



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road  
Winchester, Kentucky 40391-9797

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FAX: 859-744-3623



September 18, 2014

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

RECEIVED  
SEP 19 2014  
PUBLIC UTILITY  
COMMISSION

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 November 2014 which includes meters read on and after October 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

**GAS COST**  
**RECOVERY RATE CALCULATION**

|                             |                   |
|-----------------------------|-------------------|
| <b>Date Filed</b>           | <b>9/18/2014</b>  |
| <b>Date to be Effective</b> | <b>10/22/2014</b> |

## GAS COST RECOVERY CALCULATION

| COST RECOVERY RATE EFFECTIVE OCTOBER 22, 2014 |        |               |
|---|--------|---------------|
| PARTICULARS                                   | UNIT   | AMOUNT        |
| EXPECTED GAS COST (EGC)                       | \$/MCF | 5.5177        |
| SUPPLIER REFUND (RA)                          | \$/MCF | -             |
| ACTUAL ADJUSTMENT (AA)                        | \$/MCF | 2.2285        |
| BALANCE ADJUSTMENT (BA)                       | \$/MCF | (0.5274)      |
| GAS COST RECOVERY RATE (GCR)                  | \$/MCF | <u>7.2188</u> |

## EXPECTED GAS COST SUMMARY CALCULATION

| PARTICULARS                         | UNIT   | AMOUNT           |
|-------------------------------------|--------|------------------|
| PRIMARY GAS SUPPLIERS (SCHEDULE II) | \$     | 8,543,712        |
| UTILITY PRODUCTION                  | \$     | -                |
| INCLUDABLE PROPANE                  | \$     | -                |
| UNCOLLECTIBLE GAS COSTS             | \$     | <u>20,352</u>    |
|                                     | \$     | 8,564,064        |
| TOTAL ESTIMATED SALES FOR QUARTER   | MCF    | <u>1,552,107</u> |
| EXPECTED GAS COST (EGC) RATE        | \$/MCF | <u>5.5177</u>    |

## SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION

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

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

| PARTICULARS                   | UNIT   | AMOUNT        |
|-------------------------------|--------|---------------|
| CURRENT QUARTER (SCHEDULE IV) | \$/MCF | 0.1561        |
| PREVIOUS QUARTER              | \$/MCF | (0.1605)      |
| SECOND PREVIOUS QUARTER       | \$/MCF | 1.3687        |
| THIRD PREVIOUS QUARTER        | \$/MCF | <u>0.8642</u> |
| ACTUAL ADJUSTMENT (AA)        | \$/MCF | <u>2.2285</u> |

## BALANCE ADJUSTMENT SUMMARY CALCULATION

| PARTICULARS                  | UNIT   | AMOUNT          |
|------------------------------|--------|-----------------|
| CURRENT QUARTER (SCHEDULE V) | \$/MCF | (0.0019)        |
| PREVIOUS QUARTER             | \$/MCF | (0.3353)        |
| SECOND PREVIOUS QUARTER      | \$/MCF | (0.1571)        |
| THIRD PREVIOUS QUARTER       | \$/MCF | <u>(0.0331)</u> |
| BALANCE ADJUSTMENT (BA)      | \$/MCF | <u>(0.5274)</u> |

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

| Supplier  | MCF<br>Purchases | DTH Conv<br>Factor | Rates (\$) | Quarterly<br>Cost | Rate<br>Increase (I)/<br>Reduction (R) |
|---|------------------|--------------------|------------|-------------------|--|
| TENNESSEE GAS PIPELINE<br>PIPELINE (SCH II, PAGE 2 OF 2)                              |                  |                    |            | \$881,141         |  |
| ATMOS ENERGY MARKETING<br>COLUMBIA GAS TRANSMISSION<br>PIPELINE (SCH II, PAGE 2 OF 2) | 509,970          | 1.061              | 4.0466     | 2,189,543         | R                                      |
| ATMOS ENERGY MARKETING<br>COLUMBIA GULF TRANSMISSION                                  | 246,347          | 1.083              | 4.0285     | 1,074,775         | R                                      |
| MIDWEST ENERGY SERVICES<br>KENTUCKY PRODUCERS<br>VINLAND                              | 169,816          | 1.213              | 4.5120     | 929,412           | R                                      |
| STORAGE   | 17,567           | 1.200              | 4.1038     | 86,509            | R                                      |
|   | <u>608,406</u>   |                    | 5.0639     | <u>3,080,909</u>  | N                                      |
| TOTAL   | <u>1,552,107</u> |                    |            | <u>8,543,712</u>  |  |
| COMPANY USAGE   | 23,282           |                    |            |                   |  |

