

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DELTA)	
NATURAL GAS COMPANY, INC FOR)	Case No.
APPROVAL OF SERVICES AGREEMENT)	2018-00379

ORDER

On November 26, 2018, Delta Natural Gas Company, Inc. (Delta), filed an application, pursuant to commitments made in Case No. 2017-00125,¹ requesting that the Commission approve Delta's Utility Services Agreement and Cost Allocation Manual. In Case No. 2017-00125, the Commission approved PNG Companies, LLC's (PNG) acquisition of Delta, subject to certain commitments, including the requirement that Delta seeks approval from the Commission before entering into a services agreement and before modifying Delta's Cost Allocation Manual.

Delta requests approval of a Utility Services Agreement with PNG, Delta, and Delta's affiliates, Peoples Gas KY, LLC, a farm tap system, and Delta Resources, LLC, Delgasco, LLC, and Enpro, LLC, unregulated affiliates to which Delta provides natural gas transportation services. The Utility Services Agreement reflects the changes in corporate ownership, in particular, that PNG is now providing the same services that were being provided by Peoples Service Company. Delta also requests approval of modifications to its Cost Allocation Manual, which adopts PNG's general ledger chart of accounts effective January 1, 2019.

¹ Case No. 2017-00125, *Electronic Joint Application of PNG Companies LLC, Drake Merger Sub Inc., and Delta Natural Gas Company, Inc. for Approval of Ownership and Control of Delta Natural Gas Company, Inc.* (Ky. PSC July 13, 2017).

Having reviewed the application and case record, and being otherwise sufficiently advised, the Commission finds that the Utility Services Agreement is in accordance with KRS 278.2207, which sets forth pricing requirements for transactions between a utility and its affiliates, and that the Utility Services Agreement should be approved. The Commission further finds that the modification of Delta's Cost Allocation Manual to adopt PNG's general ledger chart of accounts is reasonable and should be approved.

IT IS THEREFORE ORDERED that:

1. Delta's request for approval of its Utility Services Agreement as filed in this case is granted.
2. Delta's request to modify its Cost Allocation Manual is granted.
3. Delta shall file an updated Cost Allocation Manual with Appendix I containing the new account numbers for the general ledger chart of accounts.
4. Documents filed pursuant to ordering paragraph 3 shall reference this case number and shall be retained in the post-case correspondence file.
5. This case is now closed and removed from the Commission's Docket.

By the Commission

ENTERED
DEC 14 2018
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2018-00379

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