



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391-9797

PHONE: 859-744-6171

FAX: 859-744-3623

March 21, 2006



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

RECEIVED

MAR 22 2006

PUBLIC SERVICE
COMMISSION

Case 2006-00124

Dear Ms. O'Donnell:

Enclosed are 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 with the first billing cycle of May 2006 which includes meters read on and after April 24, 2006.

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 22 2006

PUBLIC SERVICE
COMMISSION

GAS COST

RECOVERY RATE CALCULATION

Date Filed 3/21/06

Date to be Effective 5/01/06

GAS COST RECOVERY CALCULATION

COST RECOVERY RATE EFFECTIVE MAY 1, 2006		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	9.3807
SUPPLIER REFUND (RA)	\$/MCF	(0.0003)
ACTUAL ADJUSTMENT (AA)	\$/MCF	2.8826
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.3868)
GAS COST RECOVERY RATE (GCR)	\$/MCF	<u>11.8762</u>

EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	3,263,855
UTILITY PRODUCTION	\$	-
INCLUDABLE PROPANE	\$	-
	\$	<u>3,263,855</u>
TOTAL ESTIMATED SALES FOR QUARTER	MCF	<u>347,932</u>
EXPECTED GAS COST (EGC) RATE	\$/MCF	<u>9.3807</u>

SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE III)	\$/MCF	(0.0003)
PREVIOUS QUARTER	\$/MCF	-
SECOND PREVIOUS QUARTER	\$/MCF	-
THIRD PREVIOUS QUARTER	\$/MCF	-
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>(0.0003)</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	2.0185
PREVIOUS QUARTER	\$/MCF	1.7299
SECOND PREVIOUS QUARTER	\$/MCF	(0.9564)
THIRD PREVIOUS QUARTER	\$/MCF	<u>0.0906</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>2.8826</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
BALANCE ADJUSTMENT AMOUNT (SCHEDULE V)	\$	(134,563)
ESTIMATED SALES FOR QUARTER	MCF	<u>347,932</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.3868)</u>

DELTA NATURAL GAS COMPANY, INC.

MCF PURCHASES FOR THREE MONTHS BEGINNING
May 1, 2006
AT SUPPLIERS COSTS EFFECTIVE
May 1, 2006

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				410,478	
ATMOS ENERGY MARKETING	111,298	1.036	7.3600	848,643	R
COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)				93,243	
ATMOS ENERGY MARKETING	46,703	1.029	7.3500	353,222	R
COLUMBIA GULF TRANSMISSION M&B GAS SERVICES	185,658	1.030	7.9300	1,516,436	R
KENTUCKY PRODUCERS CNR	4,273		9.7900	41,833	R
STORAGE	-		0.0000	-	
TOTAL	<u>347,932</u>			<u>3,263,855</u>	

COMPANY USAGE 5,219

TENNESSEE GAS PIPELINE RATES EFFECTIVE 5/01/06

		DTH VOLUMES	FIXED OR VARIABLE		RATES	ANNUAL COST
FT-G RESERVATION RATE - ZONE 0-2	1.	8,371	F	2.	\$9.060	\$75,837
FT-G RESERVATION RATE - ZONE 1-2	3.	22,511	F	4.	\$7.620	\$171,532
FT-G COMMODITY RATE - ZONE 0-2	5.	(4,460)	V	6.	\$0.0899	(\$401)
FT-G COMMODITY RATE - ZONE 1-2	7.	(11,992)	V	8.	\$0.0795	(\$953)
FT-A RESERVATION RATE - ZONE 0-2	9.	705	F	10.	\$9.060	\$6,387
FT-A RESERVATION RATE - ZONE 1-2	11.	3,024	F	12.	\$7.620	\$23,043
FT-A RESERVATION RATE - ZONE 3-2	13.	471	F	14.	\$4.320	\$2,035
FT-A COMMODITY RATE - ZONE 0-2	15.	21,444	V	16.	\$0.0899	\$1,928
FT-A COMMODITY RATE - ZONE 1-2	17.	91,980	V	18.	\$0.0795	\$7,312
FT-A COMMODITY RATE - ZONE 3-2	19.	14,326	V	20.	\$0.0549	\$787
FUEL & RETENTION - ZONE 0-2	21.	16,984	V	22.	\$0.3483	\$5,916
FUEL & RETENTION - ZONE 1-2	23.	73,988	V	24.	\$0.2896	\$23,163
FUEL & RETENTION - ZONE 3-2	25.	14,326	V	26.	\$0.0862	\$1,235

