



Delta Natural Gas Company, Inc.



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Winchester, Kentucky 40391-9797

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May 7, 2010

RECEIVED

MAY 07 2010

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Application of Delta Natural Gas Company, Inc. for
an Adjustment of Rates – Case No. 2010-00116

Dear Mr. Derouen:

Please find enclosed and accept for filing the original and ten (10) copies of the Response of Delta Natural Gas Company, Inc. to the Kentucky Public Service Commission's Initial Requests for Information dated March 31, 2010, in the above-referenced matter.

Also enclosed are an original and ten (10) copies of a Petition for Confidential Protection regarding certain information contained in the enclosed responses.

William Steven Seelye scanned and e-mailed his verification page to us for inclusion in this volume. The Company will file his original verification page separately.

Should you have any questions regarding the enclosed, please contact me at your convenience.

Sincerely,

John B. Brown
Chief Financial Officer, Treasurer and Secretary

cc: Parties of Record

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAY 07 2010

**PUBLIC SERVICE
COMMISSION**

In the Matter of:

**APPLICATION OF DELTA NATURAL)
GAS COMPANY, INC. FOR) CASE NO. 2010-00116
AN ADJUSTMENT OF RATES)**

* * * * *

**PETITION OF DELTA NATURAL GAS COMPANY, INC.
FOR CONFIDENTIAL PROTECTION**

Delta Natural Gas Company, Inc. (“Delta”) petitions the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1)(k), 61.878(1)(l), 131.190(1) and 26 U.S.C. § 6103(a) to grant confidential protection to certain information relating to its federal and state income tax returns, which information is being provided in response to Item No. 23(a)(8) of the First Data Request of the Commission Staff dated March 31, 2010, herein. In support of this Petition, Delta states as follows:

1. On March 15, 2010, Delta served notice of its intent to file a rate application for a general adjustment in rates with the Commission. On March 31, 2010, the Commission Staff issued its First Data Request to Delta. On April 23, 2010, Delta filed its Notice and Application herein.

2. In response to the Commission Staff’s Data Request No. 23(a)(8), Delta is providing a copy of its federal and state income tax returns for the taxable year ending during the test year, including supporting schedules. KRS 61.878(1)(k) exempts from public disclosure “all public records or information the disclosure of which is prohibited

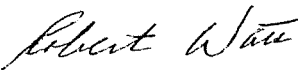
by federal law or regulation.” Pursuant to 28 U.S.C. § 6103(a), state officials are prohibited from publicly disclosing any federal income tax return or its contents. Therefore, federal income tax returns fall within the exemption provided by KRS 61.878(1)(k) and are exempt from disclosure. See *In the Matter of: Application for Adjustment of Rates of Kentucky Power Company*, Case No. 91-066, Order of July 23, 1991, at 5-6. KRS 61.878(1)(l) exempts from the Kentucky Open Records Act “public records or information the disclosure of which is prohibited or restricted or otherwise made confidential by enactment of the General Assembly.” KRS 131.190(1) requires that all income tax information filed with the Kentucky Department of Revenue be treated in a confidential manner. Thus, state income tax returns are also confidential in nature and protected from disclosure by KRS 61.878(1)(l). See *In the Matter of: Rate Adjustment of Western Kentucky Gas Company*, Case No. 90-013, Order of January 28, 1991, at 2.

3. In accordance with the provisions of 807 KAR 5:001, Section 7, one copy of Delta’s response to the Commission Staff’s Data Request No. 23(a)(8) with the confidential information highlighted (in this case, the confidential tax returns are attached under seal) and ten (10) copies of Delta’s response without the confidential information are herewith filed with the Commission.

WHEREFORE, Delta prays that the Commission grant confidential protection to its federal and state income tax returns submitted herewith.

Respectfully submitted,

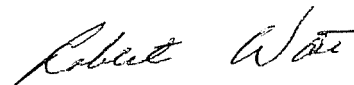
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By 
Counsel for Applicant

CERTIFICATE OF SERVICE

This is to certify that the foregoing pleading has been served by hand delivering a copy of same to the following persons on this 7th day of May 2010:

Dennis Howard, II, Esq.
Lawrence W. Cook, Esq.
Assistant Attorneys General
Office of Rate Intervention
1024 Capital Center Drive
Frankfort, KY 40601


Counsel for Applicant