

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-1

Witness: Brown, John **Title:** State President Delta Natural Gas

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

1. Provide Exhibit 1 to the Stipulation Agreement in Excel with formulas intact and cells unlocked.

Response:

See Attached PH1.xlsx, sheet "Stipulation Exhibit 1."

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-2

Witness: Feltner, Larry

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

2. Provide Exhibit 2 to the Stipulation Agreement in Excel with formulas intact and cells unlocked.

Response:

See attached.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-3

Witness: Brown, John **Title:** State President Delta Natural Gas

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

3. Provide Exhibit 1 to the Stipulation Agreement using Delta's original application request amounts carried through each adjustment column instead of the Attorney General's recommend adjustment amounts based on the testimony of David Dittmore. Provide the information Excel format, with formulas intact and cells unlocked.

Response:

See PH3.xlsx sheet "Tab 54-Sched A Overall" attached.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-4

Witness: Brown, John **Title:** State President Delta Natural Gas

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

4. Provide Exhibit 2 to the Stipulation Agreement using Delta's original application request amounts carried through each adjustment column instead of the Attorney General's recommend adjustment amounts based on the testimony of David Dittmore. Provide the information Excel format, with formulas intact and cells unlocked.

Response:

See attached PH4.xlsx.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-5

Witness: Brown, John **Title:** State President Delta Natural Gas

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

5. Provide Exhibit 1 to the Stipulation Agreement using Delta's original application request amounts carried through each adjustment column instead of the Attorney General's recommend adjustment amounts based on the testimony of David Dittmore. Include in this response the information in relation to the proposed gas cost adjustment in Case No. 2025-00097.5 Provide the information Excel format, with formulas intact and cells unlocked.

Response:

See PH3.xlsx filed with Response 3 sheet "Tab 54-Sched A Overall." The proposed gas cost adjustment in Case No. 2025-00097 is shown in Column O.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-6

Witness: Brown, John **Title:** State President Delta Natural Gas

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

6. Provide Exhibit 2 to the Stipulation Agreement using Delta's original application request amounts carried through each adjustment column instead of the Attorney General's recommend adjustment amounts based on the testimony of David Dittmore. Include in this response the information with the proposed gas cost adjustment as proposed in Case No. 2025-00097. Provide the information Excel format, with formulas intact and cells unlocked.

Response:

See PH4.xlsx attached to Response 4. Information with the proposed gas cost adjustment as approved in Case No. 2025-00097 is shown in Column F.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-7ABC

Witness: Brown, John **Title:** State President Delta Natural Gas

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

7. Refer to Delta's response to Commission Staff's Second Request for Information (Staff's Second Request), Item 1, Tab 57, D2.2 Natural in Excel Format. Refer also to the hearing testimony of Abdul Azeez Odusanya.

- a. Reconcile the adjustments made at 1 percent in Column N with the statement that adjustments were made at 3 percent inflation rate.
- b. Reconcile the adjustments made at 1 percent in Column N with the statement that adjustments were made at 1.5 percent inflation rate for the forecasted test year.
- c. Explain why, if the inflation adjustment was made for all expense categories, Column N only contained adjustments for certain expense categories. In the response, use specific examples of expenses from that Tab to support the explanation.

Response:

a. There were three different methods that the Company used to update specific accounts in the 2025 Budget to make them appropriate projections for the June 30, 2026 Test Period. The Company chose the most appropriate of the 3 methods to use depending on the nature of each account. Only one of the three methods was used for each account: 1) a specific calculation based on new or updated information only pertaining to that account, 2) 1.5% increase to labor and benefit accounts NOT already adjusted in 1) above. The 1.5% increase was used to approximate an annual 3% increase since the Test Period was 6 months later than the 2025 Budget, and 3) a 1% increase to all other accounts not already adjusted by one of the previous two methods. The 1% increase was used to approximate an annual 2% overall increase since the Test Period was 6 months later than the 2025 Budget.

