

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2004-00099
NATURAL GAS COMPANY, INC.)	

ORDER

On December 27, 1999, in Case No. 1999-00176, 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 24, 2004, Delta filed its proposed GCA to be effective May 1, 2004.

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 expected gas cost ("EGC") is \$7.5440 per Mcf, which is 89.43 cents per Mcf more than the previous EGC of \$6.6497.
3. Delta's notice sets out no current quarter refund adjustment ("RA"). Delta's notice sets out no total RA, which represents no change from the previous total RA.
4. Delta's notice sets out a current quarter actual adjustment ("AA") of 94.6 cents per Mcf. Delta's notice sets out a total AA of \$1.2943 per Mcf. In calculating its total AA, Delta carried forward an incorrect prior quarter AA. Correcting for this results

in a total AA of \$1.2952, which represents a decrease of 39.81 cents per Mcf from the previous total AA.

5. Delta's notice sets out a balance adjustment ("BA") of (98.97) cents per Mcf, which represents a decrease of 86.6 cents per Mcf from the previous BA.

6. Delta's GCA is \$7.8495 per Mcf, which is 36.98 cents per Mcf less than the previous GCA of \$8.2193.

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 May 1, 2004.

IT IS THEREFORE ORDERED that:

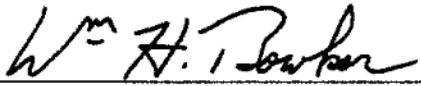
1. The rates in the Appendix to this Order are approved for final meter readings on and after May 1, 2004.

2. 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 29th day of April, 2004.

By the Commission

ATTEST:

Depnty


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00099 DATED APRIL 29, 2004

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	\$ 8.00				
All Mcf	\$3.6224		\$7.8495		\$ 11.4719
Small Non-Residential					
Monthly Service Charge	\$ 17.00				
First 200 Mcf	3.6224		7.8495		\$ 11.4719
Next 800 Mcf	2.4000		7.8495		10.2495
Over 1,000 Mcf	2.0495		7.8495		9.8990
Large Non-Residential					
Monthly Service Charge	\$ 50.00				
First 200 Mcf	\$ 3.6224		\$7.8495		\$11.4719
Next 800 Mcf	2.0063		7.8495		9.8558
Next 4,000 Mcf	1.3190		7.8495		9.1685
Next 5,000 Mcf	.9190		7.8495		8.7685
Over 10,000 Mcf	.7190		7.8495		8.5685

Interruptible

Monthly Service Charge	\$	250.00		
First 1,000 Mcf	\$	1.6000	\$7.8495	\$ 9.4495
Next 4,000 Mcf	\$	1.2000	7.8495	9.0495
Next 5,000 Mcf		.8000	7.8495	8.6495
Over 10,000 Mcf		.6000	7.8495	8.4495