



Delta Natural Gas Company, Inc.



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Winchester, Kentucky 40391-9797

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June 28, 2004

RECEIVED

JUN 29 2004

PUBLIC SERVICE
COMMISSION

Elizabeth O'Donnell
Executive Director
211 Sower Blvd
P O Box 615
Frankfort, KY 40601

Re: Delta Natural Gas Company, Inc.
Rate Case 2004 - 00067

Item 40. -- Financial Statement April 30, 2004

Enclosed is Item 40. of the FIRST DATA REQUEST OF COMMISSION
STAFF TO DELTA NATURAL GAS COMPANY, INC. dated March 17, 2004.
Please add the enclosed documents to our Rate Case file.

Sincerely,

John Hall
Vice President - Finance, Secretary & Treasurer

cc:

Honorable Elizabeth E. Blackford, Assistant Attorney General
Leslye M. Bowman, David Barberie, Director of Litigation
Bob Watt, Stoll, Keenon & Park LLP

DELTA NATURAL GAS COMPANY, INC.
CASE NO. 2004-00067
Detailed Monthly Income Statement
April 2004

Item 40.

40. Provide monthly income statements for each month after the test year, including the month in which the hearing ends, as they become available.

RESPONSE

See attached for detail.

Sponsoring Witness:

John Hall

DELTA NATURAL GAS COMPANY, INC.

FINANCIAL STATEMENT

AS OF

APRIL 30, 2004

DELTA NATURAL GAS COMPANY, INC.
BALANCE SHEET
APRIL 30, 2004

ASSETS		2004	2003
GAS UTILITY PLANT, AT COST	\$	167,264,104	\$ 158,903,013
Less - Reserve for Depreciation		<u>54,156,633</u>	<u>50,499,499</u>
	\$	<u>113,107,471</u>	\$ <u>108,403,514</u>
CURRENT ASSETS:			
Cash	\$	1,198,079	\$ 42,212
Receivables		6,066,528	4,511,925
Deferred Gas Cost		1,111,410	5,173,054
Gas in Storage, at Cost		1,858,884	1,707,587
Materials and Supplies, at Cost		470,506	483,985
Prepayments		<u>731,465</u>	<u>557,351</u>
	\$	<u>11,436,872</u>	\$ <u>12,476,114</u>
OTHER ASSETS:			
Cash Surrender Value of Life Insurance	\$	364,711	\$ 353,261
Unamortized Expenses		4,106,343	4,317,565
Receivable/Investment in Subsidiaries		(329,559)	1,126,358
Other		<u>227,864</u>	<u>2,824,031</u>
	\$	<u>4,369,359</u>	\$ <u>8,621,215</u>
TOTAL ASSETS	\$	<u>128,913,702</u>	\$ <u>129,500,843</u>
LIABILITIES			
CAPITALIZATION:			
Common Stock	\$	3,195,767	\$ 2,558,802
Paid-in Surplus		44,124,500	30,919,913
Capital Stock Expense		(2,598,000)	(1,937,981)
Accum Other Comprehensive Income		(2,050,636)	0.00
Retained Earnings		<u>5,044,022</u>	<u>5,264,985</u>
Total Common Equity	\$	47,715,653	\$ 36,805,719
Long-term Debt		<u>53,133,000</u>	<u>53,403,000</u>
Total Capitalization	\$	<u>100,848,653</u>	\$ <u>90,208,719</u>
CURRENT LIABILITIES:			
Notes Payable	\$	4,148,000	\$ 16,047,041
Current Portion of Long-Term Debt		1,650,000	1,650,000
Accounts Payable		1,214,803	2,282,864
Accrued Taxes		1,721,996	1,624,074
Refunds Due Customers		130	(8,012)
Customer Deposits		502,238	497,966
Accrued Interest		619,710	549,060
Other		<u>1,110,446</u>	<u>1,064,116</u>
	\$	<u>10,967,323</u>	\$ <u>23,707,109</u>
DEFERRED CREDITS AND OTHER:			
Deferred Income Taxes	\$	15,628,366	\$ 14,589,173
Deferred Investment Tax Credit		332,600	384,600
Regulatory Items		457,575	527,775
Advances for Construction and Other		107,800	83,467
Accum Provision for Pensions & Benefit		<u>571,385</u>	<u>0.00</u>
	\$	<u>17,097,226</u>	\$ <u>15,585,015</u>
TOTAL LIABILITIES	\$	<u>128,913,702</u>	\$ <u>129,500,843</u>

DELTA NATURAL GAS COMPANY, INC.

STATEMENT OF RETAINED EARNINGS AND PAID IN SURPLUS

RETAINED EARNINGS

			THIS YEAR		LAST YEAR
BALANCE	JULY 1, 2003/2002	\$	3,912,006	\$	3,247,299
ADD					
Net income applicable to common stock			3,947,885		4,271,114
DEDUCT					
Common Dividends			2,815,869		2,253,428
BALANCE	APRIL 30, 2004 / 2003	\$	5,044,022	\$	5,264,985

PAID-IN SURPLUS

BALANCE	JULY 1, 2003/2002	\$	43,462,433	\$	30,330,330
ADD					
Excess of sales price over par value of common stock			662,067		589,583
DEDUCT					
BALANCE	APRIL 30, 2004 / 2003	\$	44,124,500	\$	30,919,913

DELTA NATURAL GAS COMPANY, INC.
STATEMENT OF INCOME

APRIL 30, 2004

	10 MONTHS TO DATE		12 MONTHS ENDED	
	2004	2003	2004	2003
OPERATING REVENUES	\$ 50,929,539	\$ 45,413,043	\$ 56,415,768	\$ 49,508,348
OPERATING EXPENSES & TAXES:				
Gas Purchased	\$ 29,076,830	\$ 23,832,455	\$ 31,839,545	\$ 25,278,152
Operations	8,452,516	8,017,129	10,172,429	9,659,290
Maintenance	506,951	477,271	616,478	600,493
Depreciation	3,562,768	3,477,192	4,248,584	4,149,574
Property & Other Taxes	1,306,655	1,236,554	1,568,814	1,480,011
Income Taxes	1,650,500	1,686,201	1,359,400	1,399,501
Total	\$ 44,556,220	\$ 38,726,802	\$ 49,805,250	\$ 42,567,020
Operating Income	\$ 6,373,319	\$ 6,686,241	\$ 6,610,518	\$ 6,941,328
OTHER INCOME/(EXPENSES),NET	1,272,734	1,489,600	1,334,057	1,651,259
Gross Income	\$ 7,646,053	\$ 8,175,841	\$ 7,944,575	\$ 8,592,586
OTHER DEDUCTIONS:				
Interest on Debt	\$ 3,500,744	\$ 3,749,754	\$ 4,180,752	\$ 4,478,134
Amortization	197,424	154,973	236,444	181,833
Other	-	-	-	-
Total	\$ 3,698,168	\$ 3,904,727	\$ 4,417,196	\$ 4,659,967
NET INCOME APPLICABLE TO COMMON STOCK	\$ 3,947,885	\$ 4,271,114	\$ 3,527,379	\$ 3,932,619
EARNINGS PER AVERAGE SHARES OUTSTANDING	\$ 1.24	\$ 1.68	\$ 1.13	\$ 1.55
CUSTOMERS AT END OF PERIOD			39,914	40,268