Column N shows the accounts receiving the 1% increase. The schedule footnote (9) at cell A183 relates to Column N. "For any accounts not specifically projected above, the Company assumed a 1% average inflator for the 6/30/26 FPFTY."

Column F shows the accounts receiving the 1.5% increase. The schedule footnote (2) at cell A175 relates to Column F. "Increasing Labor and Benefits by 1.5%, based on the Collective Bargaining Agreement, stipulates on an annual basis. This adjustment will cover the raises given in early 2026, not reflected in the 2025 Budget." No accounts had 3% applied to them.

The 3% rate is an annual rate for that category so 1.5% was the rate used to approximate a 6 month increase.

b. See a. above. Adjustments made at 1.5% are in Column F. Adjustments made at 1% are in Column N.

c. See a. above.

Account 5300111 on row 5 is an example of an account inflated using the first scenario in a. above. There were specific calculations necessary. Column G to add the Workforce Reinforcement and Column H to add the Seasonal Labor, neither of which were included in the budget. Those adjustments are explained in footnotes 3 and 4. Notice that for this account there is not an adjustment in column F (1.5%) or column N (1%) since it is specifically adjusted.

Account 5300110 on row 4 is an example of an account inflated using the second scenario in a. above. This is a general labor account so it was inflated by 1.5% in column F. Notice there is no inflation amount in column N.

Account 5302940 on row 43 Safety Functions Expense is an example of an account inflated using the third scenario in a. above. This account had no specific or labor adjustment, so it received a 1% adjustment in column N.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-8A

Witness: Packer, Jr., William

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

8. Refer to Delta's response to Attorney General's First Request for Information, Item 46.

a. Confirm that, of the three companies allocated the expense of the tax study, Delta has the smallest operational budget. If not confirmed, provide the name of the entity with the smaller budget.

Response:

a. Compared to Peoples Natural Gas and Peoples Gas, Delta's operational budget is smaller, however the effort to prepare the tax repairs study is similar for all three companies irrespective of the operational budget. As an example, under the IRS requirements, the same number of records have to be tested and the same number of historical years are impacted as if the repairs deduction had been in effect for each company for each of those years.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-8B

Witness: Packer, Jr., William

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April, 22, 2025

8. Refer to Delta's response to Attorney General's First Request for Information, Item 46.

b. Explain the charges listed as "RCC". Include in the response copies of any contracts or invoices not already provided related to those expenses.

Response:

b. The charges listed as "RCC" are for the work performed by Regulated Capital Consultants to load the results of the tax repairs study into the system that calculates Delta's tax depreciation expense and other basis differences and deferred income taxes on all of Delta's property related differences. The Section 481a tax repairs adjustment amends prior year calculations/amounts resulting in a significant number of underlying asset records in the system that need to be updated to accurately reflect the changes so that the historical records reflect the tax repairs changes filed on the tax returns and additionally, current and prospective tax calculations and balances are accurate. Refer to the RCC statement of work included in the response to AG-1-46 for additional details. Attached are all invoices from RCC related to the tax repair study.

Regulated Capital Consultants, LLC
 4355 Cobb Pkwy Ste J255
 Atlanta, GA 30339
 (678) 424-1440
 tkizzar@regulatedconsultants.com

Invoice



BILL TO

Peoples
 Attn: Elizabeth Urbaniak & Andrew
 Wachter
 375 N Shore Dr
 Pittsburgh, PA 15212

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
5162709062024	09/06/2024	\$27,690.00	09/06/2024	Due on receipt	

PO/PROJECT/CONTRACT

Non-PO Invoice

W/E	ACTIVITY	QUANTITY	DAILY RATE	AMOUNT
09/06/2024	CAVAN HAYES			0.00
09/06/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.375	3,120.00	1,170.00
09/06/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.6875	3,120.00	2,145.00
09/06/2024	ELHADJ BAH			0.00
09/06/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.3125	3,120.00	975.00
09/06/2024	JOSEPH HENZE			0.00
09/06/2024	Essential PNG PGL Delta Repairs 481a - Remote	7.50	3,120.00	23,400.00

