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ROBERT M. WATT, III
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April 20, 2007

RECEIVED

APR 20 2007

**PUBLIC SERVICE
COMMISSION**

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

Re: Delta Natural Gas Company, Inc.
Case No. 2007-00089

Dear Ms. O'Donnell:

We deliver herewith for filing an original and ten (10) copies of the Notice and Application of Delta Natural Gas Company, Inc., together with the filing requirements, in the above-captioned case. Best regards.

Sincerely,

Robert M. Watt, III

Rmw
Encl.

Cc: Mr. Glenn R. Jennings (w/o encl.)
Dennis Howard, II, Esq. (w/encl.)

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

APPLICATION OF DELTA NATURAL)
GAS COMPANY, INC. FOR AN) 2007-00089
ADJUSTMENT OF RATES)

FILING REQUIREMENTS
VOLUME 1 OF 3

FILED IN SUPPORT OF PROPOSED
CHANGES IN RATES

APRIL 20, 2007

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
APR 20 2007
PUBLIC SERVICE
COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL)
GAS COMPANY, INC. FOR) CASE NO. 2007-00089
AN ADJUSTMENT OF RATES)

* * * * *
NOTICE AND APPLICATION

Pursuant to KRS Chapter 278 and the applicable sections of 807 KAR Chapter 5, Applicant, Delta Natural Gas Company, Inc. ("Delta"), respectfully states as follows:

1. The full name and mailing address of Delta are Delta Natural Gas Company, Inc., 3617 Lexington Road, Winchester, Kentucky 40391. Delta is a Kentucky corporation authorized to do business in the Commonwealth of Kentucky.
2. Delta is a utility engaged in the natural gas business. Delta purchases, sells, stores and transports natural gas in Bath, Estill, Montgomery, Menifee, Madison, Powell, Garrard, Jackson, Lee, Bourbon, Jessamine, Rowan, Bell, Knox, Whitley, Laurel, Clay, Leslie, Fayette, Fleming, Clark, Robertson and Mason Counties, Kentucky.
3. Delta hereby gives notice of the adjustment of its rates to those rates set forth at Tab 7 in the Filing Requirements in the total amount of \$5,641,650 on an annual basis to become effective on and after May 20, 2007. A comparison of the present and proposed rates is attached hereto at Tab 8 of the Filing Requirements.
4. A Notice of Intent to file this Application was delivered to the Commission's Executive Director and to Kentucky's Attorney General on March 2, 2007. A copy of that Notice is included at Tab 10 of the Filing Requirements.

5. This application for a general adjustment of rates is supported by a twelve (12) month historical test period in accordance with 807 KAR 5:001, Section 10(1)(a), with the test period ending December 31, 2006. Delta's financial exhibit, described in 807 KAR 5:001, Section 6, is attached hereto as Financial Exhibit.

6. Delta supports its request for a change in its existing rates with the following exhibits complying with the requirements of 807 KAR 5:001, Section 10:

Tab	Filing Requirement	Description
1	807 KAR 5:001 Section 10(1)(a)1	Reason for Rate Adjustment
2	807 KAR 5:001 Section 10(1)(a)2	Most Recent Annual Reports
3	807 KAR 5:001 Section 10(1)(a)3	Articles of Incorporation
4	807 KAR 5:001 Section 10(1)(a)4	Limited Partnership Agreement
5	807 KAR 5:001 Section 10(1)(a)5	Certificate of Good Standing
6	807 KAR 5:001 Section 10(1)(a)6	Certificate of Assumed Name
7	807 KAR 5:001 Section 10(1)(a)7	Proposed Tariff
8	807 KAR 5:001 Section 10(1)(a)8	Proposed Tariff Changes
9	807 KAR 5:001 Section 10(1)(a)9	Statement about Customer Notice
10	807 KAR 5:001 Section 10(2)	Notice of Intent
11	807 KAR 5:001 Section 10(3)	Customer Notice Information
12	807 KAR 5:001 Section 10(4)(a)	Sewer Utility Notices
13	807 KAR 5:001 Section 10(4)(b)	Typewritten Notices by Mail
14	807 KAR 5:001 Section 10(4)(c)	Other Customer Notices
15	807 KAR 5:001 Section 10(4)(d)	Publisher's Affidavit
16	807 KAR 5:001 Section 10(4)(e)	Verification - Mailed Notices
17	807 KAR 5:001 Section 10(4)(f)	Sample Notices Posted
18	807 KAR 5:001 Section 10(4)(g)	Comply w/ 807 KAR 5:051, Section 2
19	807 KAR 5:001 Section 10(5)	Hearing Notice Published
20	807 KAR 5:001 Section 10(6)(a)	Describe and Explain Adjustments
21	807 KAR 5:001 Section 10(6)(b)	Testimony (Revenues > \$1.0 mm)
22	807 KAR 5:001 Section 10(6)(c)	Testimony (Revenues \$1.0 mm)
23	807 KAR 5:001 Section 10(6)(d)	New Rates Effect - Overall Revenues
24	807 KAR 5:001 Section 10(6)(e)	Average Customer Class Bill Impact
25	807 KAR 5:001 Section 10(6)(f)	Local Telephone Exchange Companies
26	807 KAR 5:001 Section 10(6)(g)	Analysis of Customer Bills
27	807 KAR 5:001 Section 10(6)(h)	Revenue Requirements Determination
28	807 KAR 5:001 Section 10(6)(i)	Reconcile Rate Base & Capitalization

29	807 KAR 5:001 Section 10(6)(j)	Current Chart of Accounts
30	807 KAR 5:001 Section 10(6)(k)	Annual Auditor's Opinion(s)
31	807 KAR 5:001 Section 10(6)(l)	FERC Audit Reports
32	807 KAR 5:001 Section 10(6)(m)	FERC Form 1 and Form 2
33	807 KAR 5:001 Section 10(6)(n)	Depreciation Study
34	807 KAR 5:001 Section 10(6)(o)	Computer Software, Hardware, etc.
35	807 KAR 5:001 Section 10(6)(p)	Stock or Bond Prospectuses
36	807 KAR 5:001 Section 10(6)(q)	Annual Reports to Shareholders
37	807 KAR 5:001 Section 10(6)(r)	Monthly Managerial Reports
38	807 KAR 5:001 Section 10(6)(s)	SEC Reports (10Ks, 10Qs, and 8Ks)
39	807 KAR 5:001 Section 10(6)(t)	Affiliate, et. al., Allocations/Charges
40	807 KAR 5:001 Section 10(6)(u)	Cost-of-Service Study
41	807 KAR 5:001 Section 10(6)(v)	Local Telephone Exchange Companies
42	807 KAR 5:001 Section 10(7)(a)	Financial Statements w/ Adjustments
43	807 KAR 5:001 Section 10(7)(b)	Capital Construction Budget
44	807 KAR 5:001 Section 10(7)(c)	Pro Forma Adjustments - Plant
45	807 KAR 5:001 Section 10(7)(d)	Pro Forma Adjustments - Operating
46	807 KAR 5:001 Section 10(7)(e)	Period-End Customer Additions, etc.

7. As required by KRS 278.030, the rates proposed by Delta are fair, just and reasonable.

8. Notice to the public of the proposed rates is being given as prescribed in the Commission's regulation (870 KAR 5:051 and 807 KAR 5:011, Section 8), by publication in accordance with the Commission's regulation (807 KAR 5:011, Section 8(2)(c)) and by exhibiting same for public inspection at the offices of Delta, 3617 Lexington Road, Winchester, Kentucky. A Certificate of Completed Notice will be filed with the Commission in the form recommended by Regulation, 807 KAR 5:011, Section 15(5).

9. Delta also requests a deviation pursuant to 807 KAR 5:006(27) from any rule, regulation or other requirement that might otherwise delay or impede the review and approval of this Application.

10. Copies of all orders, pleadings and other communications related to this proceeding should be directed to:

Glenn R. Jennings
President & CEO
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

Robert M. Watt, III
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, KY 40507

J. Gregory Cornett
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202


WHEREFORE, Delta Natural Gas Company, Inc. respectfully prays that its proposed adjustment of rates be approved as requested and for any and all other relief to which it may be entitled.

Respectfully submitted,

Robert M. Watt, III
Stoll Keenon Ogden PLLC
300 West Vine Street, Suite 2100
Lexington, Kentucky 40507
(859) 231-3000
robert.watt@skofirm.com

and

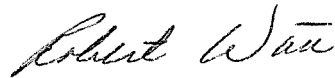
J. Gregory Cornett
Stoll Keenon Ogden PLLC
2000 PNC Plaza
500 West Jefferson Street
Louisville, KY 40202
502-333-6000
greg.cornett@skofirm.com

By 
Counsel for Applicant

CERTIFICATE OF SERVICE

This is to certify that the foregoing pleading has been served by hand delivering a copy of same to the following person on this 20th day of April 2007:

Dennis Howard, II, Esq.
Lawrence W. Cook, Esq.
Assistant Attorneys General
Office of Rate Intervention
1024 Capital Center Drive
Frankfort, KY 40601



Counsel for Applicant

DELTA NATURAL GAS COMPANY, INC.

**AMOUNT AND KINDS OF STOCK AUTHORIZED,
ISSUED AND OUTSTANDING
JANUARY 31, 2007**

Common Stock, par value \$1.00 per share	--	Authorized - 20,000,000 shares Issued and Outstanding - 3,268,146 shares
Cumulative Preferred	--	Authorized - 312,500 shares Issued and Outstanding - 0

DELTA NATURAL GAS COMPANY, INC.

**LONG-TERM DEBT OUTSTANDING
AND MORTGAGE DESCRIPTIONS
JANUARY 31, 2007**

There are no mortgages outstanding.

The following long-term debts are in existence:

- (1) On October 18, 1993, as authorized by Delta's Board of Directors and approved by an Order of the Kentucky Public Service Commission, Delta issued \$15,000,000 of unsecured 6-5/8% Debentures that mature in October 2023. The proceeds were used to repay short-term debt. On May 8, 2006, these Debentures were redeemed by the Company. A total of \$10,169,000 was outstanding on the call date of May 8, 2006. Interest paid during the 12 months ending January 31, 2007 was \$406,112. At January 31, 2007 there was no unamortized debt expense associated with these Debentures. JP Morgan Trust Company, N.A. was the Trustee and interest-paying agent for these Debentures.
- (2) On March 27, 1998, as authorized by Delta's Board of Directors and approved by an Order of the Kentucky Public Service Commission, Delta issued \$25,000,000 of unsecured 7.15% Debentures that mature in April 2018. The proceeds were used to repay short-term debt and to redeem the Company's 9% Debentures that would have matured in 2011, in the amount of \$10,000,000. On May 8, 2006, these Debentures were redeemed by the Company. A total of \$23,672,000 was outstanding on the call date of May 8, 2006. Interest paid during the 12 months ending January 31, 2007 was \$1,020,445. At January 31, 2007 there was no unamortized debt expense associated with these debentures. The Bank of New York Trust Company, N.A. was the Trustee and interest-paying agent for these Debentures.
- (3) On February 18, 2003, as authorized by Delta's Board of Directors and approved by an Order of the Kentucky Public Service Commission, Delta issued \$20,000,000 of unsecured 7.0% Debentures that mature in February, 2023. The proceeds were used to repay short-term debt and to redeem the Company's 8.3% Debentures that would have matured in 2026, in the amount of \$14,806,000. Commencing in February 2004, each holder may require redemption of up to \$25,000 of 7.0% Debentures annually, subject to

an annual aggregate limitation of \$400,000. Such redemption will also be made on behalf of deceased holders within sixty days of notice, subject to the annual aggregate \$400,000 limitation. The Company can redeem the 7.0% Debentures after February 1, 2007. If the Company elects to redeem Debentures in the first year after February 1, 2007, it must pay 102% of the principal value of the Debentures. If the Company elects to redeem the Debentures during the next year, it must pay 101% of the principal value of the Debentures. After February 1, 2009 redemption of Debentures will be at 100% of their principal value. Restrictions under the indenture agreement covering the 7.0% Debentures include, among other things, a restriction whereby dividend payments cannot be made unless consolidated shareholders' equity of the Company exceeds \$25,800,000. Interest paid during the twelve months ending January 31, 2007 was \$1,399,300. At January 31, 2007 there was \$1,557,897 of unamortized debt associated with these debentures. The Bank of New York Trust Company, N.A. is the Trustee and interest-paying agent for these Debentures. The balance at January 31, 2007 was \$19,990,000.

- (4) On April 6, 2006, as authorized by Delta's Board of Directors and approved by an order of the Kentucky Public Service Commission, Delta issued \$40,000,000 of 5.75% Insured Quarterly Notes due April 1, 2021. These proceeds were used to redeem Delta's outstanding 7.15% Debentures due in 2018 in the amount of \$23,672,000, Delta's outstanding 6.625% Debentures due in 2023 in the amount of \$10,169,000 and to reduce our short-term indebtedness. The Company may redeem all or part of the notes at any time on or after April 1, 2009. If Delta redeems fewer than all the notes, the trustee will select by lot the particular notes to be redeemed. Restrictions under this indenture include, among other things, that dividend payments cannot be made unless consolidated shareholders' equity is at least equal to \$25,800,000. Interest paid during the twelve months ending January 31, 2007 was \$1,692,361. At January 31, 2007 there was \$4,114,007 of unamortized debt associated with these 5.75% Insured Quarterly Notes. The Bank of New York Trust Company, N.A. is the Trustee and interest-paying agent for these notes. The balance at January 31, 2007 was \$39,855,000.

DELTA NATURAL GAS COMPANY, INC.

**SHORT-TERM DEBT OUTSTANDING
JANUARY 31, 2007**

Delta had outstanding at January 31, 2007 short-term debt as follows:

<u>LENDER</u>	<u>DUE DATE</u>	<u>RATE</u>	<u>AMOUNT</u>
Branch Banking and Trust Company (BB&T)	Demand ⁽¹⁾	6.3206% ⁽²⁾	\$13,194,052

Short-term interest paid in the 12 months ended January 31, 2007 was \$673,176.39

⁽¹⁾ This is a demand grid note dated August 12, 2005 with a maturity date of October 31, 2007. It can be increased or decreased daily up to a maximum of \$40,000,000.

⁽²⁾ The interest on this line is determined monthly at the thirty day LIBOR Rate plus 1% on the used line of credit. The cost of the unused line of credit is 0.125%.

DELTA NATURAL GAS COMPANY, INC.

**OTHER INDEBTEDNESS
JANUARY 31, 2007**

There is no other indebtedness outstanding.

DELTA NATURAL GAS COMPANY, INC.

**DIVIDENDS FOR LAST FIVE YEARS
JANUARY 31, 2007**

<u>MONTH AND YEAR PAID</u>	<u>RATE</u>	<u>ON SHARES OR VALUE</u>	<u>PAR VALUE</u>	<u>DIVIDEND AMOUNT</u>
March 2002	.290	2,518,193	2,518,193	\$730,275
June 2002	.290	2,524,911	2,524,911	\$732,221
September 2002	.295	2,538,845	2,538,845	\$748,958
December 2002	.295	2,546,528	2,546,528	\$751,224
March 2003	.295	2,553,383	2,553,383	\$753,246
June 2003	.295	3,160,924	3,160,924	\$932,473
September 2003	.295	3,174,630	3,174,630	\$936,516
December 2003	.295	3,180,765	3,180,765	\$938,326
March 2004	.295	3,189,925	3,189,925	\$941,028
June 2004	.295	3,196,200	3,196,200	\$942,879
September 2004	.295	3,207,945	3,207,945	\$946,344
December 2004	.295	3,213,869	3,213,869	\$948,091
March 2005	.295	3,219,699	3,219,699	\$949,811
June 2005	.295	3,225,683	3,225,683	\$951,576
September 2005	.300	3,233,301	3,233,301	\$969,990
December 2005	.300	3,238,345	3,238,345	\$975,504
March 2006	.300	3,246,075	3,246,075	\$973,823
June 2006	.300	3,251,614	3,251,614	\$975,484
September 2006	.305	3,256,784	3,257,784	\$993,319
December 2006	.305	3,263,560	3,263,560	\$995,386

DELTA NATURAL GAS COMPANY, INC.

**STATEMENT OF INCOME
12 MONTHS ENDED JANUARY 31, 2007
(UNAUDITED)**

OPERATING REVENUES	<u>\$61,034,435</u>
OPERATING EXPENSES AND TAXES	
Gas Purchased	\$36,174,238
Operations	10,940,329
Maintenance	681,879
Depreciation	4,259,758
Property & Other Taxes	1,768,369
Income Taxes	<u>820,651</u>
Total	<u>\$54,645,224</u>
Operating Income	\$ 6,389,211
INTEREST EXPENSES	\$ 4,908,625
NET INCOME	<u>\$ 1,480,586</u>

DELTA NATURAL GAS COMPANY, INC.
BALANCE SHEET
12 MONTHS ENDED JANUARY 31, 2007
(UNAUDITED)

ASSETS

Gas Utility Plant, at Cost	\$	183,052,124
Less - Reserve for Depreciation		<u>61,804,252</u>
Net Gas Plant	\$	<u>121,247,872</u>
Current Assets		
Cash	\$	(58,899)
Receivables		10,241,208
Deferred Gas Cost		614,212
Gas in Storage, at Average Cost		6,188,493
Materials and Supplies, at first-in, first-out cost		526,602
Prepayments		<u>396,537</u>
Total Current Assets	\$	<u>17,908,153</u>
Other Assets		
Cash Surrender Value of Life Insurance	\$	379,661
Unamortized Expenses		5,671,903
Receivable/Investment in Subsidiaries		9,904,392
Other		<u>6,639,158</u>
Total Other Assets	\$	<u>22,595,114</u>
TOTAL ASSETS	\$	<u>161,751,139</u>

LIABILITIES

Capitalization		
Common Shareholders' Equity	\$	54,224,073
Long-Term Debt		<u>58,645,000</u>
Total Capitalization	\$	<u>112,869,073</u>
Current Liabilities		
Notes Payable	\$	13,194,052
Current Portion of Long-Term Debt		1,200,000
Accounts Payable		4,054,409
Accrued Taxes		1,010,635
Customers' Deposits		577,852
Refunds Due Customers		1,188
Current Deferred Income Taxes		701,000
Accrued Interest		590,178
Other		<u>956,439</u>
Total Current Liabilities	\$	<u>22,285,753</u>
Deferred Credits & Others		
Deferred Income Taxes	\$	22,191,088
Deferred Investment Tax Credit		229,017
Regulatory Items		2,484,143
Advances for Construction		1,692,065
Accum. Provision for Pensions & Benefit		0
Total Deferred Credits and Other	\$	<u>26,596,313</u>
TOTAL LIABILITIES	\$	<u>161,751,139</u>

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)1
Sponsoring Witness: Glenn R. Jennings

Description of Filing Requirement:

A statement of the reason the adjustment is required.

Response:

As discussed in more detail in Mr. Jennings' testimony, Delta's rates must be adjusted to a level which will provide it an opportunity to recover sufficient revenues to operate its business successfully, maintain its financial integrity, attract capital, and compensate investors for the risks assumed with respect to its operations.

Delta's current rates do not provide sufficient revenue to pay the expenses of its operations while also providing opportunity to earn a fair and reasonable return on its capital. Delta has been unable to earn the return authorized in its last rate case in 2004 due in large part to reduced consumption by its customers. In addition, Delta's gas plant in service, as well as its operations and maintenance expense, particularly pension and health care benefits, have all increased since its last rate case. The result of these factors has been the erosion of earnings to the current, unacceptably low level, leaving Delta with rates that are not compensatory but unfair, unjust and unreasonable. For example, in the test year used in this proceeding, Delta earned only 3.9% as compared to the 10.5% rate of return allowed in the 2004 rate case. If the proposed rates do not become effective as herein provided, Delta's credit and its ability to provide service to its customers will be impaired.

In an effort to provide for future rate stabilization, Delta is proposing an experimental Customer Rate Stabilization mechanism that will allow it to adjust rates annually to reflect the rate of return on equity allowed by the Commission. This will thus keep rates at a reasonable level with smaller annual fluctuations and at less costs to Delta's customers. Also, Delta proposes a Customer Conservation and Efficiency Program to align Delta's interests with that of our residential customers by providing a mechanism to recover the lost base revenue associated with customer conservation and efficiency.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)2
Sponsoring Witness: John Brown

Description of Filing Requirement:

A statement that the utility's annual reports, including the annual report for the most recent calendar year, are on file with the Commission in accordance with 807 KAR 5:006, Section 3(1).

Response:

Delta confirms that its annual reports, including the annual report for the most recent calendar year, are on file with the Commission.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

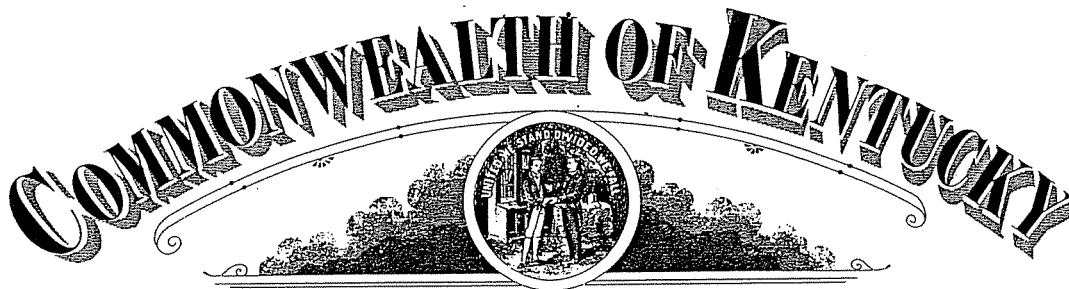
Filing Requirement
807 KAR 5:001 Section 10(1)(a)3
Sponsoring Witness: Glenn Jennings

Description of Filing Requirement:

If the utility is incorporated, a certified copy of the utility's articles of incorporation and all amendments thereto or all out-of-state documents of similar import. If the utility's articles of incorporation and amendments have already been filed with the commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding.

Response:

A certified copy of Delta's most recent Amended and Restated Articles of Incorporation is attached hereto.



**Trey Grayson
Secretary of State**

Certificate

I, Trey Grayson, Secretary of State for the Commonwealth of Kentucky, do hereby certify that the foregoing writing has been carefully compared by me with the original thereof, now in my official custody as Secretary of State and remaining on file in my office, and found to be a true and correct copy of

AMENDED AND RESTATED ARTICLES OF INCORPORATION OF
DELTA NATURAL GAS COMPANY, INC. FILED NOVEMBER 28, 2006.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
Official Seal at Frankfort, Kentucky, this 5th day of March, 2007.



Trey

Trey Grayson
Secretary of State
Commonwealth of Kentucky
BWeber/0143383 - Certificate ID: 44458

0143383.09 MMcCulloh
PARI

Trey Grayson
Secretary of State
Received and Filed
11/28/2006 12:27:00 PM
Fee Receipt: \$28.080.00

**ARTICLES OF RESTATEMENT FOR
DELTA NATURAL GAS COMPANY, INC.**

1. The name of the corporation is Delta Natural Gas Company, Inc.
2. The text of the restated articles of incorporation of Delta Natural Gas Company, Inc. is as follows:

**AMENDED AND RESTATED
ARTICLES OF INCORPORATION OF
DELTA NATURAL GAS COMPANY, INC.**

ARTICLE I. The name of the Corporation shall be Delta Natural Gas Company,
Inc.

ARTICLE II. The nature and purposes of the Corporation shall be:

- (a) To construct, operate and maintain a system of mains, pipes, wires, conduits, reservoirs, pumps, and appliances for the transmission, and distribution of natural, manufactured, or mixed gas, electricity, water, and power, to residents, plants, and consumers.
- (b) To manufacture, develop, store, clean, filter, service, produce, sell, convey, distribute, transport and pipe natural, manufactured, mixed gas and gas products or appliances, electricity, electrical appliances and products, water, water plants and systems.
- (c) To generate, produce and distribute heat, light, water and power for public, private, industrial, and commercial uses and consumers and to buy, sell, trade, and deal in gas, electricity, water and the by-products thereof or any processes or appliances related thereto.
- (d) To acquire, hold, own, issue, lease, mortgage, mine, dig, sell gas and water and power rights, franchises, contracts, easements, leases, real and personal property, improvements, natural resources, wells, underground rights, patents, stocks, bonds, or other securities and evidences of indebtedness.
- (e) To do and perform all and every thing necessary, proper, and incident to the foregoing, it being provided that the specific enumeration of the foregoing powers shall not exclude the right and

power of the Corporation to do and perform any other acts as may be incident to the carrying out of the said enumerated powers.

ARTICLE III. The Corporation shall have perpetual existence unless sooner dissolved in accordance with law.

ARTICLE IV. The principal office of the Corporation shall be located at 3617 Lexington Road, Winchester, Clark County, Kentucky 40391, and the name of the registered agent of the Corporation at such office shall be John F. Hall.

ARTICLE V. The capital stock of the Corporation shall consist of TWENTY MILLION (20,000,000) shares of voting Common Stock with a par value of ONE DOLLAR (\$1.00) per share; THREE HUNDRED TWELVE THOUSAND FIVE HUNDRED (312,500) shares of Preferred Stock with a par value of TEN DOLLARS (\$10.00) per share.

Except to the extent permitted by this ARTICLE V all Preferred Stock shall have identical rights.

The shares of Preferred Stock may be divided into and issued in series. One series hereby specifically authorized to be issued is the Ten Percent Series, and the following terms shall be applicable to the Ten Percent Series;

(1) The Ten Percent Series shall be entitled to receive dividends in cash at the rate of ten percent (10%) per annum, payable when and as declared from the earned surplus of the Corporation before any dividends are payable on common stock. The dividends on the Ten Percent Series shall be cumulative and the holders of the Ten Percent Series shall not be entitled to participate in the surplus or net profits of the corporation in excess of the rate herein specified.

(2) The Ten Percent Series shall be subject to call or redemption in whole or in part at any semi-annual or annual date, at such time and in such manner as the Board of Directors may determine, upon payment to the holders of said Ten Percent Series of the par

value thereof plus any accumulated or unpaid dividends thereon, and in the event the Board of Directors shall determine to redeem only a part of said Ten Percent Series the shares to be redeemed shall be determined by law in accordance with regulations promulgated by the Board of Directors.

(3) In the event of the liquidation or dissolution of the Corporation, either voluntarily or involuntarily, the holders of the Ten Percent Series shall be entitled to be paid in full the par value of each share of the Ten Percent Series held by them, plus any accumulated or unpaid dividends. This payment shall be made before any payments upon liquidation are made to any Common Shareholders.

(4) The Ten Percent Series shall be nonvoting.

In addition to the Ten Percent Series which is authorized by this ARTICLE V, the Board of Directors of Delta Natural Gas Company, Inc. is hereby authorized to establish and issue other series and fix and determine the variation in rights and preferences as among all series. In determining the relative rights and preferences among series, the Board of Directors may establish variations among series as to the following relative rights and preferences:

- (1) The rate of dividend;
- (2) Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption;
- (3) The amount payable upon shares in event of voluntary and involuntary liquidation;
- (4) Sinking fund provisions, if any, for the redemption or purchase of shares;
- (5) The terms and conditions, if any, on which shares may be converted;
- (6) Voting rights, if any.

ARTICLE VI. The Corporation shall commence business with capital in the amount of One Thousand (\$1,000.00) Dollars.

ARTICLE VII. The names, addresses, and number of shares of the capital stock subscribed by each of the incorporators are as follows:

NAME	ADDRESS	NO. OF SHARES
Harrison D. Peet	Stanton, Kentucky	1
V. E. Scott	Winchester, Kentucky	1
William Love	Louisville, Kentucky	1

ARTICLE VIII. (a) The affairs and business of the Corporation shall be conducted by a Board of Directors whose membership shall number not less than seven (7) members nor more than fifteen (15) members as fixed by the By-Laws of the Corporation. Such number of Directors so fixed in such By-Laws may be changed only by receiving the affirmative vote of (i) the holders of at least 80% of all the securities of the corporation then entitled to vote on such change, or (ii) a majority of the Directors in office at the time of the vote.

(b) A Director may be removed without cause, but only upon the approval of the holders of 80% of the shares then entitled to vote at an election of Directors.

(c) The Board of Directors shall elect as officers of the Corporation a President; one (1) or more Vice Presidents; a Secretary; one (1) or more Assistant Secretaries; a Treasurer; and one (1) or more Assistant Treasurers. Any two (2) of the offices of Vice President, Secretary, and Treasurer may be combined in one person.

(d) The first Board of Directors shall be elected by the incorporators and subscribers by ballot at such time and place as the majority of the incorporators and subscribers may determine.

(e) The Directors shall be divided into three classes, and each class shall be as nearly equal in number as possible. The term of office of Directors of the first class shall expire at the annual meeting of the shareholders of the Corporation to be held in 1983; the term of office of the Directors of the second class shall expire at the annual meeting of the shareholders of the Corporation to be held in 1984; and the term of office of the Directors of the third class shall expire at the annual meeting of the shareholders of the Corporation to be held in 1985. At each annual meeting of the shareholders of the Corporation beginning in 1983, a class of Directors equal to five (5) or less, as set by the Directors in accordance with the By-Laws, shall be elected to hold office until the third succeeding annual meeting.

(f) The Board of Directors shall make such rules and By-Laws governing the Corporation as are not inconsistent with the Articles of Incorporation and the laws of the Commonwealth of Kentucky subject to the power of the shareholders to change or repeal such By-Laws.

ARTICLE IX. The private property of the stockholders shall not be subject to the payment of the debts of the Corporation.

ARTICLE X. There shall be no preemptive rights for any shares of stock issued by the Corporation.

ARTICLE XI. Subject to the provisions of law, the Board of Directors may, from time to time, make distributions to the shareholders out of capital surplus of the Corporation. Such distribution may be in the form of cash or property.

ARTICLE XII. (a) The affirmative vote of not less than 80% of the outstanding shares of each class of securities of the Corporation entitled to vote shall be required, except as otherwise expressly provided in paragraph (b) of this Article XII, in order for any of the

following actions or transactions to be effected by the Corporation or approved by the Corporation as stockholder of any subsidiary of the Corporation, if, as of the vote thereon or consent thereto, any Prior Holder (as hereinafter defined) owns or controls, directly or indirectly, 10% or more of the outstanding shares of the Corporation entitled to vote (such Prior Holder owning such 10% shall hereinafter be referred to as "10% Prior Holder"):

- (i) any merger or consolidation of the Corporation or any of its subsidiaries with or into such 10% Prior Holder or any of the 10% Prior Holder's affiliates, subsidiaries or associates, or any merger or consolidation of the Corporation with or into any subsidiary of the Corporation, except a merger with a subsidiary of the Corporation in which the Corporation is the surviving corporation, provided that in the event the subsidiary is the surviving corporation the articles of incorporation of such subsidiary contains provisions substantially the same in substance as those in Article VIII and Article XII of these Articles of Incorporation, or
- (ii) any sale, lease, exchange or other disposition of all or any substantial part of the assets of the Corporation or any of its subsidiaries to or with such 10% Prior Holder or any affiliate, subsidiary or associate of such 10% Prior Holder, or
- (iii) any issuance or delivery of any voting securities of the Corporation or any of its subsidiaries to such 10% Prior Holder or affiliate, subsidiary or associate at such 10% Prior Holder in exchange for cash, other assets or securities or a combination thereof, or
- (iv) any dissolution of the Corporation or any of its subsidiaries, or

(v) The amendment or repeal of Article VIII(a), Article VIII(b), Article VIII(e) or Article XII of the Corporation's Articles of Incorporation.

(b) The vote of stockholders specified in paragraph (a) of this Article XII shall not apply to any action or transaction described in such paragraph, if the Board of Directors of the Corporation shall have approved the action or transaction before direct or indirect ownership or control of 10% or more of the outstanding shares of stock of the Corporation entitled to vote is acquired by the 10% Prior Holder.

(c) For the purpose of this Article XII (i) "Prior Holder" shall mean any corporation, person or entity other than the Corporation or any of its subsidiaries; (ii) a Prior Holder shall be deemed to own or control, directly or indirectly, any outstanding shares of stock of the Corporation (x) which it has the right to acquire pursuant to any agreement, arrangement or understanding, or upon exercise of conversion rights, warrants or options, or otherwise, or (y) which are owned, directly or indirectly (including shares deemed owned through application of clause (x) above), by any other corporation, person or other entity which is its subsidiary, affiliate or associate or with which it or any of its subsidiaries, affiliates or associates has any agreement, arrangement or understanding for the purpose of acquiring, holding, voting or disposing of stock of the Corporation (or, with or without such an agreement, arrangement or understanding, acts in concert) or (z), with regard to which the Prior Holder is the "Beneficial Owner", as defined on September 15, 1983, in Rule 13d-3 under the Securities Exchange Act of 1934; (iii) the "affirmative vote of not less than 80% of the outstanding shares of each class of securities of the Corporation entitled to vote" shall mean, in an instance where class voting is required, the approval of 80% of the shares of each class of securities of the Corporation entitled to vote on a particular question as a class and 80% of the total shares entitled to vote thereon,

and, in other instances, 80% of the voting securities of the Corporation; (iv) “subsidiary” shall mean any corporation of which another corporation owns, directly or indirectly, 50% or more of the voting stock, an “associate” and “affiliate” shall have the same meanings as set forth in the General Rules and Regulations under the Securities Exchange Act of 1934 on September 15, 1983, and (v) “substantial part of the assets” shall mean assets then having a fair market value, in the aggregate, of more than \$500,000.

ARTICLE XIII. No Director of the Corporation shall be personally liable to the Corporation or its stockholders for monetary damages for a breach of his duties as a Director except for liability:

- (a) for any transaction in which the Director’s personal financial interest is in conflict with the financial interest of the Corporation or its stockholders;
- (b) for acts or omissions not in good faith or which involve intentional misconduct or are known to the Director to be a violation of law;
- (c) for distributions made in violation of the Kentucky Revised Statutes or
- (d) for any transaction from which the Director derives an improper personal benefit.

If the Kentucky Revised Statutes are amended after approval by the stockholders of this Article to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a Director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Kentucky Revised Statutes, as so amended. Any repeal or modification of this Article XIII by the Stockholders of the Corporation shall not adversely affect any right or protection of a Director of the Corporation existing at the time of such repeal or modification.

DELTA NATURAL GAS COMPANY, INC.

By: Glenn R. Jennings
Glenn R. Jennings
Chairman of the Board, President and
Chief Executive Officer

**CERTIFICATE ACCOMPANYING THE FILING OF THE AMENDED AND
RESTATED ARTICLES OF INCORPORATION OF DELTA NATURAL GAS
COMPANY, INC. AS REQUIRED BY KRS 271B.10-070(4)**

(a) The Amended and Restated Articles of Incorporation of Delta Natural Gas Company, Inc., as filed hereby, contain an amendment to the articles of incorporation of Delta Natural Gas Company, Inc., that requires shareholder approval.

(b) Pursuant to KRS 271B.10-070(4)(b), the following information is provided, as required by KRS 271B.10-060:

1. The name of the corporation is Delta Natural Gas Company, Inc.
2. Article V of the Articles of Incorporation of Delta Natural Gas Company, Inc. is amended to read as follows:

"ARTICLE V

The capital stock of the Corporation shall consist of TWENTY MILLION (20,000,000) shares of voting Common Stock with a par value of ONE DOLLAR (\$1.00) per share; THREE HUNDRED TWELVE THOUSAND FIVE HUNDRED (312,500) shares of Preferred Stock with a par value of TEN DOLLARS (\$10.00) per share.

Except to the extent permitted by this ARTICLE V all Preferred Stock shall have identical rights.

The shares of Preferred Stock may be divided into and issued in series. One series hereby specifically authorized to be issued is the Ten Percent Series, and the following terms shall be applicable to the Ten Percent Series;

(1) The Ten Percent Series shall be entitled to receive dividends in cash at the rate of ten percent (10%) per annum, payable when and as declared from the earned surplus of the Corporation before any dividends are payable on common stock. The dividends on the Ten

Percent Series shall be cumulative and the holders of the Ten Percent Series shall not be entitled to participate in the surplus or net profits of the corporation in excess of the rate herein specified.

(2) The Ten Percent Series shall be subject to call or redemption in whole or in part at any semi-annual or annual date, at such time and in such manner as the Board of Directors may determine, upon payment to the holders of said Ten Percent Series of the par value thereof plus any accumulated or unpaid dividends thereon, and in the event the Board of Directors shall determine to redeem only a part of said Ten Percent Series the shares to be redeemed shall be determined by law in accordance with regulations promulgated by the Board of Directors.

(3) In the event of the liquidation or dissolution of the Corporation, either voluntarily or involuntarily, the holders of the Ten Percent Series shall be entitled to be paid in full the par value of each share of the Ten Percent Series held by them, plus any accumulated or unpaid dividends. This payment shall be made before any payments upon liquidation are made to any Common Shareholders.

(4) The Ten Percent Series shall be nonvoting.

In addition to the Ten Percent Series which is authorized by this ARTICLE V, the Board of Directors of Delta Natural Gas Company, Inc. is hereby authorized to establish and issue other series and fix and determine the variation in rights and preferences as among all series. In determining the relative rights and preferences among series, the Board of Directors may establish variations among series as to the following relative rights and preferences:

(1) The rate of dividend;

(2) Whether shares may be redeemed and, if so, the redemption price and the terms and conditions of redemption;

(3) The amount payable upon shares in event of voluntary and involuntary liquidation;

(4) Sinking fund provisions, if any, for the redemption or purchase of shares;

(5) The terms and conditions, if any, on which shares may be converted;

(6) Voting rights, if any.”

3. The foregoing amendment provides for no exchange, reclassification or cancellation of issued shares.

4. The amendment was adopted on November 16, 2006.

5. The amendment was adopted by the shareholders of Delta Natural Gas Company, Inc.

6. (a) Delta Natural Gas Company, Inc. has only common stock outstanding. As of the record date to vote on the amendment, three million, two hundred sixty-one thousand and thirty-two (3,261,032) shares of common stock were outstanding and entitled to vote on the amendment, and the total number of votes entitled to be cast by common stockholders as a group was three million, two hundred sixty-one thousand and thirty-two (3,261,032). Two million, nine hundred twenty-one thousand and fifty-three (2,921,053) shares of common stock (amounting to two million, nine hundred twenty-one thousand and fifty-three [2,921,053] votes) were indisputably represented at the shareholders' meeting.

(b) The total number of undisputed votes cast for the amendment by the common stockholders as a group was two million, four hundred ninety-one thousand, seven hundred sixty-six (2,491,766). The number of votes cast for the amendment was sufficient for approval of the amendment by the common stockholders.

DELTA NATURAL GAS COMPANY, INC.

By: Glenn R. Jennings
Glenn R. Jennings
Chairman of the Board, President and
Chief Executive Officer

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)4
Sponsoring Witness: Glenn Jennings

Description of Filing Requirement:

If the utility is a limited partnership, a certified copy of the limited partnership agreement and all amendments thereto or all out-of-state documents of similar import. If the utility's limited partnership agreement and amendments have already been filed with the commission in a prior proceeding, the application may state this fact making reference to the style and case number of the prior proceeding.

Response:

Delta is not a limited partnership and, therefore, compliance with this filing requirement is not necessary.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

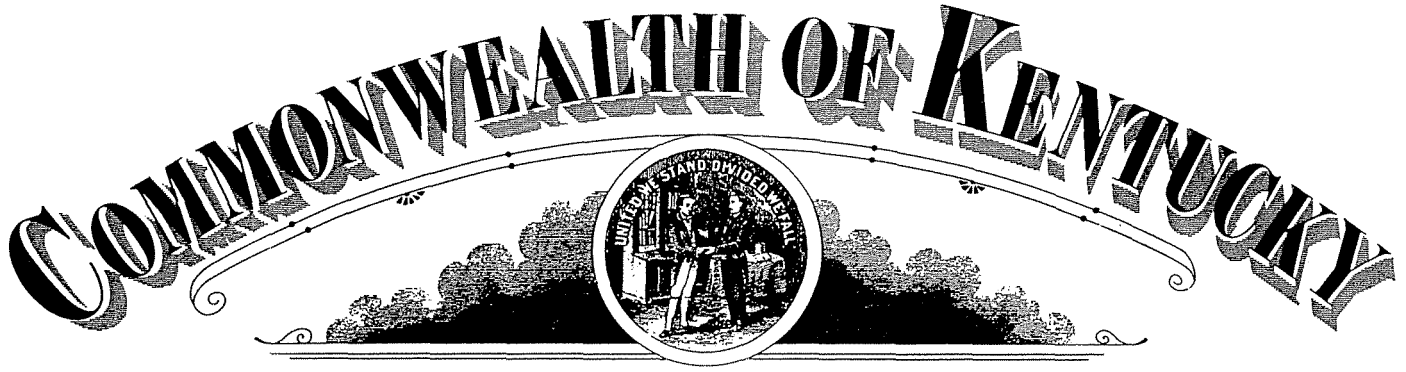
Filing Requirement
807 KAR 5:001 Section 10(1)(a)5
Sponsoring Witness: Glenn Jennings

Description of Filing Requirement:

If the utility is incorporated or a is a limited partnership, a certificate of good standing or certificate of authorization dated within sixty (60) days of the date the application is filed.

Response:

See attached.



**Trey Grayson
Secretary of State**

Certificate of Existence

I, Trey Grayson, Secretary of State of the Commonwealth of Kentucky, do hereby certify that according to the records in the Office of the Secretary of State,

DELTA NATURAL GAS COMPANY, INC.

is a corporation duly incorporated and existing under KRS Chapter 271B, whose date of incorporation is October 7, 1949 and whose period of duration is perpetual.

I further certify that all fees and penalties owed to the Secretary of State have been paid; that articles of dissolution have not been filed; and that the most recent annual report required by KRS 271B.16-220 has been delivered to the Secretary of State.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Official Seal at Frankfort, Kentucky, this 5th day of March, 2007.



Trey Grayson

Trey Grayson
Secretary of State
Commonwealth of Kentucky
BWeber/0143383 - Certificate ID: 44459

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)6
Sponsoring Witness: Glenn Jennings

Description of Filing Requirement:

A certified copy of a certificate of assumed name as required by KRS 365.015 or a statement that such a certificate is not necessary.

Response:

The legal name of Delta is Delta Natural Gas Company, Inc. It has never done business in any state under an assumed name and has never filed a Certificate of Assumed Name as may be required by KRS 365.015. Therefore, the filing of a copy of any such certificate as required by this Filing Requirement is not necessary.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)7
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

The proposed tariff in a form which complies with 807 KAR 5:011 with an effective date not less than thirty (30) days from the date the application is filed.

Response:

See attached.

PSC No. 11

Cancelling PSC No. 10

DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road

Winchester, Kentucky

Rates, Rules and Regulations for Furnishing

NATURAL GAS SERVICE

in

Entire Service Area of the Company

Filed with the

PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued
April 20, 2007

Effective
May 20, 2007

Issued by

GLENN R. JENNINGS,
CHAIRMAN OF THE BOARD
PRESIDENT AND CEO

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 2
CANCELLING P.S.C. NO. 10
Eleventh Revised SHEET NO. 2

CLASSIFICATION OF SERVICE
RATE SCHEDULES

RESIDENTIAL

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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 *	\$ 19.94			\$ 19.94	(I)
All Ccf	\$ 0.4159	\$ 1.0420		\$ 1.4579/Ccf	(R)

* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 37 of this tariff.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 3
CANCELLING P.S.C. NO. 10
Eleventh Revised SHEET NO. 3

CLASSIFICATION OF SERVICE
RATE SCHEDULES

(T) SMALL NON-RESIDENTIAL *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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	\$ 25.00		\$ 25.00	(I)
All Ccf	\$ 0.4159	\$ 1.0420	\$ 1.4579/Ccf	(I)

TERMS AND CONDITIONS

(T) For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a (T) continuance of service under the Small Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with (T) the date service reverts to the Small Non-Residential or Interruptible Service rate schedule.

* Meter no larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 4
CANCELLING P.S.C. NO. 10
Eleventh Revised SHEET NO. 4

CLASSIFICATION OF SERVICE
RATE SCHEDULES

(T) LARGE NON-RESIDENTIAL *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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	\$100.00		\$100.00	(I)
1 - 2000 Ccf	\$ 0.4159	\$ 1.0420	\$ 1.4579/Ccf	(I)
2001 - 10,000 Ccf	\$ 0.2510	\$ 1.0420	\$ 1.2930/Ccf	(I)
10,001 - 50,000 Ccf	\$ 0.1714	\$ 1.0420	\$ 1.2134/Ccf	(I)
50,000 - 100,000 Ccf	\$ 0.1314	\$ 1.0420	\$ 1.1734/Ccf	(I)
Over 100,000 Ccf	\$ 0.1114	\$ 1.0420	\$ 1.1534/Ccf	(I)

TERMS AND CONDITIONS

(T) For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Large Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a (T) continuance of service under the Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with (T) the date service reverts to the Large Non-Residential or Interruptible Service rate schedule.