SUB-TOTAL

\$317,820

FS-PA DELIVERABILITY RATE	27.	4,572	F	28.	\$2.02	\$9,235
FS-PA INJECTION RATE	29.	46,689	V	30.	\$0.0053	\$247
FS-PA WITHDRAWAL RATE	31.	46,689	V	32.	\$0.0053	\$247
FS-PA SPACE RATE	33.	560,271	F	34.	\$0.0248	\$13,895
FS-PA RETENTION	35.	46,689	V	36.	\$0.1097	\$5,121

SUB-TOTAL

\$28,746

FS-MA DELIVERABILITY RATE	37.	25,908	F	38.	\$1.15	\$29,794
FS-MA INJECTION RATE	39.	96,906	V	40.	\$0.0102	\$988
FS-MA WITHDRAWAL RATE	41.	96,906	V	42.	\$0.0102	\$988
FS-MA SPACE RATE	43.	1,162,866	F	44.	\$0.0185	\$21,513
FS-MA RETENTION	45.	96,906	V	46.	\$0.1097	\$10,628

SUB-TOTAL

\$63,912

TOTAL TENNESSEE GAS PIPELINE CHARGES

\$410,478**COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 5/01/06**

GTS COMMODITY RATE	47.	46,703	V	48.	\$0.7734	\$36,120
FUEL & RETENTION	49.	46,703	V	50.	\$0.3194	\$14,919

TOTAL COLUMBIA GAS TRANSMISSION CHARGES

\$51,039**COLUMBIA GULF CORPORATION RATES EFFECTIVE 5/01/06**

FTS-1 RESERVATION RATE	51.	13,134	F	52.	\$3.1450	\$41,306
FTS-1 COMMODITY RATE	53.	46,703	V	54.	\$0.0188	\$878
FUEL & RETENTION	55.	46,703	V	56.	\$0.0004	\$20

TOTAL COLUMBIA GULF CORPORATION CHARGES

\$42,204

TOTAL PIPELINE CHARGES

\$503,721

**SUPPLIER REFUND ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
January 31, 2006**

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	(1,128)
INTEREST FACTOR (2)		<u>1,0162</u>
REFUND ADJUSTMENT INCLUDING INTEREST	\$	(1,147)
SALES TWELVE MONTHS ENDED January 31, 2006	MCF	<u>3,504,206</u>
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u><u>(0.0003)</u></u>

(1) Suppliers Refunds Received	Date Received	Amount
Columbia Gas Transmission	1/31/2006	1,128.31
Total		<u><u>1,128.31</u></u>