Please make all checks payable to Regulated Capital Consultants, LLC. If you have questions regarding this invoice, please contact Terry Kizzar at tkizzar@regulatedconsultants.com

BALANCE DUE

\$27,690.00

Regulated Capital Consultants, LLC
 4355 Cobb Pkwy Ste J255
 Atlanta, GA 30339
 (678) 424-1440
 tkizzar@regulatedconsultants.com

Invoice



BILL TO

Peoples
 Attn: Elizabeth Urbaniak & Andrew
 Wachter
 375 N Shore Dr
 Pittsburgh, PA 15212

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
5162709132024	09/13/2024	\$7,702.50	09/13/2024	Due on receipt	

PO/PROJECT/CONTRACT

Non-PO Invoice

W/E	ACTIVITY	QUANTITY	DAILY RATE	AMOUNT
09/13/2024	CAVAN HAYES			0.00
09/13/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.4375	3,120.00	1,365.00
09/13/2024	JOSEPH HENZE			0.00
09/13/2024	Essential PNG PGL Delta Repairs 481a - Remote	2.03125	3,120.00	6,337.50

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BALANCE DUE

~~\$7,702.50~~

Regulated Capital Consultants, LLC
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Invoice



BILL TO

Peoples
 Attn: Elizabeth Urbaniak & Andrew
 Wachter
 375 N Shore Dr
 Pittsburgh, PA 15212

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
5162710112024	10/11/2024	\$585.00	10/11/2024	Due on receipt	

PO/PROJECT/CONTRACT

Non-PO Invoice

W/E	ACTIVITY	QUANTITY	DAILY RATE	AMOUNT
10/11/2024	CAVAN HAYES			0.00
10/11/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.125	3,120.00	390.00
10/11/2024	JOSEPH HENZE			0.00
10/11/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.0625	3,120.00	195.00

Please make all checks payable to Regulated Capital Consultants, LLC. If you have questions regarding this invoice, please contact Terry Kizzar at tkizzar@regulatedconsultants.com

BALANCE DUE

\$585.00

Regulated Capital Consultants, LLC
 4355 Cobb Pkwy Ste J255
 Atlanta, GA 30339
 (678) 424-1440
 tkizzar@regulatedconsultants.com

Invoice



BILL TO

Peoples
 Attn: Elizabeth Urbaniak & Andrew
 Wachter
 375 N Shore Dr
 Pittsburgh, PA 15212

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
5162709272024	09/27/2024	\$195.00	09/27/2024	Due on receipt	

PO/PROJECT/CONTRACT
 Non-PO Invoice

W/E	ACTIVITY	QUANTITY	DAILY RATE	AMOUNT
09/27/2024	CAVAN HAYES			0.00
09/27/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.0625	3,120.00	195.00

Please make all checks payable to Regulated Capital Consultants, LLC. If you have questions regarding this invoice, please contact Terry Kizzar at tkizzar@regulatedconsultants.com

BALANCE DUE

\$195.00

Regulated Capital Consultants, LLC
 4355 Cobb Pkwy Ste J255
 Atlanta, GA 30339
 (678) 424-1440
 tkizzar@regulatedconsultants.com

Invoice



BILL TO

Peoples
 Attn: Elizabeth Urbaniak & Andrew
 Wachter
 375 N Shore Dr
 Pittsburgh, PA 15212

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
5162710042024	10/04/2024	\$5,850.00	10/04/2024	Due on receipt	

PO/PROJECT/CONTRACT

Non-PO Invoice

W/E	ACTIVITY	QUANTITY	DAILY RATE	AMOUNT
10/04/2024	CAVAN HAYES			0.00
10/04/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.375	3,120.00	1,170.00
10/04/2024	JOSEPH HENZE			0.00
10/04/2024	Essential PNG PGL Delta Repairs 481a - Remote	1.50	3,120.00	4,680.00

Please make all checks payable to Regulated Capital Consultants, LLC. If you have questions regarding this invoice, please contact Terry Kizzar at tkizzar@regulatedconsultants.com