* Meter larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED _____

	FOR	All Service Areas
<u>DELTA NATURAL GAS COMPANY, INC.</u>	P.S.C. NO.	11
Name of Issuing Corporation	Original	SHEET NO. 5
	CANCELLING P.S.C. NO.	10
	Eleventh Revised	SHEET NO. 5
	Original	SHEET NO. 5A

CLASSIFICATION OF SERVICE
RATE SCHEDULES

INTERRUPTIBLE SERVICE

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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 - 10,000 Ccf	\$ 0.1600	\$ 1.0420	\$ 1.2020/Ccf
10,001 - 50,000 Ccf	\$ 0.1200	\$ 1.0420	\$ 1.1620/Ccf
50,001 - 100,000 Ccf	\$ 0.0800	\$ 1.0420	\$ 1.1220/Ccf
Over 100,000 Ccf	\$ 0.0600	\$ 1.0420	\$ 1.1020/Ccf

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

(T) For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule, Delta may require a written

DATE OF ISSUE <u>April 20, 2007</u>	DATE EFFECTIVE <u>May 20, 2007</u>
ISSUED BY <u>Glenn R. Jennings</u>	TITLE <u>Chairman of the Board</u>
Name of Officer	President and CEO
Issued by authority of an Order of the Public Service Commission of KY in	
CASE NO. <u>2007-00089</u>	DATED _____

	FOR	All Service Areas
<u>DELTA NATURAL GAS COMPANY, INC.</u>	P.S.C. NO.	<u>11</u>
Name of Issuing Corporation	Original	SHEET NO. <u>6</u>
	CANCELLING P.S.C. NO.	<u>10</u>
	Original	SHEET NO. <u>5A</u>

CLASSIFICATION OF SERVICE
RATE SCHEDULES

INTERRUPTIBLE SERVICE

(T) contract providing for a continuance of service under the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

DATE OF ISSUE <u>April 20, 2007</u>	DATE EFFECTIVE <u>May 20, 2007</u>
ISSUED BY <u>Glenn R. Jennings</u>	TITLE <u>Chairman of the Board</u>
Name of Officer	President and CEO
Issued by authority of an Order of the Public Service Commission of KY in	
CASE NO. <u>2007-00089</u>	DATED _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR	All Service Areas
P.S.C. NO.	11
Original	SHEET NO. 7
CANCELLING P.S.C. NO.	10
Original	SHEET NO. 6

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available to small non-residential, large non-residential and interruptible customers who have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Delta's facilities and request Delta to utilize its facilities to transport such customer-owned gas to place of utilization. Any such transportation service shall be subject to the terms and conditions set forth herein and to the reserved right of Delta to decline to initiate such service whenever, in Delta's sole judgment, the performance of the service would be contrary to good operating practice or would have a detrimental impact on other customers of Delta. Such detrimental impact may include under deliveries of transportation gas to Delta's system or switching by the transportation customer to Delta's Small Non-Residential, Large Non-Residential or Interruptible Service rate schedules.

RATE

(T) A transportation charge comprised of the following components will be applied to each Ccf, or in the case of measurement based on heating value, each dekatherm (Dth) of gas transported hereunder:

- (T) (1) Delta's Base Rate for gas sold as set forth in Delta's Small Non-Residential, Large Non-Residential and Interruptible Rate Schedules; plus
- (T) (2) Where the pipeline suppliers transportation, compression or other similar charges are billed to Delta, the cost per Ccf or Dth, as applicable, of such charges; plus
- (3) A take-or-pay recovery component of \$(0.0000)

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board
Name of Officer Glenn R. Jennings President and CEO
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2007-00089 DATED _____

	FOR	All Service Areas
DELTA NATURAL GAS COMPANY, INC.	P.S.C. NO.	11
Name of Issuing Corporation	Original	SHEET NO. 8
	CANCELLING P.S.C. NO.	10
	Original	SHEET NO. 7

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

GAS SOLD TO CUSTOMER

Monthly gas deliveries to customer in excess of scheduled transportation volumes will be billed by Delta and paid by customer in accordance with Delta's Standby Service Rate Schedule.

TERMS AND CONDITIONS

(T) Service hereunder shall be performed under a written contract between customer and Delta setting forth specific arrangements as to term of the contract, volumes to be transported, points of delivery, methods of metering, timing of receipts and deliveries of gas by Delta, timing constraints relative to under deliveries and/or switching to Delta's Small Non-Residential, Large Non-Residential or Interruptible Service rate schedules, the availability of discounts in special situations and any other matters relating to individual customer circumstances.

At least ten (10) days prior to the beginning of each month, customer shall provide Delta with a schedule setting forth daily volumes of gas to be delivered into Delta's facilities for customer's account. Customer shall give Delta at least twenty-four (24) hours prior notice of any subsequent changes to scheduled deliveries. Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.

All gas volumes delivered hereunder shall shrink by 2% to cover line loss and measurement differences when no compression is being used in the transportation. When compression is required in the transportation, all gas volumes delivered hereunder shall shrink an additional amount equivalent to fuel usage.

It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff.

Delta reserves the right to refuse to accept gas that does not meet Delta's quality specifications.

Volumes of gas transported hereunder will be determined in accordance with Delta's measurement base.

DATE OF ISSUE	April 20, 2007	DATE EFFECTIVE	May 20, 2007
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.	2007-00089	DATED	

	FOR	All Service Areas
DELTA NATURAL GAS COMPANY, INC.	P.S.C. NO.	11
Name of Issuing Corporation	Original	SHEET NO. 9
	CANCELLING P.S.C. NO.	10
	Original	SHEET NO. 8

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

Customer owned gas transported hereunder for an interruptible customer will be subject to interruption in accordance with normal interruption procedures applicable to such rate schedule. Such customers must agree in writing to cause deliveries of customer-owned gas into Delta's facilities to cease upon notification by Delta of the necessity to interrupt or curtail the use of gas.

Delta shall have the right at any time to curtail or interrupt the transportation or delivery of gas to interruptible customers hereunder when, in Delta's sole judgment, such curtailment or interruption is necessary to enable Delta to maintain deliveries to customers of higher priority or to respond to any emergency. During such periods, Delta shall have the right to purchase any transportation gas delivered into Delta's system for the account of the customer at the actual cost the customer paid for such gas.

Delta may execute special transportation contracts with anyone after said contract has been filed with and accepted by the Public Service Commission.

(T) This transportation is available to any customer with a daily nominated volume (the level of daily volume in Ccf as requested by the customer to be transported and delivered by the Company) which averages a minimum of 250 Ccf of gas per day for the billing period on an individual service at the same premise who has purchased their own supply of natural gas and require transportation by the Company to the point of utilization subject to suitable service being available from existing facilities.

(T) For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule.

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ISSUED BY	Glenn R. Jennings	TITLE	Chairman of the Board
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CASE NO.	2007-00089	DATED	

DELTA NATURAL GAS COMPANY, INC. Name of Issuing Corporation	FOR	All Service Areas
	P.S.C. NO.	11
	Original	SHEET NO. 10
	CANCELLING P.S.C. NO.	10
	Original	SHEET NO. 9

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
OFF SYSTEM UTILIZATION

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available to any person whose facilities connect or can be made to connect with Delta's facilities or who can cause their natural gas to be delivered to Delta's facilities and who desires gas to be transported by Delta to a place of utilization not connected to Delta's facilities. Further, the person or persons desiring such transportation shall have executed a contract with Delta as set forth under the terms and conditions of this tariff.

RATE

- 'I) The charge for service under this tariff shall be twenty-seven cents (\$0.27) per 1,000 cu. ft. of gas transported, or, in the case of measurement based upon heating value, shall be twenty-seven cents (\$0.27) per dekatherm. Any additions or modifications of the facilities required to perform this service shall be at the sole expense of the customer.

TERMS AND CONDITIONS

Specific details relating to volumes, delivery points and other matters shall be covered by a separate contract.

Delta shall reserve the right to purchase all or part of the gas to be transported at the same price the transporter would have received at the delivery point less Delta's applicable transportation charges, shrinkage and compressor fuel costs.

Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.

All gas volumes delivered hereunder shall shrink by 2% to cover line loss and measurement differences when no compression is being used in

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	FOR	All Service Areas
<u>DELTA NATURAL GAS COMPANY, INC.</u>	P.S.C. NO.	11
Name of Issuing Corporation	Original	SHEET NO. 11
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	Original	SHEET NO. 10

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
OFF SYSTEM UTILIZATION

the transportation. When compression is required in the transportation, all gas volumes delivered hereunder shall shrink an additional amount equivalent to fuel usage.

It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff.

Delta reserves the right to refuse to accept gas that does not meet Delta's quality specifications.

Volumes of gas transported hereunder will be determined in accordance with Delta's measurement base.

Delta shall have the right at any time to curtail or interrupt the transportation or delivery of gas hereunder when, in Delta's sole judgment, such curtailment or interruption is necessary to enable Delta to maintain deliveries to retail customers of higher priority or to respond to any emergency.

Delta may execute special transportation contracts with anyone after said contract has been filed with and accepted by the Public Service Commission.

This transportation is available to any customer with a daily nominated volume (the level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company) which averages a minimum of 25 Mcf of gas per day for the billing period.

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DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 12
CANCELLING P.S.C. NO. 10
Original SHEET NO. 11

CLASSIFICATION OF SERVICE
RATE SCHEDULES

STANDBY SERVICE RATE SCHEDULE

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by commercial and industrial customers who:

- (1) purchase all or part of their natural gas requirements from sources other than Delta and who request Delta to be available to supply natural gas at that place of utilization; or
- (2) request Delta to provide a standby energy source at their place of utilization.

CHARACTER OF SERVICE

Firm - within the reasonable limits of Delta's capability to provide such service unless otherwise specified in a contract between Delta and the customer.

RATES

Customer shall pay Delta a standby charge to be set forth in a contract between Delta and the customer that has been filed with and accepted by the Public Service Commission. In addition, monthly natural gas usage will be billed by Delta and paid by the customer in accordance with the charges set forth in Delta's General Service or Interruptible Rate Schedule under which it sells gas to the customer.

SPECIAL TERMS AND CONDITIONS

Service under this rate schedule shall be performed under a written contract between Delta and the customer setting forth specific arrangements as to standby charge, maximum daily volumes of natural gas required by the customer from Delta, points of delivery, methods of metering and other matters relating to individual customer circumstances.

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<u>DELTA NATURAL GAS COMPANY, INC.</u>	P.S.C. NO.	<u>11</u>
Name of Issuing Corporation	Original	SHEET NO. <u>13</u>
	CANCELLING P.S.C. NO.	<u>10</u>
	Original	SHEET NO. <u>12</u>

CLASSIFICATION OF SERVICE
RATE SCHEDULES

GAS COST ADJUSTMENT CLAUSE

DETERMINATION OF GCR

The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Recovery Rate (GCR) and shall be filed at least thirty (30) days prior to the beginning of each calendar quarter. The GCR shall become effective for billing with the final meter readings of the first billing cycle of each calendar quarter.

The gas cost recovery rates are comprised of:

- (T) (1) The expected gas cost component (EGC), on a dollar per Ccf basis, which represents the average expected cost of gas supplies and may include fixed price, forward price and indexed price purchases. In an effort to mitigate price volatility, the Company may contract with gas suppliers at fixed prices, at locked-in prices for gas to be delivered at future dates (forward price) and at index-based prices. These efforts can include the monthly or periodic layering of forward purchase volumes to help moderate the volatility of gas prices. The Company may consider published futures prices as well as price trends and price expectations at the time such decisions are made. Depending upon the circumstances, this volume can be up to the annual projected system requirements including storage needs.
- (T) (2) The supplier refund adjustment (RA), on a dollar per Ccf basis, which reflects refunds received from suppliers during the reporting period, plus interest at the average 90 day commercial paper rate for the calendar quarter. In the event of any large or unusual refunds, the Company may apply to the Public Service Commission for the right to depart from the refund procedure herein set forth.
- (T) (3) The actual adjustment (AA), on a dollar per Ccf basis, compensates for difference between the previous quarter's expected gas cost and the actual cost of gas during that quarter.
- (T) (4) The balance adjustment (BA), on a dollar per Ccf basis, which compensates for any under or over collections which have occurred as a result of prior adjustments.

BILLING

The gas cost recovery rate to be applied to bills of customers shall equal the sum of the following components:

$$GCR = EGC + RA + AA + BA$$

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	FOR	All Service Areas
DELTA NATURAL GAS COMPANY, INC.	P.S.C. NO.	11
Name of Issuing Corporation	Original	SHEET NO. 14
	CANCELLING P.S.C. NO.	10
	Original	SHEET NO. 13

CLASSIFICATION OF SERVICE
RATE SCHEDULES

GAS COST ADJUSTMENT CLAUSE

DEFINITIONS

For purposes of this tariff:

- (a) "Average Expected Cost" means the cost of gas supplies, including associated transportation and storage charges, and propane which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased volumes during the twelve month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments in its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- (b) "GCR" means the quarterly updated gas cost recovery rate applicable to the monthly consumption of customers (sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment;
i.e., $GCR = EGC + RA + AA + BA$).
- (c) "Calendar Quarters" means each of the four three-month periods of (1) August, September and October; (2) November, December and January; (3) February, March and April; and (4) May, June and July.
- (d) "Reporting Period" means the three (3) month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas recovery rates; i.e., the calendar quarter preceding that during which the most recent Quarterly Report was filed.

INTERIM GAS COST ADJUSTMENT FILINGS

The Company may make application for Interim Gas Cost Adjustments subject to the approval of the commission.

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	FOR	All Service Areas
<u>DELTA NATURAL GAS COMPANY, INC.</u>	P.S.C. NO.	11
Name of Issuing Corporation	Original	SHEET NO. 15
	CANCELLING P.S.C. NO.	10
	Original	SHEET NO. 14

CLASSIFICATION OF SERVICE
RATE SCHEDULES

SPECIAL CHARGES

The following charges shall be applied under the following conditions:

- (I) Collection Charge - A charge of \$20.00 will be levied when a Company representative makes a trip to the premises of a customer for the purpose of terminating service. The charge may be assessed if service is actually terminated or if the customer pays the delinquent bill to avoid termination. The charge may also be assessed if the Company's representative agrees to delay termination based on the customer's agreement to pay the delinquent bill by a specific date. A collection trip may be made only after written notice has been sent to the customer stating that if the bill is not paid by a certain date the service will be disconnected.

- (I) Reconnection Charge - A reconnection charge of \$60.00 to be made by the Company and paid by the customer before or at the time the service is reconnected shall be assessed as approved by the Public Service Commission when:
 - (1) The customer's service has been disconnected for non-payment of bills or for violation of the Commission's or Company's Rules and Regulations, and the customer has qualified for and requested service to be reconnected. Customers qualifying for service reconnection under 807 KAR 5:006, Section 15 -Winter Hardship- shall be exempt from reconnect charges.
 - (2) The customer's service has been disconnected at the customer's request and at any time subsequently within twelve (12) months is reconnected at the same premise.

- (I) Bad Check Charge - The Company may charge and collect a fee of \$15.00 to cover the cost of handling an unsecured check; where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the customer's financial institution.

Request Test Charge - Pursuant to 807 KAR 5:006, Section 18, the Company shall make a test of any meter upon written request of any customer provided such request is not made more frequently than once each twelve (12) months. The customer shall be given the opportunity of being present at such request tests. If such tests show that the meter was not more than two percent (2%) fast, the Company may make a reasonable

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DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 16
CANCELLING P.S.C. NO. 10
Original SHEET NO. 15

CLASSIFICATION OF SERVICE
RATE SCHEDULES

SPECIAL CHARGES

charge for the test. The test charge is based upon meter size and is as follows:

1,000 cubic feet per hour and under	\$ 4.00
Over 1,000 to 10,000	\$ 8.00
Over 10,000	\$12.00

Gas Light Charge - Monthly consumption of unmetered gas used for an outdoor gas light, as approved by the Company, will be calculated to be 1,500 cubic feet per month per mantle for upright mantles and for each pair of inverted mantles. On special models of gas lights where gas consumption is greater than those referred to above, the Company shall estimate, based on the manufacturer's suggested usage, the monthly consumption to the closest 100 cubic feet and bill customer that equal amount each month. Such consumption shall be billed under the appropriate rate schedule applicable to the customer.

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	FOR	All Service Areas
DELTA NATURAL GAS COMPANY, INC.	P.S.C. NO.	11
Name of Issuing Corporation	Original	SHEET NO. 17
	CANCELLING P.S.C. NO.	10
	Original	SHEET NO. 16

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

1. APPLICABILITY

Applicable within all service areas served by Delta namely: Owingsville, Sharpsburg, Salt Lick, Midland, Bath County; Estill County; Camargo, Jeffersonville, Montgomery County; Frenchburg, Menifee County; Kingston Terrill, Berea, Madison County; Stanton, Clay City, Powell County; Garrard County; Annville, Jackson County; Beattyville, Lee County; North Middletown, Bourbon County; Nicholasville, Wilmore, Jessamine County; Clearfield, Farmers, Rowan County; Middlesboro, Pineville, Bell County; Barbourville, Knox County; Williamsburg, Corbin, Whitley County; London, Laurel County; Manchester, Burning Springs, Oneida, Clay County; Leslie County; Lexington, Fayette County; Fleming County; Clark County; Mt. Olivet, Robertson County; Sardis, Mason County; and environs of each.

2. COMMISSION'S RULES AND REGULATIONS

All gas service rendered by the Company shall be in accordance with the Administrative Regulations by which gas utilities are governed by the Public Service Commission of Kentucky and all amendments thereto and modifications thereof which may be made by the Commission.

3. COMPANY'S RULES AND REGULATIONS

In addition to the Rules and Regulations prescribed by the Public Service Commission, all gas service rendered shall also be in accordance with the Rules and Regulations adopted by the Company.

4. FILING OF RATES, RULES AND REGULATIONS

(T) A copy of all schedules of rates, rules and regulations under which gas service is rendered is on file for the public's benefit with the Public Service Commission of Kentucky. A copy of such rates, rules and regulations, together with the law, rules and regulations of the Public Service Commission of Kentucky is available for public inspection in the principal office of the Company.

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DELTA NATURAL GAS COMPANY, INC.

Name of Issuing Corporation

FOR All Service Areas

P.S.C. NO. 11

Original SHEET NO. 18

CANCELLING P.S.C. NO. 10

Original SHEET NO. 17&18

CLASSIFICATION OF SERVICE

RULES AND REGULATIONS

5. NO EXCEPTIONS TO RULES AND REGULATIONS

No agent, representative or employee of the Company shall make any promise, agreement or representation not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company and neither has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations except as hereinafter provided.

6. RULES AND REGULATIONS MAY BE AMENDED

The Company reserves the right to amend or modify its Rules and Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the filing with and acceptance of same by the Public Service Commission of Kentucky.

7. SUPERSEDE PREVIOUS RULES AND REGULATIONS

These Rules and Regulations replace and supersede all previous Rules and Regulations under which the Company has previously supplied gas service.

8. CUSTOMER CLASSIFICATIONS

Residential: Service to customers which consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.

Small

(T) Non-Residential Service to customers engaged primarily in the sale of goods or services including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation with a meter no larger than an AL425.

Large

(T) Non-Residential: Service to commercial and industrial customers including institutions and local and federal government agencies with a meter larger than an AL425.

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Name of Officer President and CEO

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DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

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P.S.C. NO. 11
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Original SHEET NO. 18

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

9. APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before the Company is obligated to render gas service. The Company shall have the right to reject for valid reasons any such application or contract. All applications for service shall be made in the legal name of the party desiring the service.

Applications for service are not transferable and new occupants of premises will be required to make application for service before commencing the use of gas. Customers who have been receiving gas service shall notify the Company when discontinuance of service is desired and shall pay for all gas until such notice has been given in person, in writing or by telephone and final meter reading is made by the Company.

When a customer moves within the service area of the Company, the customer shall be billed out at the original location and billed in at the new location. Therefore, the customer may receive two bills for the month in which the move occurs.

In case the customer is not the owner of the premises, it shall be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in, on or over said premises all such piping and other equipment as are required or necessary to install service line for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.

10. REFUSAL OF SERVICE

The Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requirements without adversely affecting the service to customers already connected and being served.

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Original SHEET NO. 20
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Original SHEET NO. 19

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

11. RENEWAL OF CONTRACT

If, upon the expiration of any service agreement or service contract for a specified term, the customer continues to use the service, the service agreement or service contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon written notice by either party in advance of the expiration date in accordance with the terms set forth in the service agreement or service contract.

12. CUSTOMER'S LIABILITY

The customer shall assume all responsibility for the gas service in or on the customer's premises at and from the point of delivery of gas and for all the piping, appliances and equipment used in connection therewith which are not the property of the Company, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the gross negligence of the Company.

13. ACCESS TO PROPERTY

The Company shall at all reasonable hours have access to meters, service connections and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation or removal of its property at the time service is to be terminated. Any employee of the Company whose duties require the employee to enter the customer's premises shall wear a distinguishing uniform or other insignia, identifying the employee as an employee of the company, or carry a badge or other identification which will identify the employee as an employee of the Company, the same to be shown by the employee upon request.

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DELTA NATURAL GAS COMPANY, INC. Name of Issuing Corporation	FOR	All Service Areas
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	Original	SHEET NO. 21
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	Original	SHEET NO. 20

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

14. CONTINUOUS OR UNIFORM SERVICE

The Company will endeavor to supply gas continuously and without interruption. However, the Company shall not be responsible for damages or otherwise for failure to supply gas for any interruptions of the supply when such failure is without willful fault or neglect on its part.

The Company cannot and does not guarantee either a sufficient supply or an adequate or uniform pressure of the gas supplied and shall not be liable for any damage or loss resulting from inadequate or interrupted supply or from any pressure variations when such conditions are not due to willful fault or neglect on its part.

15. EXCLUSIVE SERVICE

Except in cases where the customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection.

The customer shall not sell the gas purchased from the Company to any other customer, company or person, and the customer shall not deliver gas purchased from the Company to any connection wherein said gas is to be used on premises not owned or controlled by the customer.

16. DEPOSITS

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except from customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid on all sums held on deposit. The interest will be applied as a credit to the customer's bill or will be paid to the customer on an annual basis. If the deposit is refunded or credited to the customer's bill prior to the deposit anniversary date, interest will be paid or credited to the customer's bill on a pro-rated basis. If interest is not paid to the customer or credited to the customer's bill annually, interest will be computed by a method

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CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

which will result in an amount not less than that obtained by using the middle course method between simple and compound interest in compliance with the Commission Order dated October 31, 1989 in Case No. 89-057. Interest on deposits computed in this manner will accrue until paid to the customer or credited to the customer's bill.

The deposit may be waived upon a customer's showing of satisfactory credit or payment history. Required deposits will be credited to the customer's bill between twelve and fifteen months after the month of deposit if the customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. Upon termination of service, the deposit and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, the following criteria may be considered:

- (1) Previous payment history with the Company. If the customer has no previous history with the Company, statements from other regulated public utilities may be presented by the customer as evidence of good credit.
- (2) Length of time the customer has resided or been located in the area.
- (3) Whether the customer owns the property where service is to be rendered.
- (4) Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

If a deposit is held longer than eighteen months, the deposit will be recalculated at the customer's request based on the customer's actual usage for the past twelve months. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and refunds, if any, will be credited to the customer's next

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P.S.C. NO. 11
Original SHEET NO. 23
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Original SHEET NO. 22

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

utility bill. No refund will be made if the customer's bill is delinquent at the time of recalculation.

Once each year, a billing insert will be included with the bill advising the customer of the right to request a deposit recalculation.

Residential and small non-residential customers with meters up through AL425 will pay equal deposits in the amount of \$95.00. This amount shall not exceed 2/12ths of the average annual bill.

(T) Large non-residential customer's deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent twelve month period if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed 2/12ths of the customer's actual or estimated annual bill.

17. MONTHLY CUSTOMER CHARGE

A monthly customer charge shall be rendered against every meter installed unless service is discontinued in one customer's name and is not to be re-served at the location.

Special permission may be obtained from the local distribution supervisor for waiving of the monthly customer charge only when initial service is being rendered and no gas except test gas has been passed by the meter.

A full monthly customer charge will be rendered whenever service has been used for more than fifteen (15) days of a billing month, even if the consumption of the customer is zero (0).

If service is used less than fifteen (15) days in a given billing month and any consumption is recorded, the normal billing procedure shall apply.

18. MONTHLY BILLS

Bills for gas service will be rendered monthly unless otherwise specified. The term "month" for billing purposes shall mean the period between any two consecutive readings of the meter by the

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<u>DELTA NATURAL GAS COMPANY, INC.</u>	P.S.C. NO.	<u>11</u>
Name of Issuing Corporation	Original	SHEET NO. <u>24</u>
	CANCELLING P.S.C. NO.	<u>10</u>
	Original	SHEET NO. <u>23</u>

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

Company, such reading to be taken as near as practicable approximately every thirty (30) days.

Bills are due upon rendition and payable within a period not exceeding ten (10) days after the date of mailing.

Service shall be subject to being discontinued for non-payment of bills after the customer has been given at least ten (10) days written notice separate from the original bill and not before twenty seven (27) days from the mailing date of the original bill.

The Company may not terminate service to a customer if a medical certificate is presented or if a Certificate of Need from the Cabinet for Human Resources is presented in accordance with 807 KAR 5:006, Section 14 (2) (c) and (3).

Failure to receive a bill does not exempt a customer from these provisions.

When the Company is unable to read the meter after a reasonable effort, or where the meter fails to operate, the customer will be billed on an estimated basis and the billing adjusted as necessary.

The Company's billing form includes dates served; number of days in period; previous and present meter reading; Ccf usage; net amount due for service rendered; taxes, if applicable; adjustments, if any; special charges; total amount due; account number; billing date; due date; and service address.

19. BUDGET PAYMENT PLAN

- (T) The Company has a budget payment plan available for its residential and small non-residential customers whereby a customer may elect to pay a monthly amount for the budget year in lieu of monthly billings for actual usage. The monthly budget payment will be determined by the Company based, under normal circumstances, on a minimum of one-twelfth of the estimated annual usage, subject to review and adjustment during the budget year. The normal budget year is the 12 months from August through July, with any amounts to be settled being rolled into the subsequent budget year.
- (T) |

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DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
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The customer's account may be adjusted through a series of levelized adjustments on a monthly basis if usage or changes in rates indicate that the account will not be current upon payment of the last budget amount.

To be accepted as a budget customer, the account balance must be paid in total before the customer is put on a budget payment plan. It is understood that this budget payment plan will continue until the customer notifies the Company in writing or by telephone to discontinue the plan or if the customer fails to pay bills as rendered under the budget payment plan. The Company reserves the right to revoke the plan and restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts the customer from the provisions of these terms and conditions.

20. LOCAL FRANCHISE FEE OR TAX

There shall be added to the customer's bill, as a separate item, an amount equal to the proportionate part of any license, occupation, franchise or other similar fee or tax now or hereafter agreed to or imposed upon the Company by local taxing authorities, whether imposed by ordinance, franchise or otherwise, and which fee or tax is based upon a percentage of the gross receipts, net receipts, or revenues of the Company. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee or tax. Where more than one such fee or tax is imposed, each of the charges or taxes applicable to each customer shall be added to the customer's bill as separately identified items.

21. COMPANY-OWNED SERVICE LINES

The Company will install, own, operate and maintain the service line at the premises of residential and commercial customers, if such premises are not connected to a Company main by a service line. With respect to residential and commercial customers that occupy premises already connected to a Company main by a service line, the Company shall be responsible for operating and maintaining the customer service line and when the Company determines that replacement of such customer service line is

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necessary the Company shall be responsible for installing the service line and shall thereafter own the service line.

Any customer accepting gas service under this section shall be deemed to have granted the Company an easement across his property for such service. No service line shall be installed across private property other than the premises of the building to be supplied with gas; except after special investigation and approval by the Company.

When the length of the service pipe required between the property line and the meter is 100 feet or less, the Company will assess no charge for the service pipe installation.

When the length of required service pipe exceeds 100 feet, the Company may require the applicant to contribute toward the cost of the service line installation an amount equal to the estimated cost per foot for each lineal foot of service beyond 100 feet. Contributions by customers toward the Company's cost of furnishing and installing service lines in accordance with this section are non-refundable.

In the event that the Company is required to undertake any excavation on a customer's property in connection with the installation, repair, maintenance or replacement of a service line, the Company shall make reasonable efforts to restore the property to its original condition pursuant to generally accepted utility standards for such construction operations.

22. COMPANY'S EQUIPMENT AND INSTALLATION

The Company shall furnish, install and maintain at its expense the necessary service connection. The location of this service connection will be made at the discretion and judgment of the Company.

The Company will furnish, install and maintain at its expense the necessary meter, meter stand (including meter riser), regulator and connections which will be located at or near the main service connection, property line or near the building, at the discretion or judgment of the Company. Suitable site or location for the meter, meter stand, (including meter riser), regulator and connections shall be provided by the customer and the title to this equipment shall remain in the Company with the

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right to install, operate, maintain and remove same and no charge shall be made by the customer for use of the premises as occupied or used.

23. PROTECTION OF COMPANY'S PROPERTY

All meters, piping and other appliances and equipment furnished by and at the expense of the Company, which may at any time be in or on the customer's premises shall, unless otherwise expressly provided herein, be and remain the property of the Company and the customer shall protect such property from loss or damage and no one who is not an agent of the Company shall be permitted to remove such property or to tamper with or damage same.

24. CUSTOMER'S EQUIPMENT AND INSTALLATION

The customers shall furnish, install and maintain at their expense the necessary housepiping, connections and appliances and same shall be installed in accordance with the requirements and specifications of "INSTALLATION OF GAS PIPING AND GAS EQUIPMENT" as compiled and approved by the American National Standards Institute, the National Board of Fire Underwriters, The American Gas Association and other similar bodies, which is now contained in the National Fuel Gas Code (ANSI Z 223.1-1980) and any revisions thereof which are herewith incorporated by reference as a part of the Company's Rules and Regulations where applicable and when not in conflict with the requirements of the constituted authorities.

All appliances must be approved by a standard testing laboratory or agency and installed in accordance with the manufacturer and/or NFPA 54 guidelines.

Suitable pressure regulators shall be installed by, or at the expense of, the customer on all heating appliances and special equipment which have an hourly input of 50,000 BTU or higher; pressure regulators shall also be installed on all appliances with lower inputs where provided or recommended by the manufacturer or where necessary, at the discretion of the Company, to provide better and safer gas utilization and service.

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All of the customer's piping, connections and appliances shall be suitable for the purposes thereof and shall be maintained by the customer at his expense at all times in a good, safe and serviceable condition.

The Company shall inspect the condition of the meter and service connections before making service connections to a new customer pursuant to 807 KAR 5:006, Section 13(3). The Company shall not assume any responsibility and shall not be held liable in any way for the making of any periodic inspection of the customer's piping, connections or appliances or for the customer's failure to properly and safely install, operate and maintain same.

25. NOTICE OF ESCAPING GAS OR UNSAFE CONDITIONS

Immediate notice must be given by the customer to the office or employees of the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in the piping and equipment of either the Company or the customer which are on the customer's premises.

No flames or lights are to be taken near any escape of gas and the gas must be shut off at the meter cock or valve until hazard is eliminated and the gas service is not to be turned on again except by a Company employee.

The Company will not be responsible or assume any liability for any injury, loss or damage which may arise from the carelessness or negligence of the customer or his agents or representatives.

26. TURNING OFF GAS SERVICE AND RESTORING SAME

The gas service may be turned off at the meter when justified by the customer or his agent or any constituted authorities but no person, unless in the employ of the Company or having permission from the Company, shall turn the gas on or restore service.

27. CHARACTER OF SERVICE

In accordance with 807 KAR 5:022, Section 16, the Company will normally supply natural gas having a heating value of approximately one thousand seventy (1,070) BTU per cubic foot and a specific gravity of approximately sixty-two hundredths (0.62). However, when necessary to supplement the supply of

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natural gas, the Company reserves the right, at its discretion, to supply an interchangeable mixture of vaporized liquified petroleum gas and air or a combination of same with natural gas.

28. MEASUREMENT BASE

The Company, in accordance with 807 KAR 5:022, Section 8, utilizes an appropriate measurement base in all service areas. The rates of the Company are based upon gas delivered to the customer on a basis of four (4) ounces per square inch above an assumed atmospheric pressure of fourteen and four-tenths (14.4) pounds per square inch or fourteen and sixty-five hundredths (14.65) pounds per square inch absolute pressure at an assumed temperature of sixty (60) degrees Fahrenheit; provided, however, the Company reserves the right to correct as necessary the actual temperatures to sixty (60) degrees Fahrenheit basis in the cases of large volume industrial customers.

All gas measured at pressures higher than standard pressure for low pressure distribution systems shall be corrected to a pressure base of fourteen and sixty-five hundredths (14.65) pounds per square inch absolute.

29. GAS MEASUREMENT

The gas consumed shall be measured by a meter or meters to be installed by the Company upon the customer's premises at a point most accessible or convenient for the Company and all bills shall be calculated upon the registration of said meter or meters except as hereinafter provided. If more than one meter is installed for the same or different classes of service at different locations on the customer's premises, each meter shall be considered separately in calculating the amount of any bills, except in those cases where the Company elects to install dual metering facilities in order to assure accurate measurement of all gas consumed. Meter readings may be combined and one bill rendered under these conditions. Meters include all measuring instruments and equipment.

All residences, commercial buildings or other occupied buildings shall have separate meters even if under the same roof, except in cases of multi-occupants under the same roof with a common entrance or within an enclosure or mobile home park where it is unreasonable or uneconomical to measure each unit separately.

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When customers are served from high pressure lines, the meters, regulators and safety devises shall be located as near to the Company's main as is practicable.

30. METERING

Unless otherwise specified, a residential, commercial or industrial consumer shall be interpreted to mean a customer served through an individual meter.

A multiple unit dwelling shall be interpreted to mean two or more consumers or dwelling units, such as apartments, trailers or mobile homes within a trailer park.

A master meter shall be interpreted to mean one meter servicing a trailer or mobile home park or a multiple unit dwelling; the Company reserves the right to charge a minimum monthly rate per mobile home or trailer or individual consumer within a multiple unit dwelling served through a master meter.

Any time a master meter is used for rendering services, the Company shall require the execution of a service agreement in writing, which agreement, among other things, shall specify the number of customers served through such master meter.

31. POINT OF DELIVERY OF GAS

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from outlet of the meter to customer's yard line or house piping.

32. MCF
"Mcf" is defined as 1,000 cubic feet at the measurement base.

(T) 33. CCF
"Ccf" is defined as 100 cubic feet at the measurement base.

34. DTH
"Dth" is defined as 1,000,000 BTUs.

(T) 35. DELTA
"Delta" or "the Company" shall mean Delta Natural Gas Company, Inc.

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- 36. CUSTOMER'S DISCONTINUANCE OF SERVICE
Reference 807 KAR 5:006, Section 12.
- 37. COMPANY'S DISCONTINUANCE OF SERVICE FOR CAUSE
Reference 807 KAR 5:006, Section 14.
- 38. SPECIAL RULES AND CUSTOMERS SERVED FROM TRANSMISSION MAINS AND GATHERING MAINS

Applicability - These special rules for customers served from transmission mains and gathering mains shall be applicable to the Company's service area set forth in the Company's rules and regulations as filed with and approved by the Public Service Commission.

Transmission Mains - In addition to the standard Rules and Regulations as applicable to 807 KAR 5:022, Section 7, the following special Rules and Regulations shall apply to all customers served directly from the high pressure transmission mains.

(T) All meters, regulators, equipment and connections necessary to serve the customer from high pressure transmission line shall be installed on the customer's premises at or as near the transmission line as is practicable.

Suitable site or location for the equipment owned by the Company or the owner of the line shall be provided and furnished by the customer without any expense to the Company. The Company shall have the right of ingress, egress and regress to and from this location at any time without any expense or charges from the customer.

The customers' yard line extending from the outlet of the meter shall be installed and maintained by the customers at their expense.

The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.

Gathering Lines - The following sections of 807 KAR 5:022 shall not apply to natural gas service to the Company's customers being served pursuant to KRS 278.485 or other retail customers being

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provided natural gas service directly from transmission or gathering lines:

- ❖ Section 9, subsections 2(b) through (f), subsections (16) and (17);
- ❖ Section 13, subsections (14), (15) and (16);
- ❖ Section 14, subsection (22);
- ❖ Section 15; and
- ❖ Section 16.

The Company shall make all reasonable efforts to prevent interruptions of service and if interruptions occur, shall endeavor to reestablish service with the shortest possible delay consistent with the safety of its consumers and the general public. Planned interruptions shall always be preceded by adequate notice to all affected customers.

The Company shall provide service to gathering line customers pursuant to 807 KAR 5:026. Customers requesting service from a gathering line shall complete Form 910, "Application for Service on Gathering System." Prospective gathering line customers shall be advised (1) of the possibility of service interruptions due to the unprocessed nature of the gas, and (2) that upon the discontinuance of the gathering of gas through the gathering line or low flowing pressures resulting from the depletion of the wells feeding that gathering line or other reasons affecting pressure and/or volumes of gas, service is subject to interruption or discontinuance.

39. SPECIAL PROVISIONS - LARGE VOLUME CUSTOMERS

Industrial, commercial or other customers using large volumes of gas on a varying basis shall install and maintain at their expense adequate piping and suitable regulating and control equipment to provide reasonable and practical limitation of intermittence or fluctuation in the pressure, volume or flow of gas and shall so regulate and control their operations and the use of gas hereunder so as not to interfere with gas service being furnished to them or to any other customers or with the proper and accurate metering of gas at their existing location or any other location.

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40. MONITORING OF CUSTOMER USAGE

The Company monitors each customer's usage on a monthly basis in order to detect unusual deviations in individual customer consumption. Prior to each monthly billing, the Company compares the customer's current consumption with prior usage. Should an unusual deviation in the customer's consumption be found, the Company makes a reasonable attempt to determine the reason for the unusual deviation including re-reading the meter and testing the meter if required.

If the cause for usage deviation cannot be determined from analysis of the customer's meter reading and billing records the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume or known leaks in the customer's service line.

The Company will notify the customer of the investigation, its findings and any refunds or backbilling in accordance with 807 KAR 5:006, Section 10 (4) and (5).

41. DISTRIBUTION MAIN EXTENSIONS

The Company will make extensions from its existing distribution mains in all of its service areas in accordance with 807 KAR 5:022, Section 9.

All extensions will be made dependent on the economic feasibility of the extension. Title to all extensions shall be and remain with the Company. In the event a deposit is placed with the Company, the amount of the refund shall not exceed the original deposit.

Nothing contained herein shall be construed as to prohibit the Company from making at its expense greater extensions to its distribution mains or the granting of more favorable terms than herein prescribed, should its judgment so dictate, provided like extensions are made for other customers or subscribers under similar conditions.

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE APPLICABLE TO
RESIDENTIAL AND SMALL NON-RESIDENTIAL GENERAL SERVICE RATE SCHEDULES

WEATHER NORMALIZATION ADJUSTMENT (WNA)

The sales to residential and small non-residential customers shall be increased or decreased monthly by an amount hereinafter described as the Weather Normalization Adjustment (WNA).

DETERMINATION OF WNA

A Weather Normalization Adjustment Factor (WNAF) shall be utilized during the December through April billing months to calculate the non-gas portion of the bills of all residential and small non-residential heating customers. During the remainder of the year, May through November, the monthly bills shall be computed solely on actual consumption.

WEATHER NORMALIZATION ADJUSTMENT WILL BE CALCULATED USING THE FOLLOWING FORMULA:

$$WNA = WNAF * Actual Ccf * Base Rate Charge$$

An average daily base load will be determined separately for residential and small non-residential customers. The average daily base load will remain the same for the WNA December - April billing months. WNA will be billed for 5 billing periods.

An Average Monthly Base Load (AMBL) for residential or small non-residential customers will be calculated by using total Ccf for two month non-heat usage (August/September) divided by total number of residential or small non-residential customers billed for the two month period.

$$AMBL = CCF / NUMBER OF CUSTOMER$$

To calculate the Average Daily Base Load (ADBL), divide the Average Monthly Base Load by the average number of days in the two-month non-heat billing cycle.

$$ADBL = AMBL / AVERAGE \# DAYS$$

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WEATHER NORMALIZATION ADJUSTMENT CLAUSE APPLICABLE TO
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Base Load (BL) is determined by multiplying the Average Daily Base Load per residential or small non-residential customer by the number of days in the billing cycle times the number of residential or small non-residential customers in the billing cycle.

$$BL = ADBL * \# \text{ DAYS IN BILLING CYLCE} * \# \text{ CUSTOMERS IN BILLING CYCLE}$$

The heat load is then determined by subtracting the residential or small non-residential customer's base load from the total Ccf billed in the billing cycle.

$$HL = CCF \text{ BILLED IN CYCLE} - BL$$

A Heating Degree Factor (HDF) is then determined by dividing the Normal Degree-Days (NDD) for the billing cycle by the Actual Degree-Days (ADD) in the billing cycle.

$$HDF = NDD / ADD$$

The Weather Normalization Adjustment Consumption (WNAC) is computed by multiplying the Heating Degree Factor times the Heat Load and adding the Base Load to that number.

$$WNAC = HDF * HL + BL$$

The Weather Normalization Adjustment Factor is then calculated by dividing the WNA Consumption by the total Ccf billed in the cycle.

$$WNAF = WNAC / CCF$$

The WNAF will be recomputed monthly based on company averages. If the WNAF is less than 1.0, the customer's billed amount will be less than the actual amount would have been. If the WNAF is greater than 1.0 the customer's billed amount will be more than the actual amount would have been. The customer's bill is calculated by multiplying the actual Ccf usage by the WNAF times the base rate charge as set forth on Sheet No. 2 of this tariff.

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RIDER FOR GAS TECHNOLOGY INSTITUTE RESEARCH AND DEVELOPMENT

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17. This tariff applies to all gas sold by Delta under Delta's residential (Tariff Sheet No. 2), small non-residential (Tariff Sheet No. 3), large non-residential (Tariff Sheet No. 4) and interruptible (Tariff Sheet No. 5-6) rate schedules. It also applies to transportation by Delta under Delta's on system transportation (Tariff Sheet No. 7-9) rate schedule.

GTI R&D Unit Charge

(T) The intent of the Gas Technology Institute Research and Development (GTI R&D) Unit Charge is to maintain the Company's level of contribution at the calendar year 2003 funding amount of approximately \$12,347. The Unit Charge will be billed effective February 1, 2005 at the rate of \$0.0002 per Ccf.

WAIVER PROVISION

The GTI R&D Unit Charge may be reduced for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission. Any such waiver shall not increase the GTI R&D Unit Charge to the remaining classifications of service or rate schedules without Commission approval.

REMITTANCE OF FUNDS

All funds collected under this rider will be remitted to Gas Technology Institute on an annual basis. The amounts so remitted shall be reported to the Commission annually.

TERMINATION OF THIS RIDER

Participation in the GTI R&D funding program is voluntary on the part of the Company. The Company may terminate this rider at any time by filing a notice of rescission with the Commission.

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ENERGY ASSISTANCE PROGRAM RIDER
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

ENERGY ASSISTANCE PROGRAM

An Energy Assistance Program ("EAP") surcharge of \$0.20 per month will be applied to all residential bills rendered under the Residential Rate Schedule. It shall be added to Delta's existing customer charge as set forth on Sheet No. 2 of this tariff. Proceeds from the EAP surcharge will help fund a bill credit to enrolled low-income customers. It is available to eligible residential customers in the Company's service territory subject to enrollment through local community action agencies and subject to available funding.

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CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

(N)

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17. This tariff applies to all gas sold by Delta under Delta's residential tariff (Tariff Sheet No. 2).

CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY COMPONENT (CEPRC)

Delta's Conservation/Efficiency Program (the Program) is a demand-side management program established to promote conservation and the efficient use of natural gas by Delta's residential customers.

The sales to residential customers shall be increased monthly by an amount hereinafter described as the Conservation/Efficiency Program Cost Recovery Component (CEPRC), which allows Delta to recover costs associated with the Program.

DETERMINATION OF CEPRC

The Company shall file an annual report with the Commission which shall contain updated CEPRC rates at least thirty (30) days prior to the effective date of the new rates. The annual amount computed under the Conservation/Efficiency Program Cost Recovery Component shall be collected based on the CEPRC amount divided by the expected usage for the upcoming program year. For purposes of determining the CEPRC, the program year is defined as the twelve months ended October 31, with rates effective as of the following February 1. The amounts billed under the CEPRC will be computed solely on actual consumption.

The CEPCR is calculated using the following formula:

$$\text{CEPRC} = \text{CEPCR} + \text{CEPLS} + \text{CEPI} + \text{CEPBA}$$

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		SHEET NO.

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

(N) Whereby:

CEPCR = CONSERVATION/EFFICIENCY COST RECOVERY

The CEPCR shall include all actual costs which have been approved by the Commission for each twelve month period for conservation/efficiency programs of the Company "approved programs". Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating CEP programs. In addition, all costs incurred including, but not limited to, costs for consultants, employees and administrative expenses, will be recovered through the CEPCR.

CEPLS = CEP REVENUE FROM LOST SALES

Revenues from lost sales due to CEP programs implemented on and after the effective date of this tariff will be recovered as follows:

The estimated reduction in customer usage (in Ccf) as a result of the approved programs for the previous twelve months shall be multiplied by the non-variable revenue requirement per Ccf for purposes of determining the lost revenue to be recovered hereunder. Non-variable revenue requirement is base rate charged to the applicable rate class under this tariff.

The aggregate lost revenues attributable to the program participant shall be divided by the estimated residential sales (in Ccf) for the upcoming twelve-month period to determine the applicable CEPLS surcharge.

Recovery of revenues from lost sales calculated for a twelve-month period shall be included in the CEPLS until the implementation of new base rates pursuant to a general rate case. For recovery purposes, the lost sales revenues will be assigned to the rate classes whose programs resulted in the lost sales.

