

**BEFORE
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Filing of Annual :
Reports for Calendar Year 2013 by all : **Case No. 14-01-AU-RPT**
Regulated Entities. :

MEMORANDUM IN SUPPORT

I. INTRODUCTION AND BACKGROUND

Delta Energy is an Ohio limited liability company, with its primary office located at 5555 Perimeter Drive, Dublin, Ohio 43017. Beginning in 2003, Delta Energy was a natural gas supplier and comprehensive energy consultant in North America, with natural gas retail sales focused in Ohio, Pennsylvania, Virginia, West Virginia, Maryland, Kentucky, and Michigan. Effective November 1, 2012, Delta Energy sold its natural gas business to Hess Corporation and fully completed its exit from the natural gas market on March 31, 2013, the date on which Delta Energy completed its term as a Standard Choice Offer (SCO) supplier. After March 31, 2013, Delta Energy was no longer a natural gas supplier under the jurisdiction of the Commission.

II. DELTA ENERGY'S PAYMENT OF PRORATED ASSESSMENT TO THE COMMISSION

On September 30, 2013, the Commission issued the Assessment to Delta Energy, assessing a total of \$54,495.65 in annual maintenance fees, less \$10,139.95 previously paid by Delta Energy in the spring of 2013, with a net amount of \$44,355.70 being stated as due and owing. However, the Assessment was made as if Delta Energy operated a natural gas service provider for the entire year, rather than being prorated or reduced based on Delta Energy's March 31, 2013 exit as a natural gas supplier. On October 17, 2013, prior to the October 28, 2013 deadline to pay the Assessment, Delta Energy sent the Commission a letter detailing the timing of its exit from the market and its calculation of the prorated amount that should be

charged (the "Letter"). A true and accurate copy of the Letter Delta Energy sent the Commission on October 17, 2013 is attached hereto as Exhibit A. Enclosed with the Letter was a check made payable to the Commission in the amount of \$3,483.96, which represents the net prorated amount of the total Assessment through March 31, 2013.

On January 22, 2014, the Commission issued a Finding and Order (the "Order") in this case listing Delta Energy as a reporting entity that had failed to pay its 2013 Assessment and, pursuant to paragraph 14 of the Order, required Delta Energy to file a motion on this docket substantiating the contents of the Letter and renewing its request for reduction or proration of the Assessment.

Based upon the foregoing, Delta Energy requests the Commission reduce or prorate the Assessment to reflect Delta Energy's exit from the natural gas market on March 31, 2013, and find Delta Energy has fully paid the Commission amounts due and owing related to the Assessment by its prorated payment in the amount of \$3,483.96.

III. DELTA ENERGY IS ALSO ENTITLED TO A PARTIAL REFUND OF AMOUNTS PAID TO THE OHIO CONSUMERS' COUNSEL

Delta Energy similarly requests proration and a partial refund of the amount it paid for its 2013 annual maintenance assessment to the OCC (the "OCC Assessment"). A true and accurate copy of an invoice for the 2013 OCC Assessment (the "Invoice") is attached hereto as Exhibit B. According to the Invoice, the OCC based its calculation of the OCC Assessment upon the incorrect assumption that Delta Energy provided natural gas services for the entire year of 2013. However, Delta Energy ceased operations in the natural gas market on March 31, 2013 and the OCC Assessment should have been prorated accordingly. Therefore, Delta Energy requests proration of the OCC Assessment and a refund from the OCC in amount of \$7,163.09. The calculation used to arrive at this refund amount is shown on Exhibit C, attached hereto.


IV. DELTA ENERGY SHOULD BE EXEMPT FROM THE 2013 REPORTING REQUIREMENT AND FUTURE REPORTING REQUIREMENTS

Based upon Delta Energy's complete exit from the natural gas market on March 31, 2013, Delta Energy should be removed from the "2013 Master Reporting List," attached as Appendix A of the Order. Delta Energy requests an exemption from the 2013 annual reporting requirement as well as annual reporting requirements in the future based upon the fact that Delta Energy ceased supplying natural gas as of March 31, 2013. Delta Energy should not be required to report annual revenue or be assessed fees for years in which it did not provide any natural gas services.

V. CONCLUSION

For the reasons set forth above, Delta Energy respectfully requests its motion for reduction or proration of the 2013 Commission Assessment and the OCC Assessment be granted. Delta Energy further requests an Order confirming that it has paid its 2013 Assessment to the Commission in full. Additionally, Delta Energy requests an Order that the OCC issue a refund in the amount of \$7,163.09 to Delta Energy, reflecting proration of the OCC Assessment based on Delta Energy's exit from the natural gas market on March 31, 2013. Finally, Delta Energy requests the Commission find it exempt from the 2013 annual reporting requirement as well as future annual reporting requirements and remove Delta Energy from Appendix A to the Order.