ESTIMATED UNCOLLECTIBLE GAS COSTS  
FOR THE THREE MONTHS ENDED  
January 31, 2015

|   |          |   |
|---|----------|---|
| TWELVE MONTH AVERAGE<br>% OF PURCHASED GAS TO RECORDED<br>REVENUE | 53.00%   |   |
| ESTIMATED BAD DEBT EXPENSE  | \$38,400 | I |
| % OF PURCHASED GAS TO BILLED REVENUE<br>UNCOLLECTIBLE GAS COSTS   | 20,352   | I |

**TENNESSEE GAS PIPELINE RATES EFFECTIVE 11/01/14**

|   |     | DTH<br>VOLUMES | FIXED OR<br>VARIABLE |     | RATES    | QUARTERLY<br>COST  |
|---|-----|----------------|----------------------|-----|----------|--------------------|
| FT-G RESERVATION RATE - ZONE 0-2                          | 1.  | 13,051         | F                    | 2.  | \$16.058 | \$209,565          |
| FT-G RESERVATION RATE - ZONE 1-2                          | 3.  | 35,098         | F                    | 4.  | \$10.970 | \$385,036          |
| FT-G COMMODITY RATE - ZONE 0-2                            | 5.  | 92,688         | V                    | 6.  | \$0.0177 | \$1,641            |
| FT-G COMMODITY RATE - ZONE 1-2                            | 7.  | 249,209        | V                    | 8.  | \$0.0147 | \$3,663            |
| FT-A RESERVATION RATE - ZONE 0-2                          | 9.  | 1,099          | F                    | 10. | \$16.058 | \$17,650           |
| FT-A RESERVATION RATE - ZONE 1-2                          | 11. | 4,715          | F                    | 12. | \$10.970 | \$51,724           |
| FT-A RESERVATION RATE - ZONE 3-2                          | 13. | 734            | F                    | 14. | \$5.717  | \$4,199            |
| FT-A COMMODITY RATE - ZONE 0-2                            | 15. | 33,434         | V                    | 16. | \$0.0177 | \$592              |
| FT-A COMMODITY RATE - ZONE 1-2                            | 17. | 143,411        | V                    | 18. | \$0.0147 | \$2,108            |
| FT-A COMMODITY RATE - ZONE 3-2                            | 19. | 22,337         | V                    | 20. | \$0.0026 | \$58               |
| FUEL & RETENTION - ZONE 0-2                               | 21. | 126,122        | V                    | 22. | \$0.0987 | \$12,453           |
| FUEL & RETENTION - ZONE 1-2                               | 23. | 392,619        | V                    | 24. | \$0.0842 | \$33,047           |
| FUEL & RETENTION - ZONE 3-2                               | 25. | 22,337         | V                    | 26. | \$0.0243 | \$542              |
| SUB-TOTAL   |     |                |                      |     |          | \$722,277          |
| FS-PA DELIVERABILITY RATE                                 | 27. | 7,128          | F                    | 28. | \$2.81   | \$20,031           |
| FS-PA INJECTION RATE                                      | 29. | 72,796         | V                    | 30. | \$0.0073 | \$531              |
| FS-PA WITHDRAWAL RATE                                     | 31. | 72,796         | V                    | 32. | \$0.0073 | \$531              |
| FS-PA SPACE RATE  | 33. | 873,548        | F                    | 34. | \$0.0286 | \$24,983           |
| FS-PA RETENTION   | 35. | 72,796         | V                    | 36. | \$0.0433 | \$3,152            |
| SUB-TOTAL   |     |                |                      |     |          | \$49,229           |
| FS-MA DELIVERABILITY RATE                                 | 37. | 40,395         | F                    | 38. | \$1.54   | \$62,208           |
| FS-MA INJECTION RATE                                      | 39. | 151,090        | V                    | 40. | \$0.0087 | \$1,314            |
| FS-MA WITHDRAWAL RATE                                     | 41. | 151,090        | V                    | 42. | \$0.0087 | \$1,314            |
| FS-MA SPACE RATE  | 43. | 1,813,085      | F                    | 44. | \$0.0211 | \$38,256           |
| FS-MA RETENTION   | 45. | 151,090        | V                    | 46. | \$0.0433 | \$6,542            |
| SUB-TOTAL   |     |                |                      |     |          | \$109,635          |
| TOTAL TENNESSEE GAS PIPELINE CHARGES                      |     |                |                      |     |          | <u>\$881,141</u>   |
| <b>COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 11/01/14</b> |     |                |                      |     |          |                    |
| GTS COMMODITY RATE  | 47. | 266,794        | V                    | 48. | \$0.7837 | \$209,087          |
| FUEL & RETENTION  | 49. | 266,794        | V                    | 50. | \$0.1238 | \$33,028           |
| TOTAL COLUMBIA GAS TRANSMISSION CHARGES                   |     |                |                      |     |          | <u>\$242,114</u>   |
| <b>COLUMBIA GULF CORPORATION RATES EFFECTIVE 11/01/14</b> |     |                |                      |     |          |                    |
| FTS-1 RESERVATION RATE                                    | 51. | 13,134         | F                    | 52. | \$4.2917 | \$56,367           |
| FTS-1 COMMODITY RATE                                      | 53. | 266,794        | V                    | 54. | \$0.0109 | \$2,908            |
| FUEL & RETENTION  | 55. | 266,794        | V                    | 56. | \$0.0001 | \$34               |
| TOTAL COLUMBIA GULF CORPORATION CHARGES                   |     |                |                      |     |          | <u>\$59,309</u>    |
| TOTAL PIPELINE CHARGES                                    |     |                |                      |     |          | <u>\$1,182,564</u> |