DATE OF ISSUE	<u>April 20, 2007</u>	DATE EFFECTIVE	<u>May 20, 2007</u>
ISSUED BY	<u>Glenn R. Jennings</u>	TITLE	<u>Chairman of the Board</u>
	Name of Officer		President and CEO
Issued by authority of an Order of the Public Service Commission of KY in			
CASE NO.	<u>2007-00089</u>	DATED	

DELTA NATURAL GAS COMPANY, INC.

Name of Issuing Corporation

FOR All Service Areas

P.S.C. NO. 11

Original SHEET NO. 40

CANCELLING P.S.C. NO. _____

SHEET NO. _____

CLASSIFICATION OF SERVICE

RATE SCHEDULES

CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

(N)

Revenues collected hereunder are based on engineering estimates of energy savings, actual program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the CEP Balance Adjustment (CEPBA) component.

CEPI = CEP INCENTIVE

For all Conservation/Efficiency Programs, the CEP incentive amount shall be computed by multiplying the net resource savings estimated from the approved programs times fifteen (15) percent. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Delta's avoided commodity costs over the expected life of the program.

The CEP incentive amount shall be divided by the expected Ccf sales for the upcoming twelve month period to determine the CEPI. CEP incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

CEPBA = CEP BALANCE ADJUSTMENT

The CEPBA shall be calculated on a twelve month basis and is used to reconcile the difference between the amount of revenues actually billed through the CEPCR, CEPLS, CEPI and previous application of the CEPBA and the revenues which should have been billed.

The program has an October year-end with rates effective February 1.

The CEPBA is the sum of the following components:

- The amount estimated to be recovered during the current program year from February 1 through October 31 less actual recovery.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007

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. 2007-00089

DATED

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 41
CANCELLING P.S.C. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

(N)

- The amount estimated to be recovered during the prior program year from November 1 through January 31 less actual recovery.
- The balance adjustment amounts determined on the basis of the above paragraphs (1) and (2) shall include interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period.

The balance adjustment amounts, plus interest, shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the CEPBA for each rate class.

Modifications to CEPRC

The filing of modifications to the CEPRC which require changes in the CEPCR component shall be made at least two months prior to the beginning of the effective period for billing. Modifications to other components of the CEPRC shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:

(1) A detailed description of each CEP program, the total cost of each program over the previous twelve month period and budgeted costs for the next program year, an analysis of expected resource savings, information concerning the specific CEP or efficiency measures to be installed, and any applicable studies which have been performed, as available.

(2) A statement setting forth the detailed calculation of the CEPCR, CEPLS, CEPI, CEPBA and CEPRC.

Each change in the CEPRC shall be placed into effect with bills rendered on and after the effective date of such change.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED _____

DELTA NATURAL GAS COMPANY, INC.

Name of Issuing Corporation

FOR All Service Areas

P.S.C. NO. 11

Original SHEET NO. 42

CANCELLING P.S.C. NO.

SHEET NO.

CLASSIFICATION OF SERVICE

RATE SCHEDULES

EXPERIMENTAL CUSTOMER RATE STABILIZATION ("CRS") MECHANISM

(N)

APPLICABLE TO ALL GAS SOLD UNDER THIS TARIFF

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17. This tariff applies to all gas sold by Delta under Delta's residential (Tariff Sheet No. 2), small non-residential (Tariff Sheet No. 3), large non-residential (Tariff Sheet No. 4) and interruptible (Tariff Sheet No. 5-6) rate schedules. It also applies to transportation by Delta under Delta's on system transportation (Tariff Sheet No. 7-9) rate schedule.

OVERVIEW

The Customer Rate Stabilization (CRS) Mechanism ensures stable and equitable rates for Delta's general service and on-system transportation customers by adjusting rates without the ratepayers having to pay for frequent and costly rate cases. This mechanism is designed to provide annual earnings transparency and ensure customers that the rates being charged are and will remain at the appropriate level. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner as set forth herein.

DEFINITIONS

- a) Annual Evaluation Date - the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than September 15 of each year.
- b) Evaluation Period - the twelve month period ending June 30 of each year
- c) Rate Effective Period - the twelve month period in which rates determined under this mechanism shall be in effect. The rate effective period shall run from November 1 to October 31.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007

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. 2007-00089

DATED

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 43
CANCELLING P.S.C. NO.
SHEET NO.

CLASSIFICATION OF SERVICE
RATE SCHEDULES

EXPERIMENTAL CUSTOMER RATE STABILIZATION ("CRS") MECHANISM
APPLICABLE TO ALL GAS SOLD UNDER THIS TARIFF

(N)

RATE MECHANISM

The Company shall file with the Commission the schedules specified below for the twelve month period ending June 30 of each year (the "Evaluation Period"), with the filing to be made no later than the following September 15. The schedules will include the following:

- a) The schedules shall show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, its revenues, and its capital structure, rate base, cost of debt, overall cost of capital, and return on common equity as established in the final rate order in the latest general rate case.
- b) All applicable accounting and pro-forma adjustments historically permitted or required by the Commission for the Company.

CALCULATION OF CRS ADJUSTMENT

The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the methodology accepted in the Company's latest general rate application. These schedules shall identify the rate adjustments necessary for a true-up of revenue for the Evaluation Period.

- a) If the Company's earnings during the Evaluation Period exceed the latest allowed return on common equity by fifty (50) basis points (0.50 percentage points), the Company shall calculate an adjustment to rates to refund the revenue required to achieve a return on equity for the Evaluation Period equal to the return established in the last general rate order.
- b) If the Company's earnings during the Evaluation period are below the latest allowed return on common equity by fifty (50) basis points (0.50 percentage points), the Company shall calculate an adjustment in rates to collect the revenue required to achieve a return on equity for the Evaluation Period equal to the return established in the last general rate order.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 44
CANCELLING P.S.C. NO. _____
SHEET NO. _____

CLASSIFICATION OF SERVICE
RATE SCHEDULES

EXPERIMENTAL CUSTOMER RATE STABILIZATION ("CRS") MECHANISM
APPLICABLE TO ALL GAS SOLD UNDER THIS TARIFF

(N)

c) The Company will evaluate the amounts billed under this tariff for the prior Evaluation Period. The Company will create an adjustment to the current Evaluation Period for any over or under collections under the prior CRS adjustment.

The Company shall also provide a schedule demonstrating the "proof of revenues" applying the proposed rate change to billing determinants for the Rate Effective Period to produce the total change in revenues by the above sections. The proposed rates shall conform as nearly as is practicable to the revenue allocation principles contained in the most recent proceeding. The Company shall also include the incremental employee costs incurred by the Attorney General's office and the Commission in their review of these annual filings under this mechanism, with a limit of one employee each. These costs, as billed to the Company by the Commission and the Attorney General's office, will be included in the Company's operating and maintenance costs. The proposed new rates shall be effective for the Rate Effective Period.

ATTESTATION

A statement shall be filed by Delta affirming that the filed schedules are in compliance with the provisions of this mechanism. No testimony shall be filed.

EVALUATION PROCEDURES

The Commission and Office of the Attorney General shall have 45 days to examine and analyze the Company's filed schedules. The Company will be prepared to provide supplemental information as may be requested to ensure adequate analysis by the Commission and the Office of the Attorney General. The Commission shall propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Based upon the Company's filed schedules, the Commission shall order the Company to increase or decrease rates so as to achieve the revenue levels indicated for the Evaluation Period. Any adjustments to rates shall be made effective November 1, the beginning of the Rate Effective Period. If by October 31, no order is issued by

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED _____

	FOR	All Service Areas
DELTA NATURAL GAS COMPANY, INC.	P.S.C. NO.	11
Name of Issuing Corporation	Original	SHEET NO. 45
	CANCELLING P.S.C. NO.	
		SHEET NO.

CLASSIFICATION OF SERVICE
RATE SCHEDULES

EXPERIMENTAL CUSTOMER RATE STABILIZATION ("CRS") MECHANISM
APPLICABLE TO ALL GAS SOLD UNDER THIS TARIFF

(N)

the Commission, the Company shall adjust rates as proposed beginning November 1 or as soon as practicable thereafter.

RECONSIDERATION AND APPEAL

Orders issued pursuant to this mechanism shall be subject to request for rehearing and appeal.

GENERAL RATE CASES

Nothing in this mechanism shall prevent the Company from seeking an adjustment of rates outside this mechanism, but in strict accord with the law of the Commonwealth of Kentucky governing such filings.

TERM

This tariff shall be effective upon approval by the Kentucky Public Service Commission. The first filing under this mechanism shall be made on the first Annual Evaluation Date following Commission approval of this tariff. The experimental term of this tariff shall conclude following the implementation of the rate change in accordance with the fifth annual filing. Nothing herein shall prevent any party from proposing, in the manner provided by law, changes in or abandonment of this tariff at any time; however, this tariff shall remain in effect throughout the five year experimental period unless and until modified or terminated by order of the Commission.

REVIEW

In conjunction with the fifth annual filing under this experimental tariff, the Company will file an assessment and review of the CRS mechanism for the first four years of the experimental period. In that report and assessment, the Company may request continuation of the CRS mechanism beyond the initial five-year experimental period, and may make recommendations for modifications if such a filing for extension is sought.

DATE OF ISSUE	April 20, 2007	DATE EFFECTIVE	May 20, 2007
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.	2007-00089	DATED	

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)8
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

The utility's proposed tariff changes, identified in compliance with 807 KAR 5:011, shown either by:

- (a) Providing the present and proposed tariffs in comparative form on the same sheet side by side; or,*
- (b) Providing a copy of the present tariff indicating proposed additions by italicized inserts or underscoring and striking over proposed deletions.*

Response:

Delta has elected to provide a copy of the present and proposed tariffs in comparative form, on the same sheet side by side. See attached.

PSC No. 11

Cancelling PSC No. 10

DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road

Winchester, Kentucky

Rates, Rules and Regulations for Furnishing

NATURAL GAS SERVICE

in

Entire Service Area of the Company

Filed with the

PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued
April 20, 2007

Effective
May 20, 2007

Issued by

GLENN R. JENNINGS,
CHAIRMAN OF THE BOARD
PRESIDENT AND CEO

PSC No. 10

Cancelling PSC No. 9

DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road

Winchester, Kentucky

Rates, Rules and Regulations for Furnishing

NATURAL GAS SERVICE

in

Entire Service Area of the Company

Filed with the

PUBLIC SERVICE COMMISSION OF KENTUCKY

Issued
November 11, 2004

Effective
October 7, 2004

Issued by

GLENN R. JENNINGS, PRESIDENT

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 1
CANCELLING P.S.C. NO. 10
Original SHEET NO. 1

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 1
CANCELLING P.S.C. NO. 9
Original SHEET NO. 1

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

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DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED November 10, 2004

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DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
 P.S.C. NO. 11
 Original SHEET NO. 2
 CANCELLING P.S.C. NO. 10
 Eleventh Revised SHEET NO. 2

DELTA NATURAL GAS COMPANY, INC.
 Name of Issuing Corporation

FOR All Service Areas
 P.S.C. NO. 10
 Eleventh Revised SHEET NO. 2
 CANCELLING P.S.C. NO. 10
 Tenth Revised SHEET NO. 2

DELTA NATURAL GAS COMPANY, INC.
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

RESIDENTIAL

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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

	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate
Customer Charge *	\$ 19.94	\$ 1.0420	\$ 19.94 (I)
All Ccf	\$ 0.4159	\$ 1.4579/Ccf (R)	\$ 1.4579/Ccf (R)

* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 37 of this tariff.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007

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. 2007-00089

DATED

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

	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate
Customer Charge *	\$ 10.00	\$ 10.4200	\$ 10.00
All Mcf	\$ 4.1592	\$ 14.5792/Mcf (I)	\$ 14.5792/Mcf (I)

* 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, 2007 DATE EFFECTIVE April 24, 2007 (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

FOR ALL Service Areas
P.S.C. NO. 11
Original SHEET NO. 3
CANCELLING P.S.C. NO. 10
Eleventh Revised SHEET NO. 3

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
Eleventh Revised SHEET NO. 3
CANCELLING P.S.C. NO. 10
Tenth Revised SHEET NO. 3

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

(T) SMALL NON-RESIDENTIAL *

APPLICABILITY
Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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 \$ 25.00	\$ 1.0420	\$ 25.00 (I)
All Ccf \$ 0.4159	\$ 1.4579/Ccf	\$ 1.4579/Ccf (I)

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

* Meter no larger than AL425
** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

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	\$ 10.4200	\$ 20.00
All Mcf \$ 3.7950	\$ 14.2150/Mcf	\$ 14.2150/Mcf (I)

TERMS AND CONDITIONS
For a customer that is utilizing transportation service and has under-deliveries 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, 2007 DATE EFFECTIVE April 24, 2007
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

FOR All Service Areas
 P.S.C. NO. 10
 Original SHEET NO. 4
 CANCELLING P.S.C. NO. 10
 Eleventh Revised SHEET NO. 4

DELTA NATURAL GAS COMPANY, INC.
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

LARGE NON-RESIDENTIAL GENERAL SERVICE *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 15.

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

Customer Charge	Gas Cost Recovery Rate (GCR) ** =	Total Rate
\$100.00	\$ 1.0420	\$100.00 (I)
1 - 2000 Ccf	\$ 0.4159	\$ 1.4579/Ccf (I)
2001 - 10,000 Ccf	\$ 1.0420	\$ 1.2930/Ccf (I)
10,001 - 50,000 Ccf	\$ 0.2510	\$ 1.2134/Ccf (I)
50,000 - 100,000 Ccf	\$ 0.1714	\$ 1.0420 (I)
Over 100,000 Ccf	\$ 0.1314	\$ 1.1734/Ccf (I)
	\$ 0.1114	\$ 1.1534/Ccf (I)

TERMS AND CONDITIONS

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

* Meter larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007

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. 2007-00089 DATED

FOR All Service Areas
 P.S.C. NO. 11
 Original SHEET NO. 4
 CANCELLING P.S.C. NO. 10
 Eleventh Revised SHEET NO. 4

DELTA NATURAL GAS COMPANY, INC.
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

LARGE NON-RESIDENTIAL *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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

Customer Charge	Gas Cost Recovery Rate (GCR) ** =	Total Rate
\$100.00	\$ 1.0420	\$100.00 (I)
1 - 2000 Ccf	\$ 0.4159	\$ 1.4579/Ccf (I)
2001 - 10,000 Ccf	\$ 1.0420	\$ 1.2930/Ccf (I)
10,001 - 50,000 Ccf	\$ 0.2510	\$ 1.2134/Ccf (I)
50,000 - 100,000 Ccf	\$ 0.1714	\$ 1.0420 (I)
Over 100,000 Ccf	\$ 0.1314	\$ 1.1734/Ccf (I)
	\$ 0.1114	\$ 1.1534/Ccf (I)

TERMS AND CONDITIONS

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

* Meter larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007

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. 2007-00089 DATED

FOR All Service Areas
 P.S.C. NO. 10
 Eleventh Revised SHEET NO. 4
 CANCELLING P.S.C. NO. 10
 Tenth Revised SHEET NO. 4

DELTA NATURAL GAS COMPANY, INC.
 Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

LARGE NON-RESIDENTIAL GENERAL SERVICE *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 15.

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

Customer Charge	Gas Cost Recovery Rate (GCR) ** =	Total Rate
\$72.00	\$ 3.7950	\$ 3.7950
1 - 200 Mcf	\$ 2.1461	\$ 14.2150/Mcf (I)
200.1 - 1000 Mcf	\$ 1.3500	\$ 12.5661/Mcf (I)
1000.1 - 5000 Mcf	\$ 0.9500	\$ 11.7700/Mcf (I)
5000.1 - 10000 Mcf	\$ 0.7500	\$ 11.3700/Mcf (I)
Over 10,000 Mcf	\$ 0.7500	\$ 11.1700/Mcf (I)

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under-deliveries 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

** 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, 2007 DATE EFFECTIVE April 24, 2007 (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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 5
CANCELLING P.S.C. NO. 10
Eleventh Revised SHEET NO. 5
Original SHEET NO. 5A

FOR All Service Areas
P.S.C. NO. 10
Eleventh Revised SHEET NO. 5
CANCELLING P.S.C. NO. 10
Yenth Revised SHEET NO. 5

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CLASSIFICATION OF SERVICE
RATE SCHEDULES

INTERRUPTIBLE SERVICE

INTERRUPTIBLE SERVICE

APPLICABILITY

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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

AVAILABILITY

AVAILABILITY

Available for use by interruptible customers.

Available for use by interruptible customers.

CHARACTER OF SERVICE

CHARACTER OF SERVICE

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

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

RATES

RATES

Customer Charge	Base Rate +	Gas Cost Recovery Rate (GCR) *** =	Total Rate
	\$250.00		\$250.00
1 - 10,000 Ccf	\$ 0.1600	\$ 1.0420	\$ 1.2020/Ccf
10,001 - 50,000 Ccf	\$ 0.1200	\$ 1.0420	\$ 1.1620/Ccf
50,001 - 100,000 Ccf	\$ 0.0800	\$ 1.0420	\$ 1.1220/Ccf
Over 100,000 Ccf	\$ 0.0600	\$ 1.0420	\$ 1.1020/Ccf

Customer Charge	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate
	\$250.00		\$250.00
.1 - 1000 Mcf	\$ 1.6000	\$ 10.4200	\$ 12.0200/Mcf (1)
1000.1 - 5000 Mcf	\$ 1.2000	\$ 10.4200	\$ 11.6200/Mcf (1)
5000.1 - 10000 Mcf	\$ 0.8000	\$ 10.4200	\$ 11.2200/Mcf (1)
Over 10,000 Mcf	\$ 0.6000	\$ 10.4200	\$ 11.0200/Mcf (1)

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.

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.

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

TERMS AND CONDITIONS

(T) For a customer that is utilizing transportation service and has underdelivered of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule, Delta may require a written

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

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DATE OF ISSUE March 21, 2007 DATE EFFECTIVE April 24, 2007 (final sheet made)
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

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 5
CANCELLING P.S.C. NO. 10
Original SHEET NO. 5A

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 5A
CANCELLING P.S.C. NO. 9
Original SHEET NO. 5A

CLASSIFICATION OF SERVICE
RATE SCHEDULES

INTERRUPTIBLE SERVICE

(T) Contract providing for a continuance of service under the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

CLASSIFICATION OF SERVICE
RATE SCHEDULES

INTERRUPTIBLE SERVICE

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.

** 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 April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11 SHEET NO. 7
DELTA NATURAL GAS COMPANY, INC. ORIGINAL
Name of Issuing Corporation CANCELLING P.S.C. NO. 10
Original SHEET NO. 6

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17

AVAILABILITY

Available to small non-residential, large non-residential and interruptible customers who have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Delta's facilities and request Delta to utilize its facilities to transport such customer-owned gas to place of utilization. Any such transportation service shall be subject to the terms and conditions set forth herein and to the reserved right of Delta to decline to initiate such service whenever, in Delta's sole judgment, the performance of the service would be contrary to good operating practice or would have a detrimental impact on other customers of Delta. Such detrimental impact may include under deliveries of transportation gas to Delta's system or switching by the transportation customer to Delta's Small Non-Residential, Large Non-Residential or Interruptible Service rate schedules.

RATE

(T) A transportation charge comprised of the following components will be applied to each Ccf, or in the case of measurement based on heating value, each dekatherm (Dth) of gas transported hereunder:

- (T) (1) Delta's Base Rate for gas sold as set forth in Delta's Small Non-Residential, Large Non-Residential and Interruptible Rate Schedules; plus
- (T) (2) Where the pipeline suppliers transportation, compression or other similar charges are billed to Delta, the cost per Ccf or Dth, as applicable, of such charges; plus
- (T) (3) A take-or-pay recovery component of \$(0.0000)

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 10 SHEET NO. 6
DELTA NATURAL GAS COMPANY, INC. ORIGINAL
Name of Issuing Corporation CANCELLING P.S.C. NO. 9
First Revised SHEET NO. 6

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 15.

AVAILABILITY

Available to small non-residential, large non-residential and interruptible customers who have purchased natural gas elsewhere, obtained all requisite authority to transport such gas to Delta's facilities and request Delta to utilize its facilities to transport such customer-owned gas to place of utilization. Any such transportation service shall be subject to the terms and conditions set forth herein and to the reserved right of Delta to decline to initiate such service whenever, in Delta's sole judgment, the performance of the service would be contrary to good operating practice or would have a detrimental impact on other customers of Delta. Such detrimental impact may include under deliveries of transportation gas to Delta's system or switching by the transportation customer to Delta's General Service or Interruptible Service rate schedules.

RATE

A transportation charge comprised of the following components will be applied to each Mcf, or in the case of measurement based on heating value, each dekatherm (Dth) of gas transported hereunder:

- (1) Delta's Base Rate for gas sold as set forth in Delta's Small Non-Residential General Service, Large Non-Residential General Service and Interruptible Rate Schedules; plus
- (2) Where the pipeline suppliers transportation, compression or other similar charges are billed to Delta, the cost per Mcf or Dth, as applicable, of such charges; plus
- (3) A take-or-pay recovery component of \$(0.0000)

GAS SOLD TO CUSTOMER

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR ALL Service Areas
P.S.C. NO. 11
DELTA NATURAL GAS COMPANY, INC. SHEET NO. 8
Name of Issuing Corporation CANCELLING P.S.C. NO. 10
Original SHEET NO. 7
Original

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

GAS SOLD TO CUSTOMER

Monthly gas deliveries to customer in excess of scheduled transportation volumes will be billed by Delta and paid by customer in accordance with Delta's Standby Service Rate Schedule.

TERMS AND CONDITIONS

Service hereunder shall be performed under a written contract between customer and Delta setting forth specific arrangements as to term of the contract, volumes to be transported, points of delivery, methods of metering, timing of receipts and deliveries of gas by Delta, timing constraints relative to under deliveries and/or switching to Delta's General Service or Interruptible Service rate schedules, the availability of discounts in special situations and any other matters relating to individual customer circumstances.

(T)

At least ten (10) days prior to the beginning of each month, customer shall provide Delta with a schedule setting forth daily volumes of gas to be delivered into Delta's facilities for customer's account. Customer shall give Delta at least twenty-four (24) hours prior notice of any subsequent changes to scheduled deliveries. Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.

All gas volumes delivered hereunder shall shrink by 2% to cover line loss and measurement differences when no compression is being used in the transportation. When compression is required in the transportation, all gas volumes delivered hereunder shall shrink an additional amount equivalent to fuel usage.

It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff.

Delta reserves the right to refuse to accept gas that does not meet Delta's quality specifications.

Volumes of gas transported hereunder will be determined in accordance with Delta's measurement base.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00989 DATED

FOR ALL Service Areas
P.S.C. NO. 10
DELTA NATURAL GAS COMPANY, INC. SHEET NO. 7
Name of Issuing Corporation CANCELLING P.S.C. NO. 9
First Revised SHEET NO. 7

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

Monthly gas deliveries to customer in excess of scheduled transportation volumes will be billed by Delta and paid by customer in accordance with Delta's Standby Service Rate Schedule.

TERMS AND CONDITIONS

Service hereunder shall be performed under a written contract between customer and Delta setting forth specific arrangements as to term of the contract, volumes to be transported, points of delivery, methods of metering, timing of receipts and deliveries of gas by Delta, timing constraints relative to under deliveries and/or switching to Delta's General Service or Interruptible Service rate schedules, the availability of discounts in special situations and any other matters relating to individual customer circumstances.

At least ten (10) days prior to the beginning of each month, customer shall provide Delta with a schedule setting forth daily volumes of gas to be delivered into Delta's facilities for customer's account. Customer shall give Delta at least twenty-four (24) hours prior notice of any subsequent changes to scheduled deliveries. Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.

All gas volumes delivered hereunder shall shrink by 2% to cover line loss and measurement differences when no compression is being used in the transportation. When compression is required in the transportation, all gas volumes delivered hereunder shall shrink an additional amount equivalent to fuel usage.

It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff.

Delta reserves the right to refuse to accept gas that does not meet Delta's quality specifications.

Volumes of gas transported hereunder will be determined in accordance with Delta's measurement base.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 9
CANCELLING P.S.C. NO. 10
Original SHEET NO. 5

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 8
CANCELLING P.S.C. NO. 9
First Revised SHEET NO. 8

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

TRANSPORTATION OF GAS FOR OTHERS
ON SYSTEM UTILIZATION

Customer owned gas transported hereunder for an interruptible customer will be subject to interruption in accordance with normal interruption procedures applicable to such rate schedule. Such customers must agree in writing to cause deliveries of customer-owned gas into Delta's facilities to cease upon notification by Delta of the necessity to interrupt or curtail the use of gas.

Customer owned gas transported hereunder for an interruptible customer will be subject to interruption in accordance with normal interruption procedures applicable to such rate schedule. Such customers must agree in writing to cause deliveries of customer-owned gas into Delta's facilities to cease upon notification by Delta of the necessity to interrupt or curtail the use of gas.

Delta shall have the right at any time to curtail or interrupt the transportation or delivery of gas to interruptible customers hereunder when, in Delta's sole judgment, such curtailment or interruption is necessary to enable Delta to maintain deliveries to customers of higher priority or to respond to any emergency. During such periods, Delta shall have the right to purchase any transportation gas delivered into Delta's system for the account of the customer at the actual cost the customer paid for such gas.

Delta shall have the right at any time to curtail or interrupt the transportation or delivery of gas to interruptible customers hereunder when, in Delta's sole judgment, such curtailment or interruption is necessary to enable Delta to maintain deliveries to customers of higher priority or to respond to any emergency. During such periods, Delta shall have the right to purchase any transportation gas delivered into Delta's system for the account of the customer at the actual cost the customer paid for such gas.

Delta may execute special transportation contracts with anyone after said contract has been filed with and accepted by the Public Service Commission.

Delta may execute special transportation contracts with anyone after said contract has been filed with and accepted by the Public Service Commission.

(T) This transportation is available to any customer with a daily nominated volume (the level of daily volume in Ccf as requested by the customer to be transported and delivered by the Company) which averages a minimum of 250 Ccf of gas per day for the billing period on an individual service at the same premise who has purchased their own supply of natural gas and require transportation by the Company to the point of utilization subject to suitable service being available from existing facilities.

This transportation is available to any customer with a daily nominated volume (the level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company) which averages a minimum of 25 Mcf of gas per day for the billing period on an individual service at the same premise who has purchased their own supply of natural gas and require transportation by the Company to the point of utilization subject to suitable service being available from existing facilities.

(T) For a customer that is utilizing transportation service and has under-deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential, Large Non-Residential or Interruptible Service rate schedule.

For a customer that is utilizing transportation service and has under-deliveries 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.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P. S. C. NO. 11 SHEET NO. 10
Original
DELTA NATURAL GAS COMPANY, INC. CANCELLING P. S. C. NO. 10
Name of Issuing Corporation Original SHEET NO. 3

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
OFF SYSTEM UTILIZATION

APPLICABILITY
Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY
Available to any person whose facilities connect or can be made to connect with Delta's facilities or who can cause their natural gas to be delivered to Delta's facilities and who desires gas to be transported by Delta to a place of utilization not connected to Delta's facilities. Further, the person or persons desiring such transportation shall have executed a contract with Delta as set forth under the terms and conditions of this tariff.

RATE

(1) The charge for service under this tariff shall be twenty-seven cents (\$0.27) per 1,000 cu. ft. of gas transported, or, in the case of measurement based upon heating value, shall be twenty-seven cents (\$0.27) per dekatherm. Any additions or modifications of the facilities required to perform this service shall be at the sole expense of the customer.

TERMS AND CONDITIONS

Specific details relating to volumes, delivery points and other matters shall be covered by a separate contract.

Delta shall reserve the right to purchase all or part of the gas to be transported at the same price the transporter would have received at the delivery point less Delta's applicable transportation charges, shrinkage and compressor fuel costs.

Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.

All gas volumes delivered hereunder shall shrink by 2% to cover line loss and measurement differences when no compression is being used in

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board
Name of Issuing Corporation President and CEO
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2007-00089 DATED

FOR All Service Areas
P. S. C. NO. 10 SHEET NO. 9
Original
DELTA NATURAL GAS COMPANY, INC. CANCELLING P. S. C. NO. 9
Name of Issuing Corporation Original SHEET NO. 9

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
OFF SYSTEM UTILIZATION

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

AVAILABILITY
Available to any person whose facilities connect or can be made to connect with Delta's facilities or who can cause their natural gas to be delivered to Delta's facilities and who desires gas to be transported by Delta to a place of utilization not connected to Delta's facilities. Further, the person or persons desiring such transportation shall have executed a contract with Delta as set forth under the terms and conditions of this tariff.

RATE

The charge for service under this tariff shall be twenty-six cents (\$0.26) per 1000 cu. ft. of gas transported, or, in the case of measurement based upon heating value, shall be twenty-six cents (\$0.26) per dekatherm. Any additions or modifications of the facilities required to perform this service shall be at the sole expense of the customer.

TERMS AND CONDITIONS

Specific details relating to volumes, delivery points and other matters shall be covered by a separate contract.

Delta shall reserve the right to purchase all or part of the gas to be transported at the same price the transporter would have received at the delivery point less Delta's applicable transportation charges, shrinkage and compressor fuel costs.

Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.

All gas volumes delivered hereunder shall shrink by 2% to cover line loss and measurement differences when no compression is being used in

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
ISSUED BY Glenn R. Jennings TITLE President
Name of Issuing Corporation President
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
DELTA NATURAL GAS COMPANY, INC. SHEET NO. 11
Name of Issuing Corporation CANCELLING P.S.C. NO. 10
Original SHEET NO. 10
Original SHEET NO. 10

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
OFF SYSTEM UTILIZATION

the transportation. When compression is required in the transportation, all gas volumes delivered hereunder shall shrink an additional amount equivalent to fuel usage.

It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff.

Delta reserves the right to refuse to accept gas that does not meet Delta's quality specifications.

Volumes of gas transported hereunder will be determined in accordance with Delta's measurement base.

Delta shall have the right at any time to curtail or interrupt the transportation or delivery of gas hereunder when, in Delta's sole judgment, such curtailment or interruption is necessary to enable Delta to maintain deliveries to retail customers of higher priority or to respond to any emergency.

Delta may execute special transportation contracts with anyone after said contract has been filed with and accepted by the Public Service Commission.

This transportation is available to any customer with a daily nominated volume (the level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company) which averages a minimum of 25 Mcf of gas per day for the billing period.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 10
DELTA NATURAL GAS COMPANY, INC. SHEET NO. 10
Name of Issuing Corporation CANCELLING P.S.C. NO. 9
Original SHEET NO. 10
Original SHEET NO. 10

CLASSIFICATION OF SERVICE
RATE SCHEDULES

TRANSPORTATION OF GAS FOR OTHERS
OFF SYSTEM UTILIZATION

the transportation. When compression is required in the transportation, all gas volumes delivered hereunder shall shrink an additional amount equivalent to fuel usage.

It shall be the customer's responsibility to make all necessary arrangements, including regulatory approvals, required to deliver gas transported under this tariff.

Delta reserves the right to refuse to accept gas that does not meet Delta's quality specifications.

Volumes of gas transported hereunder will be determined in accordance with Delta's measurement base.

Delta shall have the right at any time to curtail or interrupt the transportation or delivery of gas hereunder when, in Delta's sole judgment, such curtailment or interruption is necessary to enable Delta to maintain deliveries to retail customers of higher priority or to respond to any emergency.

Delta may execute special transportation contracts with anyone after said contract has been filed with and accepted by the Public Service Commission.

This transportation is available to any customer with a daily nominated volume (the level of daily volume in Mcf as requested by the customer to be transported and delivered by the Company) which averages a minimum of 25 Mcf of gas per day for the billing period.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
DELTA NATURAL GAS COMPANY, INC. SHEET NO. 12
Name of Issuing Corporation CANCELLING P.S.C. NO. 10
Original SHEET NO. 11

CLASSIFICATION OF SERVICE
RATE SCHEDULES

STANDBY SERVICE RATE SCHEDULE

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by commercial and industrial customers who:

- (1) purchase all or part of their natural gas requirements from sources other than Delta and who request Delta to be available to supply natural gas at that place of utilization; or
- (2) request Delta to provide a standby energy source at their place of utilization.

CHARACTER OF SERVICE

Firm - within the reasonable limits of Delta's capability to provide such service unless otherwise specified in a contract between Delta and the customer.

RATES

Customer shall pay Delta a standby charge to be set forth in a contract between Delta and the customer that has been filed with and accepted by the Public Service Commission. In addition, monthly natural gas usage will be billed by Delta and paid by the customer in accordance with the charges set forth in Delta's General Service or Interruptible Rate Schedule under which it sells gas to the customer.

SPECIAL TERMS AND CONDITIONS

Service under this rate schedule shall be performed under a written contract between Delta and the customer setting forth specific arrangements as to standby charge, maximum daily volumes of natural gas required by the customer from Delta, points of delivery, methods of metering and other matters relating to individual customer circumstances.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 10
DELTA NATURAL GAS COMPANY, INC. SHEET NO. 11
Name of Issuing Corporation CANCELLING P.S.C. NO. 9
Original SHEET NO. 11

CLASSIFICATION OF SERVICE
RATE SCHEDULES

STANDBY SERVICE RATE SCHEDULE

APPLICABILITY

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

AVAILABILITY

Available for use by commercial and industrial customers who:

- (1) purchase all or part of their natural gas requirements from sources other than Delta and who request Delta to be available to supply natural gas at that place of utilization; or
- (2) request Delta to provide a standby energy source at their place of utilization.

CHARACTER OF SERVICE

Firm - within the reasonable limits of Delta's capability to provide such service unless otherwise specified in a contract between Delta and the customer.

RATES

Customer shall pay Delta a standby charge to be set forth in a contract between Delta and the customer that has been filed with and accepted by the Public Service Commission. In addition, monthly natural gas usage will be billed by Delta and paid by the customer in accordance with the charges set forth in Delta's General Service or Interruptible Rate Schedule under which it sells gas to the customer.

SPECIAL TERMS AND CONDITIONS

Service under this rate schedule shall be performed under a written contract between Delta and the customer setting forth specific arrangements as to standby charge, maximum daily volumes of natural gas required by the customer from Delta, points of delivery, methods of metering and other matters relating to individual customer circumstances.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 13
CANCELLING P.S.C. NO. 10
Original SHEET NO. 12

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 12
CANCELLING P.S.C. NO. 9
First Revised SHEET NO. 12

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CLASSIFICATION OF SERVICE
RATE SCHEDULES

GAS COST ADJUSTMENT CLAUSE

GAS COST ADJUSTMENT CLAUSE

DETERMINATION OF GCR

DETERMINATION OF GCR

The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Recovery Rate (GCR) and shall be filed at least thirty (30) days prior to the beginning of each calendar quarter. The GCR shall become effective for billing with the final meter readings of the first billing cycle of each calendar quarter.

The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Recovery Rate (GCR) and shall be filed at least thirty (30) days prior to the beginning of each calendar quarter. The GCR shall become effective for billing with the final meter readings of the first billing cycle of each calendar quarter.

The gas cost recovery rates are comprised of:

The gas cost recovery rates are comprised of:

- (1) The expected gas cost component (EGC), on a dollar per Ccf basis, which represents the average expected cost of gas supplies and may include fixed price, forward price and indexed price purchases. In an effort to mitigate price volatility, the Company may contract with gas suppliers at fixed prices, at locked-in prices for gas to be delivered at future dates (forward price) and at index-based prices. These efforts can include the monthly or periodic layering of forward purchase volumes to help moderate the volatility of gas prices. The Company may consider published futures prices as well as price trends and price expectations at the time such decisions are made. Depending upon the circumstances, this volume can be up to the annual projected system requirements including storage needs.
- (2) The supplier refund adjustment (RA), on a dollar per Ccf basis, which reflects refunds received from suppliers during the reporting period, plus interest at the average 90 day commercial paper rate for the calendar quarter. In the event of any large or unusual refunds, the Company may apply to the Public Service Commission for the right to depart from the refund procedure herein set forth.
- (3) The actual adjustment (AA), on a dollar per Ccf basis, compensates for difference between the previous quarter's expected gas cost and the actual cost of gas during that quarter.
- (4) The balance adjustment (BA), on a dollar per Ccf basis, which compensates for any under or over collections which have occurred as a result of prior adjustments.

- (1) The expected gas cost component (EGC), on a dollar per Mcf basis, which represents the average expected cost of gas supplies and may include fixed price, forward price and indexed price purchases. In an effort to mitigate price volatility, the Company may contract with gas suppliers at fixed prices, at locked-in prices for gas to be delivered at future dates (forward price) and at index-based prices. These efforts can include the monthly or periodic layering of forward purchase volumes to help moderate the volatility of gas prices. The Company may consider published futures prices as well as price trends and price expectations at the time such decisions are made. Depending upon the circumstances, this volume can be up to the annual projected system requirements including storage needs.
- (2) The supplier refund adjustment (RA), on a dollar per Mcf basis, which reflects refunds received from suppliers during the reporting period, plus interest at the average 90 day commercial paper rate for the calendar quarter. In the event of any large or unusual refunds, the Company may apply to the Public Service Commission for the right to depart from the refund procedure herein set forth.
- (3) The actual adjustment (AA), on a dollar per Mcf basis, compensates for difference between the previous quarter's expected gas cost and the actual cost of gas during that quarter.
- (4) The balance adjustment (BA), on a dollar per Mcf basis, which compensates for any under or over collections which have occurred as a result of prior adjustments.

BILLING

BILLING

The gas cost recovery rate to be applied to bills of customers shall equal the sum of the following components:

The gas cost recovery rate to be applied to bills of customers shall equal the sum of the following components:

$$GCR = EGC + RA + AA + BA$$

$$GCR = EGC + RA + AA + BA$$

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 14
CANCELLING P.S.C. NO. 10
Original SHEET NO. 13

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

GAS COST ADJUSTMENT CLAUSE

DEFINITIONS

For purposes of this tariff:

- (a) "Average Expected Cost" means the cost of gas supplies, including associated transportation and storage charges, and propane which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased volumes during the twelve month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments in its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- (b) "GCR" means the quarterly updated gas cost recovery rate applicable to the monthly consumption of customers (sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment;
i.e., $GCR = EGC + RA + AA + BA$).
- (c) "Calendar Quarters" means each of the four three-month periods of (1) August, September and October; (2) November, December and January; (3) February, March and April; and (4) May, June and July.
- (d) "Reporting Period" means the three (3) month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas recovery rates; i.e., the calendar quarter preceding that during which the most recent Quarterly Report was filed.

INTERIM GAS COST ADJUSTMENT FILINGS

The Company may make application for Interim Gas Cost Adjustments subject to the approval of the commission.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 13
CANCELLING P.S.C. NO. 9
First Revised SHEET NO. 13

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

GAS COST ADJUSTMENT CLAUSE

DEFINITIONS

For purposes of this tariff:

- (a) "Average Expected Cost" means the cost of gas supplies, including associated transportation and storage charges, and propane which results from the application of suppliers' rates currently in effect, or reasonably expected to be in effect during the calendar quarter, on purchased volumes during the twelve month period ending with the reporting period to which the GCR will apply, divided by the corresponding sales volume. Where the calculations require the use of volumes used during a given period, and those volumes did not exist for a particular source for the entire period, or the Company expects the volumes to change substantially, the Company may make appropriate adjustments in its calculations. Any adjustments of this type shall be described in the quarterly Gas Cost Recovery Report.
- (b) "GCR" means the quarterly updated gas cost recovery rate applicable to the monthly consumption of customers (sum of the expected gas cost component plus the supplier refund adjustment plus the actual adjustment plus the balancing adjustment;
i.e., $GCR = EGC + RA + AA + BA$).
- (c) "Calendar Quarters" means each of the four three-month periods of (1) August, September and October; (2) November, December and January; (3) February, March and April; and (4) May, June and July.
- (d) "Reporting Period" means the three (3) month accounting period that ended approximately sixty (60) days prior to the filing date of the updated gas recovery rates; i.e., the calendar quarter preceding that during which the most recent Quarterly Report was filed.

INTERIM GAS COST ADJUSTMENT FILINGS

The Company may make application for Interim Gas Cost Adjustments subject to the approval of the commission.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11 SHEET NO. 15
Original
CANCELLING P.S.C. NO. 10 SHEET NO. 14
Original

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

SPECIAL CHARGES

The following charges shall be applied under the following conditions:

(1) Collection Charge - A charge of \$20.00 will be levied when a Company representative makes a trip to the premises of a customer for the purpose of terminating service. The charge may be assessed if service is actually terminated or if the customer pays the delinquent bill to avoid termination. The charge may also be assessed if the Company's representative agrees to delay termination based on the customer's agreement to pay the delinquent bill by a specific date. A collection trip may be made only after written notice has been sent to the customer stating that if the bill is not paid by a certain date the service will be disconnected.

(2) Reconnection Charge - A reconnection charge of \$60.00 to be made by the Company and paid by the customer before or at the time the service is reconnected shall be assessed as approved by the Public Service Commission when:

(1) The customer's service has been disconnected for non-payment of bills or for violation of the Commission's or Company's Rules and Regulations, and the customer has qualified for and requested service to be reconnected. Customers qualifying for service reconnection under 807 KAR 5:006, Section 15 -Winter Hardship- shall be exempt from reconnect charges.

(2) The customer's service has been disconnected at the customer's request and at any time subsequently within twelve (12) months is reconnected at the same premise.

(3) Bad Check Charge - The Company may charge and collect a fee of \$15.00 to cover the cost of handling an unsecured check; where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the customer's financial institution.

Request Test Charge - Pursuant to 807 KAR 5:006, Section 18, the Company shall make a test of any meter upon written request of any customer provided such request is not made more frequently than once each twelve (12) months. The customer shall be given the opportunity of being present at such request tests. If such tests show that the meter was not more than two percent (2%) fast, the Company may make a reasonable

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 10 SHEET NO. 14
Original
CANCELLING P.S.C. NO. 9 SHEET NO. 14
Original

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

SPECIAL CHARGES

The following charges shall be applied under the following conditions:

Collection Charge - A charge of \$15.00 will be levied when a Company representative makes a trip to the premises of a customer for the purpose of terminating service. The charge may be assessed if service is actually terminated or if the customer pays the delinquent bill to avoid termination. The charge may also be assessed if the Company's representative agrees to delay termination based on the customer's agreement to pay the delinquent bill by a specific date. A collection trip may be made only after written notice has been sent to the customer stating that if the bill is not paid by a certain date the service will be disconnected.

(1) Reconnection Charge - A reconnection charge of \$48.00 to be made by the Company and paid by the customer before or at the time the service is reconnected shall be assessed as approved by the Public Service Commission when:

(1) The customer's service has been disconnected for non-payment of bills or for violation of the Commission's or Company's Rules and Regulations, and the customer has qualified for and requested service to be reconnected. Customers qualifying for service reconnection under 807 KAR 5:006, Section 15 -Winter Hardship- shall be exempt from reconnect charges.

(2) The customer's service has been disconnected at the customer's request and at any time subsequently within twelve (12) months is reconnected at the same premise.

Bad Check Charge - The Company may charge and collect a fee of \$10.00 to cover the cost of handling an unsecured check; where a customer tenders in payment of an account a check which upon deposit by the Company is returned as unpaid by the customer's financial institution.

Request Test Charge - Pursuant to 807 KAR 5:006, Section 18, the Company shall make a test of any meter upon written request of any customer provided such request is not made more frequently than once each twelve (12) months. The customer shall be given the opportunity of being present at such request tests. If such tests show that the meter was not more than two percent (2%) fast, the Company may make a reasonable

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 16
CANCELLING P.S.C. NO. 10
Original SHEET NO. 15

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 15
CANCELLING P.S.C. NO. 9
Original SHEET NO. 15

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CLASSIFICATION OF SERVICE
RATE SCHEDULES

SPECIAL CHARGES

SPECIAL CHARGES

charge for the test. The test charge is based upon meter size and is as follows:

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1,000 cubic feet per hour and under \$ 4.00
Over 1,000 to 10,000 \$ 8.00
Over 10,000 \$12.00

1,000 cubic feet per hour and under \$ 4.00
Over 1,000 to 10,000 \$ 8.00
Over 10,000 \$12.00

Gas Light Charge - Monthly consumption of unmetered gas used for an outdoor gas light, as approved by the Company, will be calculated to be 1,500 cubic feet per month per mantle for upright mantles and for each pair of inverted mantles. On special models of gas lights where gas consumption is greater than those referred to above, the Company shall estimate, based on the manufacturer's suggested usage, the monthly consumption to the closest 100 cubic feet and bill customer that equal amount each month. Such consumption shall be billed under the appropriate rate schedule applicable to the customer.