PEREZ & MORRIS LLC



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Columbus, Ohio 43235
T: (614) 431-1500; F: (614) 431-3885
Attorneys for Delta Energy, LLC



October 17, 2013

Public Utilities Commission
180 East Broad Street
Columbus, OH 43215-3793

Re: Payment of 2013 Maintenance Assessment (File #247)

To Whom It May Concern:

Effective November 1, 2012, Delta Energy, LLC (Delta) completed the sale of its natural gas business to Hess Corporation (Hess). Please see press release attached.

The last step to fully exit the natural gas business across all states was Delta completing its term as a Standard Choice Offer (SCO) supplier for the annual period ended March 31, 2013.

Since Delta would have been under PUC jurisdiction for only for a portion of the calendar year 2013 (three months), Delta has pro-rated the annual maintenance assessment, accordingly.

Annual assessment	\$54,495.65
Pro-rate (3/12 months)	<u>x 25%</u>
Adjusted 2013 Assessment	\$13,623.91
Less: Spring Assessment paid	<u>(\$10,139.95)</u>
Balance due & payment attached	<u>\$ 3,483.96</u>

Thank you in advance for your consideration,

Chris Kline, cfo
Delta Energy
5555 Perimeter Drive
Dublin, OH 43017

tollfree (866) 79 DELTA
local (614) 339-2600
fax (614) 339-2700

5555 Perimeter Drive
Dublin, Ohio 43017



www.DeltaEnergyLLC.com



Public Utilities Commission

John R. Kasich, Governor
Todd A. Snitchler, Chairman

Commissioners

Steven D. Lesser
Asim Z. Haque
Lynn Slaby
M. Beth Trombold

Delta Energy, LLC
Gary Stoneberg, Sr Accountant
5555 Perimeter Dr
Dublin, OH 43017

2013 Assessment for the Maintenance of the PUCO

September 30, 2013

In accordance with Section 4905.10, Ohio Revised Code, the 2013 Assessment for the Maintenance of the Public Utilities Commission of Ohio based on reported Intrastate Gross Revenues of: \$44,079,530

Due from the above listed firm (PUCO) File #247 is \$54,495.65

Less Spring Assessment Paid: \$10,139.95

Net Amount Due: \$44,355.70

Please make checks payable to: PUBLIC UTILITIES COMMISSION OF OHIO

And mail to: Treasurer State of Ohio
L-3603
Columbus, OH 43260-3603

Due Date: October 28, 2013

Questions concerning this assessment should be addressed to the Fiscal Division at the address below or you may call Tina Watkins at (614) 387-1010.

.....
Please detach and return with check

Delta Energy, LLC
5555 Perimeter Dr
Dublin, OH 43017
PUCO File #247

AMOUNT DUE \$44,355.70
Check Number _____

Speed Code	Deposit Unit	GL Unit	Fund	Account	ALI	Department	Program	Agency Use	ISTV Xref
PUC ASSESS	PUC01	STATE	5F60	425035	N/A	PUC100100	N/A	N/A	N/A

180 East Broad Street
Columbus, Ohio 43215-3793

(614) 466-3016
www.PUCO.ohio.gov

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News Release

FOR IMMEDIATE RELEASE

Hess to Acquire Delta Energy's Commodity Business

Woodbridge, NJ (September 17, 2012) – Hess Corporation and Delta Energy LLC today announced an agreement for Hess to acquire the commodity business of Delta Energy, a regional natural gas marketing company with commercial and industrial (C&I) and small business customers in seven states including Ohio and Pennsylvania. Hess is the largest provider of electricity, natural gas and fuel oil to C&I customers in the 21-state market area in which it operates. The transaction is expected to close this fall.

The acquisition includes Delta's natural gas marketing business and associated operations. The majority of Delta commodity employees will join Hess and remain in Dublin, Ohio. Delta Energy Services, LLC (DES) is a separate legal entity and is not included in the transaction. DES will continue to provide energy management consulting services for industrial clients worldwide, which has been the company's core business since its formation in 1997. The company will continue to operate from its Dublin, Ohio headquarters under the leadership of Sheri Tackett, CEO and founder, and Justin McMaster, senior vice president.

Hess Energy Marketing has been a supplier in Ohio since 2000 and, with this acquisition, will become the No. 1 natural gas C&I supplier in the state. Hess Corporation is committed to developing Ohio's Utica Shale resources and already has invested more than \$1.3 billion locally.

"We see this transaction as an ideal fit with the expertise, product offerings and geographic footprint of our growing Energy Marketing business," said John Gartman, senior vice president Hess Energy Marketing. "We look forward to providing Delta's customers with a broad product offering along with comprehensive energy services and solutions."

"Based on the dynamic energy supply landscape in the region, I am confident this transaction serves the best interests of our customers, our suppliers, and our employees," said Sheri Tackett. "Further, this strategic decision sharpens our focus on enhancing and expanding our

energy management consulting services and allows us to invest in innovative technology and infrastructure solutions which will benefit our clients.”

