



**Delta Natural Gas Company, Inc.**



3617 Lexington Road  
Winchester, Kentucky 40391-9797

PHONE: 859-744-6171  
FAX: 859-744-3623

June 28, 2004

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
P O Box 615  
Frankfort, KY 40602

RECEIVED  
JUN 29 2004  
PUBLIC SERVICE  
COMMISSION

RE: Case No. 2004-00067

Dear Ms. O'Donnell:

In response to the Initial Request for Information of the Attorney General – Item 27 regarding Delta's pension expenses, Delta has previously provided information from its actuary as requested. Delta today received the actuary report for fiscal year ending June 30, 2005 (plan year 3/31/05) and we are hereby providing nine copies of this supplemental information.

Sincerely,

*Connie King*

Connie King  
Director – Rates & Treasury

copy: Hon. Elizabeth Blackford  
Assistant Attorney General

Leslye M. Bowman  
Director of Litigation  
LFUCG



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Delta Natural Gas Company, Inc. Defined Benefit Retirement Plan  
Statement of Financial Accounting Standards No. 87  
For Fiscal Year Ending 3/31/05

**ASSUMPTIONS**

	<u>3/31/04</u>
Discount Rate - Pre-Retirement	6.00%
Discount Rate - Post-Retirement	5.75%
Expected Long Term Rate of Return	8.00%
Rate of Increase in Compensation	4.00%
Average Remaining Future Service Measurement Date	15 Years 3/31/04

**FUNDED STATUS**

	<u>ACTUAL 3/31/04</u>	<u>FOR FISCAL 2004-2005</u>	<u>PROJECTED 3/31/05</u>
Projected Benefit Obligation Plan Assets at Fair Value	(10,267,056) <u>10,450,066</u>		(11,472,455) <u>11,989,517</u>
Funded Status	183,010		517,062
Unrecognized Net Obligation or (Asset) Existing at Transition	0		0
Unrecognized Prior Service Cost	(1,198,303)		(1,112,124)
Unrecognized Net (Gain) or Loss	3,709,444		3,531,815
(Accrued) or Prepaid Pension Cost	<u>2,694,151</u>		<u>2,936,753</u>

**NET PERIODIC PENSION EXPENSE**

Service Cost	714,801		
Interest Cost	612,370		
Expected Return on Assets	863,061		
Amortization of:			
Unrecognized Net Obligation or (Asset) Existing at Transition	0		
Unrecognized Prior Service Cost	(86,179)		
Unrecognized Net (Gain) or Loss	<u>177,629</u>		
Net Pension Expense (Income)			
		<u>555,560</u>	
<b><u>RECONCILIATION</u></b>			
(Accrued) / Prepaid Pension Cost at 3/31/04			2,694,151
Net Periodic Pension Expense (Income)			555,560
Company Contributions			<u>798,162</u>
(Accrued) / Prepaid Pension Cost at 3/31/05			<u>2,936,753</u>

Delta Natural Gas Company, Inc. Defined Benefit Retirement Plan  
Statement of Financial Accounting Standards No. 87  
For Fiscal Year Ending 3/31/05

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