Gas Light Charge - Monthly consumption of unmetered gas used for an outdoor gas light, as approved by the Company, will be calculated to be 1,500 cubic feet per month per mantle for upright mantles and for each pair of inverted mantles. On special models of gas lights where gas consumption is greater than those referred to above, the Company shall estimate, based on the manufacturer's suggested usage, the monthly consumption to the closest 100 cubic feet and bill customer that equal amount each month. Such consumption shall be billed under the appropriate rate schedule applicable to the customer.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED November 10, 2004

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11 SHEET NO. 17
Original
DELTA NATURAL GAS COMPANY, INC. CANCELLING P.S.C. NO. 10
Name of Issuing Corporation Original SHEET NO. 16

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

1. APPLICABILITY

Applicable within all service areas served by Delta namely: Owsingsville, Sharpsburg, Salt Lick, Midland, Bath County; Estill County; Camargo, Jeffersonville, Montgomery County; Frenchburg, Menifee County; Kingston Terrill, Berea, Madison County; Stanton, Clay City, Powell County; Garrard County; Annville, Jackson County; Beattyville, Lee County; North Middletown, Bourbon County; Nicholasville, Wilmore, Jessamine County; Clearfield, Farmers, Rowan County; Middleboro, Pineville, Bell County; Barbourville, Knox County; Williamsburg, Corbin, Whitley County; London, Laurel County; Manchester, Burning Springs, Oneida, Clay County; Leslie County; Lexington, Fayette County; Fleming County; Clark County; Mt. Olivet, Robertson County; Sardis, Mason County; and environs of each.

2. COMMISSION'S RULES AND REGULATIONS

All gas service rendered by the Company shall be in accordance with the Administrative Regulations by which gas utilities are governed by the Public Service Commission of Kentucky and all amendments thereto and modifications thereof which may be made by the Commission.

3. COMPANY'S RULES AND REGULATIONS

In addition to the Rules and Regulations prescribed by the Public Service Commission, all gas service rendered shall also be in accordance with the Rules and Regulations adopted by the Company.

4. FILING OF RATES, RULES AND REGULATIONS

A copy of all schedules of rates, rules and regulations under which gas service is rendered is on file for the public's benefit with the Public Service Commission of Kentucky. A copy of such rates, rules and regulations, together with the law, rules and regulations of the Public Service Commission of Kentucky is available for public inspection in the principal office of the Company

(T)

FOR All Service Areas
P.S.C. NO. 10 SHEET NO. 16
Original
DELTA NATURAL GAS COMPANY, INC. CANCELLING P.S.C. NO. 9
Name of Issuing Corporation Original SHEET NO. 16

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

1. APPLICABILITY

Applicable within all service areas served by Delta namely: Owsingsville, Sharpsburg, Salt Lick, Midland, Bath County; Estill County; Camargo, Jeffersonville, Montgomery County; Frenchburg, Menifee County; Kingston Terrill, Berea, Madison County; Stanton, Clay City, Powell County; Garrard County; Annville, Jackson County; Beattyville, Lee County; North Middletown, Bourbon County; Nicholasville, Wilmore, Jessamine County; Clearfield, Farmers, Rowan County; Middleboro, Pineville, Bell County; Barbourville, Knox County; Williamsburg, Corbin, Whitley County; London, Laurel County; Manchester, Burning Springs, Oneida, Clay County; Leslie County; Lexington, Fayette County; Fleming County; Clark County; Mt. Olivet, Robertson County; Sardis, Mason County; and environs of each.

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In addition to the Rules and Regulations prescribed by the Public Service Commission, all gas service rendered shall also be in accordance with the Rules and Regulations adopted by the Company.

4. FILING OF RATES, RULES AND REGULATIONS

A copy of all schedules of rates, rules and regulations under which gas service is rendered is on file for the public's benefit with the Public Service Commission of Kentucky. A copy of such rates, rules and regulations, together with the law, rules and regulations of the Public Service Commission of Kentucky is available for public inspection in the various offices of the Company.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 18
CANCELLING P.S.C. NO. 10
Original SHEET NO. 17&18

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 17
CANCELLING P.S.C. NO. 9
Original SHEET NO. 17

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

5. NO EXCEPTIONS TO RULES AND REGULATIONS
No agent, representative or employee of the Company shall make any promise, agreement or representation not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company and neither has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations except as hereinafter provided.
6. RULES AND REGULATIONS MAY BE AMENDED
The Company reserves the right to amend or modify its Rules and Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the filing with and acceptance of same by the Public Service Commission of Kentucky.

5. NO EXCEPTIONS TO RULES AND REGULATIONS
No agent, representative or employee of the Company shall make any promise, agreement or representation not incorporated in or provided for by the Rules and Regulations of the Public Service Commission of Kentucky or of this Company and neither has any agent, representative or employee of the Company any right or power to amend, modify, alter or waive any of the said Rules and Regulations except as hereinafter provided.

6. RULES AND REGULATIONS MAY BE AMENDED
The Company reserves the right to amend or modify its Rules and Regulations or to adopt such additional Rules and Regulations as the Company deems necessary in the proper conduct of its business, subject to the filing with and acceptance of same by the Public Service Commission of Kentucky.

7. SUPERSEDE PREVIOUS RULES AND REGULATIONS
These Rules and Regulations replace and supersede all previous Rules and Regulations under which the Company has previously supplied gas service.

7. SUPERSEDE PREVIOUS RULES AND REGULATIONS
These Rules and Regulations replace and supersede all previous Rules and Regulations under which the Company has previously supplied gas service.

8. CUSTOMER CLASSIFICATIONS
Residential. Service to customers which consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.
Small Non-Residential. Service to customers engaged primarily in the sale of goods or services including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation with a meter no larger than an AL425.
Large Non-Residential. Service to commercial and industrial customers including institutions and local and federal government agencies with a meter larger than an AL425.

8. CUSTOMER CLASSIFICATIONS
Residential. Service to customers which consists of direct natural gas usage in a residential dwelling for space heating, air conditioning, cooking, water heating and other residential uses.
Small Non-Residential General Service. Service to customers engaged primarily in the sale of goods or services including institutions and local and federal government agencies for uses other than those involving manufacturing or electric power generation with a meter no larger than an AL425.
Large Non-Residential General Service. Service to customers engaged primarily in the sale of goods or services including institutions and local and federal government agencies for uses other than those involving

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
ISSUED BY Glenn R. Jennings TITLE President
Name of Officer President
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11 SHEET NO. 19
Original SHEET NO. 10
CANCELLING P.S.C. NO. 10
Original SHEET NO. 18

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

9. APPLICATION FOR SERVICE

A written application or contract, properly executed, may be required before the Company is obligated to render gas service. The Company shall have the right to reject for valid reasons any such application or contract. All applications for service shall be made in the legal name of the party desiring the service.

Applications for service are not transferable and new occupants of premises will be required to make application for service before commencing the use of gas. Customers who have been receiving gas service shall notify the Company when discontinuance of service is desired and shall pay for all gas until such notice has been given in person, in writing or by telephone and final meter reading is made by the Company.

When a customer moves within the service area of the Company, the customer shall be billed out at the original location and billed in at the new location. Therefore, the customer may receive two bills for the month in which the move occurs.

In case the customer is not the owner of the premises, it shall be the customer's responsibility to obtain from the property owner or owners the necessary consent to install and maintain in, on or over said premises all such piping and other equipment as are required or necessary to install service line for supplying gas service to the customer whether the piping and equipment be the property of the customer or the Company.

10. REFUSAL OF SERVICE

The Company reserves the right to refuse or to defer full service to an applicant where the existing mains are inadequate to serve the applicant's requirements without adversely affecting the service to customers already connected and being served.

FOR All Service Areas
P.S.C. NO. 10 SHEET NO. 18
Original SHEET NO. 9
CANCELLING P.S.C. NO. 9
Original SHEET NO. 18

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

9. APPLICATION FOR SERVICE

Industrial.
Service to customers engaged primarily in a process which creates or changes raw or unfinished materials into another form or product including the generation of electric power.
manufacturing of electric power generation with a meter larger than an AL425.

10. REFUSAL OF SERVICE

A written application or contract, properly executed, may be required before the Company is obligated to render gas service. The Company shall have the right to reject for valid reasons any such application or contract. All applications for service shall be made in the legal name of the party desiring the service.

Applications for service are not transferable and new occupants of premises will be required to make application for service before commencing the use of gas. Customers who have been receiving gas service shall notify the Company when discontinuance of service is desired and shall pay for all gas until such notice has been given in person, in writing or by telephone and final meter reading is made by the Company.

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DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-06067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
DELTA NATURAL GAS COMPANY, INC. SHEET NO. 20
Name of Issuing Corporation CANCELLING P.S.C. NO. 10
Original SHEET NO. 19
Original

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

11. RENEWAL OF CONTRACT

If, upon the expiration of any service agreement or service contract for a specified term, the customer continues to use the service, the service agreement or service contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon written notice by either party in advance of the expiration date in accordance with the terms set forth in the service agreement or service contract.

12. CUSTOMER'S LIABILITY

The customer shall assume all responsibility for the gas service in or on the customer's premises at and from the point of delivery of gas and for all the piping, appliances and equipment used in connection therewith which are not the property of the Company, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the gross negligence of the Company.

13. ACCESS TO PROPERTY

The Company shall at all reasonable hours have access to meters, service connections and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation or removal of its property at the time service is to be terminated. Any employee of the Company whose duties require the employee to enter the customer's premises shall wear a distinguishing uniform or other insignia, identifying the employee as an employee of the company, or carry a badge or other identification which will identify the employee as an employee of the Company, the same to be shown by the employee upon request.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 10
DELTA NATURAL GAS COMPANY, INC. SHEET NO. 19
Name of Issuing Corporation CANCELLING P.S.C. NO. 9
Original SHEET NO. 19
Original

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

affecting the service to customers already connected and being served.

11. RENEWAL OF CONTRACT

If, upon the expiration of any service agreement or service contract for a specified term, the customer continues to use the service, the service agreement or service contract (unless otherwise provided therein) will be automatically renewed and extended for successive periods of one year each, subject to termination at the end of any year upon written notice by either party in advance of the expiration date in accordance with the terms set forth in the service agreement or service contract.

12. CUSTOMER'S LIABILITY

The customer shall assume all responsibility for the gas service in or on the customer's premises at and from the point of delivery of gas and for all the piping, appliances and equipment used in connection therewith which are not the property of the Company, and will protect and save the Company harmless from all claims for injury or damage to persons or property occurring on the customer's premises or at and from the point of delivery of gas occasioned by such gas or gas service and equipment, except where said injury or damage will be shown to have been caused solely by the gross negligence of the Company.

13. ACCESS TO PROPERTY

The Company shall at all reasonable hours have access to meters, service connections and other property owned by it and located on customer's premises for purposes of installation, maintenance, meter reading, operation or removal of its property at the time service is to be terminated. Any employee of the Company whose duties require the employee to enter the customer's premises shall wear a distinguishing uniform or other insignia, identifying the employee as an employee of the company, or carry a badge or other identification which will identify the employee as an employee of the Company, the same to be shown by the employee upon request.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 21
CANCELLING P.S.C. NO. 10
Original SHEET NO. 20

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

14. CONTINUOUS OR UNIFORM SERVICE

The Company will endeavor to supply gas continuously and without interruption. However, the Company shall not be responsible for damages or otherwise for failure to supply gas for any interruptions of the supply when such failure is without willful fault or neglect on its part.

The Company cannot and does not guarantee either a sufficient supply or an adequate or uniform pressure of the gas supplied and shall not be liable for any damage or loss resulting from inadequate or interrupted supply or from any pressure variations when such conditions are not due to willful fault or neglect on its part.

15. EXCLUSIVE SERVICE

Except in cases where the customer has a special contract with the Company for reserve or auxiliary service, no other fuel service shall be used by the customer on the same installation in conjunction with the Company's service connection, either by means of valves or any other connection.

The customer shall not sell the gas purchased from the Company to any other customer, company or person, and the customer shall not deliver gas purchased from the Company to any connection wherein said gas is to be used on premises not owned or controlled by the customer.

16. DEPOSITS

The Company may require a minimum cash deposit or other guaranty to secure payment of bills except from customers qualifying for service reconnection pursuant to 807 KAR 5:006, Section 15, Winter Hardship Reconnection. Service may be refused or discontinued for failure to pay the requested deposit. Interest, as prescribed by KRS 278.460, will be paid on all sums held on deposit. The interest will be applied as a credit to the customer's bill or will be paid to the customer on an annual basis. If the deposit is refunded or credited to the customer's bill prior to the deposit anniversary date, interest will be paid or credited to the customer's bill on a pro-rated basis. If interest is not paid to the customer or credited to the customer's bill annually, interest will be computed by a method

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 20
CANCELLING P.S.C. NO. 9
Original SHEET NO. 20

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RULES AND REGULATIONS

14. CONTINUOUS OR UNIFORM SERVICE

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FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 21
CANCELLING P.S.C. NO. 9
Original SHEET NO. 21

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which will result in an amount not less than that obtained by using the middle course method between simple and compound interest in compliance with the Commission Order dated October 31, 1989 in Case No. 89-057. Interest on deposits computed in this manner will accrue until paid to the customer or credited to the customer's bill.

The deposit may be waived upon a customer's showing of satisfactory credit or payment history. Required deposits will be credited to the customer's bill between twelve and fifteen months after the month of deposit if the customer has established a satisfactory payment record for that period. If a deposit has been waived or returned and the customer fails to maintain a satisfactory payment record, a deposit may then be required. Upon termination of service, the deposit and any interest earned and owing will be credited to the final bill with any remainder refunded to the customer.

In determining whether a deposit will be required or waived, the following criteria may be considered:

- (1) Previous payment history with the Company. If the customer has no previous history with the Company, statements from other regulated public utilities may be presented by the customer as evidence of good credit.
- (2) Length of time the customer has resided or been located in the area.
- (3) Whether the customer owns the property where service is to be rendered.
- (4) Whether another customer with a good payment history is willing to sign as a guarantor for an amount equal to the required deposit.

If a deposit is held longer than eighteen months, the deposit will be recalculated at the customer's request based on the customer's actual usage for the past twelve months. If the deposit on account differs from the recalculated amount by more than \$10.00 for a residential customer or 10 percent for a non-residential customer, the Company may collect any underpayment and refunds, if any, will be credited to the customer's next

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FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 22
CANCELLING P.S.C. NO. 10
Original SHEET NO. 21

DELTA NATURAL GAS COMPANY, INC.
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CANCELLING P.S.C. NO. 9
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utility bill. No refund will be made if the customer's bill is delinquent at the time of recalculation.

Once each year, a billing insert will be included with the bill advising the customer of the right to request a deposit recalculation.

Residential and small non-residential customers with meters up through AL425 will pay equal deposits in the amount of \$95.00. This amount shall not exceed 2/12ths of the average annual bill.

Large non-residential and industrial customer's deposits shall be based upon actual usage of the customer at the same or similar premises for the most recent twelve month period if such information is available. If usage information is not available, the deposit will be based on the average bills of similar customers and premises in the system. The deposit amount shall not exceed 2/12ths of the customer's actual or estimated annual bill.

17. MONTHLY CUSTOMER CHARGE

A monthly customer charge shall be rendered against every meter installed unless service is discontinued in one customer's name and is not to be re-served at the location.

Special permission may be obtained from the local distribution supervisor for waiving of the monthly customer charge only when initial service is being rendered and no gas except test gas has been passed by the meter.

A full monthly customer charge will be rendered whenever service has been used for more than fifteen (15) days of a billing month, even if the consumption of the customer is zero (0).

If service is used less than fifteen (15) days in a given billing month and any consumption is recorded, the normal billing procedure shall apply.

18. MONTHLY BILLS

Bills for gas service will be rendered monthly unless otherwise specified. The term "month" for billing purposes shall mean the period between any two consecutive readings of the meter by the

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Name of Officer President and CEO

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CASE NO. 2007-00089 DATED

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004

ISSUED BY Glenn R. Jennings TITLE President

Name of Officer Commission of KY in

Issued by authority of an Order of the Public Service Commission of KY in

CASE NO. 2004-00067 DATED November 10, 2004

FOR All Service Areas
 P.S.C. NO. 11
 Original SHEET NO. 24
 CANCELLING P.S.C. NO. 10
 Original SHEET NO. 23

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 P.S.C. NO. 10
 Original SHEET NO. 23
 CANCELLING P.S.C. NO. 9
 Original SHEET NO. 23

DELTA NATURAL GAS COMPANY, INC.
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Company, such reading to be taken as near as practicable approximately every thirty (30) days.
 Bills are due upon rendition and payable within a period not exceeding ten (10) days after the date of mailing.
 Service shall be subject to being discontinued for non-payment of bills after the customer has been given at least ten (10) days written notice separate from the original bill and not before twenty seven (27) days from the mailing date of the original bill.

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 Service shall be subject to being discontinued for non-payment of bills after the customer has been given at least ten (10) days written notice separate from the original bill and not before twenty seven (27) days from the mailing date of the original bill.

The Company may not terminate service to a customer if a medical certificate is presented or if a Certificate of Need from the Cabinet for Human Resources is presented in accordance with 807 KAR 5:006, Section 14 (2)(c) and (3).

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Failure to receive a bill does not exempt a customer from these provisions.
 When the Company is unable to read the meter after a reasonable effort, or where the meter fails to operate, the customer will be billed on an estimated basis and the billing adjusted as necessary.

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 When the Company is unable to read the meter after a reasonable effort, or where the meter fails to operate, the customer will be billed on an estimated basis and the billing adjusted as necessary.

The Company's billing form includes dates served; number of days in period; previous and present meter reading; Ccf usage; net amount due for service rendered; taxes, if applicable; adjustments, if any; special charges; total amount due; account number; billing date; due date; and service address.

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19. BUDGET PAYMENT PLAN

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(T) The Company has a budget payment plan available for its residential and small non-residential customers whereby a customer may elect to pay a monthly amount for the budget year in lieu of monthly billings for actual usage. The monthly budget payment will be determined by the Company based, under normal circumstances, on a minimum of one-twelfth of the estimated annual usage, subject to review and adjustment during the budget year. The normal budget year is the 12 months from August through July, with any amounts to be settled being rolled into the subsequent budget year.

The Company has a budget payment plan available for its residential and commercial customers whereby a customer may elect to pay a monthly amount for the budget year in lieu of monthly billings for actual usage. The monthly budget payment will be determined by the Company based, under normal circumstances, on a minimum of one-twelfth of the estimated annual usage, subject to review and adjustment during the budget year. The normal budget year is the 12 months from August through July, with July as the settlement month.

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FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 24
CANCELLING P.S.C. NO. 9
Original SHEET NO. 24

DELTA NATURAL GAS COMPANY, INC.
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The customer's account may be adjusted through a series of leveled adjustments on a monthly basis if usage or changes in rates indicate that the account will not be current upon payment of the last budget amount.

To be accepted as a budget customer, the account balance must be paid in total before the customer is put on a budget payment plan. It is understood that this budget payment plan will continue until the customer notifies the Company in writing or by telephone to discontinue the plan or if the customer fails to pay bills as rendered under the budget payment plan. The Company reserves the right to revoke the plan and restore the customer to regular billing and require immediate payment of any deficiency.

Failure to receive a bill in no way exempts the customer from the provisions of these terms and conditions.

LOCAL FRANCHISE FEE OR TAX

There shall be added to the customer's bill, as a separate item, an amount equal to the proportionate part of any license, occupation, franchise or other similar fee or tax now or hereafter agreed to or imposed upon the Company by local taxing authorities, whether imposed by ordinance, franchise or otherwise, and which fee or tax is based upon a percentage of the gross receipts, net receipts, or revenues of the Company. Such amount shall be added exclusively to bills of customers receiving service within the territorial limits of the authority imposing the fee or tax. Where more than one such fee or tax is imposed, each of the charges or taxes applicable to each customer shall be added to the customer's bill as separately identified items.

COMPANY-OWNED SERVICE LINES

The Company will install, own, operate and maintain the service line at the premises of residential and commercial customers, if such premises are not connected to a Company main by a service line. With respect to residential and commercial customers that occupy premises already connected to a Company main by a service line, the Company shall be responsible for operating and maintaining the customer service line and when the Company determines that replacement of such customer service line is

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FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 25
CANCELLING P.S.C. NO. 10
Original SHEET NO. 24

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

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RULES AND REGULATIONS

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Original SHEET NO. 25

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
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necessary the Company shall be responsible for installing the service line and shall thereafter own the service line.

Any customer accepting gas service under this section shall be deemed to have granted the Company an easement across his property for such service. No service line shall be installed across private property other than the premises of the building to be supplied with gas; except after special investigation and approval by the Company.

When the length of the service pipe required between the property line and the meter is 100 feet or less, the Company will assess no charge for the service pipe installation.

When the length of required service pipe exceeds 100 feet, the Company may require the applicant to contribute toward the cost of the service line installation an amount equal to the estimated cost per foot for each lineal foot of service beyond 100 feet. Contributions by customers toward the Company's cost of furnishing and installing service lines in accordance with this section are non-refundable.

In the event that the Company is required to undertake any excavation on a customer's property in connection with the installation, repair, maintenance or replacement of a service line, the Company shall make reasonable efforts to restore the property to its original condition pursuant to generally accepted utility standards for such construction operations.

22. COMPANY'S EQUIPMENT AND INSTALLATION

The Company shall furnish, install and maintain at its expense the necessary service connection. The location of this service connection will be made at the discretion and judgment of the Company.

The Company will furnish, install and maintain at its expense the necessary meter, meter stand (including meter riser), regulator and connections which will be located at or near the main service connection, property line or near the building, at the discretion or judgment of the Company. Suitable site or location for the meter, meter stand, (including meter riser), regulator and connections shall be provided by the customer and the title to this equipment shall remain in the Company with the

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P.S.C. NO. 11
Original SHEET NO. 26
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CLASSIFICATION OF SERVICE
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FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 27
CANCELLING P.S.C. NO. 10
Original SHEET NO. 26

DELTA NATURAL GAS COMPANY, INC.
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right to install, operate, maintain and remove same and no charge shall be made by the customer for use of the premises as occupied or used.

23. PROTECTION OF COMPANY'S PROPERTY

All meters, piping and other appliances and equipment furnished by and at the expense of the Company, which may at any time be in or on the customer's premises shall, unless otherwise expressly provided herein, be and remain the property of the Company and the customer shall protect such property from loss or damage and no one who is not an agent of the Company shall be permitted to remove such property or to tamper with or damage same.

24. CUSTOMER'S EQUIPMENT AND INSTALLATION

The customers shall furnish, install and maintain at their expense the necessary housewiring, connections and appliances and same shall be installed in accordance with the requirements and specifications of "INSTALLATION OF GAS PIPING AND GAS EQUIPMENT" as compiled and approved by the American National Standards Institute, the National Board of Fire Underwriters, The American Gas Association and other similar bodies, which is now contained in the National Fuel Gas Code (ANSI Z 223.1-1980) and any revisions thereof which are herewith incorporated by reference as a part of the Company's Rules and Regulations where applicable and when not in conflict with the requirements of the constituted authorities.

All appliances must be approved by a standard testing laboratory or agency and installed in accordance with the manufacturer and/or NFPA 54 guidelines.

Suitable pressure regulators shall be installed by, or at the expense of, the customer on all heating appliances and special equipment which have an hourly input of 50,000 BTU or higher; pressure regulators shall also be installed on all appliances with lower inputs where provided or recommended by the manufacturer or where necessary, at the discretion of the Company, to provide better and safer gas utilization and service.

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FOR All Service Areas
P.S.C. NO. 11 SHEET NO. 28
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CANCELLING P.S.C. NO. Original SHEET NO. 27

DELTA NATURAL GAS COMPANY, INC.
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All of the customer's piping, connections and appliances shall be suitable for the purposes thereof and shall be maintained by the customer at his expense at all times in a good, safe and serviceable condition.

The Company shall inspect the condition of the meter and service connections before making service connections to a new customer pursuant to 807 KAR 5:006, Section 13(3). The Company shall not assume any responsibility and shall not be held liable in any way for the making of any periodic inspection of the customer's piping, connections or appliances or for the customer's failure to properly and safely install, operate and maintain same.

25. NOTICE OF ESCAPING GAS OR UNSAFE CONDITIONS

Immediate notice must be given by the customer to the office or employees of the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in the piping and equipment of either the Company or the customer which are on the customer's premises.

No flames or lights are to be taken near any escape of gas and the gas must be shut off at the meter cock or valve until hazard is eliminated and the gas service is not to be turned on again except by a Company employee.

The Company will not be responsible or assume any liability for any injury, loss or damage which may arise from the carelessness or negligence of the customer or his agents or representatives.

26. TURNING OFF GAS SERVICE AND RESTORING SAME

The gas service may be turned off at the meter when justified by the customer or his agent or any constituted authorities but no person, unless in the employ of the Company or having permission from the Company, shall turn the gas on or restore service.

27. CHARACTER OF SERVICE

In accordance with 807 KAR 5:022, Section 16, the Company will normally supply natural gas having a heating value of approximately one thousand seventy (1,070) BTU per cubic foot and a specific gravity of approximately sixty-two hundredths (0.62). However, when necessary to supplement the supply of

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007

ISSUED BY Glenn R. Jennings TITLE Chairman of the Board
President and CEO

Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 10 SHEET NO. 27
Original SHEET NO. 9
CANCELLING P.S.C. NO. Original SHEET NO. 27

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All of the customer's piping, connections and appliances shall be suitable for the purposes thereof and shall be maintained by the customer at his expense at all times in a good, safe and serviceable condition.

The Company shall inspect the condition of the meter and service connections before making service connections to a new customer pursuant to 807 KAR 5:006, Section 13(3). The Company shall not assume any responsibility and shall not be held liable in any way for the making of any periodic inspection of the customer's piping, connections or appliances or for the customer's failure to properly and safely install, operate and maintain same.

25. NOTICE OF ESCAPING GAS OR UNSAFE CONDITIONS

Immediate notice must be given by the customer to the office or employees of the Company if any escaping gas or unsafe conditions are detected or any defects or improper installations are discovered in the piping and equipment of either the Company or the customer which are on the customer's premises.

No flames or lights are to be taken near any escape of gas and the gas must be shut off at the meter cock or valve until hazard is eliminated and the gas service is not to be turned on again except by a Company employee.

The Company will not be responsible or assume any liability for any injury, loss or damage which may arise from the carelessness or negligence of the customer or his agents or representatives.

26. TURNING OFF GAS SERVICE AND RESTORING SAME

The gas service may be turned off at the meter when justified by the customer or his agent or any constituted authorities but no person, unless in the employ of the Company or having permission from the Company, shall turn the gas on or restore service.

27. CHARACTER OF SERVICE

In accordance with 807 KAR 5:022, Section 16, the Company will normally supply natural gas having a heating value of approximately one thousand seventy (1,070) BTU per cubic foot and a specific gravity of approximately sixty-two hundredths (0.62). However, when necessary to supplement the supply of

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004

ISSUED BY Glenn R. Jennings TITLE President

Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 28
CANCELLING P.S.C. NO. 9
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natural gas, the Company reserves the right, at its discretion, to supply an interchangeable mixture of vaporized liquefied petroleum gas and air or a combination of same with natural gas.

MEASUREMENT BASE

The Company, in accordance with 807 KAR 5:022, Section 8, utilizes an appropriate measurement base in all service areas. The rates of the Company are based upon gas delivered to the customer on a basis of four (4) ounces per square inch above an assumed atmospheric pressure of fourteen and four-tenths (14.4) pounds per square inch or fourteen and sixty-five hundredths (14.65) pounds per square inch absolute pressure at an assumed temperature of sixty (60) degrees Fahrenheit; provided, however, the Company reserves the right to correct as necessary the actual temperatures to sixty (60) degrees Fahrenheit basis in the cases of large volume industrial customers.

All gas measured at pressures higher than standard pressure for low pressure distribution systems shall be corrected to a pressure base of fourteen and sixty-five hundredths (14.65) pounds per square inch absolute.

GAS MEASUREMENT

The gas consumed shall be measured by a meter or meters to be installed by the Company upon the customer's premises at a point most accessible or convenient for the Company and all bills shall be calculated upon the registration of said meter or meters except as hereinafter provided. If more than one meter is installed for the same or different classes of service at different locations on the customer's premises, each meter shall be considered separately in calculating the amount of any bills, except in those cases where the Company elects to install dual metering facilities in order to assure accurate measurement of all gas consumed. Meter readings may be combined and one bill rendered under these conditions. Meters include all measuring instruments and equipment.

All residences, commercial buildings or other occupied buildings shall have separate meters even if under the same roof, except in cases of multi-occupants under the same roof with a common entrance or within an enclosure or mobile home park where it is unreasonable or uneconomical to measure each unit separately.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
ISSUED BY Glenn R. Jennings TITLE President

Name of Officer
Issued by authority of an Order of the Public Service Commission of KY in
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FOR All Service Areas
P.S.C. NO. 11
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CANCELLING P.S.C. NO. 10
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All residences, commercial buildings or other occupied buildings shall have separate meters even if under the same roof, except in cases of multi-occupants under the same roof with a common entrance or within an enclosure or mobile home park where it is unreasonable or uneconomical to measure each unit separately.

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ISSUED BY Glenn R. Jennings TITLE Chairman of the Board

Name of Officer
Issued by authority of an Order of the Public Service Commission of KY in
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Original SHEET NO. 30
CANCELLING P.S.C. NO. 10
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When customers are served from high pressure lines, the meters, regulators and safety devices shall be located as near to the Company's main as is practicable.

When customers are served from high pressure lines, the meters, regulators and safety devices shall be located as near to the Company's main as is practicable.

30. METERING

Unless otherwise specified, a residential, commercial or industrial consumer shall be interpreted to mean a customer served through an individual meter.

Unless otherwise specified, a residential, commercial or industrial consumer shall be interpreted to mean a customer served through an individual meter.

A multiple unit dwelling shall be interpreted to mean two or more consumers or dwelling units, such as apartments, trailers or mobile homes within a trailer park.

A multiple unit dwelling shall be interpreted to mean two or more consumers or dwelling units, such as apartments, trailers or mobile homes within a trailer park.

A master meter shall be interpreted to mean one meter servicing a trailer or mobile home park or a multiple unit dwelling; the Company reserves the right to charge a minimum monthly rate per mobile home or trailer or individual consumer within a multiple unit dwelling served through a master meter.

A master meter shall be interpreted to mean one meter servicing a trailer or mobile home park or a multiple unit dwelling; the Company reserves the right to charge a minimum monthly rate per mobile home or trailer or individual consumer within a multiple unit dwelling served through a master meter.

Any time a master meter is used for rendering services, the Company shall require the execution of a service agreement in writing, which agreement, among other things, shall specify the number of customers served through such master meter.

Any time a master meter is used for rendering services, the Company shall require the execution of a service agreement in writing, which agreement, among other things, shall specify the number of customers served through such master meter.

31. POINT OF DELIVERY OF GAS

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from outlet of the meter to customer's yard line or house piping.

31. POINT OF DELIVERY OF GAS

The point of delivery of gas supplied by the Company shall be at the point where the gas passes from outlet of the meter to customer's yard line or house piping.

32. MCF
"Mcf" is defined as 1,000 cubic feet at the measurement base.

32. MCF
"Mcf" is defined as 1,000 cubic feet at the measurement base.

(T) 33. CCF
"Ccf" is defined as 100 cubic feet at the measurement base.

33. DTH
"Dth" is defined as 1,000,000 BTUs.

34. DTH
"Dth" is defined as 1,000,000 BTUs.

34. CUSTOMER'S DISCONTINUANCE OF SERVICE
Reference 807 KAR 5:006, Section 12.

(T) 35. DELTA
"Delta" or "the Company" shall mean Delta Natural Gas Company, Inc.

35. COMPANY'S DISCONTINUANCE OF SERVICE FOR CAUSE
Reference 807 KAR 5:006, Section 14.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004

ISSUED BY Glenn R. Jennings TITLE Chairman of the Board

ISSUED BY Glenn R. Jennings TITLE President

Name of Officer President and CEO

Name of Officer

Issued by authority of an Order of the Public Service Commission of KY in

Issued by authority of an Order of the Public Service Commission of KY in

CASE NO. 2007-00089 DATED

CASE NO. 2004-00067

DATED November 10, 2004

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Original SHEET NO. 29630

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Original SHEET NO. 30
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First Revised SHEET NO. 30

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36. CUSTOMER'S DISCONTINUANCE OF SERVICE
Reference 807 KAR 5:006, Section 12.

36. SPECIAL RULES AND CUSTOMERS SERVED FROM TRANSMISSION MAINS AND
GATHERING MAINS

37. COMPANY'S DISCONTINUANCE OF SERVICE FOR CAUSE
Reference 807 KAR 5:006, Section 14

Applicability - These special rules for customers served from transmission mains and gathering mains shall be applicable to the Company's service area set forth in the Company's rules and regulations as filed with and approved by the Public Service Commission.

38. SPECIAL RULES AND CUSTOMERS SERVED FROM TRANSMISSION MAINS AND
GATHERING MAINS

Transmission Mains - In addition to the standard Rules and Regulations as applicable to 807 KAR 5:022, Section 7, the following special Rules and Regulations shall apply to all customers served directly from the high pressure transmission mains.

Applicability - These special rules for customers served from transmission mains and gathering mains shall be applicable to the Company's service area set forth in the Company's rules and regulations as filed with and approved by the Public Service Commission.

Transmission Mains - In addition to the standard Rules and Regulations as applicable to 807 KAR 5:022, Section 7, the following special Rules and Regulations shall apply to all customers served directly from the high pressure transmission mains.

All meters, regulators, equipment and connections necessary to serve the customer from high pressure transmission line shall be installed on the customer's premises at or as near the transmission line as is practicable.

Suitable site or location for the equipment owned by the Company or the owner of the line shall be provided and furnished by the customer without any expense to the Company. The Company shall have the right of ingress, egress and regress to and from this location at any time without any expense or charges from the customer.

The customer's yard line extending from the outlet of the meter shall be installed and maintained by the customers at their expense.

The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.

Gathering Lines - The following sections of 807 KAR 5:022 shall not apply to natural gas service to the Company's customers being served pursuant to KRS 278.485 or other retail customers being

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CASE NO. 2007-00089 DATED

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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Transmission Mains - In addition to the standard Rules and Regulations as applicable to 807 KAR 5:022, Section 7, the following special Rules and Regulations shall apply to all customers served directly from the high pressure transmission mains.

All meters, regulators, equipment and connections necessary to serve the customer from high pressure transmission line shall be installed on the customer's premises at or as near the transmission line as is practicable.

Suitable site or location for the equipment owned by the Company or the owner of the line shall be provided and furnished by the customer without any expense to the Company. The Company shall have the right of ingress, egress and regress to and from this location at any time without any expense or charges from the customer.

The customer's yard line extending from the outlet of the meter shall be installed and maintained by the customers at their expense.

The customer shall notify the Company promptly of any leaks in the transmission line or equipment, also, of any hazards or damages to same.

Gathering lines - The following sections of 807 KAR 5:022 shall not apply to natural gas service to the Company's customers being served pursuant to KRS 278.485 or other retail customers being provided natural gas service directly from transmission or gathering lines:

Section 9, subsections 2(b) through (f), subsections (15) and (17);

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Original 10 SHEET NO. 30A
CANCELLING P.S.C. NO. 9
Original 30A SHEET NO. 30A

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- provided natural gas service directly from transmission or gathering lines:
- ❖ Section 9, subsections 2(b) through (f), subsections (16) and (17);
- ❖ Section 13, subsections (14), (15) and (16);
- ❖ Section 14, subsection (22);
- ❖ Section 15, and
- ❖ Section 16.

- ❖ Section 13, subsections (14), (15) and (16);
- ❖ Section 14, subsection (22);
- ❖ Section 15; and
- ❖ Section 16.

The Company shall make all reasonable efforts to prevent interruptions of service and if interruptions occur, shall endeavor to reestablish service with the shortest possible delay consistent with the safety of its consumers and the general public. Planned interruptions shall always be preceded by adequate notice to all affected customers.

The Company shall make all reasonable efforts to prevent interruptions of service and if interruptions occur, shall endeavor to reestablish service with the shortest possible delay consistent with the safety of its consumers and the general public. Planned interruptions shall always be preceded by adequate notice to all affected customers.

The Company shall provide service to gathering line customers pursuant to 807 KAR 5:026. Customers requesting service from a gathering line shall complete Form 910, "Application for Service on Gathering System." Prospective gathering line customers shall be advised (1) of the possibility of service interruptions due to the unprocessed nature of the gas, and (2) that upon the discontinuance of the gathering of gas through the gathering line or low flowing pressures resulting from the depletion of the wells feeding that gathering line or other reasons affecting pressure and/or volumes of gas, service is subject to interruption or discontinuance.

The Company shall provide service to gathering line customers pursuant to 807 KAR 5:026. Customers requesting service from a gathering line shall complete Form 910, "Application for Service on Gathering System." Prospective gathering line customers shall be advised (1) of the possibility of service interruptions due to the unprocessed nature of the gas, and (2) that upon the discontinuance of the gathering of gas through the gathering line or low flowing pressures resulting from the depletion of the wells feeding that gathering line or other reasons affecting pressure and/or volumes of gas, service is subject to interruption or discontinuance.

39. SPECIAL PROVISIONS - LARGE VOLUME CUSTOMERS

Industrial, commercial or other customers using large volumes of gas on a varying basis shall install and maintain at their expense adequate piping and suitable regulating and control equipment to provide reasonable and practical limitation of intermittence or fluctuation in the pressure, volume or flow of gas and shall so regulate and control their operations and the use of gas hereunder so as not to interfere with gas service being furnished to them or to any other customers or with the proper and accurate metering of gas at their existing location or any other location.

Industrial, commercial or other customers using large volumes of gas on a varying basis shall install and maintain at their expense adequate piping and suitable regulating and control equipment to provide reasonable and practical limitation of intermittence or fluctuation in the pressure, volume or flow of gas and shall so regulate and control their operations and the use of gas hereunder so as not to interfere with gas service being furnished to them or to any other customers or with the proper and accurate metering of gas at their existing location or any other location.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board
Name of Officer President and CEO
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CASE NO. 2007-00089 DATED

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
ISSUED BY Glenn R. Jennings TITLE President
Name of Officer President
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2004-00067 DATED November 10, 2004

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CANCELLING P.S.C. NO. 10
Original SHEET NO. 31

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CANCELLING P.S.C. NO. 9
Original SHEET NO. 31

DELTA NATURAL GAS COMPANY, INC.
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40. MONITORING OF CUSTOMER USAGE

38. MONITORING OF CUSTOMER USAGE

The Company monitors each customer's usage on a monthly basis in order to detect unusual deviations in individual customer consumption. Prior to each monthly billing, the Company compares the customer's current consumption with prior usage. Should an unusual deviation in the customer's consumption be found, the Company makes a reasonable attempt to determine the reason for the unusual deviation including re-reading the meter and testing the meter if required.

The Company monitors each customer's usage on a monthly basis in order to detect unusual deviations in individual customer consumption. Prior to each monthly billing, the Company compares the customer's current consumption with prior usage. Should an unusual deviation in the customer's consumption be found, the Company makes a reasonable attempt to determine the reason for the unusual deviation including re-reading the meter and testing the meter if required.

If the cause for usage deviation cannot be determined from analysis of the customer's meter reading and billing records the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume or known leaks in the customer's service line.

If the cause for usage deviation cannot be determined from analysis of the customer's meter reading and billing records the Company will contact the customer by telephone or in writing to determine whether there have been changes such as different number of household members or work staff, additional or different appliances, changes in business volume or known leaks in the customer's service line.

The Company will notify the customer of the investigation, its findings and any refunds or backbilling in accordance with 807 KAR 5:006, Section 10 (4) and (5).

The Company will notify the customer of the investigation, its findings and any refunds or backbilling in accordance with 807 KAR 5:006, Section 10 (4) and (5).

41. DISTRIBUTION MAIN EXTENSIONS

39. DISTRIBUTION MAIN EXTENSIONS

The Company will make extensions from its existing distribution mains in all of its service areas in accordance with 807 KAR 5:022, Section 9.

The Company will make extensions from its existing distribution mains in all of its service areas in accordance with 807 KAR 5:022, Section 9.

All extensions will be made dependent on the economic feasibility of the extension. Title to all extensions shall be and remain with the Company. In the event a deposit is placed with the Company, the amount of the refund shall not exceed the original deposit.

All extensions will be made dependent on the economic feasibility of the extension. Title to all extensions shall be and remain with the Company. In the event a deposit is placed with the Company, the amount of the refund shall not exceed the original deposit.

Nothing contained herein shall be construed as to prohibit the Company from making at its expense greater extensions to its distribution mains or the granting of more favorable terms than herein prescribed, should its judgment so dictate, provided like extensions are made for other customers or subscribers under similar conditions.

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Name of Officer
Issued by authority of an Order of the Public Service Commission of KY in
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CANCELLING P.S.C. NO. 10
Original SHEET NO. 32

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Original SHEET NO. 32

CLASSIFICATION OF SERVICE
RATE SCHEDULES

WEATHER NORMALIZATION ADJUSTMENT CLAUSE APPLICABLE TO
RESIDENTIAL AND SMALL NON-RESIDENTIAL GENERAL SERVICE RATE SCHEDULES

WEATHER NORMALIZATION ADJUSTMENT (WNA)

The sales to residential and small non-residential customers shall be increased or decreased monthly by an amount hereinafter described as the Weather Normalization Adjustment (WNA).

DETERMINATION OF WNA

A Weather Normalization Adjustment Factor (WNAF) shall be utilized during the December through April billing months to calculate the non-gas portion of the bills of all residential and small non-residential heating customers. During the remainder of the year, May through November, the monthly bills shall be computed solely on actual consumption.

WEATHER NORMALIZATION ADJUSTMENT WILL BE CALCULATED USING THE FOLLOWING FORMULA:

$$WNA = WNAF * Actual Ccf * Base Rate Charge$$

An average daily base load will be determined separately for residential and small non-residential customers. The average daily base load will remain the same for the WNA December - April billing months. WNA will be billed for 5 billing periods.

An Average Monthly Base Load (AMBL) for residential or small non-residential customers will be calculated by using total Ccf for two month non-heat usage (August/September) divided by total number of residential or small non-residential customers billed for the two month period.

$$AMBL = CCF / NUMBER OF CUSTOMER$$

To calculate the Average Daily Base Load (ADBL), divide the Average Monthly Base Load by the average number of days in the two-month non-heat billing cycle.

$$ADBL = AMBL / AVERAGE \# DAYS$$

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CLASSIFICATION OF SERVICE
RATE SCHEDULES

WEATHER NORMALIZATION ADJUSTMENT CLAUSE APPLICABLE TO
RESIDENTIAL AND SMALL NON-RESIDENTIAL GENERAL SERVICE RATE SCHEDULES

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The sales to residential and small non-residential customers shall be increased or decreased monthly by an amount hereinafter described as the Weather Normalization Adjustment (WNA).

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WEATHER NORMALIZATION ADJUSTMENT WILL BE CALCULATED USING THE FOLLOWING FORMULA:

$$WNA = WNAF * Actual Mcf * Base Rate Charge$$

An average daily base load will be determined separately for residential and small non-residential customers. The average daily base load will remain the same for the WNA December - April billing months. WNA will be billed for 5 billing periods.

An Average Monthly Base Load (AMBL) for residential or small non-residential customers will be calculated by using total Mcf for two month non-heat usage (August/September) divided by total number of residential or small non-residential customers billed for the two month period.

$$AMBL = MCF / NUMBER OF CUSTOMER$$

To calculate the Average Daily Base Load (ADBL), divide the Average Monthly Base Load by the average number of days in the two-month non-heat billing cycle.

$$ADBL = AMBL / AVERAGE \# DAYS$$

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Name of Officer
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FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 35
CANCELLING P.S.C. NO. 10
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DELTA NATURAL GAS COMPANY, INC.
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WEATHER NORMALIZATION ADJUSTMENT CLAUSE APPLICABLE TO
RESIDENTIAL AND SMALL NON-RESIDENTIAL GENERAL SERVICE RATE SCHEDULES

Base Load (BL) is determined by multiplying the Average Daily Base Load per residential or small non-residential customer by the number of days in the billing cycle times the number of residential or small non-residential customers in the billing cycle.

BL = ADBL * # DAYS IN BILLING CYCLE * # CUSTOMERS IN BILLING CYCLE
The heat load is then determined by subtracting the residential or small non-residential customer's base load from the total Ccf billed in the billing cycle.

HL = CCF BILLED IN CYCLE - BL
A Heating Degree Factor (HDF) is then determined by dividing the Normal Degree-Days (NDD) for the billing cycle by the Actual Degree-Days (ADD) in the billing cycle.

HDF = NDD / ADD
The Weather Normalization Adjustment Consumption (WNAC) is computed by multiplying the Heating Degree Factor times the Heat Load and adding the Base Load to that number.

WNAC = HDF * HL + BL
The Weather Normalization Adjustment Factor is then calculated by dividing the WNA Consumption by the total Ccf billed in the cycle.

WNAF = WNAC / CCF
The WNAF will be recomputed monthly based on company averages. If the WNAF is less than 1.0, the customer's billed amount will be less than the actual amount would have been. If the WNAF is greater than 1.0 the customer's billed amount will be more than the actual amount would have been. The customer's bill is calculated by multiplying the actual Ccf usage by the WNAF times the base rate charge as set forth on Sheet No. 2 of this tariff.

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CLASSIFICATION OF SERVICE
RATE SCHEDULES

WEATHER NORMALIZATION ADJUSTMENT CLAUSE APPLICABLE TO
RESIDENTIAL AND SMALL NON-RESIDENTIAL GENERAL SERVICE RATE SCHEDULES

Base Load (BL) is determined by multiplying the Average Daily Base Load per residential or small non-residential customer by the number of days in the billing cycle times the number of residential or small non-residential customers in the billing cycle.

BL = ADBL * # DAYS IN BILLING CYCLE * # CUSTOMERS IN BILLING CYCLE
The heat load is then determined by subtracting the residential or small non-residential customer's base load from the total Mcf billed in the billing cycle.

