



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

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December 16, 2013

RECEIVED

DEC 17 2013

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P O Box 615
Frankfort, KY 40602-0615

Dear Mr. Derouen:

Enclosed are the original and ten copies of Delta's Quarterly Report of Gas Cost Recovery Rate Calculation which determines the Gas Cost Recovery Rate (GCR) to be effective with the first billing cycle of February 2014 which includes meters read on and after January 22, 2014.

An extra copy of the filing is attached for public files.

Please acknowledge receipt of this filing by stamping the extra copy of the cover letter and returning to Delta in the envelope provided.

Sincerely,

Connie King

Connie King
Manager – Corporate & Employee Services



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GAS COST
RECOVERY RATE CALCULATION

Date Filed	12/17/2013
Date to be Effective	01/22/2014

GAS COST RECOVERY CALCULATION

COST RECOVERY RATE EFFECTIVE OCTOBER 28, 2013		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	5.4051
SUPPLIER REFUND (RA)	\$/MCF	(0.0400)
ACTUAL ADJUSTMENT (AA)	\$/MCF	2.3531
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.0828)
GAS COST RECOVERY RATE (GCR)	\$/MCF	<u>7.6354</u>

EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	5,806,978
UTILITY PRODUCTION	\$	-
INCLUDABLE PROPANE	\$	-
UNCOLLECTIBLE GAS COSTS	\$	<u>27,016</u>
	\$	5,833,994
TOTAL ESTIMATED SALES FOR QUARTER	MCF	<u>1,079,359</u>
EXPECTED GAS COST (EGC) RATE	\$/MCF	<u>5.4051</u>

SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE III)	\$/MCF	-
PREVIOUS QUARTER	\$/MCF	-
SECOND PREVIOUS QUARTER	\$/MCF	(0.0400)
THIRD PREVIOUS QUARTER	\$/MCF	-
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>(0.0400)</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	0.8642
PREVIOUS QUARTER	\$/MCF	0.3846
SECOND PREVIOUS QUARTER	\$/MCF	(0.0381)
THIRD PREVIOUS QUARTER	\$/MCF	<u>1.1424</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>2.3531</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
BALANCE ADJUSTMENT AMOUNT (SCHEDULE V)	\$	(252,881)
ESTIMATED ANNUAL SALES	MCF	<u>3,053,623</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.0828)</u>

MCF PURCHASES FOR THREE MONTHS BEGINNING
February 1, 2014
AT SUPPLIERS COSTS EFFECTIVE
February 1, 2014

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				\$750,313	
ATMOS ENERGY MARKETING COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)	380,074	1.052	4.2619	1,704,076	I
ATMOS ENERGY MARKETING COLUMBIA GULF TRANSMISSION MIDWEST ENERGY SERVICES	174,742	1.022	4.2456	758,207	I
KENTUCKY PRODUCERS VINLAND	87,131	1.234	4.6630	501,363	I
STORAGE	20,536	1.200	4.3125	106,274	I
	<u>416,876</u>		4.2379	<u>1,766,664</u>	
TOTAL	<u>1,079,359</u>			<u>5,806,978</u>	
 COMPANY USAGE	 16,190				

ESTIMATED UNCOLLECTIBLE GAS COSTS
FOR THE THREE MONTHS ENDED
April 30, 2014

TWELVE MONTH AVERAGE % OF PURCHASED GAS TO RECORDED REVENUE	44.00%	
ESTIMATED BAD DEBT EXPENSE	\$61,400	I
% OF PURCHASED GAS TO BILLED REVENUE UNCOLLECTIBLE GAS COSTS	27,016	I