(2) Interest Factor			
RESULT OF PRESENT VALUE	3.4853850	-0.5 =	2.985385

**ACTUAL ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
January 31, 2006**

Particulars	Unit	For the Month Ended		
		Nov-05	Dec-05	Jan-06
SUPPLY VOLUME PER BOOKS				
PRIMARY GAS SUPPLIERS	MCF	532,620	767,940	469,235
UTILITY PRODUCTION	MCF	-	-	-
INCLUDABLE PROPANE	MCF	-	-	-
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	532,620	767,940	469,235
SUPPLY COST PER BOOKS				
PRIMARY GAS SUPPLIERS	\$	8,320,596	7,881,077	5,431,099
UTILITY PRODUCTION	\$	-	-	-
INCLUDABLE PROPANE	\$	-	-	-
OTHER COST (SPECIFY)	\$	-	-	-
TOTAL	\$	8,320,596	7,881,077	5,431,099
SALES VOLUME				
JURISDICTIONAL	MCF	152,969	489,085	609,722
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	152,969	489,085	609,722
UNIT BOOK COST OF GAS				
EGC IN EFFECT FOR MONTH	\$	54.3940	16.1139	8.9075
RATE DIFFERENCE	\$	11.6312	11.6312	11.6312
MONTHLY SALES	MCF	42.7628	4.4827	(2.7237)
MONTHLY COST DIFFERENCE	\$	152,969	489,085	609,722
	\$	6,541,383	2,192,421	(1,660,700)
Three Month Period				
COST DIFFERENCE FOR THE THREE MONTHS	\$			7,073,104
TWELVE MONTHS SALES FOR PERIOD ENDED	MCF			3,504,206
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			2.0185

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE V

EXPECTED GAS COST BALANCE ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 January 31, 2006

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	\$	(261,306)
LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 3,504,206 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	(0.0671) \$	 <u>(235,132)</u>
BALANCE ADJUSTMENT FOR THE AA	\$	<u>(26,174)</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	\$	-
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 3,504,206	\$	-
BALANCE ADJUSTMENT FOR THE RA	\$	-
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(248,338)
LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL MCF SALES OF 1,251,776 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	(0.1118) \$	 <u>(139,949)</u>
BALANCE ADJUSTMENT FOR THE BA	\$	<u>(108,389)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(134,563)</u>

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
Seventh Revised SHEET NO. 2
CANCELLING P.S.C. NO. 10
Sixth 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 *	\$ 10.00		\$ 10.00
All Mcf	\$ 4.1592	\$11.8762	\$ 16.0354/Mcf (R)

* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 35 of this tariff.

** 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 21, 2006 DATE EFFECTIVE May 1, 2006 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board
Name of Officer President and CEO
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
Seventh Revised SHEET NO. 3
CANCELLING P.S.C. NO. 10
Sixth Revised SHEET NO. 3

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

	<u>Base Rate</u> +	<u>Gas Cost Recovery Rate (GCR) **</u>	=	<u>Total Rate</u>
Customer Charge	\$ 20.00			\$ 20.00
All Mcf	\$ 3.7950	\$11.8762		\$ 15.6712/Mcf (R)

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 21, 2006 DATE EFFECTIVE May 1, 2006 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board
Name of Officer President and CEO
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
Seventh Revised SHEET NO. 4
CANCELLING P.S.C. NO. 10
Sixth 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

	<u>Base Rate</u> +	<u>Gas Cost Recovery Rate (GCR) **</u>	=	<u>Total Rate</u>
Customer Charge	\$ 72.00			\$ 72.00
.1 - 200 Mcf	\$ 3.7950	\$11.8762		\$ 15.6712/Mcf (R)
200.1 - 1000 Mcf	\$ 2.1461	\$11.8762		\$ 14.0223/Mcf (R)
1000.1 - 5000 Mcf	\$ 1.3500	\$11.8762		\$ 13.2262/Mcf (R)
5000.1 - 10000 Mcf	\$ 0.9500	\$11.8762		\$ 12.8262/Mcf (R)
Over 10,000 Mcf	\$ 0.7500	\$11.8762		\$ 12.6262/Mcf (R)

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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DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
Seventh Revised SHEET NO. 5
CANCELLING P.S.C. NO. 10
Sixth 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

	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate	
Customer Charge	\$250.00		\$250.00	
.1 - 1000 Mcf	\$ 1.6000	\$11.8762	\$ 13.4762/Mcf	(R)
1000.1 - 5000 Mcf	\$ 1.2000	\$11.8762	\$ 13.0762/Mcf	(R)
5000.1 - 10000 Mcf	\$ 0.8000	\$11.8762	\$ 12.6762/Mcf	(R)
Over 10,000 Mcf	\$ 0.6000	\$11.8762	\$ 12.4762/Mcf	(R)

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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