HL = MCF BILLED IN CYCLE - BL
A Heating Degree Factor (HDF) is then determined by dividing the Normal Degree-Days (NDD) for the billing cycle by the Actual Degree-Days (ADD) in the billing cycle.

HDF = NDD / ADD
The Weather Normalization Adjustment Consumption (WNAC) is computed by multiplying the Heating Degree Factor times the Heat Load and adding the Base Load to that number.

WNAC = HDF * HL + BL
The Weather Normalization Adjustment Factor is then calculated by dividing the WNA Consumption by the total Mcf billed in the cycle.

WNAF = WNAC / MCF
The WNAF will be recomputed monthly based on company averages. If the WNAF is less than 1.0, the customer's billed amount will be less than the actual amount would have been. If the WNAF is greater than 1.0 the customer's billed amount will be more than the actual amount would have been. The customer's bill is calculated by multiplying the actual Mcf usage by the WNAF times the base rate charge as set forth on PSC No. 9, Sheet No. 2 of this tariff.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 1, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 10
Original 10 SHEET NO. 34
CANCELLING P.S.C. NO. _____
SHEET NO. _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

Rider for Gas Technology Institute Research and Development

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16. This tariff applies to all gas sold by Delta under Delta's residential (Tariff sheet no. 2), small non-residential (tariff sheet no. 3), large non-residential (tariff sheet no. 4) and interruptible (tariff sheet no. 5) rate schedules. It also applies to transportation by Delta under Delta's on system transportation (tariff sheet no. 6) rate schedule.

GTI R&D Unit Charge

The intent of the Gas Technology Institute Research and Development (GTI R&D) Unit Charge is to maintain the Company's level of contribution at the calendar year 2003 funding amount of approximately \$12,347. The Unit Charge will be billed effective February 1, 2005 at the rate of \$0.002 per Mcf.

WAIVER PROVISION

The GTI R&D Unit Charge may be reduced for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission. Any such waiver shall not increase the GTI R&D Unit Charge to the remaining classifications of service or rate schedules without Commission approval.

REMITTANCE OF FUNDS

All funds collected under this rider will be remitted to Gas Technology Institute on an annual basis. The amounts so remitted shall be reported to the Commission annually.

TERMINATION OF THIS RIDER

Participation in the GTI R&D funding program is voluntary on the part of the Company. The Company may terminate this rider at any time by filing a notice of rescission with the Commission.

DATE OF ISSUE November 11, 2004 DATE EFFECTIVE October 7, 2004
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. 2004-00067 DATED November 10, 2004

FOR All Service Areas
P.S.C. NO. 11
Original 10 SHEET NO. 36
CANCELLING P.S.C. NO. _____
SHEET NO. 34

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

RIDER FOR GAS TECHNOLOGY INSTITUTE RESEARCH AND DEVELOPMENT

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17. This tariff applies to all gas sold by Delta under Delta's residential (Tariff Sheet No. 2), small non-residential (Tariff Sheet No. 3), large non-residential (Tariff Sheet No. 4) and interruptible (Tariff Sheet No. 5-6) rate schedules. It also applies to transportation by Delta under Delta's on system transportation (Tariff Sheet No. 7-9) rate schedule.

GTI R&D Unit Charge

The intent of the Gas Technology Institute Research and Development (GTI R&D) Unit Charge is to maintain the Company's level of contribution at the calendar year 2003 funding amount of approximately \$12,347. The Unit Charge will be billed effective February 1, 2005 at the rate of \$0.0002 per Ccf.

WAIVER PROVISION

The GTI R&D Unit Charge may be reduced for one or more classifications of service or rate schedules at any time by the Company by filing notice with the Commission. Any such waiver shall not increase the GTI R&D Unit Charge to the remaining classifications of service or rate schedules without Commission approval.

REMITTANCE OF FUNDS

All funds collected under this rider will be remitted to Gas Technology Institute on an annual basis. The amounts so remitted shall be reported to the Commission annually.

TERMINATION OF THIS RIDER

Participation in the GTI R&D funding program is voluntary on the part of the Company. The Company may terminate this rider at any time by filing a notice of rescission with the Commission.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 29, 2007
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board

Name of Officer _____
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. 2007-00089 DATED _____

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 37
CANCELLING P.S.C. NO. 10
Original SHEET NO. 35

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 10
Original SHEET NO. 35
CANCELLING P.S.C. NO. SHEET NO.

CLASSIFICATION OF SERVICE
RATE SCHEDULES

ENERGY ASSISTANCE PROGRAM RIDER
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

ENERGY ASSISTANCE PROGRAM

An Energy Assistance Program ("EAP") surcharge of 50.20 per month will be applied to all residential bills rendered under the Residential Rate Schedule. It shall be added to Delta's existing customer charge as set forth on Sheet No. 2 of this tariff. Proceeds from the EAP surcharge will help fund a bill credit to enrolled low-income customers. It is available to eligible residential customers in the Company's service territory subject to enrollment through local community action agencies and subject to available funding.

CLASSIFICATION OF SERVICE
RATE SCHEDULES

ENERGY ASSISTANCE PROGRAM RIDER
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

ENERGY ASSISTANCE PROGRAM

An Energy Assistance Program ("EAP") surcharge of 50.20 per month will be applied to all residential bills rendered under the Residential Rate Schedule. It shall be added to Delta's existing customer charge as set forth on Sheet No. 2 of this tariff. Proceeds from the EAP surcharge will help fund a bill credit to enrolled low-income customers. It is available to eligible residential customers in the Company's service territory subject to enrollment through local community action agencies and subject to available funding.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

DATE OF ISSUE February 6, 2006 DATE EFFECTIVE February 1, 2006
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. 2005-00464 DATED February 1, 2006

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 38
CANCELLING P.S.C. NO. SHEET NO.

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

(N)

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17
This tariff applies to all gas sold by Delta under Delta's residential
tariff (Tariff Sheet No. 2).

CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY COMPONENT (CEPRC)

Delta's Conservation/Efficiency Program (the Program) is a demand-side
management program established to promote conservation and the
efficient use of natural gas by Delta's residential customers.

The sales to residential customers shall be increased monthly by an
amount hereinafter described as the Conservation/Efficiency Program
Cost Recovery Component (CEPRC), which allows Delta to recover costs
associated with the Program.

DETERMINATION OF CEPRC

The Company shall file an annual report with the Commission which
shall contain updated CEPRC rates at least thirty (30) days prior to
the effective date of the new rates. The annual amount computed under
the Conservation/Efficiency Program Cost Recovery Component shall be
collected based on the CEPRC amount divided by the expected usage for
the upcoming program year. For purposes of determining the CEPRC, the
program year is defined as the twelve months ended October 31, with
rates effective as of the following February 1. The amounts billed
under the CEPRC will be computed solely on actual consumption.

The CEPRC is calculated using the following formula:

$$\text{CEPRC} = \text{CEPCR} + \text{CEPLS} + \text{CEPI} + \text{CEPBA}$$

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 39
CANCELLING P.S.C. NO. SHEET NO.

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

(N) Whereby:

CEPCR = CONSERVATION/EFFICIENCY COST RECOVERY

The CEPCR shall include all actual costs which have been approved by the Commission for each twelve month period for conservation/efficiency programs of the Company "approved programs". Such program costs shall include the cost of planning, developing, implementing, monitoring, and evaluating CEP programs. In addition, all costs incurred including, but not limited to, costs for consultants, employees and administrative expenses, will be recovered through the CEPCR.

CEPLS = CEP REVENUE FROM LOST SALES

Revenues from lost sales due to CEP programs implemented on and after the effective date of this tariff will be recovered as follows:

The estimated reduction in customer usage (in Ccf) as a result of the approved programs for the previous twelve months shall be multiplied by the non-variable revenue requirement per Ccf for purposes of determining the lost revenue to be recovered hereunder. Non-variable revenue requirement is base rate charged to the applicable rate class under this tariff.

The aggregate lost revenues attributable to the program participant shall be divided by the estimated residential sales (in Ccf) for the upcoming twelve-month period to determine the applicable CEPLS surcharge.

Recovery of revenues from lost sales calculated for a twelve-month period shall be included in the CEPLS until the implementation of new base rates pursuant to a general rate case. For recovery purposes, the lost sales revenues will be assigned to the rate classes whose programs resulted in the lost sales.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 11 SHEET NO. 40
Original
CANCELLING P.S.C. NO.
SHEET NO.

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

(N) CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

Revenues collected hereunder are based on engineering estimates of energy savings, actual program participation and estimated sales for the upcoming twelve-month period. At the end of each such period, any difference between the lost revenues actually collected hereunder and the lost revenues determined after any revisions of the engineering estimates and actual program participation are accounted for shall be reconciled in future billings under the CEP Balance Adjustment (CEPBA) component.

CEPI = CEP INCENTIVE

For all Conservation/Efficiency Programs, the CEP incentive amount shall be computed by multiplying the net resource savings estimated from the approved programs times fifteen (15) percent. Net resource savings are defined as program benefits less utility program costs and participant costs where program benefits will be calculated on the basis of the present value of Delta's avoided commodity costs over the expected life of the program.

The CEP incentive amount shall be divided by the expected Ccf sales for the upcoming twelve month period to determine the CEPI. CEP incentive amounts will be assigned for recovery purposes to the rate classes whose programs created the incentive.

CEPBA = CEP BALANCE ADJUSTMENT

The CEPBA shall be calculated on a twelve month basis and is used to reconcile the difference between the amount of revenues actually billed through the CEPBA, CEPLS, CEPI and previous application of the CEPBA and the revenues which should have been billed.

The program has an October year-end with rates effective February 1.

The CEPBA is the sum of the following components:

- * The amount estimated to be recovered during the current program year from February 1 through October 31 less actual recovery.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 11
Original SHEET NO. 41
CANCELLING P.S.C. NO. _____
SHEET NO. _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

CONSERVATION/EFFICIENCY PROGRAM COST RECOVERY
APPLICABLE TO RESIDENTIAL RATE SCHEDULE

(N)

- The amount estimated to be recovered during the prior program year from November 1 through January 31 less actual recovery.
- The balance adjustment amounts determined on the basis of the above paragraphs (1) and (2) shall include interest to be calculated at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period.

The balance adjustment amounts, plus interest, shall be divided by the expected Ccf sales for the upcoming twelve-month period to determine the CEPBA for each rate class.

Modifications to CEPRC

The filing of modifications to the CEPRC which require changes in the CEPRC component shall be made at least two months prior to the beginning of the effective period for billing. Modifications to other components of the CEPRC shall be made at least thirty days prior to the effective period for billing. Each filing shall include the following information as applicable:

(1) A detailed description of each CEP program, the total cost of each program over the previous twelve month period and budgeted costs for the next program year, an analysis of expected resource savings, information concerning the specific CEP or efficiency measures to be installed, and any applicable studies which have been performed, as available.

(2) A statement setting forth the detailed calculation of the CEPRC, CEPPLS, CEPI, CEPBA and CEPRC.

Each change in the CEPRC shall be placed into effect with bills rendered on and after the effective date of such change.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED _____

FOR All Service Areas
P.S.C. NO. 11 SHEET NO. 42
Original
DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation
CANCELLING P.S.C. NO.
SHEET NO.

CLASSIFICATION OF SERVICE
RATE SCHEDULES

(N) EXPERIMENTAL CUSTOMER RATE STABILIZATION ("CRS") MECHANISM
APPLICABLE TO ALL GAS SOLD UNDER THIS TARIFF

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17. This tariff applied to all gas sold by Delta under Delta's residential (Tariff Sheet No. 2), small non-residential (Tariff Sheet No. 3), large non-residential (Tariff Sheet No. 4) and interruptible (Tariff Sheet No. 5-6) rate schedules. It also applies to transportation by Delta under Delta's on system transportation (Tariff Sheet No. 7-9) rate schedule.

OVERVIEW

The Customer Rate Stabilization (CRS) Mechanism ensures stable and equitable rates for Delta's general service and on-system transportation customers by adjusting rates without the ratepayers having to pay for frequent and costly rate cases. This mechanism is designed to provide annual earnings transparency and ensure customers that the rates being charged are and will remain at the appropriate level. If, through the implementation of the provisions of this mechanism, it is determined that rates should be decreased or increased, then rates will be adjusted accordingly in the manner as set forth herein.

DEFINITIONS

- a) Annual Evaluation Date - the date the Company will make its annual filing under this mechanism. The Annual Evaluation Date shall be no later than September 15 of each year
- b) Evaluation Period - the twelve month period ending June 30 of each year
- c) Rate Effective Period - the twelve month period in which rates determined under this mechanism shall be in effect. The rate effective period shall run from November 1 to October 31.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR ALL Service Areas
P.S.C. NO. 11
Original SHEET NO. 43
CANCELLING P.S.C. NO. SHEET NO.

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

EXPERIMENTAL CUSTOMER RATE STABILIZATION ("CRS") MECHANISM
APPLICABLE TO ALL GAS SOLD UNDER THIS TARIFF

(N)

RATE MECHANISM

The Company shall file with the Commission the schedules specified below for the twelve month period ending June 30 of each year (the "Evaluation Period"), with the filing to be made no later than the following September 15. The schedules will include the following:

- a) The schedules shall show the utility's depreciation expense, operating and maintenance expense, income taxes, taxes other than income taxes, and other components of income for return, its revenues, and its capital structure, rate base, cost of debt, overall cost of capital, and return on common equity as established in the final rate order in the latest general rate case.
- b) All applicable accounting and pro-forma adjustments historically permitted or required by the Commission for the Company.

CALCULATION OF CRS ADJUSTMENT

The Company shall provide additional schedules indicating the following revenue deficiency/sufficiency calculations using the methodology accepted in the Company's latest general rate application. These schedules shall identify the rate adjustments necessary for a true-up of revenue for the Evaluation Period.

- a) If the Company's earnings during the Evaluation Period exceed the latest allowed return on common equity by fifty (50) basis points (0.50 percentage points), the Company shall calculate an adjustment to rates to refund the revenue required to achieve a return on equity for the Evaluation Period equal to the return established in the last general rate order.
- b) If the Company's earnings during the Evaluation period are below the latest allowed return on common equity by fifty (50) basis points (0.50 percentage points), the Company shall calculate an adjustment in rates to collect the revenue required to achieve a return on equity for the Evaluation Period equal to the return established in the last general rate order.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 11 SHEET NO. 44
Original
CANCELLING P.S.C. NO. SHEET NO.

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

EXPERIMENTAL CUSTOMER RATE STABILIZATION ("CRS") MECHANISM
APPLICABLE TO ALL GAS SOLD UNDER THIS TARIFF

(N)

c) The Company will evaluate the amounts billed under this tariff for the prior Evaluation Period. The Company will create an adjustment to the current Evaluation Period for any over or under collections under the prior CRS adjustment.

The Company shall also provide a schedule demonstrating the "proof of revenues" applying the proposed rate change to billing determinants for the Rate Effective Period to produce the total change in revenues by the above sections. The proposed rates shall conform as nearly as is practicable to the revenue allocation principles contained in the most recent proceeding. The Company shall also include the incremental employee costs incurred by the Attorney General's office and the Commission in their review of these annual filings under this mechanism, with a limit of one employee each. These costs, as billed to the Company by the Commission and the Attorney General's office, will be included in the Company's operating and maintenance costs. The proposed new rates shall be effective for the Rate Effective Period.

ATTESTATION

A statement shall be filed by Delta affirming that the filed schedules are in compliance with the provisions of this mechanism. No testimony shall be filed.

EVALUATION PROCEDURES

The Commission and Office of the Attorney General shall have 45 days to examine and analyze the Company's filed schedules. The Company will be prepared to provide supplemental information as may be requested to ensure adequate analysis by the Commission and the Office of the Attorney General. The Commission shall propose any adjustments it determines to be required to bring the schedules into compliance with the above provisions. Based upon the Company's filed schedules, the Commission shall order the Company to increase or decrease rates so as to achieve the revenue levels indicated for the Evaluation Period. Any adjustments to rates shall be made effective November 1, the beginning of the Rate effective period. If by October 31, no order is issued by

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

FOR All Service Areas
P.S.C. NO. 11
ORIGINAL SHEET NO. 45
CANCELLING P.S.C. NO. SHEET NO.

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE
RATE SCHEDULES

EXPERIMENTAL CUSTOMER RATE STABILIZATION ("CRS") MECHANISM
APPLICABLE TO ALL GAS SOLD UNDER THIS TARIFF

(N) the Commission, the Company shall adjust rates as proposed beginning November 1 or as soon as practicable thereafter

RECONSIDERATION AND APPEAL

Orders issued pursuant to this mechanism shall be subject to request for rehearing and appeal.

GENERAL RATE CASES

Nothing in this mechanism shall prevent the Company from seeking an adjustment of rates outside this mechanism, but in strict accord with the law of the Commonwealth of Kentucky governing such filings.

TERM

This tariff shall be effective upon approval by the Kentucky Public Service Commission. The first filing under this mechanism shall be made on the first Annual Evaluation Date following Commission approval of this tariff. The experimental term of this tariff shall conclude following the implementation of the rate change in accordance with the fifth annual filing. Nothing herein shall prevent any party from proposing, in the manner provided by law, changes in or abandonment of this tariff at any time; however, this tariff shall remain in effect throughout the five year experimental period unless and until modified or terminated by order of the Commission.

REVIEW

In conjunction with the fifth annual filing under this experimental tariff, the Company will file an assessment and review of the CRS mechanism for the first four years of the experimental period. In that report and assessment, the Company may request continuation of the CRS mechanism beyond the initial five-year experimental period, and may make recommendations for modifications if such a filing for extension is sought.

DATE OF ISSUE April 20, 2007 DATE EFFECTIVE May 20, 2007
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. 2007-00089 DATED

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(1)(a)9
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

A statement that customer notice has been given in compliance with subsections (3) and (4) of this section with a copy of the notice.

Response:

Pursuant to 807 KAR 5:001, Section 10(1)(b)(9), Delta states that it has complied with 807 KAR 5:011, Section 9(2) and 807 KAR 5:001, Section 10(3) and (4) by delivering a copy of the attached Notice to the Kentucky Press Association for publication in newspapers of general circulation in its service area once a week for three consecutive weeks in a prominent manner, the first of said publications to be made within seven (7) days of the date of this Application.

NOTICE

Notice is hereby given that Delta Natural Gas Company, Inc. seeks approval by the Public Service Commission, Frankfort, Kentucky, of an adjustment of rates to become effective on and after May 20, 2007.

The present rates charged in all territories served by Delta Natural Gas Company, Inc. are as follows:

PRESENT RATES

Residential	<u>Base Rate</u>	+	<u>GCR</u>	=	<u>Total Rate</u>
Monthly Customer Charge	\$ 9 80				\$ 9 80
All Mcf	\$4 1592		\$10 4200		\$14 5792 per Mcf
Energy Assistance Program Rider per Month	\$ 0 20				\$ 0 20
Small Non-Residential					
Monthly Customer Charge	\$ 20 00				\$ 20 00
All Mcf	\$3 7950		\$10 4200		\$14 2150 per Mcf
Large Non-Residential					
Monthly Customer Charge	\$ 72 00				\$ 72 00
0 1 - 200 Mcf	\$3 7950		\$10 4200		\$14 2150 per Mcf
200 1 - 1,000 Mcf	\$2 1461		\$10 4200		\$12 5661 per Mcf
1,000 1 - 5,000 Mcf	\$1 3500		\$10 4200		\$11 7700 per Mcf
5,000 1 - 10,000 Mcf	\$0 9500		\$10 4200		\$11 3700 per Mcf
Over 10,000 Mcf	\$0 7500		\$10 4200		\$11 1700 per Mcf
Interruptible					
Monthly Customer Charge	\$250 00				\$ 250 00
0 1 - 1,000 Mcf	\$1 6000		\$10 4200		\$12 0200 per Mcf
1,000 1 - 5,000 Mcf	\$1 2000		\$10 4200		\$11 6200 per Mcf
5,000 1 - 10,000 Mcf	\$0 8000		\$10 4200		\$11 2200 per Mcf
Over 10,000 Mcf	\$0 6000		\$10 4200		\$11 0200 per Mcf
Rider for Gas Technology Institute Research and Development					
	\$0 0020 per Mcf				\$ 0 0020 per Mcf
Off-System Transportation					
					\$ 0 2600 per Mcf or Dth
Reconnect Charge					\$ 48 00
Bad Check Charge					\$ 10 00
Collection Charge					\$ 15 00

The proposed rates to be charged in all territories served by Delta Natural Gas Company, Inc. are as follows:

PROPOSED RATES

Residential	<u>Base Rate</u>	+	<u>GCR</u>	=	<u>Total Rate</u>
Monthly Customer Charge	\$ 19 74				\$ 19 74
All Ccf	\$0 4159		\$1 0420		\$ 1 4579 per Ccf
Energy Assistance Program Rider per Month	\$ 0 20				\$ 0 20
Small Non-Residential					
Monthly Customer Charge	\$ 25 00				\$ 25 00
All Ccf	\$0 4159		\$1 0420		\$ 1 4579 per Ccf
Large Non-Residential					
Monthly Customer Charge	\$100 00				\$ 100 00
1 - 2,000 Ccf	\$0 4159		\$1 0420		\$ 1 4579 per Ccf
2,001 - 10,000 Ccf	\$0 2510		\$1 0420		\$ 1 2930 per Ccf
10,001 - 50,000 Ccf	\$0 1714		\$1 0420		\$ 1 2134 per Ccf
50,001 - 100,000 Ccf	\$0 1314		\$1 0420		\$ 1 1734 per Ccf
Over 100,000 Ccf	\$0 1114		\$1 0420		\$ 1 1534 per Ccf
Interruptible					
Monthly Customer Charge	\$250 00				\$ 250 00
1 - 10,000 Ccf	\$0 1600		\$1 0420		\$ 1 2020 per Ccf
10,001 - 50,000 Ccf	\$0 1200		\$1 0420		\$ 1 1620 per Ccf
50,001 - 100,000 Ccf	\$0 0800		\$1 0420		\$ 1 1220 per Ccf
Over 100,000 Ccf	\$0 0600		\$1 0420		\$ 1 1020 per Ccf
Rider for Gas Technology Institute Research and Development					
	\$0 0002 per Ccf				\$ 0 0002 per Ccf
Off-System Transportation					
					\$ 0 2700 per Mcf or Dth
Reconnect Charge					\$ 60 00
Bad Check Charge					\$ 15 00
Collection Charge					\$ 20 00

The On-System Transportation rate shall be the same as the Base Rate for small non-residential, large non-residential and interruptible customers, as applicable, set forth above.

Delta Natural Gas Company, Inc. proposes the following new tariffs:
Conservation/Efficiency Program Cost Recovery Tariff and Experimental Customer Rate Stabilization Mechanism

Copies of the proposed tariffs may be obtained by contacting Emily P. Bennett, Delta Natural Gas Company, Inc. at the address and telephone number shown below

The foregoing rates reflect an annual proposed increase in revenues of approximately 9.25% to Delta Natural Gas Company, Inc. The estimated amount of annual increase per customer class is as follows: Residential: \$3,845,405, 12.5%; Small Non-Residential: \$471,298, 5.1%; Large Non-Residential: \$ 621,056, 4.7%; Interruptible: \$0, 0%; On-System Transportation: \$528,775, 12.0%; Off-System Transportation: \$95,575, 3.8%

The average monthly bill for each customer class to which the proposed rates will apply will increase approximately as follows:

Residential	\$ 9 98 or 12 5%
Small Non-Residential	\$ 9 10 or 5 1%
Large Non-Residential	\$ 60 41 or 4 7%
Interruptible	\$ 0 00 or 0 0%
On-System Transportation	\$ 214 08 or 12 0%
Off-System Transportation	\$1,291 55 or 3 8%

The rates contained in this notice are the rates proposed by Delta Natural Gas Company, Inc. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for customers other than the rates included in this notice

Notice is further given that any corporation, association, body politic or person with a substantial interest in the matter may request leave to intervene by motion within 30 days after notice of proposed rate changes is given. The motion shall be submitted to the Public Service Commission, 211 Sower Blvd., P.O. Box 615, Frankfort, Kentucky 40602, and shall set forth the grounds for the request, including the status and interest of the party. Any person who has been granted intervention may obtain copies of the rate application and testimony by contacting Emily P. Bennett, Delta Natural Gas Company, Inc. at the address and telephone number shown below. A copy of the application and testimony shall be available for public inspection at the office of Delta Natural Gas Company, Inc. or the Public Service Commission at the addresses and telephone numbers shown below

Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391
859-744-6171 ext 116

Public Service Commission
211 Sower Blvd.
P. O. Box 615
Frankfort, KY 40602
502-564-3940

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(2)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Notice of Intent. Utilities with gross annual revenues greater than \$1,000,000 shall file with the commission a written notice of intent to file a rate application at least four (4) weeks prior to filing their application. The notice of intent shall state whether the rate application shall be supported by a historical test period or a fully forecasted test period. This notice shall be served upon the Attorney General, Utility Intervention and Rate Division.

Response:

See attached.



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ROBERT M. WATT, III
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March 2, 2007

RECEIVED

MAR 02 2007

PUBLIC SERVICE
COMMISSION

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

Re: Delta Natural Gas Company, Inc.

Dear Ms. O'Donnell:

This firm is counsel to Delta Natural Gas Company, Inc. ("Delta"). Pursuant to 807 KAR 5:011, Section 8(1) and 5:001, Section 10(2), Delta hereby notifies the Commission of its intention to file an application for a general adjustment in rates, using a historical test period, no sooner than four weeks following your receipt of this notice.

Sincerely,

Robert M. Watt, III

Rmw

Cc: Mr. Glenn R. Jennings
Dennis Howard, II, Esq.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(3)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Form of notice to customers. Every utility filing an application pursuant to this section shall notify all affected customers in the manner prescribed herein. The notice shall include the following information:

- (a) The amount of the change requested in both dollar amounts and percentage change for each customer classification to which the proposed rate change will apply;*
- (b) The present rates and the proposed rates for each customer class to which the proposed rates would apply;*
- (c) Electric, gas, water and sewer utilities shall include the effect upon the average bill for each customer class to which the proposed rate change will apply;*
- (d) Local exchange companies shall include the effect upon the average bill for each customer class for the proposed rate change in basic local service;*
- (e) A statement that the rates contained in this notice are the rates proposed by Delta; however, the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice;*
- (f) A statement that any corporation, association, or person with a substantial interest in the matter may, by written request, within thirty (30) days after publication or mailing of this notice of the proposed rate changes request to intervene; intervention may be granted beyond the thirty (30) day period for good cause shown;*
- (g) A statement that any person who has been granted intervention by the commission may obtain copies of the rate application and any other filings made by the utility by contacting the utility through a name and address and phone number stated in this notice;*
- (h) A statement that any person may examine the rate application and any other filings made by the utility at the main office of the utility or at the commission's office indicating the addresses and telephone numbers of both the utility and the commission; and*

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Description of Filing Requirement (continued):

- (i) The commission may grant a utility with annual gross revenues greater than \$1,000,000, upon written request, permission to use an abbreviated form of published notice of the proposed rates provided the notice includes a coupon which may be used to obtain all of the information required herein.*

Response:

Please refer to the Notice at Tab 9.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(a)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Manner of notification. Sewer utilities shall give the required typewritten notice by mail to all of their customers pursuant to KRS 278.185.

Response:

Delta is not a sewer utility and thus this requirement is not applicable to Delta's Application.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(b)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Manner of notification. Applicants with twenty (20) or fewer customers affected by the proposed general rate adjustment shall mail the required typewritten notice to each customer no later than the date the application is filed with the commission.

Response:

Because Delta has more than twenty (20) customers affected by its proposed rate adjustment, this requirement is not applicable to Delta's Application.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(c)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Manner of notification. Except for sewer utilities, applicants with more than twenty (20) customers affected by the proposed general rate adjustment shall give the required notice by one (1) of the following methods:

- 1. A typewritten notice mailed to all customers no later than the date the application is filed with the commission;*
- 2. Publishing the notice in a trade publication or newsletter which is mailed to all customers no later than the date on which the application is filed with the commission; or*
- 3. Publishing the notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in the utility's service area, the first publication to be made within seven (7) days of the filing of the application with the commission.*

Response:

Method Nos. 1 and 2 are not applicable to Delta's Application because it did not use those methods of notice. Delta has complied with 807 KAR 5:001, Section 10(4)(c) by delivering to the Kentucky Press Association for publication in newspapers of general circulation in its service area a copy of the notice at Tab 9 for publication once a week for three (3) consecutive weeks in a prominent manner, the first of said publications to be made within seven (7) days of the filing of the application.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(d)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Manner of notification. If the notice is published, an affidavit from the publisher verifying the notice was published, including the dates of the publication with an attached copy of the published notice, shall be filed with the commission no later than forty-five (45) days of the filed date of the application.

Response:

Delta will comply with 807 KAR 5:011, Section 10(4)(d) by providing the affidavits within forty-five (45) days of the date on which Delta filed its Application.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(e)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Manner of notification. If the notice is mailed, a written statement signed by the utility's chief officer in charge of Kentucky operations verifying the notice was mailed shall be filed with the commission no later than thirty (30) days of the filed date of the application.

Response:

This requirement is not applicable to Delta's Application because it did not use a mailing as its method of notice.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(f)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Manner of notification. All utilities, in addition to the above notification, shall post a sample copy of the required notification at their place of business no later than the date on which the application is filed which shall remain posted until the commission has finally determined the utility's rates.

Response:

Delta posted its Notice, attached at Tab 9, at its place of business beginning on April 20, 2007, and said Notice will remain posted until the Commission has finally determined the utility's rates, all in compliance with 807 KAR 5:001, Section 10(4)(f).

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(4)(g)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Manner of notification. Compliance with this subsection shall constitute compliance with 807 KAR 5:051, Section 2.

Response:

This requirement is not applicable to Delta as it is not an electric utility.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(5)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

Notice of hearing scheduled by the commission upon application by a utility for a general adjustment in rates shall be advertised by the utility by newspaper publication in the areas that will be affected in compliance with KRS 424.300

Response:

Delta will comply with 807 KAR 5:001, Section 10(5) by publishing the Notice of Hearing in the newspapers in the areas affected. Delta's advertisement of the Notice of Hearing shall comply with KRS 424.300.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(a)
Sponsoring Witness: John B. Brown/W. Steven Seelye

Description of Filing Requirement:

A complete description and quantified explanation for all proposed adjustments, with proper support for any proposed changes in price or activity levels, and any other factors which may affect the adjustment.

Response:

In Tab 42, we show our Pro Forma Balance Sheet (Schedule 1) and Income Statement (Schedule 2) to satisfy Filing Requirement Section 10(7)(a). Each of these schedules begin with Delta's published financial statements as included in Tab 32 (FERC Form 2) and Tab 37 (Monthly Managerial Report) of this filing.

The adjustments identified on each schedule reconcile the published financial information to the calculation of Pro Forma Rate Base in Tab 27 Schedule 6 of FR 10(6)(h), the calculation of Pro Forma Capital in Tab 27 Schedule 8 of FR 10(6)(h) and the calculation of Revenue Deficiency summarized in Tab 27 Schedule 1 of FR 10(6)(h).

Following is description of each adjustment shown in Tab 42:

BALANCE SHEET (Schedule 1)

Eliminate ARO – This adjustment relates to the Asset Retirement Obligations booked for financial reporting purposes in accordance with FASB 143. Delta has taken the position that the adoption of FASB 143 and FIN 47 for GAAP financial reporting had no impact on regulatory accounting and the recovery of our costs so the costs of adoption of this standard were booked as a regulatory asset and therefore all related balances are removed from the test year financial statements.

Depr adjustment – To increase accumulated depreciation by the calculated increase in test year depreciation expense due to applying the updated depreciation rates from the depreciation study to the yearend balances.

1/8 working capital – To include in rate base only 1/8 of Pro Forma Operating Expenses, consistent with Order 2004-00067.

13 month average – To adjust yearend balances of Gas in Storage, Materials and Supplies and Prepayments, consistent with Order 2004-00067.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Eliminate subs – Adjustment to remove equity associated with the property associated with Delta's subsidiaries, consistent with Order 2004-00067.

Elim unbilled – Subsequent to the previous rate case, Delta began recording unbilled revenues for GAAP financial reporting. This adjustment eliminates the impact of recording unbilled revenues on common equity, as the test year is being presented on a billed basis, consistent with previous rate cases.

Elim def tax not related to rate base – Test yearend balances in the accounts identified in Order 2004-00067 as not being proper adjustments to rate base.

Elim ARO and other – To isolate Customer Advance for Construction as a reduction in rate base, consistent with Order 2004-00067.

INCOME STATEMENT (Schedule 2)

Remove Unbilled Impact – In this column, the current period unbilled income is eliminated. The unbilled revenue elimination presents the Operating Revenues, Purchased Gas Expense and Income Taxes on a billed basis, consistent with previous rate cases.

The remaining income statement adjustments are referenced to the specific schedule in Tab 27 of FR 10(6)(h) where the adjustments are calculated. They include:

Operating Revenues – Adjusted revenues using the current GCR rate, to reflect a temperature adjustment and a minor billing error in the test year subsequently corrected outside of the test year. The temperature adjustment was calculated on Residential and Small Non Residential customers only during billing months not affected by the Weather Normalization tariff and resulted in a reduction in revenue requirement due to colder than normal weather during those months. For the customers not under the WNA tariff, the entire billed year weather data was used. The test year as a whole was warmer than normal and thus the temperature adjustment for those customers increased the revenue requirement. See the testimony of William Steven Seelye for details of these adjustments.

Purchased Gas – Adjusted using the current GCR rate.

O&M Expenses – Increased to adjust for yearend salary rates and a projected increase in the rate case amortization amount. Decreased to adjust for items not allowed in Order 2004-00067 (Advertising, Lobbying, Public and Community Relations and Marketing).

Depreciation -- To adjust depreciation expense to the calculated amount by applying the updated depreciation rates from the depreciation study to the test year end balances.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Other Taxes -- To reflect the increase in payroll taxes due to the payroll adjustment listed above in O&M Expenses.

Income Taxes -- To reflect income tax expense at the statutory rate for the test year after the other adjustments are made.

Interest Expense – Recalculated based on test year end balances and current interest rates.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(b)
Sponsoring Witness: John B. Brown

Description of Filing Requirement:

If the utility has gross annual revenues greater than \$1,000,000, the prepared testimony of each witness the utility proposes to use to support its application.

Response:

Please refer to Volume III, the testimony of the following persons:

- Glenn R. Jennings
- John B. Brown
- Matthew Wesolosky
- Martin S. Blake
- William Steven Seelye

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(c)
Sponsoring Witness: John B. Brown

Description of Filing Requirement:

If the utility has gross annual revenues less than \$1,000,000, the prepared testimony of each witness the utility proposes to use to support its application or a statement that the utility does not plan to submit any prepared testimony.

Response:

This requirement is not applicable to Delta's Application because its gross annual revenues exceed \$1,000,000.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(d)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

A statement estimating the effect that the new rates will have upon the revenues of the utility including, at minimum, the total amount of revenues resulting from the increase or decrease and the percentage of the increase or decrease.

Response:

The proposed rates will increase Delta's revenues approximately \$5,641,650 or 9.25%.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(e)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

If the utility provides electric, gas, water, or sewer service the effect upon the average bill for each customer classification to which the proposed rate change will apply.

Response:

The average monthly bill, for each customer rate class to which the proposed rate change applies, will increase/(decrease) as follows:

	<u>Amount</u>	<u>%</u>
Residential	\$ 9.98	12.5%
Small Non-Residential	\$ 9.10	5.1%
Large Non-Residential	\$ 60.41	4.7%
Interruptible	\$ 0.00	0.0%
On-System Transportation	\$ 214.08	12.0%
Off-System Transportation	\$ 1,291.55	3.8%

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(f)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

If the utility is a local exchange company, the effect upon the average bill for each customer class for the proposed rate change in basic local service.

Response:

This requirement is not applicable to Delta's Application because Delta is not a local exchange company.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(g)
Sponsoring Witness: W. Steven Seelye

Description of Filing Requirement:

An analysis of customers' bills in such detail that revenues from the present and proposed rates can be readily determined for each customer class.

Response:

Please refer to Volume III, the testimony of William Steven Seelye, Seelye Exhibit 4 for this analysis.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(h)
Sponsoring Witness: John B. Brown

Description of Filing Requirement:

A summary of the utility's determination of its revenue requirements based on return on net investment rate base, return on capitalization, interest coverage, debt service coverage, or operating ratio, with supporting schedules.

Response:

See the following schedules attached:

	<u>Schedule</u>
Revenue Requirements and Deficiency	1
Summary of Revenues and Cost of Gas at Present Rates	2
Operations and Maintenance Expenses	3
Payroll Expense Adjustment	3.1
Rate Case Expense Adjustment	3.2
Depreciation Expense	4
Taxes Other Than Income Taxes	5
Rate Base and Return	6
Income Taxes	7
Computation of Composite Income Tax Rate	7.1
Capital Structure and Interest Expense	8
Interest Coverage	9

DELTA NATURAL GAS CO., INC.
Revenue Requirements and Deficiency
Test Year Ended 12/31/06

FR 10(6)(h)
Schedule 1

<u>Line Number</u>		<u>Schedule</u>	<u>Amount</u>
1	Cost of gas	2	35,207,784
2	Operations & maintenance expense	3	11,530,143
3	Depreciation expense	4	4,527,707
4	Taxes other than income taxes	5	1,771,137
5	Return	6	10,496,298
6	Income tax	7	<u>3,079,396</u>
7	Total revenue requirements		66,612,465
8	Revenues at present rates	2	<u>(60,970,868)</u>
9	Revenue deficiency		<u><u>5,641,597</u></u>
10	Percent increase		<u>9.25%</u>

DELTA NATU GAS CO., INC.

Summary of Revenues and Cost of Gas at Present Rates
Test Year Ended 12/31/06

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
	Actual Billed Revenue	Elimination of Gas Cost Adjustment	Correction	Net Revenue Before Temperature Adjustment	Temperature Adjustment	GCR at Current Rates	Adjusted Billings at Current Rates	Proposed Increase in Revenue	Increase (%)
		(See Gas Cost Exhibit)		(Column (1) + (2))	(See Seelye Exhibit 9)	(Column (3) + (4) + (5))			
REVENUE									
Residential	34,527,341	(22,936,301)		11,591,040	(53,005)	19,333,683	30,871,718	3,845,405	12.46%
Small Non-Residential GS	10,269,885	(7,026,753)		3,243,132	(11,271)	5,940,440	9,172,300	471,298	5.14%
Large Non-Residential GS	13,254,779	(9,926,896)		3,327,883	89,258	8,384,984	11,802,126	563,300	4.77%
Large Non-Residential GS - Commercial	1,721,229	(1,380,929)		340,300	13,389	1,156,453	1,510,142	57,756	3.82%
Large Non-Residential GS - Industrial	14,976,008	(11,307,825)		3,668,183	102,647	9,541,438	13,312,267	621,056	4.67%
Total Large Non-Residential GS									
Interruptible									
Interruptible - Commercial	39,289	(33,432)		5,857	314	28,759	34,930	-	
Interruptible - Industrial	484,019	(410,922)	(3,992)	69,105	1,568	350,445	421,119	-	
Total Interruptible	523,308	(444,354)	(3,992)	74,963	1,882	379,205	456,049	-	0.00%
Unmetered Gas Lights									
Residential	9,737	(7,262)		2,475		6,205	8,680	(1)	
Commercial	4,291	(3,267)		1,024		2,813	3,838	97	
Small Commercial	6,008	(4,574)		1,434		4,001	5,436	136	
Unmetered Gas Lights	20,037	(15,102)		4,934		13,020	17,954	232	1.29%
Total Retail	60,316,579	(41,730,336)	(3,992)	18,582,251	40,253	35,207,784	53,830,288	4,937,991	
Special Contracts	608,063	-		608,063	-	-	608,063	-	
Small Non-Residential GS	147,218	-		147,218	5,207	-	152,425	17,885	
Large Non-Residential GS	2,016,375	-		2,016,375	60,993	-	2,077,368	509,063	
Residential	6,377	-		6,377	-	-	6,377	1,826	
Interruptible	1,550,100	-		1,550,100	-	-	1,550,100	-	
On System Transportation	4,328,133	-		4,328,133	66,200	-	4,394,333	528,775	12.03%
Off System Transportation	2,484,947	-		2,484,947	-	-	2,484,947	95,575	3.85%
Total Transportation	6,813,080	-		6,813,080	66,200	-	6,879,280	624,350	9.08%
Miscellaneous Revenue	261,301	-		261,301			261,301	79,309	30.35%
Total Operating Revenue	67,390,960	(41,730,336)	(3,992)	25,656,632	106,453	35,207,784	60,970,869	5,641,650	9.25%

DELTA NATURAL GAS CO., INC.
Operations and Maintenance Expenses
Test Year Ended 12/31/06

FR 10(6)(h)
Schedule 3

Line Number		Schedule	Amount
1	Adjustments		
2	Payroll expense	3.1	49,485
3	Rate case expense	3.2	33,700
4	A/C 1.913 Advertising expense		(2,264)
5	A/C 1.930.12 Lobbying expense		(23,281)
6	Lobbying benefits and taxes, calculated below		(3,207)
7	Public and community relations, calculated below		(22,664)
8	A/C 1.930.04 Marketing		<u>(3,973)</u>
9	Total adjustments		27,796
10	Per books		<u>11,502,347</u>
11	O&M Adjusted		<u><u>11,530,143</u></u>

Lobbying Benefits and Taxes Adjustment

Line Number		Amount
12	Pro forma lobbying payroll expense	8,370
13	Benefits and taxes loading rate	<u>38.3%</u>
14	Lobbying benefits and taxes	<u><u>3,206</u></u>

Public and Community Relations Adjustment

Line Number		Amount
15	A/C 1.930.10 Public and community relations	52,664
16	Contribution to Energy Assistance Program per Order 2005-00464	<u>30,000</u>
17	Public and community relations adjustment	<u><u>22,664</u></u>

DELTA NATURAL GAS COMPANY, INC.
Payroll Expense Adjustment
Test Year Ended 12/31/06

FR 10(6)(h)
Schedule 3.1

<u>Line Number</u>		<u>Amount</u>
1	Annualized salaries and wages	7,051,309
2	Pro forma capitalized wages and subsidiary allocation	<u>1,640,308</u>
3	Pro forma salary and wage expense	5,411,001
4	Actual 2006 test year salary and wage expense	<u>5,361,516</u>
5	Pro forma payroll adjustment	<u>49,485</u>

DELTA NATURAL GAS COMPANY, INC.
Rate Case Expense Adjustment
Test Year Ended 12/31/06

FR 10(6)(h)
Schedule 3.2

Line Number		Amount
1	Estimate of expenses for Case No. 2007-00089 (2004-00067 actual)	267,098
2	Unamortized expenses from Case No. 2004-00067, calculated below	53,598
3	Total expenses to be amortized	320,696
4	Annual projected expenses (based on 3 year amortization period)	106,899
5	Amount of amortization in test year (6,100 monthly amortization x 12)	73,200
6	Adjustment amount	33,699

Unamortized Expenses from Case No. 2004-00067

Line Number		Amount
7	Balance at 12/31/06	108,498
8	Monthly amortization	6,100
9	Estimated # of months prior to 2007-00089 rates effective	9
		54,900
10	Balance at 9/30/07	53,598

DELTA NATURAL GAS CO., INC.
 Depreciation Expense
 Test Year Ended 12/31/06

FR 10(6)(h)
 Schedule 4
 Page 1 of 3

LINE NUMBER	ACCT NO	DESCRIPTION	PLANT 12/31/2006	DEPR RATE	DEPR EXPENSE
1	301	Organization	53,151	0.00%	0
2	302	Franchise & Consent	-	0.00%	0
3		Sub Total	<u>53,151</u>		<u>0</u>
PRODUCTION					
4	304	Land & Rights		0.00%	0
5	305	Structures & Improvements		2.20%	0
6	325	Right of Ways	75,987	3.00%	2,280
7	327	Comp Stations Structures	42,950	3.00%	1,289
8	331	Well Equipment	7,795	4.00%	0
9	332	Field Lines	1,914,741	2.25%	43,082
10	333	Compressor Station Equipment	817,962	4.00%	32,718
11	334	Measuring & Regulator Stations	136,937	2.72%	3,725
12		Sub Total	<u>2,996,372</u>		<u>83,094</u>
STORAGE & PROCESSING					
13	35001	Storage Land	14,142	0.00%	0
14	35002	Storage Right of Way	177,425	0.00%	0
15	35005	Gas Rights Well	1,495	0.00%	0
16	35006	Gas Rights Storage		5.00%	0
17	351	Structures and Improvements	294,116	2.48%	7,294
18	352	Storage Wells	360,583	2.19%	7,897
19	35201	Storage Rights	860,396	1.85%	15,917
20	35202	Storage Reservoirs	1,881,731	1.78%	33,495
21	35203	Non-Recoverable Natural Gas	294,307	1.75%	5,150
22	353	Storage Lines	5,091,297	2.44%	124,228
23	354	Storage Compressor Station Equipment	2,419,643	1.90%	45,973
24	355	Storage Measuring & Regulator Equipment	363,662	2.41%	8,764
25	356	Purification Equipment	326,326	2.02%	6,592
26	357	Storage Other Equipment	47,209	0.53%	250
27		Sub Total	<u>12,132,332</u>		<u>255,560</u>
TRANSMISSION					
28	3651	Land and Rights	56,999	0.00%	0
29	3652	Rights of Way	1,212,507	0.00%	0
30	3653	Land Rights CVPL	163,626	2.50%	4,091
31	366	Structures and Improvements	182,239	2.00%	3,645
32	367	Transmission Mains	41,447,022	2.24%	928,413
33	368	Compressor Station Equipment	2,463,406	2.00%	49,268
34	369	Measuring & Regulator Station Equipment	2,665,648	3.14%	83,701
35	371	Other Equipment	579,896	2.00%	11,598
36		Sub Total	<u>48,771,343</u>		<u>1,080,716</u>