TENNESSEE GAS PIPELINE RATES EFFECTIVE 2/01/14

		DTH VOLUMES	FIXED OR VARIABLE		RATES	QUARTERLY COST
FT-G RESERVATION RATE - ZONE 0-2	1.	10,984	F	2.	\$16.341	\$179,490
FT-G RESERVATION RATE - ZONE 1-2	3.	29,540	F	4.	\$11.133	\$328,867
FT-G COMMODITY RATE - ZONE 0-2	5.	62,948	V	6.	\$0.0213	\$1,341
FT-G COMMODITY RATE - ZONE 1-2	7.	169,247	V	8.	\$0.0183	\$3,097
FT-A RESERVATION RATE - ZONE 0-2	9.	925	F	10.	\$16.341	\$15,117
FT-A RESERVATION RATE - ZONE 1-2	11.	3,968	F	12.	\$11.133	\$44,179
FT-A RESERVATION RATE - ZONE 3-2	13.	618	F	14.	\$5.755	\$3,557
FT-A COMMODITY RATE - ZONE 0-2	15.	28,140	V	16.	\$0.0213	\$599
FT-A COMMODITY RATE - ZONE 1-2	17.	120,702	V	18.	\$0.0183	\$2,209
FT-A COMMODITY RATE - ZONE 3-2	19.	18,800	V	20.	\$0.0062	\$117
FUEL & RETENTION - ZONE 0-2	21.	91,088	V	22.	\$0.0899	\$8,191
FUEL & RETENTION - ZONE 1-2	23.	289,950	V	24.	\$0.0767	\$22,243
FUEL & RETENTION - ZONE 3-2	25.	18,800	V	26.	\$0.0222	\$417
SUB-TOTAL						\$609,424
FS-PA DELIVERABILITY RATE	27.	6,000	F	28.	\$2.81	\$16,859
FS-PA INJECTION RATE	29.	61,269	V	30.	\$0.0073	\$447
FS-PA WITHDRAWAL RATE	31.	61,269	V	32.	\$0.0073	\$447
FS-PA SPACE RATE	33.	735,226	F	34.	\$0.0286	\$21,027
FS-PA RETENTION	35.	61,269	V	36.	\$0.0814	\$4,987
SUB-TOTAL						\$43,769
FS-MA DELIVERABILITY RATE	37.	33,998	F	38.	\$1.54	\$52,357
FS-MA INJECTION RATE	39.	127,166	V	40.	\$0.0087	\$1,106
FS-MA WITHDRAWAL RATE	41.	127,166	V	42.	\$0.0087	\$1,106
FS-MA SPACE RATE	43.	1,525,992	F	44.	\$0.0211	\$32,198
FS-MA RETENTION	45.	127,166	V	46.	\$0.0814	\$10,352
SUB-TOTAL						\$97,120
TOTAL TENNESSEE GAS PIPELINE CHARGES						<u>\$750,313</u>
COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 2/01/14						
GTS COMMODITY RATE	47.	178,586	V	48.	\$0.7674	\$137,047
FUEL & RETENTION	49.	178,586	V	50.	\$0.1383	\$24,695
TOTAL COLUMBIA GAS TRANSMISSION CHARGES						<u>\$161,742</u>
COLUMBIA GULF CORPORATION RATES EFFECTIVE 2/01/14						
FTS-1 RESERVATION RATE	51.	13,134	F	52.	\$4.2917	\$56,367
FTS-1 COMMODITY RATE	53.	178,586	V	54.	\$0.0109	\$1,947
FUEL & RETENTION	55.	178,586	V	56.	\$0.0001	\$25
TOTAL COLUMBIA GULF CORPORATION CHARGES						<u>\$58,339</u>
TOTAL PIPELINE CHARGES						<u>\$970,394</u>

**SUPPLIER REFUND ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
October 31, 2013**

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	0
INTEREST FACTOR (2)		0.998034
REFUND ADJUSTMENT INCLUDING INTEREST	\$	0
SALES TWELVE MONTHS ENDED October 31, 2013	MCF	3,053,623
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	0.0000

(1) Suppliers Refunds Received	Date Received	Amount
Total		0.00

(2) Interest Factor			
RESULT OF PRESENT VALUE	0.1369230	-0.5 =	(0.363077)

