

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA)
NATURAL GAS COMPANY, INC.) CASE NO. 2006-00559

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 December 20, 2006, Delta filed its proposed GCA to be effective January 29, 2007. 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 \$8.3349 per Mcf, which is 6.77 cents per Mcf more than the previous EGC of \$8.2672.
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 27.33 cents per Mcf. Delta's total AA is 24.59 cents per Mcf, which is a decrease of \$1.4566 per Mcf from the previous total AA.

5. Delta's notice sets out a balance adjustment ("BA") of 3.35 cents per Mcf, which represents an increase of 2.7 cents per Mcf from the previous BA.

6. Delta's GCA is \$8.6137 per Mcf, which is \$1.3619 per Mcf less than the previous GCA of \$9.9756.

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 January 29, 2007.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after January 29, 2007.

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 22nd day of January, 2007.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00559 DATED January 22, 2007.

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	Gas Cost Recovery <u>Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 10.00				
All Mcf	\$ 4.1592		\$8.6137		\$ 12.7729
Small Non-Residential					
Monthly Service Charge	\$ 20.00				
All Mcf	\$ 3.7950		\$8.6137		\$ 12.4087
Large Non-Residential					
Monthly Service Charge	\$ 72.00				
First 200 Mcf	\$ 3.7950		\$8.6137		\$12.4087
Next 800 Mcf	2.1461		8.6137		10.7598
Next 4,000 Mcf	1.3500		8.6137		9.9637
Next 5,000 Mcf	.9500		8.6137		9.5637
Over 10,000 Mcf	.7500		8.6137		9.3637

Interruptible

Monthly Service Charge	\$ 250.00		
First 1,000 Mcf	\$ 1.6000	\$ 8.6137	\$ 10.2137
Next 4,000 Mcf	1.2000	8.6137	9.8137
Next 5,000 Mcf	.8000	8.6137	9.4137
Over 10,000 Mcf	.6000	8.6137	9.2137