DELTA NATURAL GAS CO., INC.
 Depreciation Expense
 Test Year Ended 12/31/06

FR 10(6)(h)
 Schedule 4
 Page 2 of 3

<u>LINE</u> <u>NUMBER</u>	<u>ACCT</u> <u>NO</u>	<u>DESCRIPTION</u>	<u>PLANT</u> <u>12/31/2006</u>	<u>DEPR</u> <u>RATE</u>	<u>DEPR</u> <u>EXPENSE</u>
DISTRIBUTION					
1	374	Distribution Rights of Way	258,985	0.00%	0
2	37401	Distribution Land	63,206	0.00%	0
3	375	Structures & Improvements	113,715	2.67%	3,036
4	376	Distribution Mains	61,423,134	2.50%	1,535,578
5	378	Measuring & Regulator Station - General	1,356,370	3.27%	44,353
6	379	Measuring & Regulator Station - City Gate	480,352	3.19%	15,323
7	380	Services	12,658,475	2.50%	316,462
8	381	Meters	8,917,576	2.28%	203,321
9	382	Meter and Regulator Installation	3,145,615	4.50%	141,553
10	383	House Regulators	3,093,300	4.13%	127,753
11	385	Industrial Meter Sets	1,530,217	2.40%	36,725
12		Sub Total	<u>93,040,945</u>		<u>2,424,104</u>
GENERAL					
13	389	Land and Rights	1,038,741	0.00%	0
14	390	Structures and Improvements	5,452,189	2.00%	109,044
15	391	Office Furniture and Equipment	135,672	1.00%	1,357
16	392	Autos and Trucks	3,868,757	8.14%	314,917
17	393	Stores Equipment	36,011	2.00%	720
18	394	Tools and Work Equipment	629,382	4.00%	25,175
19	39401	Comp NG Stat and Equipment	283,352	0.00%	0
20	395	Laboratory Equipment	215,820	5.00%	10,791
21	396	Power Operated Equipment	2,779,542	2.00%	55,591
22	397	Communication Equipment	443,788	5.00%	22,189
23	398	Miscellaneous Equipment	54,238	2.00%	1,085
24	3991	Other Tangible Equipment	638,509	4.00%	25,540
25	3992	Computer Software	2,525,991	10.00%	252,599
26	3993	Computer Hardware	937,029	10.00%	93,703
27	399031	Computerized Office Equipment	255,272	10.00%	25,527
28		Sub Total	<u>19,294,293</u>		<u>938,238</u>
29		TOTAL A/C 101	<u>176,288,436</u>		<u>4,781,712</u>
CWIP					
30	368	525528	1,480,882	2.00%	29,618
31	369		175,071	3.14%	5,497
32	371	525506	3,463	2.00%	69
33	376		112,282	2.50%	2,807
34	381	255529	7,843	2.28%	179
35	392	530025	525	8.14%	43
36	39902	63002	5,800	10.00%	580
37	Overhead	53010	489,686		
38		Total CWIP	<u>2,275,552</u>		<u>38,793</u>

DELTA NATURAL GAS CO., INC.
 Depreciation Expense
 Test Year Ended 12/31/06

FR 10(6)(h)
 Schedule 4
 Page 3 of 3

<u>LINE</u> <u>NUMBER</u>	<u>ACCT</u> <u>NO</u>	<u>DESCRIPTION</u>	<u>PLANT</u> <u>12/31/2006</u>	<u>DEPR</u> <u>RATE</u>	<u>DEPR</u> <u>EXPENSE</u>
ACQUISITION ADJUSTMENT					
1	1.114	Tranex	(1,045,704)		(58,800)
2	1.114.01	Mt. Olivet	464,945		46,800
3		Total Acquisition Adjustment	<u>(580,759)</u>		<u>(12,000)</u>
4	1.117	Gas Stored Underground	<u>4,208,069</u>		
5					
6		Total Utility Plant In Service	182,191,298		4,808,505
ASSET RETIREMENT OBLIGATION					
7	1.376.01	Distribution Mains	210,849		
8	1.380.01	Distribution Services	138,932		
9		Excluded from plant accounts above	<u>74,634</u>		
10		Reconciled Total	182,615,713		
11		Per Delta Balance Sheet	<u>182,615,711</u>		
12		Difference	<u><u>2</u></u>		
TRANSPORTATION CLEARING					
13		Transportation Equipment			(242,400)
14		Power Operated Equipment			<u>(38,400)</u>
15		Pro Forma Depreciation Expense			4,527,705
16		Per Delta Income Statement			<u>4,234,739</u>
17		Depreciation Expense Adjustment			<u><u>292,966</u></u>

DELTA NATURAL GAS CO., INC.
Taxes Other Than Income Taxes
Test Year Ended 12/31/06

FR 10(6)(h)
Schedule 5

<u>Line Number</u>		<u>Amount</u>
1	Direct total payroll for 12 months ended 12/31/06 (excluding bonus)	6,967,327
2	Payroll taxes (A/C 1.408.03 excluding bonus)	<u>514,691</u>
3	Payroll taxes percent of payroll	7.39%
4	Pro forma payroll adjustments	<u>49,485</u>
5	Pro forma payroll tax increase	3,656
6	Taxes other than income taxes, per books	<u>1,767,481</u>
7	Taxes other than income taxes adjusted	<u><u>1,771,137</u></u>

DELTA NATURAL GAS CO., INC.
Rate Base and Return
Test Year Ended 12/31/06

FR 10(6)(h)
Schedule 6

<u>Line Number</u>		<u>Amount</u>
1	Total utility plant in service per books	<u>182,191,296</u>
2	Add: Materials and supplies (13 mo avg)	434,879
3	Prepayments (13 mo avg)	1,609,440
4	Less: KPSC prepaid	(47,440)
5	Gas in storage (13 mo avg)	9,879,627
6	Unamortized debt expense per books	5,704,177
7	Cash working capital allowance (1/8 O&M)	<u>1,441,268</u>
8	Subtotal	<u>19,021,951</u>
9	Deduct: Accumulated depreciation per books	(61,275,499)
10	Depreciation adjustment (Schedule 4)	(292,968)
11	Customer advance for construction	(51,708)
12	Accumulated deferred income taxes	<u>(21,216,188)</u>
13	Subtotal	<u>(82,836,363)</u>
14	Rate base	118,376,884
15	Weighted cost of capital	<u>8.867%</u>
16	Return	10,496,298
17	Test year operating income	<u>7,018,057</u>
18	Operating income adjustment	<u><u>3,478,241</u></u>

DELTA NATURAL GAS CO., INC.
Income Taxes
Test Year Ended 12/31/06

FR 10(6)(h)
Schedule 7

Line Number		Schedule	Amount
1	Return, net of tax	6	10,496,298
2	Interest deduction	8	<u>5,191,879</u>
3	Equity portion of return		<u>5,304,419</u>
4	Application of tax rate to equity return 37.96%	7.1	2,013,558
5	ITC amortization (A/C 1.420)		(37,300)
6	Amortization of regulatory liability (A/C 1.410.01)		<u>(65,800)</u>
7			1,910,458
8	Tax expansion factor		<u>1.6118633</u>
9	Total income tax liability		3,079,396
10	Income tax expense, per books		<u>1,138,000</u>
11	Income tax adjustment		<u><u>1,941,396</u></u>

Computation of Pro Forma Effective Income Tax Rate

Line Number		Amount
12	Pre-tax net income	8,383,816
13	Total income tax liability	<u>3,079,396</u>
14	Net income	<u><u>5,304,419</u></u>
15	Pro Forma Effective Income Tax Rate	<u><u>36.730%</u></u>

DELTA NATURAL GAS CO., INC.
Computation of Composite Income Tax Rate
Test Year Ended 12/31/06

FR 10(6)(h)
Schedule 7.1

<u>Line Number</u>		<u>Amount</u>
1	Assume pre-tax income of	100
2	State income tax rate of	<u>6.00%</u>
3	State income tax	<u>6.00</u>
4	Taxable income for Federal income tax computation	94.00
5	Federal income tax rate	<u>34.00%</u>
6	Federal income tax	<u>31.96</u>
7	Total state and federal income tax	<u>37.96</u>
8	Therefore, the composite rate is	<u>37.96%</u>
9	Federal	31.96%
10	State	<u>6.00%</u>
11	Total	<u>37.96%</u>

DELTA NATURAL GAS CO., INC.
 Capital Structure and Interest Expense
 Test Year Ended 12/31/06

FR 10(6)(h)
 Schedule 8

Line Number		Amounts	Ratios	Cost Rates	Weighted Cost of Capital
1	Equity				
2	Per DNG Balance Sheet	(52,736,947)			
3	Remove net unbilled impact	1,482,514			
4	Subsidiaries	<u>621,393</u>			
5		(50,633,040)	39.67%	12.100%	4.800%
6	Long Term Debt	(59,870,000)	46.90%	6.814%	3.196%
7	Short Term Debt	<u>(17,146,346)</u>	13.43%	6.487%	<u>0.871%</u>
8		<u>(127,649,386)</u>			<u>8.867%</u>

Calculation of Pro Forma Interest Expense and Adjustment

Cost of Long Term Debt, December 31, 2006					
9	7.000% Debentures			19,990,000	1,399,300
10	5.750% Debentures			<u>39,880,000</u>	<u>2,293,100</u>
11					3,692,400
12	Debt Expense Amortization				<u>387,263</u>
13	Annual Long Term Debt Expense			<u>59,870,000</u>	<u>4,079,663</u>
14	Rate				<u>6.814%</u>
Cost of Short Term Debt, December 31, 2006 (rate as of 4/1/07)					
15	6.320% Notes payable			17,146,346	1,083,649
16	0.125% Unused line			22,853,654	<u>28,567</u>
17	Annual Short Term Debt Expense			17,146,346	<u>1,112,216</u>
18	Rate				<u>6.487%</u>
19	Total Calculated Interest Expense				5,191,879
20	Per Books				<u>4,967,706</u>
21	Adjustment				<u>224,173</u>

DELTA NATURAL GAS CO., INC.

FR 10(6)(h)

Interest Coverage

Schedule 9

Test Year Ended 12/31/06

<u>Line Number</u>		<u>Schedule</u>	<u>Test Year</u>	<u>Pro Forma</u>
1	Net income		2,050,351	5,304,419
2	Interest on debt	8	<u>4,967,706</u>	<u>5,191,879</u>
3	Operating income	6	7,018,057	10,496,298
4	Income taxes	7	<u>1,138,000</u>	<u>3,079,396</u>
5	Total		<u><u>8,156,057</u></u>	<u><u>13,575,695</u></u>
6	Times interest earned			
7	After taxes		<u>1.41</u>	<u>2.02</u>
8	Before taxes		<u><u>1.64</u></u>	<u><u>2.61</u></u>

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(i)
Sponsoring Witness: John B. Brown

Description of Filing Requirement:

A reconciliation of the rate base and capital used to determine its revenue requirement.

Response:

See Tab 42 for Filing Requirement Section 10(7)(a) Schedule 1.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(j)
Sponsoring Witness: John B. Brown

Description of Filing Requirement:

A current chart of accounts if more detailed than the Uniform System of Accounts prescribed by the commission.

Response:

See attached.

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
	1101000000000000	PLANT IN SERVICE	A
1	1101990000000000	FIXED ASSET SUSPENSE	A
1	1106010000000000	FIXED ASSET CLEARING	A
1	1107010000000000	CONST WORK IN PROGRESS CONTROL	A
1	1107020000000000	CONST WORK IN PROGRESS-MAR CLEARING	A
1	1108010000000000	PROV FOR DEPR PLANT IN SERVICE	A
1	1108011000000000	UNRECOVERED DEPRECIATION RESERVE	A
1	1108030000000000	PROV FOR CM DEPR PLANT IN SERVICE	A
1	1108690000000000	A/C 369 COST OF REMOVAL DEPR	L
1	1108761000000000	PROVISION FOR DEPR - ARO	L
1	1108780000000000	A/C 378 COST OF REMOVAL DEPR	L
1	1108790000000000	A/C 379 COST OF REMOVAL DEPR	L
1	1108800000000000	A/C 380 COST OF REMOVAL DEPR	L
1	1108801000000000	A/C PROVISION FOR DEPR - ARO	L
1	1108820000000000	A/C 382 COST OF REMOVAL DEPR	L
1	1108830000000000	A/C 383 SALVAGE DEPR	A
1	1108850000000000	A/C 385 COST OF REMOVAL DEPR	L
1	1108900000000000	A/C 390 SALVAGE DEPR	A
1	1108910000000000	A/C 391 SALVAGE DEPR	A
1	1108920000000000	A/C 392 SALVAGE DEPR	A
1	1108940000000000	A/C 394 SALVAGE DEPR	A
1	1108960000000000	A/C 396 SALVAGE DEPR	A
1	1108970000000000	A/C 397 SALVAGE DEPR	A
1	1108980000000000	A/C 398 SALVAGE DEPR	A
1	1108993000000000	A/C 39903 SALVAGE DEPR	A
1	1108993100000000	A/C 399031 SALVAGE DEPR	A
1	1114000000000000	GAS PLANT ACQ ADJ - TRANEX	A
1	1114010000000000	GAS PLANT ACQ ADJ-MT OLIVET	A
1	1115000000000000	PROV FOR AMORT ACQ ADJ - TRANEX	A
1	1115010000000000	PROV FOR AMORT ACQ ADJ-MT OLIVET	A
1	1117000000000000	CUSHION GAS	A
1	1123000000000000	INVESTMENT IN OTHERS	A
1	1123020000000000	INVESTMENT IN DELTA RESOURCES	A
1	1123030000000000	INVESTMENT IN DELGASCO	A

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	112304000000000	INVESTMENT IN DELTRAN	A
1	112305000000000	INVESTMENT IN ENPRO	A
1	112800000000000	LIFE INSURANCE SURRENDER VALUE	A
1	112801000000000	SUPPLEMENTAL RETIREMENT TRUST	A
1	113101000000000	CASH OWINGSVILLE	A
1	113102000000000	CASH BERA	A
1	113103000000000	CASH NICHOLASVILLE	A
1	113110000000000	CASH MIDDLESBORO	A
1	113111000000000	CASH CORBIN	A
1	113120000000000	CASH WINCHESTER	A
1	113121000000000	CASH GENERAL ACCOUNT	A
1	113122000000000	CASH EFT BERA NATIONAL	A
1	113501000000000	WORKING FUNDS OWINGSVILLE	A
1	113502000000000	WORKING FUNDS BERA	A
1	113503000000000	WORKING FUNDS NICHOLASVILLE	A
1	113510000000000	WORKING FUNDS MIDDLESBORO	A
1	113511000000000	WORKING FUNDS CORBIN	A
1	113512000000000	WORKING FUNDS MANCHESTER	A
1	113520000000000	WORKING FUNDS WINCHESTER	A
1	113521000000000	WORKING FUNDS MEDICAL	A
1	114100000000000	NOTES RECEIVABLE OFFICER	A
1	114101000000000	NOTES RECVBL DUE IN 1YR OFFSET	A
1	114102000000000	NOTES RECEIVABLE DUE IN 1 YEAR	A
1	114103000000000	NOTES RECEIVABLE - OTHER	A
1	114200000000000	CUSTOMER ACCOUNTS RECEIVABLE	A
1	114201000000000	MISC ACCOUNTS RECEIVABLE-BRANCHES	A
1	114201100000000	MISC ACCOUNTS RECEIVABLE (MAR)	A
1	114202000000000	RECEIVABLE FROM EA AGENCY - BERA	A
1	114203000000000	RECEIVABLE FROM EA AGENCY - OWINGSVILLE	A
1	114204000000000	RECEIVABLE FROM EA AGENCY - NICHOLASVILLE	A
1	114205000000000	RECEIVABLE FROM EA AGENCY - MIDDLESBORO	A
1	114206000000000	RECEIVABLE FROM EA AGENCY - CORBIN	A
1	114300000000000	OTHER ACCOUNTS RECEIVABLE	A
1	114400000000000	PROVISION FOR UNCOLLECTIBLES	A

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	11460000000000	INTERCOMPANY CLEARING ACCOUNT	A
1	11460200000000	RECEIVABLE DELTA RESOURCES	A
1	11460300000000	RECEIVABLE FROM DELGASCO	A
1	11460500000000	RECEIVABLE FROM ENPRO	A
1	11540000000000	INVENTORY	A
1	11640300000000	STORAGE GAS - CANADA MT	A
1	11650000000000	PREPAYMENTS	A
1	11650100000000	PREPAYMENT-INTRASOURCE INC.	A
1	11650200000000	PREPAID PENSION COST	A
1	11650300000000	PREPAID UNDELIVERED GAS	A
1	11650400000000	PREPAID TAXES RECLASS	A
1	11650500000000	PREPAID INSURANCE	A
1	11730100000000	ACCRUED UNBILLED REVENUE	A
1	11740100000000	SYSTEM CASH VS ACTUAL	A
1	11810700000000	UNAMORT DEBT EXP DUE 02-01-23 (7%)	A
1	11810710000000	LOSS ON EXTINGUISHMENT OF DEBT 02-01-23	A
1	11810800000000	UNAMORT DEBT EXP DUE 2021	A
1	11810810000000	LOSS ON EXTINGUISHMENT OF DEBT	A
1	11840100000000	A/P - MAR CLEARING	A
1	11840200000000	INA INSURANCE CLEARING	A
1	11840300000000	TRANSP EQUIP OPER & MNT COST	A
1	11840400000000	NON OWNED VEHICLE EXPENSE	A
1	11840500000000	TRANSPORTATION EXPENSE CLEARED	A
1	11840600000000	MEDICAL - CLEARING	A
1	11840700000000	PROVIDENT INSURANCE CLEARING	A
1	11840800000000	WORK EQUIPMENT OPER & MNT COST	A
1	11840900000000	WORK EQUIPMENT EXPENSE CLEARED	A
1	11841000000000	A/P - CIS CLEARING	A
1	11841100000000	LONG TERM CARE - CLEARING	A
1	11841200000000	WAGE GARNISHMENT CLEARING	A
1	11860300000000	UNRECOVERED SFAS 143 ADOPTION COSTS (ARO)	A
1	11861100000000	UNAMORTIZED RATE CASE 2003	A
1	11862000000000	UNAMORTIZED RATE CASE 2007	A
1	11910000000000	UNRECOVERED PURCHASED GAS COST	A

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	11920000000000	ACTUAL ADJUSTMENT GAS COSTS	A
1	11930000000000	BALANCE ADJUSTMENT GAS COSTS	A
1	11940000000000	DEFERRED UNBILLED GAS COSTS	A
1	12010000000000	COMMON STOCK ISSUED \$1 PAR	E
1	12070000000000	PREMIUMS ON COMMON STOCK	E
1	12120000000000	INSTALLMENTS ON STOCK	L
1	12140000000000	CAPITAL STOCK EXPENSE	E
1	12160000000000	RETAINED EARNINGS	E
1	12190000000000	ACCUMULATED OTHER COMPREHENSIVE INCOME	E
1	12210800000000	DEBENTURES 7.000% DUE 02-01-23	L
1	12210900000000	DEBENTURES 5.750% DUE 04-01-21	L
1	12280300000000	ACCUMULATED PROVISION FOR PENSIONS AND BENEFITS	L
1	12280310000000	SUPPLEMENTAL RETIREMENT PLAN LIABILITY	L
1	12300000000000	ASSET RETIREMENT OBLIGATIONS	L
1	12300010000000	ASSET RETIREMENT OBLIGATIONS- MAINS	L
1	12300020000000	ASSET RETIREMENT OBLIGATIONS - SERVICES	L
1	12300100000000	LONG TERM ONE YEAR OFFSET	L
1	12300200000000	LONG TERM DUE IN ONE YEAR	L
1	12310000000000	NOTES PAYABLE	L
1	12320100000000	ACCOUNTS PAYABLE GENERAL	L
1	12320200000000	ACCOUNTS PAYABLE CUSTOMERS	L
1	12320600000000	ACCOUNTS PAYABLE GAS PURCHASES	L
1	12320700000000	CONTRACTOR'S RETAINAGE PAYABLE	L
1	12320800000000	WINTERCARE PAYABLES	L
1	12320900000000	ACCOUNTS PAYABLE FAITHFUL ESCR	L
1	12321000000000	GAS IMBALANCES PAYABLE	L
1	12321100000000	ACCOUNTS PAYABLE UNBILLED GAS COST	L
1	12321200000000	ACCRUED GTI	L
1	12321300000000	ACCRUED ENERGY ASSISTANCE PROGRAM	L
1	12350000000000	CUSTOMER SERVICE DEPOSITS	L
1	12360100000000	TAXES ACCRUED FEDERAL INCOME	L
1	12360200000000	TAXES ACCRUED STATE INCOME	L
1	12360300000000	TAXES ACCRUED SALES	L
1	12360400000000	TAXES ACCRUED PAYROLL	L

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	12360500000000	TAXES ACCRUED PROPERTY	L
1	12360600000000	TAXES ACCRUED SEVERANCE	L
1	12360700000000	TAXES ACCRUED EST INCOME TAXES	L
1	12360800000000	TAXES ACCRUED SCHOOL	L
1	12360900000000	TAXES ACCRUED FRANCHISE	L
1	12361000000000	TAXES ACCRUED GTI	L
1	12370500000000	INTEREST ACCRUED S-T NOTES	L
1	12370600000000	INTEREST ACCRUED CUST DEPOSITS	L
1	12370800000000	INTEREST ACCRUED DEB 7% DUE YR 2023	L
1	12370900000000	INTEREST ACCRUED DEB 5.75% DUE YR 2021	L
1	12410000000000	PAYROLL TAXES WITHHELD	L
1	12420100000000	ACCRUED NET PAYROLL	L
1	12420300000000	SAVINGS IN LIEU OF STOCK	L
1	12420400000000	ADJUSTMENT NET PAY	L
1	12420500000000	MISCELLANEOUS SAVINGS	L
1	12420600000000	UNITED WAY DEDUCTION	L
1	12420700000000	401K SAVINGS PLAN	L
1	12420800000000	STOCK REINVESTMENT PLAN	L
1	12420900000000	EMPLOYEE LOAN DEDUCTION	L
1	12421000000000	DEPENDENT CARE DEDUCTION	L
1	12421100000000	HEALTH CARE DEDUCTION	L
1	12421200000000	COMMUNITY HEALTH DEDUCTION	L
1	12421300000000	DEF INC TAX DEF GAS COST	L
1	12421400000000	DEF INC TAX BAD DEBT RESERVE	L
1	12421500000000	DEF INC TAX STORAGE GAS	L
1	12421600000000	DEF INC TAX PREPAID INS	L
1	12421700000000	DEF INC TAX KY TAX REFUND	L
1	12430000000000	ACCRUED VACATION/ANNUAL LEAVE	L
1	12430100000000	ACCRUED OVERTIME	L
1	12440100000000	ACCOUNTING SERVICES	L
1	12440200000000	MEDICAL - SELF INSURED	L
1	12440300000000	PENSION PREMIUMS	L
1	12440400000000	WORKMAN'S COMPENSATION PREMIUM	L
1	12440500000000	GENERAL LIABILITY PREMIUM	L

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	124406000000000	ACCRUED RAR INTEREST/OTHER TAX EXPOSURE	L
1	125200000000000	ADVANCES FOR CONSTRUCTION	L
1	125201000000000	PROMISSORY NOTES-EXT AGMNT	L
1	125203000000000	ASSET RETIREMENT OBLIGATION	L
1	125300000000000	REFUNDS DUE CUSTOMERS	L
1	125301000000000	DEF LIAB - REVENUE SUBJECT TO REBILL	L
1	125401000000000	EXCESS DIT - 1993 ADOPTION	L
1	125402000000000	ITC GROSS UP	L
1	125403000000000	EXCESS DIT - AMORTIZATION	L
1	125404000000000	EXCESS DIT GROSS-UP	L
1	125405000000000	EXCESS DIT 2005 KY RATE DEC	L
1	125406000000000	EXCESS DIT 2005 - AMORTIZATION	L
1	125407000000000	EXCESS DIT 2005 - GROSS UP	L
1	125500000000000	DEFERRED INVESTMENT TAX CREDIT	L
1	126300000000000	DEFERRED COMPENSATION	L
1	126500000000000	UNAMORTIZED PENSION EXPENSE	L
1	128201000000000	DEF INC TAX ACCEL DEPR	L
1	128202000000000	DEF INC TAX PENSION PLAN	L
1	128203000000000	DEF INC TAX STOCK PLAN	L
1	128204000000000	DEF INC TAX CUST DEP INC.	L
1	128205000000000	ALTERNATIVE MINIMUM TAXES	L
1	128206000000000	DEF INC TAX ANNUAL LEAVE	L
1	128207000000000	CONSTRUCTION CONTRIBUTIONS	L
1	128208000000000	DEF INC TAX AMORT FERRIN PROM NOTE	L
1	128209000000000	DEF INC TAX NET UNBILLED REV	L
1	128210000000000	DEF INC TAX DEBT EXPENSE	L
1	128211000000000	DEF INC TAX BAD DEBT RESERVE	L
1	128212000000000	DEF INC TAX STORAGE GAS	L
1	128213000000000	DEF INC TAX ACCUM OTHER COMPREHENSIVE INCOME	L
1	128214000000000	DEF INC TAX ASSET RETIREMENT OBLIGATION	L
1	128215000000000	DEF INC TAX PREPAID INSURANCE	L
1	128216000000000	DEF INC TAX - TAX AUDIT ACCRUAL	L
1	128217000000000	DEF INC TAX - RATE CASE EXPENSE	L
1	128218000000000	DEF INC TAX - COST OF REMOVAL	L

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	128301000000000	DEF INC TAX - REG LIABILITIES	L
1	128302000000000	DEF INC TAX - ITC	L
1	128303000000000	DEF INC TAX - SUPP RET	L
1	128304000000000	DEF INC TAX - KY REFUND	L
1	128305000000000	DEF INC TAX - CONDITIONAL ARO	L
1	128306000000000	DEF INC TAX - CONDITIONAL ARO REG ASSET	L
1	128307000000000	DEF INC TAX - DELTA ARO BOOK TAX DIFF	L
1	130100000000000	ORGANIZATION	A
1	130200000000000	FRANCHISE & CONSENTS	A
1	130400000000000	MFG PRODUCTION LAND	A
1	130500000000000	MFG PRODUCTION STRUCTURE	A
1	131900000000000	MFG GAS MIXING EQUIPMENT	A
1	132500000000000	GATHERING LAND & RIGHTS	A
1	132700000000000	GATHERING COMP STAT STRUCTURES	A
1	133100000000000	NATURAL GAS WELL EQUIPMENT	A
1	133200000000000	GATHERING LINES	A
1	133300000000000	GATHERING COMP STAT EQUIPMENT	A
1	133400000000000	GATHR MEAS & REGLTR STAT EQUIP	A
1	135001000000000	STORAGE LAND	A
1	135002000000000	STORAGE - RIGHT OF WAY	A
1	135005000000000	GAS RIGHTS WELLS	A
1	135006000000000	GAS RIGHTS STORAGE - DELTA	A
1	135100000000000	STORAGE STURCTURES & IMPROVEMENTS	A
1	135200000000000	STORAGE WELLS	A
1	135201000000000	STORAGE RIGHTS	A
1	135202000000000	STORAGE RESERVOIRS	A
1	135203000000000	NONRECOVERABLE NATURAL GAS	A
1	135300000000000	STORAGE LINES	A
1	135400000000000	STORAGE COMPRESSOR STATION EQUIPMENT	A
1	135500000000000	STORAGE MEASURING & REGULATING EQUIPMENT	A
1	135600000000000	PURIFICATION EQUIPMENT	A
1	135700000000000	STORAGE OTHER EQUIPMENT	A
1	136501000000000	TRAN LAND & LAND RIGHTS	A
1	136502000000000	TRAN RIGHTS OF WAY	A

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
	136503000000000	LAND RIGHTS DEPRECIABLE	A
1	136600000000000	TRAN STRUCTURES & IMPROVEMENTS	A
1	136700000000000	TRANSMISSION MAINS	A
1	136800000000000	TRANSM COMPRESSOR STAT EQUIP	A
1	136900000000000	TRANSMISSION MEAS & REG EQUIP	A
1	137100000000000	TRANSMISSION OTHER EQUIPMENT	A
1	137400000000000	DISTRIBUTION RIGHT OF WAYS	A
1	137401000000000	DISTRIBUTION LAND	A
1	137500000000000	DIST STRUCTURES & IMPROVEMENTS	A
1	137600000000000	DISTRIBUTION MAINS	A
1	137601000000000	DISTRIBUTION MAINS - ARO	A
1	137800000000000	DIST GENERAL REG STATIONS	A
1	137900000000000	DIST CITY GATE REG STATIONS	A
1	138000000000000	DISTRIBUTION SERVICES	A
1	138001000000000	DISTRIBUTION SERVICES - ARO	A
1	138100000000000	DISTRIBUTION METERS	A
1	138200000000000	DIST METER & REG INSTALLATION	A
	138300000000000	DIST REGULATORS	A
1	138500000000000	DIST INDUSTRIAL METER SET	A
1	138700000000000	DISTRIBUTION OTHER EQUIPMENT	A
1	138900000000000	GEN LAND & LAND RIGHTS	A
1	139000000000000	GEN STRUCTURES & IMPROVEMENTS	A
1	139100000000000	OFFICE FURNITURE & EQUIPMENT	A
1	139200000000000	TRANSPORTATION EQUIPMENT	A
1	139300000000000	STORES EQUIPMENT	A
1	139400000000000	TOOLS, SHOP & GARAGE EQUIP.	A
1	139401000000000	COMPRESSED NAT GAS STAT& EQUIP	A
1	139500000000000	LABORATORY EQUIPMENT	A
1	139600000000000	POWER OPERATED EQUIPMENT	A
1	139700000000000	COMMUNICATION EQUIPMENT	A
1	139800000000000	MISCELLANEOUS EQUIPMENT	A
1	139901000000000	MAPPING COSTS	A
1	139902000000000	COMPUTER SOFTWARE	A
	139903000000000	COMPUTER HARDWARE	A

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	139903100000000	COMPUTERIZED OFFICE EQUIPMENT	A
1	139909000000000	CONTINGENCIES	A
1	140300000000000	DEPRECIATION EXPENSE	X
1	140310000000000	DEPRECIATION EXPENSE FOR ASSET RETIREMENT COST	X
1	140600000000000	AMORT OF GAS PLANT ACQ ADJ-TRANEX	X
1	140601000000000	AMORT OF GAS PLANT ACQ ADJ-MT OLIVET	X
1	140801000000000	LICENSE & PRIVILEGE FEES	X
1	140802000000000	PROPERTY TAXES	X
1	140803000000000	PAYROLL TAXES	X
1	140901000000000	CURRENT FED INC TAX	X
1	140902000000000	CURRENT STATE INC TAX	X
1	140907000000000	ESTIMATED INTERIM INCOME TAXES	X
1	140908000000000	INCOME TAXES NON-REGULATED	R
1	141000000000000	DEFERRED INCOME TAXES	X
1	141001000000000	AMORT OF REGULATORY LIABILITY	X
1	141100000000000	INVESTMENT TAX CREDIT	X
1	141110000000000	ACCRETION EXPENSE	X
1	141501000000000	LABOR SERVICE REVENUE	R
1	141502000000000	MERCHANDISING REVENUE	R
1	141503000000000	SALES TAX COMMISSION	R
1	141601000000000	LABOR SERVICE EXPENSE	R
1	141602000000000	MERCHANDISING EXPENSE	R
1	141801000000000	NET EARNINGS OF SUBSIDIARY	R
1	141900000000000	INTEREST & DIVIDEND INCOME	R
1	142000000000000	INVESTMENT TAX CREDIT NET	X
1	142100000000000	MISC NON OPERATING INCOME	R
1	142101000000000	MISC NON OPERATING EXPENSE - PAYROLL	X
1	142602000000000	LIFE INSURANCE CO. BENEFICIARY	R
1	142700000000000	INTEREST ON LONG TERM DEBT	X
1	142800000000000	AMORT OF DEBT EXPENSES	X
1	143101000000000	INTEREST ON CUSTOMER DEPOSITS	X
1	143102000000000	INTEREST ON SHORT-TERM DEBT	X
1	143102100000000	SUBSIDIARY INTEREST	X
1	148001000000000	GS RATE SALES RESIDENTIAL	R

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	148001100000000	UNBILLED REVENUE - RESIDENTIAL	R
1	148002000000000	GS RATE SALES OTHER COMMERCIAL	R
1	148002100000000	UNBILLED REVENUE - OTHER COMMERCIAL	R
1	148003000000000	GS RATE SALES INDUSTRIAL	R
1	148003100000000	UNBILLED REVENUE - INDUSTRIAL	R
1	148004000000000	GS RATE SALES SMALL COMMERCIAL	R
1	148004100000000	UNBILLED REVENUE - SMALL COMMERCIAL	R
1	148005000000000	UNMETERED GAS LIGHT REVENUE	R
1	148006000000000	WNA RESIDENTIAL	R
1	148007000000000	WNA SMALL NON-RESIDENTIAL	R
1	148102000000000	INTERRUPTIBLE RATE COMMERCIAL	R
1	148102100000000	UNBILLED REVENUE INTERRUPTIBLE RATE COMMERCIAL	R
1	148103000000000	INTERRUPTIBLE RATE INDUSTRIAL	R
1	148103100000000	UNBILLED REVENUE INTERRUPTIBLE RATE INDUSTRIAL	R
1	148500000000000	UNBILLED REVENUE	R
1	148801000000000	COLLECTION REVENUE	R
1	148802000000000	RECONNECT REVENUE	R
1	148803000000000	METER TEST REVENUE	R
1	148804000000000	BAD CHECK REVENUE	R
1	148810000000000	OTHER OPERATING REVENUE	R
1	148901000000000	TRANSPORTED GAS COST	R
1	148902000000000	OFF SYSTEM TRANSP REVENUE	R
1	148902100000000	OFF SYSTEM TRANSP REVENUE - DELGASCO	R
1	148904000000000	ON SYSTEM TRANSP REVENUE	R
1	148904100000000	ON SYSTEM TRANSP DR	R
1	175301000000000	WELLS & GATHERING PAYROLL	X
1	175302000000000	WELLS & GATHERING MISC	X
1	175401000000000	COMPRESSOR STATION PAYROLL	X
1	175402000000000	COMPRESSOR STATION MISC.	X
1	176401000000000	MNT WELLS & GATHERING PAYROLL	X
1	176501000000000	MNT COMPRESSOR STATION PAYROLL	X
1	176502000000000	MNT COMPRESSOR STATION OTHER	X
1	180300000000000	PURCHASED GAS - OUTSIDE	X
1	180310000000000	PURCHASED GAS - I/C	X

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	180311000000000	UNBILLED PURCHASE GAS	X
1	181601000000000	CM WELLS EXPENSES - PAYROLL	X
1	181602000000000	CM WELLS EXPENSES - MISC	X
1	181801000000000	CM COMPRESSOR STATION EXPENSES - PAYROLL	X
1	181802000000000	CM COMPRESSOR STATION EXPENSES - MISC	X
1	182102000000000	CM PURIFICATION OF NATURAL GAS - MISC	X
1	182401000000000	CM OTHER UNDERGROUND STORAGE EXPENSES - PAYROLL	X
1	182402000000000	CM OTHER UNDERGROUND STORAGE EXPENSES - MISC	X
1	182500000000000	CM STORAGE WELL ROYALTIES/RENTS	X
1	183101000000000	CM MAINTENANCE STRUCT & IMPROVEMENTS - PAYROLL	X
1	183102000000000	CM MAINTENANCE STRUCTURES & IMPROVEMENTS - MISC	X
1	183103000000000	CM RIGHT OF WAY CLEARING	X
1	183201000000000	CM MAINT OF RESERVOIRS AND WELLS - PAYROLL	X
1	183202000000000	CM MAINTENANCE OF RESERVOIRS AND WELLS - MISC	X
1	183301000000000	CM MAINTENANCE OF LINES - PAYROLL	X
1	183302000000000	CM MAINTENANCE OF LINES - MISC	X
1	183401000000000	CM MAINT OF COMPRESSOR STAT EQUIP - PAYROLL	X
1	183402000000000	CM MAINTENANCE OF COMPRESSOR STAT EQUIP - MISC	X
1	183501000000000	CM MAINT OF MEAS & REG STAT EQUIP - PAYROLL	X
1	183502000000000	CM MAINTENANCE OF MEAS & REG STAT EQUIP - MISC	X
1	183701000000000	CM MAINTENANCE OF OTHER EQUIPMENT - PAYROLL	X
1	183702000000000	CM MAINTENANCE OF OTHER EQUIPMENT - MISC	X
1	185600000000000	RIGHT OF WAY CLEARING	X
1	187100000000000	TELEMETRY COSTS	X
1	188001000000000	OPERATIONS OFFICE TELEPHONE	X
1	188002000000000	OPERATIONS OFFICE UTILITIES	X
1	188003000000000	OPERATIONS OFFICE MISC.	X
1	188004000000000	FEES TRAINING SCHOOLS	X
1	188005000000000	UNIFORMS	X
1	188006000000000	WELDING SUPPLIES	X
1	188101000000000	RENT OPERATING OFFICES	X
1	188102000000000	RENT LAND & LAND RIGHTS	X
1	188600000000000	MNT STRUCTURES TRANS & DIST.	X
1	188701000000000	MNT TRANS & DIST MAINS PAYROLL	X

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
	188702000000000	MNT TRANS & DIST MAINS OTHER	X
1	188900000000000	MNT REG STATION TRANS & DIST.	X
1	189301000000000	MNT OF METERS & REG PAYROLL	X
1	189302000000000	MNT OF METERS & REG OTHER	X
1	189401000000000	MNT OF OTHER EQUIPMENT PAYROLL	X
1	189402000000000	MNT OF OTHER EQUIPMENT OTHER	X
1	189801000000000	MNT - TRANSP EQUIP EXPENSE-PAYROLL	X
1	189802000000000	MNT - POWER OPR EQUIP EXPENSE-PAYROLL	X
1	190001000000000	TRANS & DIST. PAYROLL	X
1	190002000000000	OPR TRANSPORTATION EXPENSES	X
1	190003000000000	SMALL TOOLS & WORK EQUIPMENT	X
1	190301000000000	CASHERING PAYROLL	X
1	190302000000000	CUSTOMER COLLECTIONS & RECORDS	X
1	190400000000000	UNCOLLECTIBLE ACCOUNTS	X
1	191300000000000	ADVERTISING	X
1	192001000000000	ADMINISTRATIVE PAYROLL	X
1	192002000000000	ADM TRANSPORTATION EXPENSES	X
1	192101000000000	ADM TELEPHONE	X
1	192103000000000	BOOKS & SUBSCRIPTIONS	X
1	192104000000000	COMPANY FORMS	X
1	192105000000000	SMALL SUPPLY ITEMS	X
1	192106000000000	MISCELLANEOUS OTHER ITEMS	X
1	192107000000000	EMPLOYEE MEMBERSHIPS	X
1	192108000000000	SAFETY LITERATURE & EDUCATION	X
1	192109000000000	ENGR & DRAFTING SUPPLIES	X
1	192110000000000	ADM UTILITIES	X
1	192111000000000	INVENTORY - DIFFERENCE	X
1	192121000000000	TRAVEL ETC CO BUS PRES & CEO	X
1	192122000000000	TRAVEL ETC CO BUS OFFICERS	X
1	192123000000000	TRAVEL ETC CO BUS OPER & CONST	X
1	192124000000000	TRAVEL ETC CO BUS ADM&CUST SER	X
1	192125000000000	TRAVEL ETC CO BUS EXTERNAL AFFAIRS	X
1	192126000000000	TRAVEL ETC CO BUS FINANCE	X
1	192127000000000	TRAVEL ETC CO BUS TREASURY	X

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
	192128000000000	TRAVEL ETC CO-BUS CUST SERVICE	X
1	192129000000000	CO. BUS. MEALS & ENTERTAINMENT	X
1	192130000000000	COMPUTER EQUIPMENT OPERATIONS	X
1	192200000000000	EXP. TRANSFERRED - CAPITAL	X
1	192210000000000	EXP. TRANSFERRED I/C	X
1	192301000000000	OUTSIDE SERVICES LEGAL	X
1	192302000000000	OUTSIDE SERVICES ACCOUNTING	X
1	192303000000000	OUTSIDE SERVICES JANITORIAL	X
1	192304000000000	OUTSIDE SERVICES OTHER	X
1	192305000000000	OUTSIDE SERVICES COMPUTERS	X
1	192400000000000	INSURANCE	X
1	192601000000000	TIME OFF PAYROLL	X
1	192602000000000	PENSION	X
1	192603000000000	EMPLOYEE 401K PLAN	X
1	192604000000000	MEDICAL COVERAGE	X
1	192605000000000	SALARY CONTINUATION COVERAGE	X
1	192606000000000	EMPLOYEE STOCK PLAN	X
1	192607000000000	EMPLOYEE EDUCATION	X
1	192608000000000	EMPLOYEE RECREATION & SOCIAL	X
1	192610000000000	SUPPLEMENTAL RETIREMENT PLAN	X
1	192800000000000	REGULATORY COMMISSION EXPENSE	X
1	193001000000000	DIRECTOR FEES & EXPENSES	X
1	193002000000000	COMPANY MEMBERSHIPS	X
1	193003000000000	FEES CONVENTIONS & MEETINGS	X
1	193004000000000	MARKETING	X
1	193005000000000	COMPANY RELATIONS	X
1	193006000000000	TRUSTEE, REGISTRAR, AGENT FEES	X
1	193007000000000	STOCKHOLDERS MEETINGS	X
1	193008000000000	STOCKHOLDER REPORTS	X
1	193009000000000	CUSTOMER & PUBLIC INFORMATION	X
1	193010000000000	PUBLIC & COMMUNITY RELATIONS	X
1	193011000000000	CONSERVATION PROGRAM	X
1	193012000000000	LOBBYING EXPENDITURES	X
1	193013000000000	MISC NON TAX DEDUCTIBLE	X

Delta Natural Gas GL Chart of Accounts

Company	GL #	GL Description	Account Type A,L,E,R,X,S
1	193201000000000	MNT COMMUNICATION EQUIPMENT	X
1	193202000000000	MNT OFFICE EQUIPMENT	X
1	193203000000000	MNT GENERAL STRUCTURES	X
1	193205000000000	MAINTENANCE COMPUTER EQUIPMENT	X

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(k)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

The independent auditor's annual opinion report, with any written communication from the independent auditor to the utility which indicates the existence of a material weakness in the utility's internal controls.

Response:

Delta's independent auditor is Deloitte. There have been no written communications related to the 2006 fiscal year which indicate the existence of a material weakness in Delta's internal controls. See attached for Deloitte's annual opinion reports.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Delta Natural Gas Company, Inc.:

We have audited management's assessment, included in the accompanying Management Report on Internal Control over Financial Reporting, that Delta Natural Gas Company, Inc. (the "Company") maintained effective internal control over financial reporting as of June 30, 2006, based on criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assessment and an opinion on the effectiveness of the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, evaluating management's assessment, testing and evaluating the design and operating effectiveness of internal control, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions.

A company's internal control over financial reporting is a process designed by, or under the supervision of, the company's principal executive and principal financial officers, or persons performing similar functions, and effected by the company's board of directors, management, and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of the inherent limitations of internal control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may not be prevented or detected on a timely basis. Also, projections of any evaluation of the effectiveness of the internal control over financial reporting to future periods are subject to the risk that the controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, management's assessment that the Company maintained effective internal control over financial reporting as of June 30, 2006, is fairly stated, in all material respects, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of June 30, 2006, based on the criteria established in *Internal Control—Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated financial statements and financial statement schedule of the Company as of and for the year ended June 30, 2006 and issued our report thereon dated August 31, 2006 (which report expressed an unqualified opinion on those financial statements and financial statement schedule and included an explanatory paragraph regarding the Company's adoption of Financial Accounting Standards Board Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" effective June 30, 2006).

DELOITTE & TOUCHE LLP

Cincinnati, Ohio
August 31, 2006

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of Delta Natural Gas Company, Inc.:

We have audited the accompanying consolidated balance sheets and statements of capitalization of Delta Natural Gas Company, Inc. and subsidiaries as of June 30, 2006 and 2005, and the related consolidated statements of income, changes in shareholders' equity, and cash flows for each of the three years in the period ended June 30, 2006. Our audits also included the financial statement schedule listed in the Index at Item 8. These financial statements and the financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the financial statement schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Delta Natural Gas Company, Inc. and subsidiaries as of June 30, 2006 and 2005, and the results of their operations and their cash flows for each of the three years in the period ended June 30, 2006, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

As discussed in Note 2 to the consolidated financial statements, effective June 30, 2006, the Company adopted Financial Accounting Standards Board Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations."

