



**Delta Natural Gas Company, Inc.**

3617 Lexington Road  
Winchester, Kentucky 40391-9797

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

March 29, 2005

RECEIVED

MAR 29 2005

PUBLIC SERVICE  
COMMISSION

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

Case No. 2005-00132

Dear Ms. O'Donnell:

Enclosed is the original and three copies of Delta's Quarterly Report of Gas Cost Recovery Rate Calculation which determines the Gas Cost Recovery Rate (GCR) to be effective May 1, 2005.

An extra copy of the filing is attached for public files.

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

Sincerely,

*Connie King*

Connie King  
Director - Rates & Treasury

RECEIVED  
MAR 29 2005  
PUBLIC SERVICE  
COMMISSION

Case No. 2005-00132

## **GAS COST**

### **RECOVERY RATE CALCULATION**

<b>Date Filed</b>	<b>3/29/05</b>
<b>Date to be Effective</b>	<b>5/01/05</b>

## GAS COST RECOVERY CALCULATION

COST RECOVERY RATE EFFECTIVE MAY 1, 2005		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	9.0439
SUPPLIER REFUND (RA)	\$/MCF	(0.0001)
ACTUAL ADJUSTMENT (AA)	\$/MCF	1.1679
BALANCE ADJUSTMENT (BA)	\$/MCF	0.5570
GAS COST RECOVERY RATE (GCR)	\$/MCF	<u>10.7687</u>

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	3,239,073
UTILITY PRODUCTION	\$	-
INCLUDABLE PROPANE	\$	-
TOTAL QUARTERLY EXPECTED GAS COST	\$	3,239,073
TOTAL ESTIMATED SALES FOR QUARTER	MCF	<u>358,152</u>
EXPECTED GAS COST (EGC) RATE	\$/MCF	<u>9.0439</u>

## SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE III)	\$/MCF	(0.0001)
PREVIOUS QUARTER	\$/MCF	-
SECOND PREVIOUS QUARTER	\$/MCF	-
THIRD PREVIOUS QUARTER	\$/MCF	-
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>(0.0001)</u>

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	1.7429
PREVIOUS QUARTER	\$/MCF	(0.0671)
SECOND PREVIOUS QUARTER	\$/MCF	0.3192
THIRD PREVIOUS QUARTER	\$/MCF	(0.8271)
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>1.1679</u>

## BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
BALANCE ADJUSTMENT AMOUNT (SCHEDULE V)	\$	199,497
ESTIMATED SALES FOR QUARTER	MCF	<u>358,152</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.5570</u>

**MCF PURCHASES FOR THREE MONTHS BEGINNING**  
**May 1, 2005**  
**AT SUPPLIERS COSTS EFFECTIVE**  
**May 1, 2005**

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				412,626	
ATMOS ENERGY MARKETING COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)	116,307	1.036	7.1500	861,532	I
ATMOS ENERGY MARKETING COLUMBIA GULF TRANSMISSION	45,004	1.029	7.1300	330,184	I
M&B GAS SERVICES KENTUCKY PRODUCERS CNR	193,387	1.030	7.5800	1,509,850	I
STORAGE	-		9.5300	32,917	I
	-		0.0000	-	
<b>TOTAL</b>	<u>358,152</u>			<u>3,239,073</u>	

COMPANY USAGE 5,372



**SUPPLIER REFUND ADJUSTMENT  
DETAIL FOR THE THREE MONTHS ENDED  
January 31, 2005**

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	(244)
INTEREST FACTOR (2)		1.0058
REFUND ADJUSTMENT INCLUDING INTEREST	\$	(245)
SALES TWELVE MONTHS ENDED January 31, 2005	MCF	3,582,651
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.0001)</u>

(1) Suppliers Refunds Received	Date Received	Amount
Columbia Gas Transmission	12/20/2004	186.56
Columbia Gas Transmission	1/24/2005	57.40
Total		<u>243.96</u>