SUPPLIER REFUND ADJUSTMENT  
 DETAIL FOR THE THREE MONTHS ENDED  
 July 31, 2014

| Particulars                             | Unit   | Amount    |
|---|--------|-----------|
| SUPPLIERS REFUNDS RECEIVED (1)          | \$     | 0         |
| INTEREST FACTOR (2)                     |        | 0.997818  |
| REFUND ADJUSTMENT INCLUDING INTEREST    | \$     | 0         |
| SALES TWELVE MONTHS ENDED July 31, 2014 | MCF    | 3,348,562 |
| CURRENT SUPPLIER REFUND ADJUSTMENT      | \$/MCF | 0.0000    |

| (1) Suppliers Refunds Received | Date<br>Received | Amount |
|--------------------------------|------------------|--------|
|                                |                  |        |
| Total                          |                  | 0.00   |

| (2) Interest Factor     |           |        |            |
|-------------------------|-----------|--------|------------|
| RESULT OF PRESENT VALUE | 0.0969230 | -0.5 = | (0.403077) |

## DELTA NATURAL GAS COMPANY, INC.

## SCHEDULE IV

ACTUAL ADJUSTMENT  
DETAIL FOR THE THREE MONTHS ENDED  
July 31, 2014

| Particulars                          | Unit   | For the Month Ended |                  |                  |
|--------------------------------------|--------|---------------------|------------------|------------------|
|                                      |        | May-14              | Jun-14           | Jul-14           |
| SUPPLY VOLUME PER BOOKS              |        |                     |                  |                  |
| PRIMARY GAS SUPPLIERS                | MCF    | 140,603             | 177,043          | 139,500          |
| UTILITY PRODUCTION                   | MCF    | -                   | -                | -                |
| INCLUDABLE PROPANE                   | MCF    | -                   | -                | -                |
| OTHER VOLUMES (SPECIFY)              | MCF    | -                   | -                | -                |
| TOTAL                                | MCF    | <u>140,603</u>      | <u>177,043</u>   | <u>139,500</u>   |
| SUPPLY COST PER BOOKS                |        |                     |                  |                  |
| PRIMARY GAS SUPPLIERS                | \$     | 939,590             | 1,053,454        | 899,665          |
| UTILITY PRODUCTION                   | \$     | -                   | -                | -                |
| INCLUDABLE PROPANE                   | \$     | -                   | -                | -                |
| UNCOLLECTIBLE GAS COSTS              | \$     | 8,619               | 49,746           | 4,940            |
| OTHER COST (SPECIFY)                 | \$     | -                   | -                | -                |
| TOTAL                                | \$     | <u>948,209</u>      | <u>1,103,200</u> | <u>904,605</u>   |
| SALES VOLUME                         |        |                     |                  |                  |
| JURISDICTIONAL                       | MCF    | 185,827             | 80,917           | 59,170           |
| OTHER VOLUMES (SPECIFY)              | MCF    | -                   | -                | -                |
| TOTAL                                | MCF    | <u>185,827</u>      | <u>80,917</u>    | <u>59,170</u>    |