About Hess and Hess Energy Marketing

Hess Corporation (NYSE: HES), with headquarters in New York, is a leading global independent energy company engaged in the exploration for and production of crude oil and natural gas, refining and marketing refined petroleum products, natural gas and electricity, and power generation. Hess Energy Marketing is the largest provider of electricity, natural gas and fuel oil to commercial and industrial customers in the 21-state market area in which it operates. The business also delivers comprehensive solutions that help commercial, industrial and institutional customers maximize energy savings and improve operational efficiencies. For more information, please visit www.hessenergy.com.

About Delta Energy Services

Delta Energy Services (DES) is a leading provider of customized energy management consulting services for large industrial energy consumers. As a founding member of the Energy Experts Alliance, DES provides energy management consulting services worldwide through our network of leading providers in Australia, Europe, North America and South America. Delta's team collaborates with clients to help them make strategic energy decisions to achieve their overall business objectives. The company was founded in 1997 and is a certified Women's Business Enterprise (WBE). Visit Delta Energy Services' website at www.deltaenergyllc.com.

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For more information, contact:

*Lorrie Hecker or
Hess Corporation
732-750-6000
lhecker@hess.com*

*Bob Gardiner
Delta Energy, LLC
614-214-5050
bgardiner@deltaenergyllc.com*

Delta Energy, LLC
Public Utilities Commission of Ohio

Check Number: 13634
Check Date: Oct 17, 2013

13034

Check Amount: \$3,483.96

Item to be Paid - Description	Discount Taken	Amount Paid
2013		3,483.96

ALL INFORMATION CONTAINED HEREIN IS UNCLASSIFIED EXCEPT WHERE SHOWN OTHERWISE. DATE 08-14-2013 BY 60322 UCBAW/STW

Keybank

13634

Delta Energy, LLC
5555 Perimeter Drive
Dublin, Ohio 43017

6-103
410

Memo:

Three Thousand Four Hundred Eighty-Three and 96/100 Dollars

PAY

Oct 17, 2013

*****\$3,483.96
DOLLARS

TO THE
ORDER
OF

Public Utilities Commission of Ohio
Attn: Fiscal Office
180 East Broad Street
Columbus, OH 43215-3793

⑈013634⑈ ⑈041001039⑈ 359681283289⑈

Delta Energy, LLC

13634



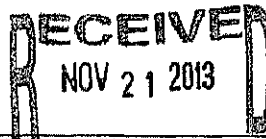
Office of the
Ohio Consumers' Counsel
Your Residential Utility Consumer Advocate



INVOICE

Bill to: Delta Energy, LLC
Attention: Gary Stoneberg
5555 Perimeter Dr
Dublin, OH 43017

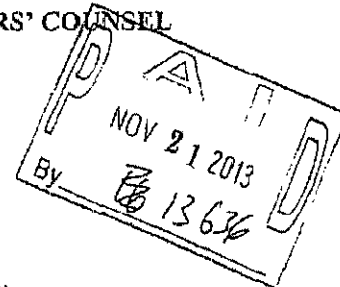
Date: September 30, 2013
OCC Record No.: 251



In accordance with Section 4911.18, Ohio Revised Code, your 2013 assessment for the maintenance of the Office of the Ohio Consumers' Counsel (OCC) due from the above listed firm as follows:	
Intrastate Gross Receipts (IGR) reported for calendar year 2012	\$ 44,079,530.00
Total Assessment for 2013	\$ 9,550.79
First Payment: 50% of 2013 Assessment Received	\$ 1,816.00
AMOUNT DUE	\$ 7,734.79

DATE DUE November 13, 2013

Make checks payable to: **OFFICE OF THE OHIO CONSUMERS' COUNSEL**
Mailing address: Attention: Assessments
10 W. Broad Street, Suite 1800
Columbus, OH 43215-3485



IT IS IMPORTANT TO:

- Include a copy of this invoice along with your check.
- Include the OCC Record No. (located above) on your check.
- List the name of the company(ies) on whose behalf payment is being made.

Section 131.02 of the Ohio Revised Code requires the Office of the Ohio Consumers' Counsel to forward delinquent claims to the Ohio Attorney General's Office for amounts not paid within 45 days of the due date.

Questions concerning this assessment should be addressed to
Lindsey Lewis at lewis@occ.state.oh.us or at (614) 466-9495.

**EXHIBIT C****SUMMARY OF CALCULATION FOR PRORATED OCC ASSESSMENT**

Annual Assessment	\$9,550.79
Pro-rate (3/12 months)	<u>x 25%</u>
Adjusted 2013 Assessment	\$2,387.70
Amount paid by Delta Energy First Payment of Assessment	\$1,816.00
Amount paid by Delta Energy for balance of 2013 Assessment	<u>+ \$7,734.79</u>
Total Amount Paid	\$9,550.79
Total Amount Paid to OCC	\$9,550.79
Less: Adjusted Amount Owed	<u>(\$2,387.70)</u>
Refund due Delta Energy	\$7,163.09