We have also audited in accordance with the Standards of the Public Company Accounting Oversight Board (United States), the effectiveness of the Company's internal control over financial reporting as of June 30, 2006, based on criteria established in *Internal Control – Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 31, 2006 expressed an unqualified opinion on management's assessment of the effectiveness of the Company's internal control over financial reporting.

DELOITTE & TOUCHE LLP

Cincinnati, Ohio
August 31, 2006

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(I)
Sponsoring Witness: Matthew Wesolosky

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission or Federal Communication Commission audit reports.

Response:

Neither the Federal Energy Regulatory Commission nor the Federal Communication Commission audits Delta and, therefore, no such audit reports exist.

Delta Natural Gas Company, Inc.
Case No. 2007-00089
Historical Test Period Filing Requirements

Filing Requirement
807 KAR 5:001 Section 10(6)(m)
Sponsoring Witness: John B. Brown

Description of Filing Requirement:

The most recent Federal Energy Regulatory Commission Form 1 (electric), Federal Energy Regulatory Commission Form 2 (gas), or Automated Reporting Management Information System Report (telephone) and Public Service Commission Form T (telephone);

Response:

Delta's most recent FERC Form 2 for the year ended December 31, 2006, is attached. The other requirements are not applicable to Delta's Application because it is not an electric utility or telephone service provider.

OATH

Commonwealth of Kentucky)
) ss:
County of Clark)

John B. Brown makes oath and says
(Name of Officer)

that he/she is VP-Controller of
(Official title of officer)

Delta Natural Gas Company, Inc.
(Exact legal title or name of respondent)

that it is her/her duty to have supervision over the books of account of the respondent and to control the manner in which such books are kept; that he/she knows that such books have, during the period covered by the foregoing report, been kept in good faith in accordance with the accounting and other orders of the Public Service Commission of Kentucky, effective during the said period; that he/she has carefully examined the said report and to have the best of his/her knowledge and belief the entries contained in the said report have, so far as they relate to matters of account, been accurately taken from the said books of account and are in exact accordance therewith; that he/she believes that all other statements of fact contained in the said report are true; and that the said report is a correct and complete statement of the business and affairs of the above-named respondent during the period of time from and including

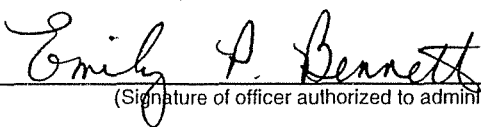
January 1, 20 06, to and including December 31, 20 06


(Signature of Officer)

subscribed and sworn to before me, a Notary, in and for
the State and County named in the above this 12th day of April, 20 07

(Apply Seal Here)

My Commission expires 6/20/08


(Signature of officer authorized to administer oath)

KENTUCKY PUBLIC SERVICE COMMISSION
REPORT OF GROSS OPERATING REVENUES DERIVED FROM INTRA-KENTUCKY
BUSINESS FOR THE YEAR ENDING DECEMBER 31, 2006

Delta Natural Gas Company, Inc. Winchester, KY
(Utility Reporting) (Address)

FEIN # (Federal Employer Identification Number)

Table with 10 columns containing digits: 6, 1, -, 0, 4, 5, 8, 3, 2, 9

(DO NOT INCLUDE TAXES COLLECTED)

- (1) Gross Revenues of Electric Utility...\$
(2) Gross Revenues of Gas Utility...\$ 63,515,559
(3) Gross Revenues of Water Utility...\$
(4) Gross Revenues of Sewer Utility...\$
(5) Other Operating Revenues...\$
*** TOTAL GROSS REVENUES...\$ 63,515,559

OATH

State of Kentucky...
County of Clark... ss.

John B. Brown being duly sworn, states that he/she is
(Officer)

VP-Controller of the Delta Natural Gas Company, Inc that the above
(Official Title) (Utility Reporting)

report of gross revenues is in exact accordance with Delta Natural Gas Company, Inc., and that such
(Utility Reporting)

books accurately show the gross revenues of: Delta Natural Gas Company, Inc., derived from
(Utility Reporting)

Intra-Kentucky business for the calendar year ending December 31, 2006.

Handwritten signature of John B. Brown, VP-Controller
(Officer) (Title)

This the 6th day of March, 2007

Handwritten signature of Emily P. Bennett, Notary Public
Clark (County) 6/20/08 (Commission Expires)

NOTE: ANY DIFFERENCE BETWEEN THE AMOUNT OF THE GROSS REVENUES SHOWN IN THE
ANNUAL REPORT AND THE AMOUNT APPEARING ON THIS STATEMENT MUST BE
RECONCILED ON THE REVERSE OF THIS REPORT.

Principal Payment and Interest Information

Amount	Yes/No
\$33,851,000.00	Y
Amount of Principal Payment During Calendar Year	Y
Is Principal Current?	Y
Is Interest Current?	Y

Services Performed by Independent CPA

	Yes/No	A/C/R
--	--------	-------

Are your financial statements examined by a Certified Public Accountant?

Enter Y for Yes or N for No Y

If yes, which service is performed?

Enter an X on each appropriate line

Audit

Compilation

Review

X

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Gas Purchases

Seller	Acct	Gas Purch. MCF	Cost of Gas
ATMOS-WOODWARD		1,452,033	\$14,317,401.00
COLUMBIA NATURAL RESOURCES		46,995	\$526,510.00
M&B IND.		1,716,151	\$12,885,538.00
NAMI RESOURCES		0	(\$61,911.00)
JOHN E BALANCE		0	\$16,526.00
COLUMBIA GAS TRANSMISSION		0	\$204,422.00
COLUMBIA GULF		0	\$165,226.00
SOMERSET GAS		0	\$1,650.00
STORAGE CANADA MOUNTAIN W/D		984,732	\$7,945,800.00
STORAGE CANADA MOUNTAIN INJECTION		-760,315	(\$5,477,801.00)
Total		3,439,596	\$30,523,391.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Additional Information - Counties

Bath, Bell, Bourbon, Clark, Estill, Fayette, Fleming, Garrard, Jackson, Knox, Laurel, Lee, Leslie, Madison, Mason, Menifee, Montgomery, Powell, Robertson, Rowan, Whitley, Clay, Jessamine

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Revenues, Customers and MCF Sales

	Revenues	MCFs Nat Gas Sold	Customers
Residential (480)	\$32,414,805.00	1,779,377	32,148
Commercial and Industrial Sales (481)			
Small (or Commercial)	\$22,003,941.00	1,328,512	4,374
Large (Or Industrial)	\$2,022,432.00	140,108	812
Other Sales to Public Authorities (482)			
Interdepartmental Sales (484)			
Total Sales to Ultimate Customers	\$56,441,178.00	3,247,997	37,334
Sales for Resale (483)			
Total Natural Gas Service	\$56,441,178.00	3,247,997	37,334

Identification (Ref Page: 1)

Name	Address1	Address2	City	State	Zip	Phone
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Exact Legal Name of Respondent

DELTA NATURAL GAS COMPANY, INC.

Previous Name and Date of change (if name changed during the year)

Name Address and Phone number of the contact person

JOHN B. BROWN 3617 LEXINGTON ROAD WINCHESTER KY 40391 744-6171

Note File: Attestation and signature via Electronic Filing

General Information - (1) (Ref Page: 101)

Name	Address	City	State	Zip
Provide name and title of the Officer having custody of the general corporate books of account	JOHN B. BROWN	3617 LEXINGTON ROAD	WINCHESTER	KY 40391
Provide Address of Office where the general Corporate books are kept	JOHN B. BROWN	3617 LEXINGTON ROAD	WINCHESTER	KY 40391
Provide the Address of any other offices where other corporate books are kept if different from where the general corporate books are kept				

Explain

Provide the name of the State under the laws which respondent is incorporated and date

If incorporated under a special law give reference to such law

If not incorporated state that fact and give the type of organization and the date organized

KENTUCKY

If at any time during the year the property of respondent was held by a receiver or trustee

give (a) the name of receiver or trustee

(b) date such receiver or trustee took possession

(c) the authority by which the receivership or trusteeship was created and

(d) date when possession by receiver or trustee ceased.

State the classes or utility and other services furnished by respondent during the year in each State in which the respondent operated.

NATURAL GAS DISTRIBUTION, STORAGE AND TRANSMISSION

General Information - (5) (Ref Page: 101)

	Yes/No	Date
--	--------	------

Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal account for the previous years certified financial statements?

Y

Enter Y for Yes or N for No

Y

If yes, Enter the date when such independent accountant was initially engaged

05012002

Corporations Controlled by Respondent (Ref Page: 103)

Name of Company (a)	Type (b)	Business (c)	Percent Voting Stock (d)
DELTA RESOURCES, INC.	D	GAS BROKER	100.00000000
DELGASCO, INC.	D	GAS BROKER	100.00000000
ENPRO, INC.	D	PRODUCER	100.00000000

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Security Holders and Voting Powers - Part 1 (Ref Page: 107)

Total	Date	Explain
0		
0		
	11/16/2006	DELTA NATURAL GAS COMPANY, INC.

1. Give date of the latest closing of the stock book prior to end of the year, and state the purpose of such closing:
2. State the total number of votes cast at the latest general meeting prior to end of year for election of directors or the respondent and the number of such votes cast by proxy

Total:

By Proxy:

3. Give the date and place of such a meeting
 Voting Securities

Number of votes as of Date:

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Security Holders and Voting Powers - Part 2 (Ref Page: 107)

Name	Address	Total Votes	Common Stock	Preferred Stock	Other
CEDE & CO.	P.O. BOX 20, BOWLING GREEN STATION	2,601,257	2,601,257	0	0
DINGO & CO.	C/O COMPUTERSHARE, P.O. BOX A3504	228,634	228,634	0	0
DONALD R. CROWE	8112 DOZIER PLACE BRENTWOOD, TN 37027	18,700	18,700	0	0
MICHAEL R. WHITLEY	709 TURF COURT LEXINGTON, KY 40502	16,000	16,000	0	0
MARY RITA PEET	230 OLD GARDEN COURT 40391	14,600	14,600	0	0
ARTHUR EVERETT WALKER, JR.	P.O. BOX 308 MT. STERLING, KY 40353	14,587	14,587	0	0
LEWIS N. MELTON	211 NOTTINGHAM DRIVE 40965	13,173	13,173	0	0
VIRGIL E. SCOTT	213 IVY LAND WINCHESTER, KY 40391	12,442	12,442	0	0
JOHN D. HARRISON & MINNIE T. HARRISON	1106 MAPLE STREET STANTON, KY 40383	10,010	10,010	0	0
GLENN R. JENNINGS	9 FAIRWAY DRIVE BEREA, KY 40403	10,118	10,118	0	0

- 4. Total votes of all voting securities
- 5. Total number of all security holders
- 6. Total Votes of Security Holders listed below

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
Important Changes During the Year (Ref Page: 108)

Explain

Give particulars concerning the matters indicated below.

1. Changes in and important additions to franchise rights:

On August 30, 2006, we entered into a 10 year franchise agreement with the city of Owingsville. The franchise provides for a 3% franchise fee on gross revenues.

2. Acquisition of ownership in other companies by reorganization, merger or consolidation with other companies:

3. Purchase or sale of an operating unit or system:

4. Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given assigned or surrendered:

5. Important extension or reduction of transmission or distribution system:

6. Obligations incurred as a result of issuance of securities or assumption of liabilities or guarantees.

In April, 2006, we issued \$40,000,000 of 5.75% Insured Quarterly Notes that mature in April, 2021. Redemption of up to \$25,000 annually will be made on behalf of deceased holders, up to an aggregate of \$800,000 annually for all deceased beneficial owners. The 5.75% Insured Quarterly Notes can be redeemed by us beginning in April, 2009 with no premium. Also, in May 2006, we redeemed \$23,672,000 aggregate principal amount of 7.15% Debentures due 2018 and also redeemed \$10,169,000 aggregate principal amount of 6 5/8% Debentures due 2023.

7. Changes in articles of incorporation or amendments to charter: Explain the nature and purpose of such changes or amendments.

In Nov. 2006 we increased the amount of shares authorized from 6,000,000 to 20,000,000. The purpose of the increase in the number of authorized shares of common stock is to enhance the flexibility of Delta to deal with its business needs as they might arise in the future.

8. State the estimated annual effect and nature of any important wage scale changes during the year.

9. State briefly the status of any materially important legal proceedings pending at the end of the year and the results.

10. Describe briefly any materially important transactions not disclosed elsewhere in this report in which an officer, director, or associated company was a party or had a material interest.

11. Estimated increase or decrease in annual revenues caused by important rate changes.

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
1. UTILITY PLANT		
2. Utility Plant (101-106,114)	\$168,448,171.00	\$176,132,090.00
3. Construction Work in Progress (107)	\$3,745,537.00	\$2,275,552.00
4. TOTAL UTILITY PLANT	\$172,193,708.00	\$178,407,642.00
5. (Less) Accum. Prov. for Depr. Amort. Depl. (108,111,115)	\$58,481,386.00	\$61,435,867.00
6. Net Utility Plant (Line 4 less Line 5)	\$113,712,322.00	\$116,971,775.00
7. Nuclear Fuel (120.1-120.4,120.6)		\$0.00
8. (Less) Accum. Prov. for Amort. of Nucl. Assemblies (120.5)		\$0.00
9. Nuclear Fuel (Line 7 less Line 8)		\$0.00
10. Net Utility Plant (Enter Total of Line 6 and Line 9)	\$113,712,322.00	\$116,971,775.00
11. Utility Plant Adjustments (116)		
12. Gas Stored-Base Gas (117.1)	\$4,208,069.00	\$4,208,069.00
13. System Balancing Gas (117.2)		
14. Gas Stored Underground - Non Current (117.3)		
15. Gas Owned to System Gas (117.4)		
16. OTHER PROPERTY AND INVESTMENTS		
17. Nonutility Property (121)		
18. (Less) Accum. Prov. for Depr and Amort. (122)		
19. Investment in Associated Companies (123)		
20. Investments in Subsidiary Companies (123.1)	\$1,579,510.00	\$1,432,773.00
21.		
22. Noncurrent Portion of Allowances		
23. Other Investments (124)		
24. Special Funds (125-128)	\$387,193.00	\$379,661.00
25. TOTAL Other Property and Investments	\$1,966,703.00	\$1,812,434.00
26. CURRENT AND ACCRUED ASSETS		
27. Cash (131)	\$416,256.00	\$380,069.00

Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
28. Special Deposits (132-134)		\$5,575.00
29. Working Fund (135)	\$5,275.00	
30. Temporary Cash Investments (136)		
31. Notes Receivable (141)	\$75,000.00	\$51,000.00
32. Customer Accounts Receivable (142)	\$17,859,774.00	\$11,557,560.00
33. Other Accounts Receivable (143)		
34. (Less) Accum. Prov. for Uncollectible Acct. Credit (144)	\$523,252.00	\$400,025.00
35. Notes Receivable from Associated Companies (145)		
6. Accounts Receivable from Assoc. Companies (146)	\$3,991,546.00	\$6,792,499.00
37. Fuel Stock (151)		
38. Fuel Stock Expenses Undistributed (152)		
39. Residuals (Elec) and Extracted Products (153)		
40. Plant Materials and Operating Supplies (154)	\$427,529.00	\$441,372.00
41. Merchandise (155)		
42. Other Materials and Supplies (156)		
43. Nuclear Materials Held for Sale (157)		
44. Allowances (158.1 and 158.2)		
45. (Less) Noncurrent Portion of Allowances		
46. Stores Expense Undistributed (163)		
47. Gas Stored Underground - Current (164.1)	\$12,277,340.00	\$9,809,341.00
48. Liquefied Natural Gas Stored and Held for Processing (164.2-164.3)		
49. Prepayments (165)	\$5,585,601.00	\$4,703,294.00
50. Advances for Gas (166-167)		
51. Interest and Dividends Receivable (171)		
52. Rents Receivable (172)		
53. Accrued Utility Revenues (173)		

Balance Sheet - Assets and Other Debits (Ref Page: 110)

	Balance Beginning of Year	Balance End of Year
54. Miscellaneous Current and Accrued Assets (174)		
54.a Derivative Instrument Assets (175)		
54.b Derivative Instrument Assets - Hedges (176)	\$40,115,069.00	\$33,340,685.00
55. TOTAL Current and Accrued Assets (Lines 27 - 54.b)		
56. DEFERRED DEBITS		
57. Unamortized Debt Expenses (181)	\$3,712,703.00	\$5,704,177.00
58. Extraordinary Property Losses (181.1)		
59. Unrecovered Plant and Regulatory Study Costs (182.2)		
60. Other Regulatory Assets (182.3)		
61. Prelim. Survey and Investigation Charges (Electric) (183)		
62. Prelim. Sur. and Invest. Charges (Gas) (183.1,183.2)		
63. Clearing Accounts (184)	\$52,050.00	\$38,794.00
64. Temporary Facilities (185)		
65. Miscellaneous Deferred Debits (186)	\$303,480.00	\$1,490,272.00
66. Def. Losses from Disposition of Utility Plt. (187)		
67. Research, Devel. and Demonstration Expend. (188)		
68. Unamortized Loss on Reacquired Debt (189)		
69. Accumulated Deferred Income Taxes (190)		
70. Unrecovered Purchased Gas Costs (191)	\$7,363,945.00	\$1,117,890.00
71. TOTAL Deferred Debits (Lines 57-70)	\$11,432,178.00	\$8,351,133.00
72. Total Assets and other Debits (Total Lines 10-15,22,55,71)	\$171,434,341.00	\$164,684,096.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
1. PROPRIETARY CAPITAL		
2. Common Stock Issued (201)	\$3,242,502.00	\$3,267,942.00
3. Preferred Stock Issued (204)		
4. Capital Stock Subscribed (202,205)		
5. Stock Liability for Conversion (203,206)		
6. Premium on Capital Stock (207)	\$45,309,685.00	\$45,929,039.00
7. Other Paid-in Capital Stock (208-211)		
8. Installments Received on Capital stock (212)		
9. (Less) Discount on Capital Stock (213)		
10. (Less) Capital Stock Expense (214)	\$2,599,227.00	\$2,643,354.00
11. Retained Earnings (215,215.1,216)	\$3,994,804.00	\$4,753,546.00
12. Unappropriated Undistributed Subsidiary Earnings (216.1)	\$1,576,511.00	\$1,429,774.00
13. (Less) Reacquired Capital Stock (217)		
14. Accumulated Other Comprehensive Income (219)		
15. TOTAL Proprietary Capital	\$51,524,275.00	\$52,736,947.00
16. LONG TERM DEBT		
17. Bonds (221)	\$52,191,000.00	\$58,670,000.00
18. (Less) Reacquired Bonds (222)		
19. Advances from Associated Companies (223)		
20. Other Long-Term Debt (224)		
21. Unamortized Premium on Long-Term Debt (225)		
22. (Less) Unamortized Discount on Long-Term Debt (226)		
23. (Less) Current Portion of Long Term Debt		
24. TOTAL Long Term Debt	\$52,191,000.00	\$58,670,000.00
25. OTHER NONCURRENT LIABILITIES		
26. Obligations Under Capital Leases-NonCurrent (227)		
27. Accumulated Provision for Property Insurance (228.1)		

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
28. Accumulated Provision for Injuries and Damages (228.2)		\$194,040.00
29. Accumulated Provision for Pensions and Benefits (228.3)		
30. Accumulated Miscellaneous Operating Provisions (228.4)		
31. Accumulated Provision for Rate Refunds (229)	\$0.00	\$1,444,226.00
32. Asset Retirement Obligations (230)		\$1,636,266.00
33. TOTAL OTHER Noncurrent Liabilities		
34. CURRENT AND ACCRUED LIABILITIES		
35. Current Portion of Long-Term Debt	\$1,650,000.00	\$1,200,000.00
36. Notes Payable (231)	\$32,034,527.00	\$17,146,346.00
37. Accounts Payable (232)	\$7,480,766.00	\$4,712,879.00
38. Notes Payable to Associated Companies (233)		
39. Account Payable to Associated Companies (234)		
40. Customer Deposits (235)	\$585,659.00	\$596,453.00
41. Taxes Accrued (236)	\$849,873.00	\$498,346.00
42. Interest Accrued (237)	\$888,380.00	\$863,201.00
43. Dividends Declared (238)		
44. Matured Long-Term Debt (239)		
45. Matured Interests (240)		
46. Tax Collections Payable (241)	\$86,236.00	\$89,133.00
47. Miscellaneous current and Accrued Liabilities (242)	\$1,900,950.00	\$1,564,712.00
48. Obligatons Under Capital Leases - Current (243)		
49. Derivative Instrument Liabilities (244)		
50. Derivative Instrument Liabilities - Hedges (245)		
51. TOTAL Current and Accrued Liabilities	\$45,476,391.00	\$26,671,070.00
52. DEFERRED CREDITS		
53. Customer Advances for Construction (252)	\$229,877.00	\$51,708.00
54. Accumulated Deferred Investment Tax Credits (255)	\$269,400.00	\$232,100.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Balance Sheet - Liabilities and Other Credits (Ref Page: 112)

	Balance Beginning of Year	Balance End of Year
55. Deferred Gains from Disposition of Utility Plant (256)	\$174.00	\$1,439.00
56. Other Deferred Credits (253)		
57. Other Regulatory Liabilities (254)	\$2,544,875.00	\$2,491,478.00
58. Unamortized gain on Reacquired Debt (257)		
59. Accumulated Deferred Income Taxes (281-283)	\$19,198,349.00	\$22,191,088.00
60. TOTAL Deferred Credits	\$22,242,675.00	\$24,967,813.00
61. TOTAL Liabilities and Other Credits (Total Lines 15,24,33,51 and 60)	\$171,434,341.00	\$164,684,096.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Statement of Income for the Year (Ref Page: 114)

	Total (c)	Total - Prev Yr (d)	Electric(e)	Gas(g)	Other (h)
1. UTILITY OPERATING INCOME					
2. Gas Operating Revenues (400)	\$63,515,559.00	\$62,682,261.00	\$0.00	\$63,515,559.00	\$0.00
3. Operating Expenses					
4. Operation Expenses (401)	\$49,186,452.00	\$47,079,282.00	\$0.00	\$49,186,452.00	\$0.00
5. Maintenance Expenses (402)	\$679,744.00	\$611,279.00	\$0.00	\$679,744.00	\$0.00
6. Depreciation Expense (403)	\$4,246,739.00	\$3,997,035.00	\$0.00	\$4,246,739.00	\$0.00
7. Depreciation Expense for Asset Retirement Costs (403.1)	\$0.00	\$588.00	\$0.00	\$0.00	\$0.00
8. Amort and Depl of Utility Plant (404-405)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
9. Amort of Utility Plant Acq. Adj (406)	(\$12,000.00)	(\$12,000.00)	\$0.00	(\$12,000.00)	\$0.00
10. Amort of Property Losses, Unrecovered Plant and Regulatory Study Costs (407.1)					
11. Amort. of Conversion Expenses (407.2)					
12. Regulatory Debits (407.3)					
13. (Less) Regulatory Credits (407.4)					
14. Taxes Other than Income Taxes (408.1)	\$1,767,481.00	\$1,675,148.00	\$0.00	\$1,767,481.00	\$0.00
15. Income Taxes - Federal (409.1)	(\$1,391,650.00)	\$31,960.00	\$0.00	(\$1,391,650.00)	\$0.00
16. Income Taxes - Other (409.1)	(\$273,813.00)	\$68,540.00	\$0.00	(\$273,813.00)	\$0.00

Statement of Income for the Year (Ref Page: 114)

	Total (c)	Total - Prev Yr (d)	Electric (e)	Gas (g)	Other (h)
17. Provision for Deferred Income Taxes (410.1)	\$2,659,063.00	\$1,744,100.00	\$0.00	\$2,659,063.00	\$0.00
18. (Less) Provision for Deferred Income Taxes (411.1)					
19. Investment Tax Credit Adj. - Net (411.4)	(\$37,300.00)	(\$37,800.00)	\$0.00	(\$37,300.00)	\$0.00
20. (Less) Gains from Disp. of Utility Plant (411.6)					
21. Losses from Disp. of Utility Plant (411.7)					
22. (Less) Gains from Disposition of Allowances (411.8)					
23. Losses from Disposition of Allowances (411.9)					
24. Accretion Expense (411.10)	\$0.00	\$3,340.00	\$0.00	\$0.00	\$0.00
25. Total Utility Operating Expenses (Enter Total of Lines 4 - 22)	\$56,824,716.00	\$55,161,472.00	\$0.00	\$56,824,716.00	\$0.00
26. Net Utility Operating Income (Line 2 less line 23 - Carry forward to pg 117 line 25)	\$6,690,843.00	\$7,520,789.00	\$0.00	\$6,690,843.00	\$0.00

Statement of Income (continued) (Ref Page: 116)

	Current Year	Previous Year
27. Net Utility Operating Income (Carried from pg 114)	\$6,690,843.00	\$7,520,789.00
28. Other Income and Deductions		
29. Other Income		
30. Nonutility Operating Income		
31. Revenues From Merchandising, Jobbing and Contract Work (415)	\$25,481.00	\$32,524.00
32. (Less) Costs and Exp. of Merchandising, Job. and Contract Work (416)	\$10,691.00	\$12,424.00
33. Revenues From Nonutility Operations (417)		
34. (Less) Expenses of Nonutility Operations (417.1)		
35. Nonoperating Rental Income (418)		
36. Equity in Earnings of Subsidiary Companies (418.1)	\$2,709,770.00	\$2,705,981.00
37. Interest and Dividend Income (419)	\$156,137.00	\$20,767.00
38. Allowance for Other Funds Used During Construction (419.1)		
39. Miscellaneous Nonoperating Income (421)	\$14,817.00	\$52,435.00
40. Gain on Disposition of Property (421.1)		
41. TOTAL Other Income	\$2,895,514.00	\$2,799,283.00
42. Other Income Deductions		
43. Loss on Disposition of Property (421.2)		
44. Miscellaneous Amortization (425)		
45. Miscellaneous Income Deductions (426.1 - 426.5)	(\$5,266.00)	(\$1,688.00)
46. TOTAL Other Income Deductions	(\$5,266.00)	(\$1,688.00)
47. Taxes Applic. to Other Income and Deductions		
48. Taxes Other Than Income Taxes (408.2)		
49. Income Taxes - Federal (409.2)	\$61,100.00	\$30,900.00
50. Income Taxes - Other (409.2)	\$12,600.00	\$6,500.00
51. Provision for Deferred Inc. Taxes (410.2)		

Statement of Income (continued) (Ref Page: 116)

	Current Year	Previous Year
52. (Less) Provision for Deferred Income Taxes CR (411.2)		
53. Investment Tax Credit Adj. Net (411.5)		
54. (Less) Investment Tax Credits (420)	\$73,900.00	\$97,400.00
55. TOTAL Taxes on Other Income and Deduct.	\$2,826,880.00	\$2,763,571.00
56. Net Other Income and Deductions (Lines 39,44,53)		
57. Interest Charges	\$3,926,613.00	\$3,793,475.00
58. Interest on Long Term Debt (427)	\$348,890.00	\$236,184.00
59. Amort of Debt Disc. and Expense (428)		
60. Amortization of Loss on Reacquired Debt (428.1)		
61. (Less) Amort. of Premium on Debt - CR (429)		
62. (Less) Amortization of Gain on Reacquired Debt - CR (429.1)		
63. Interest on Debt to Assoc. Companies (430)	\$692,203.00	\$605,689.00
64. Other Interest Expense (431)		
65. (Less) Allowance for Borrowed Funds Used During Construction CR (432)	\$4,967,706.00	\$4,635,348.00
66. Net Interest Charges	\$4,550,017.00	\$5,649,012.00
67. Income Before Extraordinary Items (Lines 25.54 and 64)		
68. Extraordinary Items		
69. Extraordinary Income (434)		
70. (Less) Extraordinary Deductions (435)		
71. Net Extraordinary Items (Lines 67 less 68)		
72. Income Taxes - Federal and Other (409.3)		
73. Extraordinary Items After Taxes (Lines 69 less 70)		
74. Net Income (Lines 67 and 73)	\$4,550,017.00	\$5,649,012.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Statement of Retained Earnings for the Year (Ref Page: 118)

Item (a)	Acct (b)	Amount (c)
UNAPPROPRIATED RETAINED EARNINGS		
(216)		
State balance and purpose of each appropriated retained earnings amount at end of year and		
1. Balance - Beginning of the Year		\$3,994,804.00
Changes (Identify by prescribed retained earnings accounts)		
give accounting entries for any applications of appropriated retained earnings during the year.		
Adjustments to Retained Earnings (439)		
Credit:	DIVIDENDS FROM SUBS	\$2,856,507.00
Credit:	ROUNDING	\$0.00
4. TOTAL Credits to Retained Earnings (439)		\$2,856,507.00
Debit:		
5. TOTAL Debits to Retained Earnings (439)		
6. Balance Transferred from Income (433 less 418.1)		\$1,840,247.00
Appropriations of Retained Earnings (436)		
8. TOTAL appropriations of Retained Earnings (436)		
Dividends Declared - Preferred stock (437)		
10. TOTAL Dividends Declared - Preferred Stock (437)		
Dividends Declared - Common Stock (438)		
		0 0
12. TOTAL Dividends Declared - Common Stock (438)		(\$3,938,012.00)
		(\$3,938,012.00)

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Statement of Retained Earnings for the Year (Ref Page: 118)

Item (a)	Acct (b)	Amount (c)
13. Transfers from Acct 216.1, Unappropriated Undistributed Subsidiary Earnings		
14. Balance End of Year (Total Lines 1,4,5,6,8,10,12,13)		\$4,753,546.00
APPROPRIATED RETAINED EARNINGS (215)		
(215)		
16. TOTAL Appropriated Retained Earnings (215)		
(215)		
APPROPRIATED RETAINED EARNINGS - AMORTIZATION RESERVE, FEDERAL		
17. TOTAL Appropriated Retained Earnings - Amortization Reserve, Federal (215.1)		
(215.1)		
18. TOTAL Appropriated Retained Earnings (total lines 16 and 17) (214,215.1)		
(214,215.1)		\$4,753,546.00
19. TOTAL Retained Earnings (Lines 14 and 18) (215, 215.1, 216)		
(215, 215.1, 216)		
UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (216.1)		
20. Balance - Beginning of Year (Debit or Credit)		
(418.1)		\$1,576,511.00
21. Equity in Earnings for Year (Credit) (418.1)		
(418.1)		\$2,709,770.00
22. (Less) Dividends Received (Debit)		
(2,856,507.00)		(\$2,856,507.00)
23. Other Charges (explain) DIVIDENDS TO PARENT 0		
0		
24. Balance - End of Year		
		\$1,429,774.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Statement of Cash Flows (Ref Page: 120)

Description	Amounts
1. Net Cash Flow From Operating Activities:	
2. Net income (Line 72 c on page 117)	\$4,550,017.00
3. Noncash Charges (Credits) to Income:	
4. Depreciation and Depletion	\$4,234,739.00
Amortization of (Specify)	
5.	\$348,890.00
6. Deferred Income Taxes (Net)	\$2,617,138.00
7. Investment Tax Credit Adjustment (Net)	
8. Net (Increase) Decrease in Receivables	\$14,164,560.00
9. Net (Increase) Decrease in Inventory	\$2,467,999.00
10. Net (Increase) Decrease in Allowances Inventory	
11. Net Increase (Decrease) in Payables and Accrued Expenses	\$860,155.00
12. Net (Increase) Decrease in Other Regulatory Assets	
13. Net Increase (Decrease) in Other Regulatory Liabilities	
14. (Less) Allowance for Other Funds Used During Construction	
15. (Less) Undistributed Earnings from Subsidiary Companies	
Other:	
16.	\$6,246,056.00
17. Net Cash Provided by (Used in) Operating Activities (Total lines 2 thru 16)	\$35,489,554.00
Cash Flows from Investment Activities:	
21. Construction and Acquisition of Plant (Including Land):	
22. Gross Additions to Utility Plant (Less nuclear fuel)	(\$9,465,947.00)
23. Gross Additions to Nuclear Fuel	
24. Gross Additions to Common Utility Plant	
25. Gross Additions to Nonutility Plant	

Statement of Cash Flows (Ref Page: 120)

Description	Amounts
26. (Less) Allowance for Other Funds Used During Construction	
Other	
27. CONSTRUCTION WORK IN PROCESS	\$1,469,986.00
Cash Outflows for Plant (Total lines 22-27)	(\$7,995,961.00)
30. Acquisition of Other Noncurrent Assets (d)	
31. Proceeds from Disposal of Noncurrent Assets (d)	
32. Retirements of Property, Plant and Equipment	
33. Investments in and Advances to Assoc. and Subsidiary Companies	(\$2,800,954.00)
34. Contributions and Advances from Assoc. and Subsidiary Companies	
35. Disposition of Investments in (and Advances to) Associated and Subsidiary Companies	
37. Purchase of Investment Securities (a)	
38. Proceeds from Sales of Investment Securities (a)	(\$24,000.00)
40. Loans Made or Purchased	
41. Collections on Loans	
43. Net (Increase) Decrease in Receivables	
44. Net (Increase) Decrease in Inventory	
45. Net (Increase) Decrease in Allowances Held for Speculation	
46. Net Increase (Decrease) in Payables and Accrued Expenses	
Other:	
47.	
48. Net Cash Provided by (used in) Investing Activities (Lines 28-47)	(\$10,820,915.00)
Cash Flows from Financing Activities:	
52. Proceeds from Issuance of:	
53. Long - Term Debt (b)	(\$6,489,000.00)

Statement of Cash Flows (Ref Page: 120)

Description	Amounts
54. Preferred Stock	
55. Common Stock	\$600,667.00
Other	
56.	
57. Net Increase in Short-Term Debt (c)	(\$14,888,181.00)
Other	
58.	
59. Cash Provided by Outside Sources (Total lines 53-58)	(\$20,776,514.00)
61. Payments for Retirement of	
62. Long-Term Debt (b)	\$10,000.00
63. Preferred Stock	
64. Common Stock	
Other	
65.	
66. Net Decrease in Short-Term Debt (c)	
68. Dividends on Preferred Stock	
69. Dividends on Common Stock	(\$3,938,012.00)
70. Net Cash Provided by (used in) Financing Activities (Lines 59-69)	(\$24,704,526.00)
Net Increase (Decrease) in Cash and Cash Equivalents (Total Lines 18,49,71)	(\$35,887.00)
Cash and Cash Equivalents at Beginning of Year	\$421,531.00
Cash and Cash Equivalents at End of Year	\$385,644.00

Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

	Total (b)	Electric (c)	Gas (d)	Other (Total)	Common (h)
Utility Plant					
In Service					
3. Plant in Service (Classified)	\$176,712,849.00	\$0.00	\$176,712,849.00	\$0.00	\$0.00
4. Property under Capital Leases					
5. Plant Purchased or Sold					
6. Completed Construction not Classified					
7. Experimental Plant Unclassified					
8. Total - Utility Plant (Lines 3-7)	\$176,712,849.00	\$0.00	\$176,712,849.00	\$0.00	\$0.00
9. Leased to Others					
10. Held for Future Use					
11. Construction Work in Progress	\$2,275,552.00	\$0.00	\$2,275,552.00	\$0.00	\$0.00
12. Acquisition Adjustments	(\$580,759.00)	\$0.00	(\$580,759.00)	\$0.00	\$0.00
13. Total Utility Plant (Lines 8 - 12)	\$178,407,642.00	\$0.00	\$178,407,642.00	\$0.00	\$0.00
14. Accum. Prov. for Depr. Amort. and Depl.	\$61,435,867.00	\$0.00	\$61,435,867.00	\$0.00	\$0.00
15. Net Utility Plant (Line 13 less 14)	\$116,971,775.00	\$0.00	\$116,971,775.00	\$0.00	\$0.00
16. Detail of Accumulated Provisions for Depreciation Amortization and Depletion					
17. In Service					
18. Depreciation	\$61,649,426.00	\$0.00	\$61,649,426.00	\$0.00	\$0.00
19. Amort. and Depl. of Production Natural Gas Land and Land Rights					

Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion (Ref Page: 200)

	Total (b)	Electric (c)	Gas (d)	Other (Total)	Common (h)
20. Amort of Underground Storage Land and Land Rights					
21. Amort of Other Utility Plant	(\$213,559.00)	\$0.00	(\$213,559.00)	\$0.00	\$0.00
22. Total In Service (Lines 18-21)	\$61,435,867.00	\$0.00	\$61,435,867.00	\$0.00	\$0.00
23. Leased to Others					
24. Depreciation					
25. Amortization and Depletion					
26. Total Leased to Others (Lines 24 and 25)					
27. Held for Future Use					
28. Depreciation					
29. Amortization					
30. Total Held for Future Use (Lines 28 and 29)					
31. Abandonment of Leases (Natural Gas)					
32. Amort. Of Plant Aquisition Adj.					
33. Total Accumulated Provisions (Should agree with Line 14, Total 22,26,30,31 and 32)	\$61,435,867.00	\$0.00	\$61,435,867.00	\$0.00	\$0.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

	Ball Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Ball End Yr (g)
INTANGIBLE PLANT						
2. Organization (301)	\$53,151.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,151.00
3. Franchises and Consents (302)						
4. Miscellaneous Intangible Plant (303)						
5. Total Intangible Plant	\$53,151.00	\$0.00	\$0.00	\$0.00	\$0.00	\$53,151.00
PRODUCTION PLANT						
7. Natural Gas Production and Gathering Plant						
8. Producing Lands (325.1)						
9. Producing Leaseholds (325.2)						
10. Gas Rights (325.3)						
11. Rights of Way (325.4)	\$75,987.00	\$0.00	\$0.00	\$0.00	\$0.00	\$75,987.00
12. Other Land and Land Rights (325.5)						
13. Gas Well Structures (326)						
14. Field Compressor Station Structures (327)	\$42,950.00	\$0.00	\$0.00	\$0.00	\$0.00	\$42,950.00
15. Field Measuring and Regulating Station Equipment (328)						
16. Other Structures (329)						
17. Producing Gas Wells - Well Construction (330)						
18. Producing Gas Wells - Well Equipment (331)	\$7,796.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,796.00
19. Field Lines (332)	\$1,904,405.00	\$10,408.00	\$72.00	\$0.00	\$0.00	\$1,914,741.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
20. Field Compressor Station Equipment (333)	\$816,424.00	\$12,328.00	\$0.00	\$0.00	\$0.00	\$828,752.00
21. Field Measuring and Regulating Station Equipment (334)	\$115,706.00	\$12,358.00	\$0.00	\$0.00	\$8,873.00	\$136,937.00
22. Drilling and Cleaning Equipment (335)						
23. Purification Equipment (336)						
24. Other Equipment (337)						
25. Unsuccessful Exploration and Development Costs (338)						
26. Asset Retirement Costs for Natural Gas Production and Gathering Plant (339)						
27. Total Production and Gathering Plant	\$2,963,268.00	\$35,094.00	\$72.00	\$0.00	\$8,873.00	\$3,007,163.00
28. PRODUCTS EXTRACTION PLANT						
29. Land and Land Rights (340)						
30. Structures and Improvements (341)						
31. Extraction and Refining Equipment (342)						
32. Pipe Lines (343)						
33. Extracted Products Storage Equipment (344)						
34. Compressor Equipment (345)						

Gas Plant in Service - Intangible and Production Plant (Ref Page: 204)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
35. Gas Measuring and Regulating Equipment (346)						
36. Other Equipment (347)						
37. Asset Retirement Costs for Products Extraction Plant (348)						
38. Total Products Extraction Plant						
39. Total Natural Gas Production Plant (Lines 27 and 38)	\$2,963,268.00	\$35,094.00	\$72.00	\$0.00	\$8,873.00	\$3,007,163.00
40. Manufactured Gas Production Plant						
41. Total Production Plant (Lines 39 and 40)	\$2,963,268.00	\$35,094.00	\$72.00	\$0.00	\$8,873.00	\$3,007,163.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Plant in Service - Storage and Processing (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
NATURAL GAS STORAGE AND PROCESSING PLANT						
Underground Storage Plant						
44. Land (350.1)	\$14,142.00	\$0.00	\$0.00	\$0.00	\$0.00	\$14,142.00
45. Rights-of-Way (350.2)	\$177,425.00	\$0.00	\$0.00	\$0.00	\$0.00	\$177,425.00
46. Structures and Improvements (351)	\$294,116.00	\$0.00	\$0.00	\$0.00	\$0.00	\$294,116.00
47. Wells (352)	\$360,583.00	\$0.00	\$0.00	\$0.00	\$0.00	\$360,583.00
48. Storage Leaseholds and Rights (352.1)	\$861,891.00	\$0.00	\$0.00	\$0.00	\$0.00	\$861,891.00
49. Reservoirs (352.2)	\$1,881,731.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,881,731.00
50. Non-recoverable Natural Gas (352.3)	\$294,307.00	\$0.00	\$0.00	\$0.00	\$0.00	\$294,307.00
51. Lines (353)	\$5,091,297.00	\$0.00	\$0.00	\$0.00	\$0.00	\$5,091,297.00
52. Compressor Station Equipment (354)	\$2,419,643.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,419,643.00
53. Measuring and Regulating Equipment (355)	\$361,994.00	\$24,512.00	\$22,844.00	\$0.00	\$0.00	\$363,662.00
54. Purification Equipment (356)	\$360,432.00	\$0.00	\$0.00	\$0.00	\$0.00	\$360,432.00
55. Other Equipment (357)	\$47,209.00	\$0.00	\$0.00	\$0.00	\$0.00	\$47,209.00
56. Asset Retirement Costs for Underground Storage Plant (358)						
57. Total Underground Storage Plant	\$12,164,770.00	\$24,512.00	\$22,844.00	\$0.00	\$0.00	\$12,166,438.00
Other Storage Plant						

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Plant in Service - Storage and Processing (Ref Page: 206)

	Ball/Beg Yr (b)	Addition (c)	Retirements (d)	Transfers (f)	Ball/End Yr (g)
59. Land and Land Rights (360)					
60. Structures and Improvements (361)					
61. Gas Holders (362)					
62. Purification Equipment (363)					
63. Liquefaction Equipment (363.1)					
64. Vaporizing Equipment (363.2)					
65. Compressor Equipment (363.3)					
66. Measuring and Regulating equipment (363.4)					
67. Other Equipment (363.5)					
68. Asset Retirement Costs for Other Storage Plant (363.6)					
69. Total Other storage Plant		\$0.00			
70. Base Load Liquefied natural Gas Terminaling and Processing Plant					
71. Land and Land Rights (364.1)					
72. Structures and Improvements (364.2)					
73. LNG Processing Terminal Equipments (364.3)					

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Plant in Service - Storage and Processing (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
74. LNG Transportation Equipment (364.4)						
75. Measuring and Regulating Equipment (364.5)						
76. Compressor Station Equipment (364.6)						
77. Communications Equipment (364.7)						
78. Other Equipment (364.8)						
79. Asset Retirement Costs for Base Load Liquefied Natural Gas Terminaling and Processing Plant (364.9)						
80. Total Base Load Liquefied Nat'l Gas, Terminal and Processing Plant	\$0.00					
76. Total Nat'l Gas Storage and Processing Plant (57,69,80)	\$12,164,770.00	\$24,512.00	\$22,844.00	\$0.00	\$0.00	\$12,166,438.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Gas Plant in Service - Transmission, Distribution and General (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
TRANSMISSION PLANT						
83. Land and Land Rights (365.1)	\$56,999.00	\$0.00	\$0.00	\$0.00	\$0.00	\$56,999.00
84. Rights-of-Way (365.2)	\$1,352,926.00	\$23,206.00	\$0.00	\$0.00	\$0.00	\$1,376,133.00
85. Structures and Improvements (366)	\$152,933.00	\$29,306.00	\$0.00	\$0.00	\$0.00	\$182,239.00
86. Mains (367)	\$37,761,179.00	\$3,695,479.00	\$9,636.00	\$0.00	\$0.00	\$41,447,022.00
87. Compressor Station Equipment (368)	\$1,654,878.00	\$827,361.00	\$2,265.00	\$0.00	\$0.00	\$2,479,974.00
88. Measuring and Regulating Station Equipment (369)	\$2,478,003.00	\$219,987.00	\$10,300.00	\$0.00	(\$8,873.00)	\$2,678,817.00
89. Communication Equipment (370)						
90. Other Equipment (371)	\$612,239.00	\$16,663.00	\$49,006.00	\$0.00	\$0.00	\$579,896.00
91. Asset Retirement Costs for Transmission Plant (372)						
92. Total Transmission Plant	\$44,069,157.00	\$4,812,002.00	\$71,207.00	\$0.00	(\$8,873.00)	\$48,801,080.00
DISTRIBUTION PLANT ()						
94. Land and Land Rights (374)	\$319,866.00	\$2,325.00	\$0.00	\$0.00	\$0.00	\$322,191.00
95. Structures and Improvements (375)	\$120,798.00	\$0.00	\$7,083.00	\$0.00	\$0.00	\$113,715.00
96. Mains (376)	\$60,131,147.00	\$1,555,481.00	\$52,646.00	\$0.00	\$0.00	\$61,633,983.00
97. Compressor Station Equipment (377)						
98. Measuring and Regulating Station Equipment - General (378)	\$1,339,068.00	\$21,873.00	\$4,571.00	\$0.00	\$0.00	\$1,356,370.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Gas Plant in Service - Transmission, Distribution and General (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Bal End Yr (g)
99. Measuring and Regulating Station Equipment - City Gate (379)	\$468,714.00	\$17,058.00	\$5,420.00	\$0.00	\$0.00	\$480,352.00
100. Services (380)	\$12,136,900.00	\$697,909.00	\$37,401.00	\$0.00	\$0.00	\$12,797,407.00
101. Meters (381)	\$8,710,822.00	\$225,642.00	\$18,888.00	\$0.00	\$0.00	\$8,917,576.00
102. Meter Installations (382)	\$3,075,067.00	\$82,818.00	\$12,270.00	\$0.00	\$0.00	\$3,145,615.00
103. House Regulators (383)	\$2,917,377.00	\$181,209.00	\$5,286.00	\$0.00	\$0.00	\$3,093,300.00
104. House Regulator Installations (384)						
105. Industrial Measuring and Regulating Station Equipment (385)	\$1,481,607.00	\$51,486.00	\$2,876.00	\$0.00	\$0.00	\$1,530,217.00
106. Other Property on Customers Premises (386)						
107. Other Equipment (387)						
108. Asset Retirement Costs for Distribution Plant (388)	\$90,701,366.00	\$2,835,801.00	\$146,441.00	\$0.00	\$0.00	\$93,390,726.00
109. Total Distribution Plant						
GENERAL PLANT						
111. Land and Land Rights (389)	\$1,038,741.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,038,741.00
112. Structures and Improvements (390)	\$5,419,545.00	\$55,450.00	\$28,080.00	\$0.00	\$5,273.00	\$5,452,189.00
113. Office Furniture and Equipment (391)	\$360,116.00	\$3,912.00	\$227,304.00	\$0.00	(\$1,052.00)	\$135,672.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Gas Plant in Service - Transmission, Distribution and General (Ref Page: 206)