BALANCE DUE

\$5,850.00

Regulated Capital Consultants, LLC
 4355 Cobb Pkwy Ste J255
 Atlanta, GA 30339
 (678) 424-1440
 tkizzar@regulatedconsultants.com

Invoice



BILL TO

Peoples
 Attn: Elizabeth Urbaniak & Andrew
 Wachter
 375 N Shore Dr
 Pittsburgh, PA 15212

INVOICE #	DATE	TOTAL DUE	DUE DATE	TERMS	ENCLOSED
5162710182024	10/18/2024	\$975.00	10/18/2024	Due on receipt	

PO/PROJECT/CONTRACT
 Non-PO Invoice

W/E	ACTIVITY	QUANTITY	DAILY RATE	AMOUNT
10/18/2024	CAVAN HAYES			0.00
10/18/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.125	3,120.00	390.00
10/18/2024	JOSEPH HENZE			0.00
10/18/2024	Essential PNG PGL Delta Repairs 481a - Remote	0.1875	3,120.00	585.00

Please make all checks payable to Regulated Capital Consultants, LLC. If you have questions regarding this invoice, please contact Terry Kizzar at tkizzar@regulatedconsultants.com

BALANCE DUE

\$975.00

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-8C

Witness: Packer, Jr., William

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

8. Refer to Delta's response to Attorney General's First Request for Information, Item 46.

c. Confirm that the "RCC" charges were allocated to Delta in the same manner as the Ernst & Young charges. If not confirmed, explain.

Response:

c. Yes, RCC charges related to the tax study implementation were allocated to Delta at 1/3 of the total. If Delta had been the only company subject to the tax study, the actual costs may have been more than 1/3 of the total because there are overlapping tasks that bring down the total cost on a combined company basis as compared to an individual company basis. On a combined company basis, the cost savings can be shared by all the companies. See the response to 8a for an explanation of why.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-8D

Witness: Packer, Jr., William

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

8. Refer to Delta's response to Attorney General's First Request for Information, Item 46.

d. Cite to the specific page in Delta's cost allocation manual for the appropriate allocation of the tax study.

Response:

d. On Dec. 14, 2018, the Public Service Commission granted Delta's request for approval of its Utility Services Agreement as filed in Case 2018-00379. The Utility Services Agreement was entered between Delta and its affiliated entities and PNG and its affiliated entities. Section 1 page 1 addresses Goods and Services. "Costs directly incurred by PNG; Peoples KY; Delta Resources; Delgasco; and Enpro from third parties on behalf and for the benefit of Delta are invoiced to Delta at cost".

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-8E

Witness: Packer, Jr., William

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

8. Refer to Delta's response to Attorney General's First Request for Information, Item 46.

e. Confirm that all invoices listed in the response have been received, paid, and the allocated amount to Delta included in the regulatory asset amount requested in the application. If not confirmed, explain.

Response:

Yes.

Company: Delta Natural Gas Company, Inc.

Question Number: PSC-PH-9

Witness: Packer, Jr., William

Case No. 2024 - 00346

PSC Post Hearing Data Request

Dated April 22, 2025

9. Quantify the stated \$13 million in savings for Delta as a result of the tax study. In the response, include a specific list of items impacted or reduced, with corresponding amounts, as a result of the tax study.

Response:

The \$13 million in tax savings for Delta is the cumulative result of taking the tax repairs deduction. The tax study calculated the amount of the allowable tax repairs deduction resulting in the \$13 million in tax savings. The tax study also preserves Delta's ability to maintain this amount because when adopting the Natural Gas Safe Harbor, Delta receives audit protection which preserves the deduction. As far as customer rates, the \$13 million tax savings provides Delta zero cost capital which benefits Delta's customers by means of a \$13 million reduction to rate base. The forecasted test year amount is \$13,833,726 ($=\$11,643,617 + \$2,190,109$). These amounts were provided on Tab 55 p.13 and also provided in the response to AG-1-46b.