ACTUAL ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
October 31, 2013

Particulars	Unit	For the Month Ended		
		Aug-13	Sep-13	Oct-13
SUPPLY VOLUME PER BOOKS				
PRIMARY GAS SUPPLIERS	MCF	255,717	168,547	439,148
UTILITY PRODUCTION	MCF	-	-	-
INCLUDABLE PROPANE	MCF	-	-	-
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	<u>255,717</u>	<u>168,547</u>	<u>439,148</u>
SUPPLY COST PER BOOKS				
PRIMARY GAS SUPPLIERS	\$	1,057,530	770,206	1,840,777
UTILITY PRODUCTION	\$	-	-	-
INCLUDABLE PROPANE	\$	-	-	-
UNCOLLECTIBLE GAS COSTS	\$	2,255	-	-
OTHER COST (SPECIFY)	\$	-	-	-
TOTAL	\$	<u>1,059,785</u>	<u>770,206</u>	<u>1,840,777</u>
SALES VOLUME				
JURISDICTIONAL	MCF	62,908	48,913	49,223
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	<u>62,908</u>	<u>48,913</u>	<u>49,223</u>
UNIT BOOK COST OF GAS				
EGC IN EFFECT FOR MONTH	\$	6.4064	6.4064	6.4064
RATE DIFFERENCE	\$	10.4402	9.3400	30.9903
MONTHLY SALES	MCF	62,908	48,913	49,223
MONTHLY COST DIFFERENCE	\$	<u>656,772</u>	<u>456,847</u>	<u>1,525,436</u>
				Three Month
				Period
COST DIFFERENCE FOR THE THREE MONTHS	\$			2,639,055
TWELVE MONTHS SALES FOR PERIOD ENDED	MCF			3,053,623
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>0.8642</u>

COMPUTATION OF VINLAND PRICE EFFECTIVE 2/01/14 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR FEBRUARY THROUGH APRIL 2014

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.3125 per MMBtu dry

COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 2/01/14 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR FEBRUARY THROUGH APRIL 2014 (TGP)

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.2619 per MMBtu dry

COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 2/01/14 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR FEBRUARY THROUGH APRIL 2014 (TCO)

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.2456 per MMBtu dry

COMPUTATION OF MIDWEST ENERGY SERVICES PRICE EFFECTIVE 2/01/14 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR FEBRUARY THROUGH APRIL 2014

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.6630 per MMBtu dry

TGP SUPPLIED AREAS PURCHASE PROFILE:

12/12/2013

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
February 2014	171,400	180,312	\$4.372	(\$0.060)	\$777,507.34
March	140,446	147,749	\$4.338	(\$0.060)	\$632,072.22
April	<u>68,228</u>	<u>71,776</u>	\$4.163	(\$0.060)	<u>\$294,495.96</u>
	380,074	399,838			\$1,704,075.52
Fixed Price ____		0	\$0.000		\$0.00
Fixed Price ____		0	\$0.000		\$0.00
Total Dth		399,838			
WEIGHTED AVERAGE PRICE PER DTH:				<u>\$4.2619</u>	

COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
February 2014	72,083	73,669	\$4.372	(\$0.07)	\$316,925.11
March	66,294	67,753	\$4.338	(\$0.07)	\$289,169.33
April	<u>36,364</u>	<u>37,164</u>	\$4.163	(\$0.07)	<u>\$152,112.63</u>
	174,742	178,586			\$758,207.07
Fixed Price ____		0	\$0.000		\$0.00
Fixed Price ____		0	\$0.000		\$0.00
Total Dth		178,586			
WEIGHTED AVERAGE PRICE PER DTH:				<u>\$4.2456</u>	

VINLAND SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
February 2014	8,868	10,642	\$4.372	0	\$46,525.08
March	6,953	8,344	\$4.338	0	\$36,194.54
April	<u>4,715</u>	<u>5,658</u>	\$4.163	0	<u>\$23,554.25</u>
	20,536	24,643			\$106,273.87
WEIGHTED AVERAGE PRICE PER DTH:				<u>\$4.3125</u>	

COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
February 2014	0	0	\$4.372	\$0.50	\$0.00
March	0	0	\$4.338	\$0.50	\$0.00
April	<u>87,131</u>	<u>107,519</u>	\$4.163	\$0.50	<u>\$501,363.05</u>
	87,131	107,519			\$501,363.05
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				\$4.6630	

CLASSIFICATION OF SERVICE – RATE SCHEDULES
 RESIDENTIAL

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	Base Rate	+	Gas Cost Recovery Rate (GCR) **	=	Total Rate	
Customer Charge *	\$ 20.90000				\$ 20.90000	
All Ccf ***	\$ 0.43185		\$ 0.76354		\$ 1.19539 /Ccf	(1)

* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 38 of this tariff.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

*** Residential rates are also subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of .01447 /Ccf. The CEPRC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 – 42 of this tariff.

