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April 14, 2008

CERTIFICATE OF SERVICE

RE: Case No. 2008-00102
Delta Natural Gas Company, Inc.

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 14, 2008.

Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2008-00102
NATURAL GAS COMPANY, INC.)	

ORDER

On October 19, 2007, in Case No. 2007-00089,¹ the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's Gas Cost Adjustment ("GCA") clause.

On March 20, 2008, Delta filed its proposed GCA to be effective April 28, 2008. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Delta's notice sets out an Expected Gas Cost ("EGC") of \$11.6616 per Mcf. However, Delta used an incorrect conversion factor on Schedule 2, page 1 of 2, in calculating the quarterly cost for M&B Gas Services. Correcting for this error produces an EGC of \$11.6886, which is \$3.355 per Mcf more than the previous EGC of \$8.3336.
3. Delta's notice sets out no current quarter Refund Adjustment ("RA"). Delta's notice sets out no total RA, which is no change from the previous total RA.

¹ Case No. 2007-00089, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates.

4. Delta's notice sets out a current quarter Actual Adjustment ("AA") of \$1.3243 per Mcf. However, Delta used an incorrect EGC for the months of November and December 2007 and January 2008. Correcting for this error produces a current quarter AA of \$1.7213 per Mcf. Delta's total AA is \$2.5581 per Mcf, which is an increase of \$.6571 per Mcf from the previous total AA.

5. Delta's notice sets out a Balance Adjustment ("BA") of \$.0514 per Mcf, which represents a decrease of \$.1534 per Mcf from the previous BA.

6. Delta's GCA is \$14.2981 per Mcf, which is \$3.8587 per Mcf more than the previous GCA of \$10.4394.

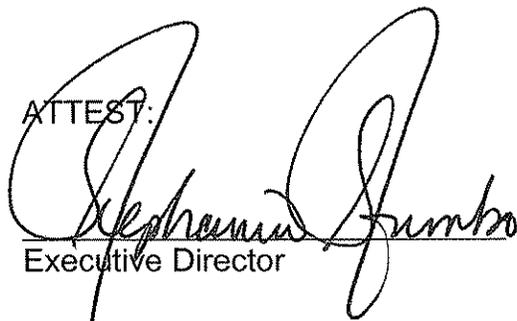
7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after April 28, 2008.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Delta are hereby denied.
2. The rates in the Appendix to this Order are approved for final meter readings on and after April 28, 2008.
3. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 14th day of April, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00102 DATED APRIL 14, 2008

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 15.50				
All Ccf	\$.4158		\$1.4298		\$ 1.8456
Small Non-Residential					
Monthly Service Charge	\$ 25.00				
All Ccf	\$.4158		1.4298		\$ 1.8456
Large Non-Residential					
Monthly Service Charge	\$ 100.00				
1 – 2,000 Ccf	\$.4158		\$ 1.4298		\$ 1.8456
2001 – 10,000 Ccf	.2509		1.4298		1.6807
10,001 – 50,000 Ccf	.1713		1.4298		1.6011
50,001 – 100,000 Ccf	.1313		1.4298		1.5611
Over 100,000 Ccf	.1113		1.4298		1.5411

Interruptible

Monthly Service Charge		\$ 250.00		
1 - 10,000	Ccf	\$.16000	\$ 1.4298	\$ 1.5898
10,001 – 50,000	Ccf	.12000	1.4298	1.5498
50,001 – 100,000	Ccf	.08000	1.4298	1.5098
Over 100,000	Ccf	.06000	1.4298	1.4898