(2) Interest Factor			
RESULT OF PRESENT VALUE	1.5653850	-0.5 =	1.065385

**ACTUAL ADJUSTMENT  
DETAIL FOR THE THREE MONTHS ENDED  
January 31, 2005**

Particulars	Unit	For the Month Ended		
		Nov-04	Dec-04	Jan-05
<b>SUPPLY VOLUME PER BOOKS</b>				
PRIMARY GAS SUPPLIERS	MCF	316,122	773,666	840,958
UTILITY PRODUCTION	MCF	-	-	-
INCLUDABLE PROPANE	MCF	-	-	-
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	<u>316,122</u>	<u>773,666</u>	<u>840,958</u>
<b>SUPPLY COST PER BOOKS</b>				
PRIMARY GAS SUPPLIERS	\$	2,681,659	6,073,014	5,818,226
UTILITY PRODUCTION	\$	-	-	-
INCLUDABLE PROPANE	\$	-	-	-
OTHER COST (SPECIFY)	\$	-	-	-
TOTAL	\$	<u>2,681,659</u>	<u>6,073,014</u>	<u>5,818,226</u>
<b>SALES VOLUME</b>				
JURISDICTIONAL	MCF	151,052	336,944	710,738
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	<u>151,052</u>	<u>336,944</u>	<u>710,738</u>
<b>UNIT BOOK COST OF GAS</b>				
EGC IN EFFECT FOR MONTH	\$	17.7532	18.0238	8.1862
RATE DIFFERENCE	\$	6.9479	6.9479	6.9479
MONTHLY SALES	MCF	10.8053	11.0759	1.2383
MONTHLY COST DIFFERENCE	\$	<u>151,052</u>	<u>336,944</u>	<u>710,738</u>
	\$	<u>1,632,162</u>	<u>3,731,958</u>	<u>880,107</u>
<b>Three Month Period</b>				
COST DIFFERENCE FOR THE THREE MONTHS	\$			6,244,227
TWELVE MONTHS SALES FOR PERIOD ENDED	MCF			<u>3,582,651</u>
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			1.7429

## DELTA NATURAL GAS COMPANY, INC.

## SCHEDULE V

EXPECTED GAS COST BALANCE ADJUSTMENT  
 DETAIL FOR THE THREE MONTHS ENDED  
 January 31, 2005

Particulars	Unit	Amount
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	1,424,317
LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF 0.3343 \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 3,582,651 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE	\$	<u>1,197,680</u>
BALANCE ADJUSTMENT FOR THE AA	\$	<u>226,637</u>
DOLLAR AMOUNT OF SUPPLIER REFUND ADJUSTMENT AS USED TO COMPUTE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(52)
LESS: DOLLAR AMOUNT RESULTING FROM THE UNIT RATE FOR SUPPLIER REFUND ADJUSTMENT OF 0.0000 \$/MCF AS USED TO COMPUTE RA OF THE JURISDICTIONAL SALES FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE FOR THE MCF TOTAL OF 3,582,651	\$	-
BALANCE ADJUSTMENT FOR THE RA	\$	(52)
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(56,577)
LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF (0.0246) \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL MCF SALES OF 1,198,734 FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE	\$	<u>(29,489)</u>
BALANCE ADJUSTMENT FOR THE BA	\$	<u>(27,088)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>199,497</u>



**COMPUTATION OF CNR PRICE EFFECTIVE 5/01/05 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR MAY, 2005 THRU JULY, 2005**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$9.53 per MCF

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 5/01/05 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR MAY, 2005 THRU JULY, 2005 (TGP)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$7.15 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 5/01/05 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR MAY, 2005 THRU JULY, 2005 (TCO)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$7.13 per MMBtu dry

**COMPUTATION OF M&B PRICE EFFECTIVE 5/01/05 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR MAY, 2005 THRU JULY, 2005**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$7.58 per MMBtu dry

TGP SUPPLIED AREAS PURCHASE PROFILE:

3/29/2005

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
May 2005	52,285	54,167	\$7.122	(\$0.060)	\$382,529.19
June	32,190	33,349	\$7.232	(\$0.060)	\$239,177.88
July	<u>31,832</u>	<u>32,978</u>	\$7.322	(\$0.060)	<u>\$239,485.89</u>
	116,307	120,494			\$861,192.96
FIXED PRICE		0			\$0.00
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$7.15</u></u>	

COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
May 2005	20,938	21,545	\$7.122	(\$0.07)	\$151,936.76
June	12,224	12,578	\$7.232	(\$0.07)	\$90,087.19
July	<u>11,842</u>	<u>12,185</u>	\$7.322	(\$0.07)	<u>\$88,368.65</u>
	45,004	46,309			\$330,392.60
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$7.13</u></u>	

COLUMBIA NATURAL RESOURCES SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	NYMEX \$ PER DTH	ADD-ON PER DTH	BTU ADJUSTMENT	TOTAL
May 2005	1,961	\$7.122	\$0.75	1.2	\$18,524.39
June	747	\$7.232	\$0.75	1.2	\$7,155.06
July	<u>746</u>	<u>\$7.322</u>	<u>\$0.75</u>	<u>1.2</u>	<u>\$7,226.05</u>
	3,454				\$32,905.51
WEIGHTED AVERAGE PRICE PER MCF:					<u><u>\$9.53</u></u>

COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
May 2005	82,636	85,528	\$7.122	\$0.37	\$640,777.72
June	56,198	58,165	\$7.232	\$0.37	\$442,169.80
July	<u>54,553</u>	<u>56,462</u>	\$7.322	\$0.37	<u>\$434,308.43</u>
	193,387	200,156			\$1,517,255.96
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$7.58</u></u>	

DELTA NATURAL GAS COMPANY, INC.  
Name of Issuing Corporation

FOR Al Service Areas  
P.S.C. NO. 10  
Third Revised SHEET NO. 2  
CANCELLING P.S.C. NO. 10  
Second Revised SHEET NO. 2

CLASSIFICATION OF SERVICE  
RATE SCHEDULES

RESIDENTIAL

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

AVAILABILITY

Available for use by residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u>	+	<u>Gas Cost Recovery Rate (GCR) **</u>	=	<u>Total Rate</u>
Customer Charge	\$ 9.80				\$ 9.80
All Mcf	\$ 4.1592		\$10.7687		\$ 14.9279/Mcf (I)

\*\* The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 12 and 13 of this tariff.

