



Delta Natural Gas Company, Inc.



3617 Lexington Road
Winchester, Kentucky 40391-9797

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April 10, 2006

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**PUBLIC SERVICE
COMMISSION**

Hon. Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
P. O. Box 615
211 Sower Boulevard
Frankfort, KY 40602-0615

Re: Case No. 2006-00055

Dear Ms. O'Donnell:

Pursuant to the Commission's Order dated February 24, 2006 in Case No. 2006-00055, enclosed are the original and ten copies of data reflecting the completion of the issuance and sale, to the public, by Delta of \$40,000,000 principal amount of its 5.75% Notes due 2021.

If you have any questions, please feel free to contact me.

Sincerely,

John F. Hall
Vice President – Finance,
Secretary and Treasurer

Enclosures

cc: Robert M. Watt III
Stoll Keenon Ogden

On April 6, 2006, Delta issued and sold through Edward Jones as the Underwriter, \$40,000,000 of principal amount of its 5.75% Notes due 2021.

Notes	\$ 40,000,000	
(unamortized debt expense)		
Commission to Underwriter		
\$40,000,000 x 2.4%	960,000	
 Total Net Proceeds received by Delta		<u>\$ 39,040,000</u>
 Other issuance expenses: (to be recorded, as paid, as unamortized debt expense)		
 Registration Fee – Securities & Exchange Commission	\$ 4,280	
Rating Fees – S & P	20,000	
Insurance Policy Premium	1,222,000	*
Blue Sky Fees and Expenses – Armstrong Teasdale LLP	3,000	*
Accounting Fees	38,500	*
Legal Fees – Stoll Keenon Ogden	30,000	*
Printing – Cenveo Color Art	11,500	*
Initial Trustee Fee	4,500	
Miscellaneous Expense	<u>3,220</u>	*
	\$ 1,337,000	
 * Estimated		
 Net proceeds after issuance expense		<u>\$ 37,703,000</u>
 Use of Proceeds:		<u>\$ 39,040,000</u>
 Redeem 6 5/8% Debentures due 2023	\$ 10,170,000	
Redeem 7.15% Debentures 2018	23,681,000	
Reduce short-term notes payable (\$13,504,273 @ 4/6/06)	<u>5,189,000</u>	
		<u>\$ 39,040,000</u>