

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

**ELECTRONIC APPLICATION OF DELTA
NATURAL GAS COMPANY, INC. FOR
ANNUAL PIPE REPLACEMENT
PROGRAM**

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CASE NO. 2026-00303

APPLICATION

Delta Natural Gas Company, Inc., pursuant to 807 KAR 5:011, hereby applies to the Kentucky Public Service Commission (“Commission”) for its annual Pipe Replacement Program (“PRP”) filing. In support of its Application, Delta states as follows:

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

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

3. Delta is a utility engaged in the natural gas business and is a wholly owned subsidiary of PNG Companies LLC. Delta purchases, sells, stores, and transports natural gas in Bath, Bell, Bourbon, Breathitt, Clark, Clay, Estill, Fayette, Fleming, Floyd, Garrard, Jackson, Jessamine, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lincoln, Madison, Magoffin, Mason, Martin, Menifee, Montgomery, Perry, Pike, Powell, Robertson, Rockcastle, Rowan, and Whitley Counties, Kentucky.

4. Sheet No. 43 of Delta’s tariff states that “The PRP Rider will be updated annually in order to reflect the expected impact on the Company’s revenue requirements of forecasted net

plant additions and subsequently adjusted to true up the actual costs with the projected costs. A filing to update the projected costs for the upcoming calendar year will be submitted annually by October 15 to become effective with meter readings on and after the first billing cycle of January.”

5. In this proceeding, Delta submits its projected PRP costs for the calendar year 2027, with the proposed rates becoming effective on January 1, 2027.

6. Delta also seeks Commission approval to include the purchase of 500 additional Intelis 250 meters during 2027 in the PRP. Delta expects that approximately 500 of its existing modules will reach the end of their service life during 2027 and will require replacement. When compared to older modules, the Intelis 250 meter contains several safety innovations, including both an automatic shutoff feature and remote disconnection.

7. In support of its Application, Delta submits testimony from Jonathan Morpew, Delta’s Director of Gas Operations. Mr. Morpew’s testimony describes Delta’s PRP, the projects that Delta plans to complete during 2027, and the remaining work to complete the program. Mr. Morpew’s testimony also describes Delta’s initial phase of implementing the Intelis 250 meter following the Commission’s September 4, 2024 Order, as well as Delta’s expected replacement needs for 2027. Mr. Morpew also provides testimony regarding the Intelis 250 meter’s enhanced safety features. Delta respectfully asserts that the safety benefits associated with the replacement of retired modules with Intelis 250 meters warrant the inclusion of the cost of such meters with Delta’s PRP Rider Tariff.

8. In Case No. 2024-00135, Delta sought a declaratory order from the Commission, pursuant to 807 KAR 5:001, Section 19, stating that the replacement of encoder receiver transmitter (ERT) modules and meters with the Intelis 250 meter system is an ordinary extension in the usual course of business and does not require a Certificate of Public Convenience and

Necessity (CPCN). The Commission approved an initial replacement of the 8,000 remaining Itron 40 modules with the Intelis 250, and that doing so did not require a CPCN. With respect to the ongoing replacement of approximately 500 retired meters annually in subsequent years, the Commission stated that “[a]ssuming the replacements will not result in wasteful duplication, the ongoing replacements of about 500 meters and ERT modules a year with the Intelis 250 meters due to maintenance issues is an ordinary extension in the usual course of business, and a CPCN, pursuant to KRS 278.020(1), is not required.”¹

9. As stated, Delta anticipates that approximately 500 meters will reach the end of their service life and be slated for retirement in 2027. Given that the one-to-one replacement of these meters will not result in wasteful duplication, and therefore does not require a CPCN, Delta respectfully requests that the Commission allow it to include the cost of the Intelis 250 meters as part of its PRP Rider Tariff. The safety enhancements inherent in the new Intelis 250 meter system align with the same principles underlying the PRP, that is, the gradual replacement of obsolete systems to promote and further the safety of Delta’s customers.

10. Delta has also submitted schedules in Excel format demonstrating how the PRP rates were calculated and tariff sheets containing the revised PRP rates.

WHEREFORE, Delta Natural Gas Company, Inc. respectfully requests the Commission approve Delta’s PRP rates beginning with the first billing cycle in January 2027.

¹ *In the Matter of Electronic Application of Delta Natural Gas Company Inc. for a Declaratory Order that the Replacement of Encoder Receiver Transmitter Meters with Similar Meters are Ordinary Extensions in the Usual Course of Business and Do Not Require a Certificate of Public Convenience and Necessity*, Case No. 2024-00135, Order at 14 (Ky. PSC Sep. 4, 2024).

Dated: October 15, 2026

Respectfully submitted,



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Counsel for Delta Natural Gas Company

CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001, Section 8(7), this is to certify that the electronic filing has been transmitted to the Commission on October 15, 2026 and that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding.



Monica H. Braun