| UNIT BOOK COST OF GAS                |        |                     |                  |                  |
| EGC IN EFFECT FOR MONTH              | \$     | 5.1026              | 13.6337          | 15.2882          |
| RATE DIFFERENCE                      | \$     | 7.4657              | 7.4657           | 7.4657           |
| MONTHLY SALES                        | MCF    | (2.3631)            | 6.1680           | 7.8225           |
| MONTHLY COST DIFFERENCE              | \$     | <u>185,827</u>      | <u>80,917</u>    | <u>59,170</u>    |
|                                      |        | <u>(439,128)</u>    | <u>499,096</u>   | <u>462,857</u>   |
|                                      |        |                     |                  | Three Month      |
|                                      |        |                     |                  | Period           |
| COST DIFFERENCE FOR THE THREE MONTHS | \$     |                     |                  | 522,825          |
| TWELVE MONTHS SALES FOR PERIOD ENDED | MCF    |                     |                  | <u>3,348,562</u> |
| CURRENT QUARTERLY ACTUAL ADJUSTMENT  | \$/MCF |                     |                  | 0.1561           |

## DELTA NATURAL GAS COMPANY, INC.

## SCHEDULE V

EXPECTED GAS COST BALANCE ADJUSTMENT  
 DETAIL FOR THE THREE MONTHS ENDED  
 July 31, 2014

| Particulars  | Unit           | Amount               |
|--|----------------|----------------------|
| COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR   | \$             | (113,528)            |
| LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 3,348,562 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE | (0.0381)<br>\$ | <br><u>(127,580)</u> |
| BALANCE ADJUSTMENT FOR THE AA  | \$             | <u>14,052</u>        |
| DOLLAR AMOUNT OF SUPPLIER REFUND ADJUSTMENT AS USED TO COMPUTE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR  | \$             | (118,985)            |
| LESS: DOLLAR AMOUNT RESULTING FROM THE UNIT RATE FOR SUPPLIER REFUND ADJUSTMENT OF (0.0400) \$/MCF AS USED TO COMPUTE RA OF THE JURISDICTIONAL SALES FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE FOR THE MCF TOTAL OF 3,348,562    | <br>\$         | <br><u>(133,942)</u> |
| BALANCE ADJUSTMENT FOR THE RA  | \$             | <u>14,957</u>        |
| DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR  | \$             | (160,590)            |
| LESS: SEE ATTACHED SCHEDULE VI   | \$             | <u>(125,094)</u>     |
| BALANCE ADJUSTMENT FOR THE BA  | \$             | <u>(35,496)</u>      |
| TOTAL BALANCE ADJUSTMENT AMOUNT  | \$             | <u>(6,486)</u>       |
| ESTIMATED ANNUAL SALES   | MCF            | <u>3,348,562</u>     |
| BALANCE ADJUSTMENT (BA)  | \$/MCF         | <u>(0.0019)</u>      |





COMPUTATION OF VINLAND PRICE EFFECTIVE 11/01/14 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR NOVEMBER 2014 THROUGH JANUARY 2015

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.1038 per MMBtu dry

COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 11/01/14 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR NOVEMBER 2014 THROUGH JANUARY 2015 (TGP)

