



Andy Beshear
Governor

Rebecca W. Goodman
Secretary
Energy and Environment Cabinet

Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
psc.ky.gov

Angie Hatton
Chair

Mary Pat Regan
Commissioner

John Will Stacy
Commissioner

January 6, 2025

PARTIES OF RECORD

Re: Case No. 2024-00346

Notice is given to all parties that the attached corrected Delta Natural Gas Informal Conference Memorandum has been filed into the record of this proceeding.

If you have any comments you would like to make regarding the contents of the document, please do so within five days of receipt of this letter. If you have any questions, please contact Moriah Tussey, Assistant General Counsel, at Moriah.Tussey@ky.gov.

Sincerely,

A handwritten signature in blue ink that reads "Linda C. Bridwell".

Handwritten initials "AP" in blue ink.

Linda C. Bridwell, PE
Executive Director

Attachment

CORRECTED INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2024-00346

FROM: Moriah Tussey, Asst. General Counsel

DATE: January 2, 2025, Update to Memo dated December 27, 2024

RE: Informal Conference of December 17, 2024

UPDATE: The prior memorandum filed in the record contained a material error. On January 2, 2025, Staff was made aware of the error. Delta Natural Gas Company, Inc. has a cost allocation manual. It was submitted as Tab 51 to the application in this matter. The memo below reflects that correction.

Pursuant to an Order issued on December 5, 2024, an informal conference (IC) was conducted on December 17, 2024. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss Delta's application for a general rate adjustment. John Brown, did a short presentation about the application. The rate base was driven by capital construction budget. Delta tried to adjust the timing of its rate application to better align with the corporate budget. The revenue requirement took into account inflation at a rate of 1%. The rate case expense was estimated to be approximately \$1 million.

Paul Moul then discussed the calculation of the return on equity (ROE). He utilized the guidance in the last case to calculate the ROE.

PNG has a cost allocation manual. Delta provided its cost allocation manual as part of its application. In the corporate structure, Essential has a wide variety of utility companies while PNG and Delta are gas only companies.

The parties agreed to schedule a subsequent IC to discuss the cost allocation and COSS.

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

cc: Parties of Record

*Angela M Goad
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

*Emily S. Childress
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*John B Brown
Chief Financial Officer
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

*Lawrence W Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Mary Ellen Wimberly
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

*Michael West
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Monica Braun
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801