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Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

November 14, 2017

PARTIES OF RECORD

Re: Case No. 2017-00406

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum, please do so within five days of receipt of this letter.

If you have any questions, please contact Angela Goad, Staff Attorney, at (502) 782-2562.

Sincerely,

A handwritten signature in blue ink that reads "Gwen R. Pinson".

Gwen R. Pinson
Executive Director

DEH
Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2017-00406
FROM: Daniel Hinton, Public Service Rates and Tariffs Manager
DATE: November 14, 2017
RE: Informal Conference of November 13, 2017

Pursuant to a Commission Staff ("Staff") Notice, a telephonic informal conference ("IC") was conducted at the Commission's offices in Frankfort, Kentucky on November 13, 2017. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss Delta Natural Gas Company's ("Delta") supplemental responses to item 4 of the Commission's First Request for Information filed on November 8, 2017 and November 9, 2017.

During the IC, Staff requested that Delta provide a calculation showing that the method of refinancing being proposed in this case, which would be at no cost, is more beneficial than refinancing at a lower interest rate. John Brown of Delta gave a brief description of the loan that is being refinanced, noting that, when originally issued, Delta received a competitive interest rate and incurred few fees due to the fact that there was a prepayment penalty clause. Mr. Brown indicated that Delta's calculations showed that it could refinance at a lower interest rate and pay approximately \$4.9 million less in interest over the life of the loan; however, he indicated those savings would be offset by an approximately \$10 million prepayment penalty.

Delta indicated that it would file the information requested by Staff no later than November 14, 2017.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record
Attachments

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DELTA NATURAL GAS)
COMPANY, INC. FOR AN ORDER AUTHORIZING THE) CASE NO.
ISSUANCE OF \$50,499,999.95 OF LONG TERM DEBT) 2017-00406

Informal Conference - November 13, 2017

Please sign in:

NAME

REPRESENTING

<u>Elizabeth Stefanski</u>	<u>FA</u>
<u>Daniel Hinton</u>	<u>PSC-FA</u>
<u>Leah Faulkner</u>	<u>PSC-ED office</u>
<u>William M. Foley</u>	<u>PSC-FA</u>
<u>John Brown</u>	<u>President of Delta</u>
<u>Monica Braun</u>	<u>Legal Counsel (SKO)</u>
<u>Robert Watts</u>	<u>Legal Counsel (SKO)</u>
<u>Angela M. Good</u>	<u>PSC Legal</u>
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*John B Brown
Chief Financial Officer
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

*Monica Braun
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*Delta Natural Gas Company, Inc.
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*Honorable Robert M Watt, III
Attorney At Law
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