Residential rates are also subject to a Pipe Replacement Program charge of \$1.19, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: December 17, 2013
 DATE EFFECTIVE: January 22, 2014 (Final Meter Reads)
 ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

Issued by Authority of an Order of the Public Service Commission of KY in
 Case No. _____ dated _____.

CLASSIFICATION OF SERVICE – RATE SCHEDULES
 SMALL NON-RESIDENTIAL*

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by small non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u>	+	<u>Gas Cost Recovery Rate (GCR) **</u>	=	<u>Total Rate</u>	
Customer Charge	\$ 31.20000				\$ 31.20000	
All Ccf ***	\$ 0.43185		\$ 0.76354		\$ 1.19539 /Ccf	(1)

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Small Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential or Interruptible Service rate schedule.

* Meter no larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Small Non-Residential rates are also subject to a Pipe Replacement Program charge of \$2.31 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: December 17, 2013
 DATE EFFECTIVE: January 22, 2014 (Final Meter Reads)
 ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

Issued by Authority of an Order of the Public Service Commission of KY in
 Case No. dated

CLASSIFICATION OF SERVICE – RATE SCHEDULES
 LARGE NON-RESIDENTIAL*

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by large non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u>	+	Gas Cost Recovery Rate <u>(GCR) **</u>	=	<u>Total Rate</u>	
Customer Charge	\$ 131.00000				\$ 131.00000	
1 - 2,000 Ccf	\$ 0.43185		\$ 0.76354		\$ 1.19539 /Ccf	(I)
2,001 - 10,000 Ccf	\$ 0.26696		\$ 0.76354		\$ 1.03050 /Ccf	(I)
10,001 - 50,000 Ccf	\$ 0.18735		\$ 0.76354		\$ 0.95089 /Ccf	(I)
50,001 - 100,000 Ccf	\$ 0.14735		\$ 0.76354		\$ 0.91089 /Ccf	(I)
Over 100,000 Ccf	\$ 0.12735		\$ 0.76354		\$ 0.89089 /Ccf	(I)

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Large Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Large Non-Residential or Interruptible Service rate schedule.

* Meter larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Large Non-Residential rates are also subject to a Pipe Replacement Program charge of \$17.97, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

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 ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

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CLASSIFICATION OF SERVICE – RATE SCHEDULES
 INTERRUPTIBLE SERVICE

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by interruptible customers.

CHARACTER OF SERVICE

Interruptible - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u>	+	<u>Gas Cost Recovery Rate (GCR) **</u>	=	<u>Total Rate</u>	
Customer Charge	\$ 250.00000				\$ 250.00000	
1 - 10,000 Ccf	\$ 0.16000		\$ 0.76354		\$ 0.92354 /Ccf	(I)
10,001 - 50,000 Ccf	\$ 0.12000		\$ 0.76354		\$ 0.88354 /Ccf	(I)
50,001 - 100,000 Ccf	\$ 0.08000		\$ 0.76354		\$ 0.84354 /Ccf	(I)
Over 100,000 Ccf	\$ 0.06000		\$ 0.76354		\$ 0.82354 /Ccf	(I)

Special Conditions - All customers having a connected load in excess of 2,500,000 Btu input per hour may be required to enter into an Interruptible Sales Agreement. Determinations of those customers so required shall be based on peak day use as well as annual volume and shall be at the sole discretion of the Company.

Any customer required to enter into an Interruptible Agreement shall be permitted to purchase or transport gas under the Interruptible Rate Schedule as set forth on Sheet No. 5. Gas requirements, minimum charges and other specific information shall be set forth in the Agreement.

Interruptible rates are also subject to a Pipe Replacement Program charge of \$89.72, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

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