



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391-9797



GLENN R. JENNINGS
CHAIRMAN OF THE BOARD,
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

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May 4, 2007

Beth O'Donnell
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RE: Case No. 2007-00154

Dear Beth:

This letter relates to Case No. 2007-00154, Delta's Energy Assistance Plan ("EAP") as approved by the Commission in Case No. 2005-00464.

As requested by Commission Staff, based upon the discussions at the informal conference at the Commission on April 24, 2007, Delta suggests the following to be filed as an evaluation of the EAP:

A report by Delta detailing the following by month from February, 2006 through April 30, 2007:

- Delta contributions
- EAP payments
- Monthly EAP revenues
- Number of enrollees
- Monthly amounts disbursed per enrollee
- Rolling total monthly EAP balance

Additional data from Delta:

- Contract with Community Action Council
- High, low and average bill for enrollees, by month
- Liheap funds received by Delta, by District office, for the 2006-2007 heating season
- Certify enrollees are customers
- Disconnects for non-payment for the EAP period- average dollar amounts by month by district office

A report by the Community Action Council, to include:

- Details of their billings to Delta

RECEIVED

MAY 04 2007

**PUBLIC SERVICE
COMMISSION**

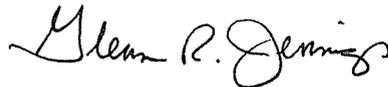
Description of their accounting for program costs
Breakdown of EAP enrollees by county or district office in relation to
Delta's customer base in each county or district office
EAP administrative costs expected for 2007 and the next three years
Certify enrollees as EAP and Liheap eligible

Delta has been and is operating its EAP as approved by the Commission in its Order on February 1, 2006. We appreciate the Commission extending our EAP past April 30, 2007 and until such time as the Commission considers it further and rules in Case No. 2007-00054. We believe that the EAP has been a benefit to our customers. We are willing to continue it as is at the \$.20 monthly customer charge amount and to continue our company contribution of \$30,000.00, but we anticipate recovery of said amount in rates in the future. We desire no changes to the EAP.

We reviewed the LG&E order (Case No. 2004-00304) and the KU order (Case No. 2004-00303) provided to us at the informal conference and we note nothing therein that changes our analysis or that requires further changes to our EAP.

In accordance with the Commission's Order dated April 30, 2007 in this proceeding, Delta is also herewith filing the original and four copies of its revised tariff sheet, Sheet No. 35, showing the date of issue and that it was issued by authority of said Order. Please return a stamped copy of the tariff to Delta.

Sincerely,



Glenn R. Jennings

CC: Dennis Howard, Assistant Attorney General

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
First Revised SHEET NO. 35
CANCELLING P.S.C. NO. 10
Original SHEET NO. 35

CLASSIFICATION OF SERVICE
RATE SCHEDULES

ENERGY ASSISTANCE PROGRAM RIDER
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

N ENERGY ASSISTANCE PROGRAM

An Energy Assistance Program ("EAP") surcharge of \$0.20 per month will be applied to all residential bills rendered under the Residential Rate Schedule. It shall be added to Delta's existing customer charge as set forth on Sheet No. 2 of this tariff. Proceeds from the EAP surcharge will help fund a bill credit to enrolled low-income customers. It is available to eligible residential customers in the Company's service territory subject to enrollment through local community action agencies and subject to available funding.

DATE OF ISSUE May 4, 2007 DATE EFFECTIVE April 30, 2007
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board
Name of Officer President and CEO
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2007-00154 DATED April 30, 2007