 7-17. Please provide quantification for the percentage of total investment risk that is represented by market risk measured by beta.
7. Please refer to Mr. Baudino's Testimony at page 23, footnote 10. Please provide a copy of *A Random Walk Down Wall Street* by Burton Malkiel, p. 219, 2023 edition.
8. Please refer to Mr. Baudino's Testimony at page 24, footnote 11. Please provide a copy of *Cost of Capital*, Shannon Pratt and Roger Grabowski.
9. Please refer to Mr. Baudino's Testimony at page 26, footnote 12. Please provide a copy of Kroll Cost of Capital Navigator: U.S. Cost of Capital Module, Basic Building Blocks of the Cost of Equity Capital – Risk-free Rate and Equity Risk Premium (Abridged), pp. 4 – 6.
10. Please refer to Mr. Baudino's Testimony at page 27, footnote 13. Please provide a copy of William N. Goetzmann & Roger G. Ibbotson, *Handbook of the Equity Risk Premium* 522-523 (Rajnish Mehra ed., Elsevier B.V., 2008).
11. Please refer to Mr. Baudino's Testimony at page 27, footnote 14. Please provide a copy of Pratt and Grabowski, *Cost of Capital*, 119 (Wiley, 5th ed.)
12. Please refer to Mr. Baudino's Testimony at page 28, footnote 15. Please provide a copy of Equity Risk Premiums (ERP): Determinants, Estimation, and Implications – The 2022 Edition, Updated: March 23, 2022, Aswath Damodaran, Stern School of Business.

13. Please refer to Mr. Baudino's Testimony at page 31, line 11. Please provide the source document for the S&P Capital IQ betas.

14. Please refer to Mr. Baudino's Testimony at page 33, lines 3-7. Please provide a list of rate cases where the Commission adopted a hypothetical rather than the utility's actual capital structure.

15. Please refer to Mr. Baudino's Testimony at page 39, footnote 25. Please provide a copy of Commission-allowed ROE RRA spreadsheet report for 2024, natural gas companies, downloaded January 16, 2025.

16. Please refer to Mr. Baudino's Testimony at page 43, lines 18-19. Please provide the source document or other empirical evidence that flotation costs are already accounted for in current stock prices.

17. Please refer to Mr. Baudino's Testimony at page 52, lines 2-4 and footnote 31. Please provide a copy of *Summary Statistics of Annual Total Returns, Income Returns, and Capital Appreciation Returns of Basic U.S. Asset Classes, 1926 - 2020*, Cost of Capital Navigator: U.S. Cost of Capital Module.

18. Please refer to Mr. Baudino's Testimony at page 54 and footnote 34. Please provide a copy of Richard A. Brealey, Stewart C. Myers, Franklin Allen and Alex Edmans, *Principles of Corporate Finance*, page 189; McGraw-Hill/Irwin, 14th Edition, 2023.

19. Please refer to Mr. Baudino's Testimony at page 38, lines 14-21. How many of the companies in Mr. Baudino's proxy group include infrastructure replacement mechanisms?

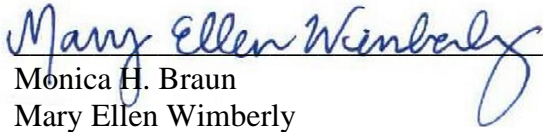
20. Please refer to Mr. Baudino's Testimony in Case No. 2024-00092 at page 3, lines 11-15. Please confirm that Mr. Baudino accepted Columbia's proposed capital structure of 52.64% common equity, 45.53% long-term debt, and 1.83% short-term debt.

21. Please refer to Mr. Wernert's Testimony at page 7, lines 13-18. Does Mr. Dittmore agree that Delta's use of a lower collection lag is beneficial to customers?

22. Please refer to Mr. Dittmore's Testimony at page 17, lines 7-13. If short-term incentive compensation goals for Essential employees are based on non-financial metrics, would Mr. Dittmore agree that the portion of the costs allocated to Delta that are based on non-financial metrics should be recoverable?

Dated: March 3, 2025

Respectfully submitted,



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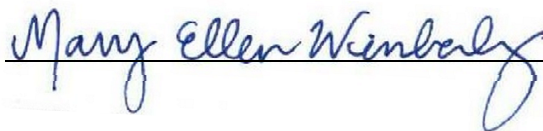
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*Counsel for Delta Natural Gas Company,
Inc.*

CERTIFICATE OF COMPLIANCE

In accordance with the Commission's Order of July 22, 2021 in Case No. 2020-00085 (Electronic Emergency Docket Related to the Novel Coronavirus COVID-19), this is to certify that the electronic filing has been transmitted to the Commission on March 3, 2025; and that there are currently no parties in this proceeding that the Commission has excused from participation by electronic means.

A handwritten signature in blue ink, reading "Mary Ellen Winberly", is written over a horizontal line.