DATE OF ISSUE March 29, 2005 DATE EFFECTIVE May 1, 2005 (Final Meter Reads)  
ISSUED BY Glenn R. Jennings TITLE President  
Name of Officer  
Issued by authority of an Order of the Public Service Commission of KY in  
CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

FOR	Al	Service Areas
P.S.C. NO.	10	
Third Revised		SHEET NO. 3
CANCELLING P.S.C. NO.	10	
Second Revised		SHEET NO. 3

DELTA NATURAL GAS COMPANY, INC.  
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE  
RATE SCHEDULES

SMALL NON-RESIDENTIAL GENERAL SERVICE \*

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

AVAILABILITY

Available for use by small non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate
Customer Charge	\$ 20.00		\$ 20.00
All Mcf	\$ 3.7950	\$10.7687	\$ 14.5637/Mcf (I)

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the General Service or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the General Service or Interruptible Service rate schedule.

\* Meter no larger than AL425

\*\* The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 10 and 11 of this tariff.

DATE OF ISSUE March 29, 2005 DATE EFFECTIVE May 1, 2005 (Final Meter Reads)  
 ISSUED BY Glenn R. Jennings TITLE President  
 Name of Officer  
 Issued by authority of an Order of the Public Service Commission of KY in  
 CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

	FOR	Al	Service Areas
<u>DELTA NATURAL GAS COMPANY, INC.</u>	P.S.C. NO.	10	
Name of Issuing Corporation	Third Revised	SHEET NO.	4
	CANCELLING P.S.C. NO.	10	
	Second Revised	SHEET NO.	4

CLASSIFICATION OF SERVICE  
RATE SCHEDULES

LARGE NON-RESIDENTIAL GENERAL SERVICE \*

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

AVAILABILITY

Available for use by large non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate	
Customer Charge	\$ 72.00		\$ 72.00	
.1 - 200 Mcf	\$ 3.7950	\$10.7687	\$ 14.5637/Mcf	(I)
200.1 - 1000 Mcf	\$ 2.1461	\$10.7687	\$ 12.9148/Mcf	(I)
1000.1 - 5000 Mcf	\$ 1.3500	\$10.7687	\$ 12.1187/Mcf	(I)
5000.1 - 10000 Mcf	\$ 0.9500	\$10.7687	\$ 11.7187/Mcf	(I)
Over 10,000 Mcf	\$ 0.7500	\$10.7687	\$ 11.5187/Mcf	(I)

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the General Service or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the General Service or Interruptible Service rate schedule.

\* Meter larger than AL425

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DATE OF ISSUE	March 29, 2005	DATE EFFECTIVE	May 1, 2005	(Final Meter Reads)
ISSUED BY	Glenn R. Jennings	TITLE	President	
	Name of Officer			
Issued by authority of an Order of the Public Service Commission of KY in				
CASE NO.		DATED		

DELTA NATURAL GAS COMPANY, INC.  
Name of Issuing Corporation

FOR All Service Areas  
P.S.C. NO. 10  
Third Revised SHEET NO. 5  
CANCELLING P.S.C. NO. 10  
Second Revised SHEET NO. 5

CLASSIFICATION OF SERVICE  
RATE SCHEDULES

INTERRUPTIBLE SERVICE

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

AVAILABILITY

Available for use by interruptible customers.

CHARACTER OF SERVICE

Interruptible - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u> +	<u>Gas Cost Recovery Rate (GCR) **</u>	=	<u>Total Rate</u>	
Customer Charge	\$250.00			\$250.00	
.1 - 1000 Mcf	\$ 1.6000	\$10.7687		\$ 12.3687/Mcf	(I)
1000.1 - 5000 Mcf	\$ 1.2000	\$10.7687		\$ 11.9687/Mcf	(I)
5000.1 - 10000 Mcf	\$ 0.8000	\$10.7687		\$ 11.5687/Mcf	(I)
Over 10,000 Mcf	\$ 0.6000	\$10.7687		\$ 11.3687/Mcf	(I)

Special Conditions - All customers having a connected load in excess of 2,500,000 Btu input per hour may be required to enter into an Interruptible Sales Agreement. Determinations of those customers so required shall be based on peak day use as well as annual volume and shall be at the sole discretion of the Company.

Any customer required to enter into an Interruptible Agreement shall be permitted to purchase or transport gas under the Interruptible Rate Schedule as set forth on Sheet No. 5. Gas requirements, minimum charges and other specific information shall be set forth in the Agreement.

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule,

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