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Mark David Goss
Chairman

John W. Clay
Commissioner

October 31, 2006

CERTIFICATE OF SERVICE

RE: Case No. 2006-00417
Delta Natural Gas Company, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on October 31, 2006.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2006-00417
NATURAL GAS COMPANY, INC.)	

ORDER

On November 10, 2004, in Case No. 2004-00067,¹ the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's gas cost adjustment ("GCA") clause.

On September 21, 2006, Delta filed its proposed GCA to be effective November 1, 2006. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Delta's expected gas cost ("EGC") is \$8.2672 per Mcf, which is 62.34 cents per Mcf less than the previous EGC of \$8.8906.

3. Delta's notice sets out no current quarter refund adjustment ("RA"). Delta's notice sets out a total RA of (.06) cent per Mcf, which represents no change from the previous total RA.

¹ Case No. 2004-00067, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates.

4. Delta's notice sets out a current quarter actual adjustment ("AA") of 11.91 cents per Mcf. Delta's total AA is \$1.7025 per Mcf, which is an increase of \$1.0755 per Mcf from the previous total AA.

5. Delta's notice sets out a balance adjustment ("BA") of .65 cent per Mcf, which represents a decrease of \$1.4333 per Mcf from the previous BA.

6. Delta's GCA is \$9.9756 per Mcf, which is 98.12 cents per Mcf less than the previous GCA of \$10.9568.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after November 1, 2006.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after November 1, 2006.

2. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of October, 2006.

By the Commission

ATTEST

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00417 DATED October 31, 2006.

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 10.00				
All Mcf	\$4.1592		\$9.9756		\$ 14.1348
Small Non-Residential					
Monthly Service Charge	\$ 20.00				
All Mcf	3.7950		9.9756		\$ 13.7706
Large Non-Residential					
Monthly Service Charge	\$ 72.00				
First 200 Mcf	\$ 3.7950		\$9.9756		\$13.7706
Next 800 Mcf	2.1461		9.9756		12.1217
Next 4,000 Mcf	1.3500		9.9756		11.3256
Next 5,000 Mcf	.9500		9.9756		10.9256
Over 10,000 Mcf	.7500		9.9756		10.7256

Interruptible

Monthly Service Charge	\$ 250.00		
First 1,000 Mcf	\$ 1.6000	\$ 9.9756	\$ 11.5756
Next 4,000 Mcf	\$ 1.2000	9.9756	11.1756
Next 5,000 Mcf	.8000	9.9756	10.7756
Over 10,000 Mcf	.6000	9.9756	10.5756