



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391-9797

Phone: 606-744-6171
Fax: 606-744-3623

December 6, 2004

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DEC 07 2004
PUBLIC SERVICE
COMMISSION

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

RE: CASE NO. 2004-00067

Dear Ms. O'Donnell:

In compliance with the Commission's Order dated November 10, 2004 in the above-styled case this is to advise you that the amount of excess revenues collected from October 7, 2004 through the date of the Order was \$69,451.88. Delta plans to refund these excess revenues, plus interest, as a one-time credit to the bills of current customers and by check to customers who have discontinued service since October 7, 2004.

Delta proposes using a 3% annual rate for ease in calculating the interest due to customers rather than the three-month commercial paper rate as set forth in the Order. Using the 3% annual rate rather than the three-month commercial paper rate is more to our customers' advantage. The three-month commercial paper rate for the week ending November 12 was 2.17%.

We plan to begin refunding with the bills dated December 22, 2004. In order to refund with this billing cycle we would need approval no later than December 17.

If I can provide any additional information, please feel free to contact me.

Please acknowledge receipt of this filing by stamping the extra copy of the cover letter and returning in the envelope provided.

Sincerely,

Connie King

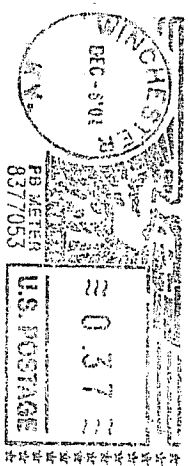
Connie King
Director - Rates & Treasury

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CONNIE KING
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WINCHESTER, KY 40391

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