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.0466 per MMBtu dry

COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 11/01/14 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR NOVEMBER 2014 THROUGH JANUARY 2015 (TCO)

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.0285 per MMBtu dry

COMPUTATION OF MIDWEST ENERGY SERVICES PRICE EFFECTIVE 11/01/14 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR NOVEMBER 2014 THROUGH JANUARY 2015

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.5120 per MMBtu dry

**TGP SUPPLIED AREAS PURCHASE PROFILE:**

9/10/2014

| MONTH                           | VOLUMES<br>MCF | VOLUMES<br>DTH | NYMEX \$<br>PER DTH | ADD-ON<br>PER DTH | TOTAL                  |
|---------------------------------|----------------|----------------|---------------------|-------------------|------------------------|
| November 2014                   | 108,334        | 114,942        | \$4.012             | (\$0.060)         | \$454,252.12           |
| December                        | 155,946        | 165,459        | \$4.093             | (\$0.060)         | \$667,296.63           |
| January 2015                    | <u>245,690</u> | <u>260,677</u> | \$4.157             | (\$0.060)         | <u>\$1,067,994.28</u>  |
|                                 | 509,970        | 541,079        |                     |                   | \$2,189,543.02         |
| Fixed Price ___                 |                | 0              | \$0.000             |                   | \$0.00                 |
| Fixed Price ___                 |                | 0              | \$0.000             |                   | \$0.00                 |
| Total Dth                       |                | 541,079        |                     |                   |                        |
| WEIGHTED AVERAGE PRICE PER DTH: |                |                |                     |                   | <u><u>\$4.0466</u></u> |

**COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:**

| MONTH                           | VOLUMES<br>MCF | VOLUMES<br>DTH | NYMEX \$<br>PER DTH | ADD-ON<br>PER DTH | TOTAL                  |
|---------------------------------|----------------|----------------|---------------------|-------------------|------------------------|
| November 2014                   | 52,215         | 56,549         | \$4.012             | (\$0.07)          | \$222,915.14           |
| December                        | 106,949        | 115,826        | \$4.093             | (\$0.07)          | \$465,967.30           |
| January 2015                    | <u>87,183</u>  | <u>94,420</u>  | \$4.157             | (\$0.07)          | <u>\$385,892.56</u>    |
|                                 | 246,347        | 266,794        |                     |                   | \$1,074,775.00         |
| Fixed Price ___                 |                | 0              | \$0.000             |                   | \$0.00                 |
| Fixed Price ___                 |                | 0              | \$0.000             |                   | \$0.00                 |
| Total Dth                       |                | 266,794        |                     |                   |                        |
| WEIGHTED AVERAGE PRICE PER DTH: |                |                |                     |                   | <u><u>\$4.0285</u></u> |

**VINLAND SUPPLIED AREAS PURCHASE PROFILE:**

| MONTH                           | VOLUMES<br>MCF | VOLUMES<br>DTH | NYMEX \$<br>PER DTH | ADD-ON<br>PER DTH | TOTAL                  |
|---------------------------------|----------------|----------------|---------------------|-------------------|------------------------|
| November 2014                   | 3,784          | 4,541          | \$4.012             | 0                 | \$18,217.69            |
| December                        | 6,043          | 7,252          | \$4.093             | 0                 | \$29,680.80            |
| January 2015                    | <u>7,740</u>   | <u>9,288</u>   | \$4.157             | 0                 | <u>\$38,610.22</u>     |
|                                 | 17,567         | 21,080         |                     |                   | \$86,508.70            |
| WEIGHTED AVERAGE PRICE PER DTH: |                |                |                     |                   | <u><u>\$4.1038</u></u> |

**COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:**

| MONTH                           | VOLUMES<br>MCF | VOLUMES<br>DTH | NYMEX \$<br>PER DTH | ADD-ON<br>PER DTH | TOTAL                  |
|---------------------------------|----------------|----------------|---------------------|-------------------|------------------------|
| November 2014                   | 169,816        | 205,987        | \$4.012             | \$0.50            | \$929,411.95           |
| December                        | 0              | 0              | \$4.093             | \$0.50            | \$0.00                 |
| January 2015                    | <u>0</u>       | <u>0</u>       | \$4.157             | \$0.50            | <u>\$0.00</u>          |
|                                 | 169,816        | 205,987        |                     |                   | \$929,411.95           |
| FIXED PRICE                     |                | 0              |                     |                   | \$0.00                 |
| WEIGHTED AVERAGE PRICE PER DTH: |                |                |                     |                   | <u><u>\$4.5120</u></u> |

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<br>Recovery Rate<br>(GCR) ** | = | Total Rate      |     |
|-------------------|-------------|---|---------------------------------------|---|-----------------|-----|
| Customer Charge * | \$ 20.90000 |   |                                       |   | \$ 20.90000     |     |
| All Ccf ***       | \$ 0.43185  |   | \$ 0.72188                            |   | \$ 1.15373 /Ccf | (R) |

\* 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 .01501/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 \$1.71, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: September 18, 2014  
 DATE EFFECTIVE: October 22, 2014 (Final Meter Reads)  
 ISSUED BY: John B. Brown, Chief Financial Officer, Treasurer and Secretary

Issued by Authority of an Order of the Public Service Commission of KY in  
 Case No. \_\_\_\_\_ dated \_\_\_\_\_, 2014

**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<br/>Recovery Rate<br/>(GCR) **</u> | = | <u>Total Rate</u> |
| Customer Charge | \$ 31.20000      |   |  |   | \$ 31.20000       |
| All Ccf ***     | \$ 0.43185       |   | \$ 0.72188                                     |   | \$ 1.15373 /Ccf   |

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 \$3.27 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: September 18, 2014  
 DATE EFFECTIVE: October 22, 2014 (Final Meter Reads)  
 ISSUED BY: John B. Brown, Chief Financial Officer, Treasurer and Secretary

Issued by Authority of an Order of the Public Service Commission of KY in  
 Case No. \_\_\_\_\_ dated \_\_\_\_\_, 2014

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

|                      | Base Rate    | + | Gas Cost<br>Recovery Rate<br>(GCR) ** | = | Total Rate      |     |
|----------------------|--------------|---|---------------------------------------|---|-----------------|-----|
| Customer Charge      | \$ 131.00000 |   |                                       |   | \$ 131.00000    |     |
| 1 - 2,000 Ccf        | \$ 0.43185   |   | \$ 0.72188                            |   | \$ 1.15373 /Ccf | (R) |
| 2,001 - 10,000 Ccf   | \$ 0.26696   |   | \$ 0.72188                            |   | \$ 0.98884 /Ccf | (R) |
| 10,001 - 50,000 Ccf  | \$ 0.18735   |   | \$ 0.72188                            |   | \$ 0.90923 /Ccf | (R) |
| 50,001 - 100,000 Ccf | \$ 0.14735   |   | \$ 0.72188                            |   | \$ 0.86923 /Ccf | (R) |
| Over 100,000 Ccf     | \$ 0.12735   |   | \$ 0.72188                            |   | \$ 0.84923 /Ccf | (R) |

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 \$25.10, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

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 Case No. \_\_\_\_\_ dated \_\_\_\_\_, 2014

**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

|                      | Base Rate    | + | Gas Cost<br>Recovery Rate<br>(GCR) ** | = | Total Rate      |     |
|----------------------|--------------|---|---------------------------------------|---|-----------------|-----|
| Customer Charge      | \$ 250.00000 |   |                                       |   | \$ 250.00000    |     |
| 1 - 10,000 Ccf       | \$ 0.16000   |   | \$ 0.72188                            |   | \$ 0.88188 /Ccf | (R) |
| 10,001 - 50,000 Ccf  | \$ 0.12000   |   | \$ 0.72188                            |   | \$ 0.84188 /Ccf | (R) |
| 50,001 - 100,000 Ccf | \$ 0.08000   |   | \$ 0.72188                            |   | \$ 0.80188 /Ccf | (R) |
| Over 100,000 Ccf     | \$ 0.06000   |   | \$ 0.72188                            |   | \$ 0.78188 /Ccf | (R) |

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 \$155.76, 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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