	Bal Beg Yr (b)	Addition (c)	Retirements (d)	Adjustments (e)	Transfers (f)	Ball End Yr (g)
114. Transportation Equipment (392)	\$3,772,302.00	\$671,528.00	\$575,073.00	\$0.00	\$0.00	\$3,868,757.00
115. Stores Equipment (393)	\$56,014.00	\$0.00	\$20,003.00	\$0.00	\$0.00	\$36,011.00
116. Tools, Shop and garage Equipment (394)	\$1,052,860.00	\$135,226.00	\$282,949.00	\$0.00	\$7,597.00	\$912,734.00
117. Laboratory Equipment (395)	\$185,069.00	\$45,851.00	\$15,100.00	\$0.00	\$0.00	\$215,820.00
118. Power Operated Equipment (396)	\$2,731,664.00	\$89,984.00	\$34,509.00	\$0.00	(\$7,597.00)	\$2,779,542.00
119. Communication Equipment (397)	\$542,602.00	\$2,697.00	\$101,511.00	\$0.00	\$0.00	\$443,788.00
120. Miscellaneous equipment (398)	\$94,395.00	\$0.00	\$35,935.00	\$0.00	(\$4,221.00)	\$54,238.00
121. Subtotal (Lines 104-113)	\$15,253,308.00	\$1,004,648.00	\$1,320,464.00	\$0.00	\$0.00	\$14,937,492.00
122. Other Tangible Property (399)	\$3,823,910.00	\$753,892.00	\$197,466.00	\$0.00	\$0.00	\$4,356,802.00
123. Asset Retirement Costs for General Plant (399:f)						
124. Total General Plant (Lines 121, 122 and 123)	\$19,077,218.00	\$1,758,540.00	\$1,517,930.00	\$0.00	\$0.00	\$19,294,294.00
125. Total Accounts 101 and 106	\$169,028,930.00	\$9,465,947.00	\$1,782,028.00	\$0.00	\$0.00	\$176,712,849.00
126. Gas Plant Purchased						
127. (Less) Gas Plant Sold						
128. Experimental Gas Plant Unclassified						
Total Gas Plant in Service (Lines 125-128)	\$169,028,930.00	\$9,465,947.00	\$1,782,028.00	\$0.00	\$0.00	\$176,712,849.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Gas Property and Capacity Leased From Others (Ref Page: 212)

Name of Lessor (a)	Description of Lease (c)	Lease Payments For Current Year
None to Report		\$0.00
Total		\$0.00

4100 Deita Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Plant Held for Future Use (Acct 105) (Ref Page: 214)

Description	Date Orig. Included (b)	Date Exp. to Use (c)	Balance (d)
None to Report			\$0.00
TOTAL			\$0.00

Construction Work in Progress - (Acct 107) (Ref Page: 216)

Project (a)	Construction WIP (b)	Est/Add/Cost
Rel on Hwy 460 In Jeffersonville	\$63,273.00	\$16,700.00
Compressor Stations at Red Lick	\$1,480,882.00	\$470,000.00
Measurement for Speedwell Station	\$123,931.00	\$46,200.00
Meas & Reg Station for Boone Heights Station	\$55,820.00	\$5,600.00
All other Misc Projects	\$551,646.00	\$138,000.00
TOTAL	\$2,275,552.00	\$676,500.00

General Description of Construction Overhead Procedure - Components of Formula (Ref Page: 218)

	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
Please include all notes requested for construction overhead with the hard copy.			
Uppercase Vars (S,D,P,C,W) fall under Amount (b) column	0		0
Lowercase Vars (s,d,p,c) fall under Cost Rate Percentage (d) column			
1. Components of Formula (Derived from actual book balances and actual cost rates)			
Average Short-Term Debt (Var S)			
Short-Term Interest (Var s)			0
Long Term Debt (Vars D and d)	0		0
Preferred Stock (Vars P and p)	0		0
Common Equity (Vars C and c)	0		0
Total Capitalization			0
Average Construction Work in Progress Balance (Var W)			0
2. Gross Rate for Borrowed Funds $s(S/W) + d((D/(D+P+C))(1-(S/W)))$			
3. Rate for Other Funds $[1-(S/W)][p(P/D+P+C) + c(C/(D+P+C))]$			
4. Weighted Average Rate Actually Used for the Year:			
a. Rate for Borrowed Funds			0
b. Rate for Other Funds			0

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Accumulated Provision for Depreciation of Gas Utility Plant (Acct 108) (Ref Page: 219)

Description	Total (b)	Gas Plant In Service (c)	Held for Future (d)	Leased (e)
A. BALANCES AND CHANGES DURING YEAR				
Balance beginning of Year	\$58,682,945.00	\$58,682,945.00	\$0.00	\$0.00
Depreciation Provisions for Year, Charged to	\$4,246,739.00	\$4,246,739.00	\$0.00	\$0.00
Depreciation Expense (403)	\$131,541.00	\$131,541.00	\$0.00	\$0.00
Depreciation Expense for Asset Retirement Costs (403.1)	0			
Expense of Gas Plant Leased to Others (413)	\$242,400.00	\$242,400.00	\$0.00	\$0.00
Transportation Expenses - Clearing	\$38,400.00	\$38,400.00	\$0.00	\$0.00
Other Clearing Accounts	(\$107,509.00)	(\$107,509.00)	\$0.00	\$0.00
Other Clearing (Specify)				
Less Cost of Removal Depreciation	\$4,551,571.00	\$4,551,571.00	\$0.00	\$0.00
Total Deprec. Prov. for Year	\$1,782,028.00	\$1,782,028.00	\$0.00	\$0.00
Net Charges for Plant Retired	\$0.00	\$0.00	\$0.00	\$0.00
Book Cost of Plant Retired	\$196,938.00	\$196,938.00	\$0.00	\$0.00
Cost of Removal	\$1,585,090.00	\$1,585,090.00	\$0.00	\$0.00
Salvage (Credit)				
Total Net Chrgs for Plant Ret	\$1,585,090.00	\$1,585,090.00	\$0.00	\$0.00
Other Debit or Credit Items (Describe)				
Balance at End of Year	\$61,649,426.00	\$61,649,426.00	\$0.00	\$0.00
B. BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS				

Accumulated Provision for Depreciation of Gas Utility Plant (Acct 108) (Ref Page: 219)

Description	Total (b)	Gas Plant in Service (c)	Held for Future (d)	Leased (e)
Productions - Manufactured Gas	\$2,048,727.00	\$2,048,727.00	\$0.00	\$0.00
Production of Gathering-Natural Gas				
Products Extraction - Natural Gas	\$4,415,910.00	\$4,415,910.00	\$0.00	\$0.00
Underground Gas Storage				
Other Storage Plant				
Base Load LNG Terminaling and Processing Plant				
Transmission	\$15,865,012.00	\$15,865,012.00	\$0.00	\$0.00
Distribution	\$30,163,682.00	\$30,163,682.00	\$0.00	\$0.00
General	\$9,156,095.00	\$9,156,095.00	\$0.00	\$0.00
Total	\$61,649,426.00	\$61,649,426.00	\$0.00	\$0.00

Gas Stored Accounts (Lines 1-5) (Ref Page: 220)

	117.1 (b)	117.2 (c)	117.3 (d)	117.4 (e)	164.1 (f)	164.2 (g)	164.3 (h)	Total (i)
Balance at Beginning of Year	\$4,208,069.00	\$0.00	\$0.00	\$0.00	\$12,277,340.00	\$0.00	\$0.00	\$16,485,409.00
Gas delivered to Storage	\$0.00	\$0.00	\$0.00	\$0.00	\$5,477,800.00	\$0.00	\$0.00	\$5,477,800.00
Gas Withdrawn from Storage	\$0.00	\$0.00	\$0.00	\$0.00	(\$7,945,799.00)	\$0.00	\$0.00	(\$7,945,799.00)
Other Debits and Credits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Balance at End of Year	\$4,208,069.00	\$0.00	\$0.00	\$0.00	\$9,809,341.00	\$0.00	\$0.00	\$14,017,410.00

Gas Stored Accounts (Lines 6-7) (Ref Page: 220)

	117.1 (b)	117.2 (c)	117.3 (d)	117.4 (e)	164.1 (f)	164.2 (g)	164.3 (h)	Total (l)
MCF	\$0.00	\$0.00	\$0.00	\$0.00	\$1,270,316.00	\$0.00	\$0.00	\$1,270,316.00
Amount Per MCF	\$0.00	\$0.00	\$0.00	\$0.00	\$7.72	\$0.00	\$0.00	\$7.72

Description of Investment (a)	(b)	Book Cost at Beginning of	Purchases or Additions (d)	Sales of Other Dispositions
Investments in Associated Companies (123)	(123)			
Other Investments (124)	(124)			
Temporary Case Investments (136)	(136)			

Investments (123,124,136) (Ref Page: 222) (Part Two)

Description of Investment (a)	Principal Amount (b)	Book Cost End of Year (g)	Revenues for Year (h)	Gain or Loss (i)
Investments in Associated Companies (123)				
(123)				
Other Investments (124)				
(124)				
Temporary Case Investments				
(136)				
(136)				

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Investments in Subsidiary Companies (123.1) (Ref Page: 224)

Description	Date Acquired (b)	Date Maturity (c)	Investment Yr. (d)	Equity in Subsidiary (e)	Revenues (f)	Investment End Yr. (g)	Investment Disposed of (h)
DELTA RESOURCES, INC.	04/01/1984		\$314,270.00	\$1,368,578.00	\$1,466,507.00	\$216,341.00	\$0.00
DELGASCO, INC.	05/01/1986		\$103,414.00	\$764,092.00	\$590,000.00	\$277,506.00	\$0.00
ENPRO, INC.	05/01/1986		\$1,161,826.00	\$577,100.00	\$800,000.00	\$938,926.00	\$0.00
TOTAL			\$1,579,510.00	\$2,709,770.00	\$2,856,507.00	\$1,432,773.00	\$0.00

Prepayments (Ref Page: 230)

	Balance at End of Year
Prepaid Insurance	\$212,710.00
Prepaid Rents	
Prepaid Taxes	
Prepaid Interest	
Miscellaneous Prepayments	\$4,490,584.00
Total	\$4,703,294.00

Extraordinary Property Losses (182.1) (Ref Page: 230)

Description	Balance Beg Yr. (b)	Total Loss (b)	Losses During Yr.	Acct (d)	Written Off (e)	Balance (f)
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TOTAL

Unrecovered Plant and Regulatory Study costs (182.2) (Ref Page: 230)

Description	Balance Beg Yr (b)	Total Loss (b)	Losses During Yr	Acct (d)	Written Off (e)	Balance (f)
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TOTAL

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Other Regulatory Assets (Acct 182.3) (Ref Page: 232)

Description and Purpose	Bal Beg Yr (b)	Debits (c)	Written Off Acct (d)	Written Off Amt (e)	Balance End Yr (f)

Total

Miscellaneous Deferred Debits (Acct 186) (Ref Page: 233)

Description (a)	Bal Beg Yr (b)	Debits (c)	CR/ Acct (d)	CR/ Amt (e)	Bal End Yr (c)
RATE CASE 2003	\$181,698.00	\$0.00		(\$73,200.00)	\$108,498.00
RATE CASE 2007	\$0.00	\$10,112.00		\$0.00	\$10,112.00
SUPPLEMENTAL RETIREMENT TRUST	\$121,782.00	\$75,562.00		(\$3,304.00)	\$194,040.00
UNRECOVERED SFAS 143 ADOPTION ARO	\$0.00	\$1,177,622.00		\$0.00	\$1,177,622.00
Misc. Work in Progress					
Total	\$303,480.00	\$1,263,296.00		(\$76,504.00)	\$1,490,272.00

Accumulated Deferred Income Taxes (Acct 190) (Ref Page: 234)

Description	Bal Beg Yr	Amt 410.1 (c)	Amt 411.1 (d)	Amt 410.2 (e)	Amt 411.2 (f)
Account 190					
Electric					
Gas					
Other (Define)					
Total					
Other (Specify)					
TOTAL Acct 190					
Classification of TOTAL					
Federal Income Tax					
State Income Tax					
Local Income Tax					

Accumulated Deferred Income Taxes (Acct 190) (Ref Page: 234) (Part Two)

Description	Debit Acct (g)	Debit Amount (h)	Credit Acct (i)	Credit Amount (j)	Balance End/Yr (k)
Account 190					
Electric					
Gas					
Other (Define)					
Total					
Other (Specify)					
TOTAL Acct 190					
Classification of TOTAL					
Federal Income Tax					
State Income Tax					
Local Income Tax					

Capital Stock (Accounts 201 and 204) (Ref Page: 250)

Class, Series and Name of	Num. Shares/ Auth. (b)	Par or Stated Val (c)	Call Price (d)	Outstanding Shares (e)
Common Stock				
COMMON STOCK	6,600,000	\$1.00	\$0.00	\$3,267,942.00
Total Common Stock	6,600,000	\$1.00	\$0.00	\$3,267,942.00
Preferred Stock				
Total Preferred Stock				
TOTAL Capital Stock	6,600,000	\$1.00	\$0.00	\$3,267,942.00
Other				

Capital Stock (Accounts 201 and 204) (Ref Page: 250) (Part Two)

Class, Series and Name	Outstanding Amt (f)	Num Held Rqd 217 (g)	Cost Held Rqd 217 (h)	Num Held Sinking (i)	Num Held Amount (j)
Common Stock					
COMMON STOCK	\$3,267,942.00	0	\$0.00	0	\$0.00
Total Common Stock	\$3,267,942.00	0	\$0.00	0	\$0.00
Preferred Stock					
Total Preferred Stock					
TOTAL Capital Stock	\$3,267,942.00	0	\$0.00	0	\$0.00
Other					

Capital Stock Subscribed, Liability for Conversion Premium and Installments Received (Ref Page: 252)

Description (a)	(b)	Shares (c)	Amount (d)
Capital Stock Subscribed (202,205)			
Total Capital Stock Subscribed			
Stock Liability for Conversion (203,206)			
Total Stock Liability for Conversion			
Premium on Capital Stock (207)			
PREMIUMS ON COMMON STOCK			
Total Premium on Capital Stock (207)			\$45,929,039.00
Installments Received on Capital Stock (212)			\$45,929,039.00
Total Installments Received on Capital Stock (212)			

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Other Paid-In Capital (208-211) (Ref Page: 253)

Item (a)	Amount (b)
(a) Donations Received from Stockholders (208)	
Total (208)	
(b) Reduction in Par or Stated Value (209)	
Total (209)	
(c) Gain or Resale or Cancellation of Reacquired Capital Stock (210)	
Total (210)	
(d) Miscellaneous Paid-In Capital (211)	
Total (211)	
Total Accts 208-211	

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Discount on Capital Stock (Act 213) (Ref Page: 254)

(Class and Series (a))	Balance End (b)
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TOTAL

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Capital Stock Expense (Act 214) (Ref Page: 254)

Class and Series (a)	Balance End Yr (b)
COMMON STOCK	\$2,643,354.00
TOTAL	\$2,643,354.00

Long-Term Debt (221,222,223 and 224) (Ref Page: 256) (Part Two)

Class Series and Name (a)	Interest Amount (f)	Held - Required Bonds	Held - Sinking and Other	Redemption Price Per \$100
Acct 221 Bonds				
(221) DEBENTURE	\$1,399,356.00	\$0.00	\$0.00	\$0.00
(221) DEBENTURE	\$1,119,086.00	\$0.00	\$0.00	\$0.00
Total (221)	\$2,518,442.00	\$0.00	\$0.00	\$0.00
Acct 222 Reacquired Bonds				
(222)				
Total (222)				
Acct 223 Advances from Associated Companies				
(223)				
Total (223)				
Acct 224 Other Long Term Debt				
(224)				
Total (224)				

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Unamortized Debt Expense (181,225,226) (Ref Page: 258)

	Designation of Long-Term	Principal Amount of Debt	Total Expense Premium of	Amortization Period From (a)	Amortization Period To (c)
Acct 181					
(181)	DEBENTURE	\$15,000,000.00	\$1,874,508.00	10/01/1993	10/01/2023
(181)	DEBENTURE	\$25,000,000.00	\$1,534,405.00	04/01/1998	04/01/2018
(181)	DEBENTURE	\$20,000,000.00	\$842,869.00	02/03/2004	02/03/2023
(181)	DEBENTURE	\$40,000,000.00	\$0.00	04/01/2006	04/01/2021
Total (181)		\$100,000,000.00	\$4,251,782.00		
Acct 225					
(225)					
Total (225)					
Acct 226					
(226)					
Total (226)					

Unamortized Debt Expense (181,225,226) (Ref Page: 258) (Part Two)

	Designation of Long-Term	Beginning of Year (f)	Debits (g)	Credits (h)	Balance End of Year (i)
Acct 181					
(181)	DEBENTURE	\$1,107,600.00	\$0.00	\$1,107,600.00	\$0.00
(181)	DEBENTURE	\$942,270.00	\$0.00	\$942,270.00	\$0.00
(181)	DEBENTURE	\$1,662,833.00	\$0.00	\$96,863.00	\$1,565,970.00
(181)	DEBENTURE		\$4,355,400.00	\$217,193.00	\$4,138,207.00
Total (181)		\$3,712,703.00	\$4,355,400.00	\$2,363,926.00	\$5,704,177.00
Acct 225					
(225)					
Total (225)					
Acct 226					
(226)					
Total (226)					

Unamortized Loss and Gain on Reqquired Debt (189,257) (Ref Page: 260)

Designation of	Date Reacquired (b)	Principle of Debt	Net Gain or Loss (c)	Balance Beginning of	Balance End of Year (f)
Acct 189					
(189)					
Total (189)					
Acct 257					
(257)					
Total (257)					

Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes (Ref Page: 261)

Details (a)	Amount (b)
Net Income for the Year	\$4,550,017.00
Reconciling Items for the Year	
Taxable Income Not Reported on Books	
Deductions Recorded on Books Not Deducted For Return	
SELF CONSTRUCTION INTEREST	\$137,504.00
EMPLOYEE PLANS	(\$691,532.00)
BAD DEBT PROVISION	\$210,000.00
FEDERAL TAX PROVISION	(\$1,947,840.00)
Income Recorded on Books Not Included in Return	
NET INCOME FROM SUBS	(\$2,709,769.00)
Deductions on Return Not Charged Against Book Income	
DEFERRED GAS COST	\$6,246,056.00
TAX DEPRECIATION OVER BOOKS	(\$3,034,576.00)
DEBT EXPENSE AMORTIZATION	(\$1,050,273.00)
PREPAYMENTS	(\$60,981.00)
Federal Tax Net Income	\$1,648,606.00
Show Computation of Tax	
DELTA'S FISCAL YEAR ENDS JUNE 30 FOR	\$0.00
INTERIM PERIODS, IN ACCORDANCE WITH	\$0.00
APB #28, DELTA ESTIMATES AN EFFECTIVE	\$0.00
TAX RATE WHICH IS USED TO RECORD TOTAL	\$0.00
TAX EXPENSE	\$0.00

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262)

Kind of Instruction (a)	Bal Beg Yr Taxes/ Accr (b)	Bal Beg Yr Prepaid Taxes (c)	Taxes Charged (d)
SALES, UTILITY AND FRANCHISE	\$467,563.00	\$0.00	\$3,370,207.00
PAYROLL	\$20,480.00	\$0.00	\$540,909.00
LICENSE	\$0.00	\$0.00	\$5,432.00
STATE INCOME	(\$138,925.00)	\$0.00	(\$261,013.00)
FEDERAL INCOME	(\$186,796.00)	\$0.00	(\$1,390,550.00)
PROPERTY	\$687,551.00	\$0.00	\$1,221,140.00
ESTIMATED INCOME TAX	\$0.00	\$0.00	\$0.00
Total	\$849,873.00	\$0.00	\$3,546,125.00

Taxes Accrued, Prepaid and Charged During Year (Ref Page: 262) (Part Two)

Kind of Instruction (a)	Taxes Paid (e)	Adj (f)	Bal/Accr - 236(g)	Bal/Repaid - 165(h)
SALES, UTILITY AND FRANCHISE	\$3,455,744.00	\$0.00	\$382,026.00	\$0.00
PAYROLL	\$541,107.00	\$0.00	\$20,282.00	\$0.00
LICENSE	\$0.00	\$0.00	\$0.00	\$0.00
STATE INCOME	\$84,304.00	\$99,524.00	(\$384,718.00)	\$0.00
FEDERAL INCOME	\$927,700.00	\$1,601,647.00	(\$843,399.00)	\$0.00
PROPERTY	\$584,536.00	\$0.00	\$1,324,155.00	\$0.00
ESTIMATED INCOME TAX	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$5,593,391.00	\$1,701,171.00	\$498,346.00	\$0.00

Taxes Accr, Prepd and Charged - Distribution of Taxes (Ref Page: 262)

Kind of Instruction (a)	Electric (408.1, 409.1) (f)	Gas (408.1, 409.1) (g)	Other (408.1, 409.1) (k)	Other Inland Ded (l)
SALES, UTILITY AND FRANCHISE	\$0.00	\$0.00	\$0.00	\$0.00
PAYROLL	\$0.00	\$540,909.00	\$0.00	\$0.00
LICENSE	\$0.00	\$5,432.00	\$0.00	\$0.00
STATE INCOME	\$0.00	(\$273,813.00)	\$0.00	\$12,800.00
FEDERAL INCOME	\$0.00	(\$1,391,650.00)	\$0.00	\$61,100.00
PROPERTY	\$0.00	\$1,221,140.00	\$0.00	\$0.00
Total	\$0.00	\$102,018.00	\$0.00	\$73,900.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Taxes Accr, Prepd and Charged - Distribution of Taxes (Ref Page: 262) (Part Two)

Kind of Instruction (a)	Excl Items (409.3) (m)	Other Opn Income (n)	Adj to Ret Earnings (439)	Other (p)
SALES, UTILITY AND FRANCHISE	\$0.00	\$0.00	\$0.00	\$3,370,207.00
PAYROLL	\$0.00	\$0.00	\$0.00	\$0.00
LICENSE	\$0.00	\$0.00	\$0.00	\$0.00
STATE INCOME	\$0.00	\$0.00	\$0.00	\$0.00
FEDERAL INCOME	\$0.00	\$0.00	\$0.00	\$0.00
PROPERTY	\$0.00	\$0.00	\$0.00	\$0.00
Total	\$0.00	\$0.00	\$0.00	\$3,370,207.00

Miscellaneous Current and Accrued Liabilities (242) (Ref Page: 268)

Item (a)	Balance End Yr (b)
MEDICAL - SELF INSURED	\$165,000.00
ACCRUED VACATION AND LEAVE	\$681,456.00
ACCOUNTING SERVICES	\$108,900.00
ACCRUED OVERTIME	\$8,356.00
CURRENT DEFERRED INCOME TAXES	\$701,000.00
TOTAL	\$1,564,712.00

Other Deferred Credits (253) (Ref Page: 269)

Description (a)	Balance Beg Yr (b)	Debits/Acct (c)	Debit/Amt (d)	Credits (e)	Balance End Yr (f)
PURCHASE GAS COST	\$174.00		\$864.00	\$2,129.00	\$1,439.00
REFUNDS	\$174.00		\$864.00	\$2,129.00	\$1,439.00
TOTAL					

Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274)

Acct (a)	Balance Beg Yr (b)	Amt Acct 410.11 (c)	Amt Acct 411.11 (d)	Amt Acct 410.2 (e)	Amt Acct 411.2 (f)
Account 282					
Electric					
Gas	\$19,180,350.00	\$2,659,063.00	\$0.00	\$0.00	\$0.00
Other (Define)					
Total	\$19,180,350.00	\$2,659,063.00	\$0.00	\$0.00	\$0.00
Other (specify)					
TOTAL Acct 282	\$19,180,350.00	\$2,659,063.00	\$0.00	\$0.00	\$0.00
Classification of Total					
Federal Income Tax					
State Income Tax					
Local Income tax					

Accumulated Deferred Income Taxes - Other Property (282) (Ref Page: 274) (Part Two)

Account 282	Acct (a)	Debit Adj Acct (g)	Debit Adj Amt (h)	Credit Adj Acct (i)	Credit Adj Amt (j)	Balance End Yr
Electric						
Gas	236/254		\$351,675.00	236/254	\$0.00	\$22,191,088.00
Other (Define)						
Total			\$351,675.00		\$0.00	\$22,191,088.00
Other (specify)						
TOTAL Acct 282			\$351,675.00		\$0.00	\$22,191,088.00
Classification of Total						
Federal Income Tax						
State Income Tax						
Local Income tax						

Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276)

Account 283	Acct (a)	Balance Beg Yr (b)	Amt Acct 4101 (g)	Amt Acct 4111 (d)	Amt Acct 4102 (e)	Amt Acct 4112 (f)
Electric						
Gas						
Other						
Total						
Other (Specify)						
TOTAL (Acct 283)						
Classification of Total						
Federal Income Tax						
State Income Tax						
Local Income tax						

Accumulated Deferred Income Taxes - Other (283) (Ref Page: 276) (Part Two)

Account 283	Acct (a)	Debit Adj Acct (g)	Debit Adj Amt (h)	Credit Adj Acct (i)	Credit Adj Amt (j)	Balance End Yr
Electric						
Gas						
Other						
Total						
Other (Specify)						
TOTAL (Acct 283)						
Classification of Total						
Federal Income Tax						
State Income Tax						
Local Income tax						

Other Regulatory Liabilities (Acct 254) (Ref Page: 278)

Description and Purpose	Bal Beg Yr (b)	Debit Acct Credited (c)	Debits Amount (d)	Credits (e)	Balance End Yr (f)
REGULATORY LIAB AS A	(\$2,357,175.00)	410	\$104,300.00	\$74,603.00	\$2,327,478.00
RESULT OF INCOME					
TAX DIFF					
REGULATORY LIAB ON	(\$187,700.00)	411	\$23,700.00	\$0.00	\$164,000.00
UNAMORTIZED ITC					
Total	(\$2,544,875.00)		\$128,000.00	\$74,603.00	\$2,491,478.00

Gas Operating Revenues (Ref Page: 301)

	Rev for Transition Current	Rev for Transition Prev Yr	GRI and ACA Current Yr (d)	GRI and ACA Prev Yr (e)	Other Current Yr (f)
Sales (480-484)	\$0.00	\$0.00	\$0.00	\$0.00	\$56,441,178.00
Intracompany Transfers (485)					
Forfeited Discounts (487)					
Miscellaneous Service Revenues (488)	\$0.00	\$0.00	\$0.00	\$0.00	\$261,300.00
Revenues from Transportation of Gas of Others Through Gathering Facilities (489.1)					
Revenues from Transportation of Gas of Others Through Transmission Facilities (489.2)	\$0.00	\$0.00	\$0.00	\$0.00	\$4,328,133.00
Revenues from Transportation of Gas of Others Through Distribution Facilities (489.3)	\$0.00	\$0.00	\$0.00	\$0.00	\$2,484,948.00
Sales of Prod. Ext. from Natural Gas (490)					
Revenues from Natural Gas Proc. by Others (491)					
Incidental gasoline and Oil Sales (492)					
Rent from Gas Property (493)					
Interdepartmental Rents (494)					
Other Gas Revenues (495)	\$0.00	\$0.00	\$0.00	\$0.00	\$63,515,559.00
Subtotal	\$0.00	\$0.00	\$0.00	\$0.00	\$63,515,559.00
(Less) Provision for Rate Refunds (496)					
Total	\$0.00	\$0.00	\$0.00	\$0.00	\$63,515,559.00

Gas Operating Revenues (Ref Page: 301) (Part Two)

	Rev for Transition	Other Prev Yr (G)	Total Current Yr (h)	Total Prev Yr (i)	MCF Current Yr (B)	MCF Prev Yr (C)
Sales (480-484)	\$0.00	\$55,632,111.00	\$56,441,178.00	\$55,632,111.00	3,247,997	3,598,761
Intracompany Transfers (485)						
Forfeited Discounts (487)						
Miscellaneous Service Revenues (488)	\$0.00	\$235,519.00	\$261,300.00	\$235,519.00	0	0
Revenues from Transportation of Gas of Others Through Gathering Facilities (489.1)						
Revenues from Transportation of Gas of Others Through Transmission Facilities (489.2)	\$0.00	\$4,431,701.00	\$4,328,133.00	\$4,431,701.00	8,525,855	8,246,962
Revenues from Transportation of Gas of Others Through Distribution Facilities (489.3)	\$0.00	\$2,382,930.00	\$2,484,948.00	\$2,382,930.00	5,375,394	5,335,961
Sales of Prod. Ext. from Natural Gas (490)						
Revenues from Natural Gas Proc. by Others (491)						
Incidental gasoline and Oil Sales (492)						
Rent from Gas Property (493)						
Interdepartmental Rents (494)						
Other Gas Revenues (495)						
Subtotal	\$0.00	\$62,682,261.00	\$63,515,559.00	\$62,682,261.00	17,149,246	17,181,684

Gas Operating Revenues (Ref Page: 301) (Part Two)

	Rev. for Transition	Other Prev Yr (g)	Total Current Yr (h)	Total Prev Yr (i)	MCF Current Yr (b)	MCF Prev Yr (l)
(Less) Provision for Rate Refunds (496)	\$0.00	\$62,682,261.00	\$63,515,559.00	\$62,682,261.00	17,149,246	17,181,684
Total						

Rev From Transportation of Gas through Gathering Facilities (489.1) (Ref Page: 302)

Rate Schedule and Zone	Rev for Transition Costs	Rev for GRI and ACA	Rev for GRI and ACA	Other Rev Current (t)
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Rev From Transportation of Gas through Gathering Facilities (489.1) (Ref Page: 302) (Part Two)

Rate Schedule and Zone	Other Rev	Previous (g)	Total Operating Rev	Total Operating Rev	MCF Current (t)	MCF Previous (k)
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Rev From Transportation of Gas through Transmission Facilities (489.2) (Ref Page: 304)

Rate Schedule and Zone	Rev for Transition Costs	Rev for GRI and ACA	Rev for GRI and ACA	Other Rev Current (f)
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Rev From Transportation of Gas through Transmission Facilities (489.2) (Ref Page: 304) (Part Two)

Rate Schedule and Zone	Other Rev. Previous (g)	Total Operating Rev	Total Operating Rev	MCF Current (j)	MCF Previous (k)
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4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Rev From Stroring Gas of Others (489.4) (Ref Page: 306)

Rate Schedule and Zone	Rev for Transition Costs	Rev for GRI and ACA	Rev for GRI and ACA	Other Rev Current (f)
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Rev From Stroring Gas of Others (489.4) (Ref Page: 306) (Part Two)

Rate Schedule and Zone	Other Rev. Previous (g)	Total Operating Rev.	Total Operating Rev.	MCF Current (l)	MCF Previous (k)
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Other Gas Revenues (495) (Ref Page: 308)

Description of Transaction	Revenues in Dollars
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4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Operation and Maintenance - 1. Production (Ref Page: 317)

	Amt for Current Yr (b)	Amt for Prev Yr (c)
1. PRODUCTION EXPENSES		
A. Manufactured Gas Production		
Manufactured Gas Production		
B. Natural Gas Production		
B1. Natural Gas Production and Gathering Operation		
Operation Supervision and Engineering (750)		
Production Maps and Records (751)		
Gas Well Expenses (752)	\$8,856.00	\$17,978.00
Field Lines Expenses (753)		
Field compressor Station Expenses (754)	\$121,888.00	\$121,209.00
Field Compressor Station Fuel and Power (755)		
Field Measuring and Regulating Station Expenses (756)		
Purification Expenses (757)		
Gas Well Royalties (758)		
Other Expenses (759)		
Rents (760)		
18. Total Operation	\$130,744.00	\$139,187.00
Maintenance		
Maintenance Supervision and Engineering (761)		
Maintenance of Structures and Improvements (762)		
Maintenance of Producing Gas Wells (763)		
Maintenance of Field Lines (764)	\$316.00	\$1,062.00
Maintenance of Field Compressor Station Equipment (765)	\$33,501.00	\$31,965.00
Maintenance of Field Measuring and Regulating Station Equipment (766)		
Maintenance of Purification Equipment (767)		

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Operation and Maintenance - 1. Production (Ref Page: 317)

	Amt for Current Yr (b)	Amt for Prev Yr (c)
Maintenance of Drilling and Cleaning Equipment (768)		
Maintenance of Other Equipment (769)		\$33,027.00
29. Total Maintenance	\$33,817.00	\$172,214.00
Total Natural Gas Production and Gathering (Lines 18,29)	\$164,561.00	
B2. Products Extraction		
Operation		
Operation Supervision and Engineering (770)		
Operation Labor (771)		
Gas Shrinkage (772)		
Fuel (773)		
Power (774)		
Materials (775)		
Operation Supplies and Expenses (776)		
Gas Processed by Others (777)		
Royalties on Products Extracted (778)		
Marketing Expenses (779)		
Products Purchased for Resale (780)		
Variation in Products Inventory (781)		
(Less) Extracted Products Used by the Utility - Credit (782)		
Rents (783)		\$0.00
47. Total Operation	\$0.00	
Maintenance		
Maintenance Supervision and Engineering (784)		
Maintenance of Structures and Improvements (785)		
Maintenance of Extraction and Refining Equipment (786)		
Maintenance of Pipe Lines (787)		
Maintenance of Extracted Products Storage Equipment (788)		

Gas Operation and Maintenance - 1. Production (Ref Page: 317)

	Amt for Current Yr (b)	Amt for Prev Yr (c)
Maintenance of Compressor Equipment (789)		
Maintenance of Gas Measuring and Regulating Equipment (790)		
Maintenance of Other Equipment (791)	\$0.00	\$0.00
57. Total Maintenance	\$0.00	\$0.00
58. Total Products Extraction (Lines 47 and 57)		
C. Exploration and Development		
Operation		
Delay Rentals (795)		
Nonproductive Well Drilling (796)		
Abandoned Leases (797)		
Other Exporation (798)	\$0.00	\$0.00
65. Total Exploration and Development	\$0.00	\$0.00
D. Other Gas Supply Expenses		
Operation		
Natural Gas Well Head Purchases (800)		
Natural Gas Well Head Purchases, Intracompany Transfers (800.1)		
Natural Gas Field Line Purchases (801)		
Natural Gas Gasoline Plant Outlet Purchases (802)		\$38,650,664.00
Natural Gas Transmission Line Purchases (803)		
Natural Gas City Gate Purchases (804)		
Liquefied Natural Gas Purchases (804.1)		
Other Gas Purchases (805)		
(Less) Purchases Gas Cost Adjustments (805.1)		
77. Total Purchased Gas	\$38,363,849.00	\$38,650,664.00
78. Exchange Gas (806)		
Purchased Gas Expense		

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Operation and Maintenance - 1. Production (Ref Page: 317)

	Amt. for Current Yr. (b)	Amt. for Prev. Yr. (c)
Well Expense - Purchased Gas (807.1)		
Operation of Purchased Gas Measuring Stations (807.2)		
Maintenance of Purchased Gas Measuring Stations (807.3)		
Purchased Gas Calculations Expenses (807.4)	\$0.00	\$0.00
Other Purchased Gas Expenses (807.5)		
85. Total Purchased Gas Expenses		
Gas Withdrawn from Storage - Debit (808.1)		
(Less) Gas Delivered to Storage (Credit) (808.2)		
Withdrawals of Liquefied natural Gas for Processing - Debit (809.1)		
(Less) Deliveries of Natural Gas for Processing- Credit (809.2)		
Gas used in Utility Operation - Credit		
91. Gas Used for Compressor Station Fuel - Credit (810)		
92. Gas Used for Products Extraction - Credit (811)	\$0.00	\$0.00
93. Gas Used for Other Utility Operations - Credit (812)		
94. Total Gas Used in Utility Operations - Credit (91-93)	\$38,363,849.00	\$35,650,664.00
95. Other Gas Supply Expenses (813)	\$38,528,410.00	\$35,822,878.00
97. Total Other Gas Supply Exp (77,78,85,86-89,94,95)		
Total Production Expenses (3,30,58,65,96)		

Gas Operation and Maintenance - 2. Natural Gas Storage (Ref Page: 320)

	Amt for Current Yr (b)	Amt for Prev Yr (c)
2. NATURAL GAS STORAGE, TERMINALING AND PROCESSING EXPENSES		
A. Underground Storage Expenses		
Operation		
Operation Supervision and Engineering (814)		
Maps and Records (815)	\$61,646.00	\$57,473.00
Wells Expenses (816)		
Lines Expenses (817)	\$46,077.00	\$37,773.00
Compressor Station Expenses (818)		
Compressor Station Fuel and Power (819)		
Measuring and Regulating Station Expenses (820)	\$103,330.00	\$67,339.00
Purification Expenses (821)		
Exploration and Development (822)		
Gas Losses (823)	\$1,808.00	\$580.00
Other Expenses (824)	\$56,371.00	\$56,249.00
Storage well Royalties (825)		
Rents (826)		
114. Total Operation	\$269,232.00	\$219,414.00
Maintenance		
Maintenance Supervision and Engineering (830)		
Maintenance of Structures and Improvements (831)	\$2,649.00	\$10,318.00
Maintenance of Reservoirs and Wells (832)	\$44,339.00	\$48,841.00
Maintenance of Lines (833)	\$0.00	\$0.00
Maintenance of Compressor Station Equipment (834)	\$35,829.00	\$10,102.00
Maintenance of Measuring and Regulating Station Equipment (835)	\$2,219.00	\$2,227.00
Maintenance of Purification Equipment (836)		

Gas Operation and Maintenance - 2. Natural Gas Storage (Ref Page: 320)

	Amt for Current Yr (b)	Amt for Prev Yr (c)
Maintenance of Other Equipment (837)	\$2,303.00	\$6,635.00
124. Total Maintenance	\$87,339.00	\$78,128.00
Total Underground Storage (Lines 114 and 124)	\$356,571.00	\$297,537.00
B. Other Storage Expenses		
Operation		
Operation Supervision and Engineering (840)		
Operation Labor and Expenses (841)		
Rents (842)		
Fuel (842.1)		
Power (842.2)		
Gas Losses (842.3)	\$0.00	\$0.00
134. Total Operation	\$0.00	\$0.00
Maintenance		
Maintenance Supervision and Engineering (843.1)		
Maintenance of Structures and Improvements (843.2)		
Maintenance of Gas Holders (843.3)		
Maintenance of Purification Equipment (843.4)		
Maintenance of Liquefaction Equipment (843.5)		
Maintenance of Vaporizing Equipment (843.6)		
Maintenance of Compressor Equipment (843.7)		
Maintenance of Measuring and Regulating Equipment (843.8)		
Maintenance of Other Equipment (843.9)	\$0.00	\$0.00
145. TOTAL Maintenance	\$0.00	\$0.00
Total Other Storage Expenses (Lines 134 and 145)	\$0.00	\$0.00
C. Liquefied Natural Gas Terminating and Processing Expenses		
Operation		
Operation Supervision and Engineering (844.1)		

Gas Operation and Maintenance - 2. Natural Gas Storage (Ref Page: 320)

	Amt. for Current Yr. (b)	Amt. for Prev. Yr. (c)
LNG Processing Terminal Labor and Expenses (844.2)		
Liquefaction Processing Labor and Expenses (844.3)		
Liquefaction Transportation Labor and Expenses (844.4)		
Measuring and Regulating Labor and Expenses (844.5)		
Compressor Station Labor and Expenses (544.6)		
Communication System Expenses (844.7)		
System Control and Load Dispatching (844.8)		
Fuel (845.1)		
Power (845.2)		
Rents (845.3)		
Demurrage Charges (845.4)		
(Less) Wharfage Receipts - Credit (845.5)		
Processing Liquefied or Vaporized Gas by Others (845.6)		
Gas Losses (846.1)		
Other Expenses (846.2)	\$0.00	\$0.00
Total Operation		
Maintenance		
Maintenance Supervision and Engineering (847.1)		
Maintenance of Structures and Improvements (847.2)		
Maintenance of LNG Processing Terminal equipment (847.3)		
Maintenance of LNG Transportation Equipment (847.4)		
Maintenance of Measuring and Regulating Equipment (847.5)		
Maintenance of Compressor Station Equipment (847.6)		
Maintenance of Communication Equipment (847.7)		
Maintenance of Other Equipment (847.8)	\$0.00	\$0.00
175: Total Maintenance		

Gas Operation and Maintenance - 2. Natural Gas Storage (Ref Page: 320)

	Amt. for Current Yr (b)	Amt. for Prev Yr (c)
176. Total Liquefied Nat Gas Terminating and Proc Exp (Lines 165 and 175)	\$0.00	\$0.00
177. Total Natural Gas Storage (Lines 125, 146 and 176)	\$356,571.00	\$297,537.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Operation and Maintenance - 3 through 8 (Ref Page: 323)

	Am't for Current Yr (b)	Am't for Prev Yr (c)
3. TRANSMISSION EXPENSES		
Operation		
Operation Supervision and Engineering (850)		
System Control and Load Dispatching (851)		
Communication System Expenses (852)		
Compressor Station labor and Expenses (853)		
Gas for Compressor Station Fuel (854)		
Other Fuel and Power for Compressor Stations (855)	\$66,285.00	\$81,164.00
Mains Expenses (856)		
Measuring and Regulating Stations Expenses (857)		
Transmission and Compression of Gas by Others (858)		
Other Expenses (859)		
Rents (860)		
191. Total Operation	\$66,285.00	\$81,164.00
Maintenance		
Maintenance Supervision and Engineering (861)		
Maintenance of Structures and Improvements (862)		
Maintenance of Mains (863)		
Maintenance of Compressor Station Equipment (864)		
Maintenance of Measuring and Regulating Station Equipment (865)		
Maintenance of Communication Equipment (866)		
Maintenance of Other Equipment (867)		
200. Total Maintenance	\$0.00	\$0.00
201. Total Transmission Expenses (Total 191 and 200)	\$66,285.00	\$81,164.00
4. DISTRIBUTION EXPENSES		
Operation		

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Operation and Maintenance - 3 through 8 (Ref Page: 323)

	Am't for Current Yr (b)	Am't for Prev Yr (c)
Operation Supervision and Engineering (870)	\$3,236,139.00	\$2,885,986.00
Distribution Load Dispatching (871)	\$58,165.00	\$51,362.00
Compressor Station Labor and Expenses (872)		
Compressor Station Fuel and Power (873)		
Mains and Services Expenses (874)		
Measuring and Regulating station Expenses - General (875)		
Measuring and Regulating Station Expenses - Industrial (876)		
Measuring and Regulating Station Expenses - City Gas Check Station (877)		
Meter and House Regulator Expenses (878)		
Customer Installations Expenses (879)		
Other Expenses (880)	\$349,552.00	\$261,712.00
Rents (881)	\$17,394.00	\$16,984.00
216. Total Operation	\$3,661,250.00	\$3,216,044.00
Maintenance		
Maintenance Supervision and Engineering (885)	\$45,916.00	\$27,178.00
Maintenance of Structures and Improvements (886)		
Maintenance of Mains (887)	\$150,379.00	\$113,425.00
Maintenance of Compressor Station Equipment (888)		
Maintenance of Measuring and Regulating Station Equipment - General (889)	\$7,505.00	\$4,332.00
Maintenance of Measuring and Regulating Station Equipment - Industrial (890)		
Maintenance of Measuring and Regulating Station Equipment - City Gate Check Station (891)		
Maintenance of Services (892)		
Maintenance of Meters and House Regulators (893)	\$59,306.00	\$77,553.00
Maintenance of Other Equipment (894)	\$112,087.00	\$86,954.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Operation and Maintenance - 3 through 8 (Ref Page: 323)

	Amt for Current Yr (b)	Amt for Prev Yr (c)
228. Total Maintenance	\$375,193.00	\$309,442.00
229. Total Distribution Expenses (Lines 216 and 228)	\$4,036,443.00	\$3,525,486.00
5. CUSTOMER ACCOUNTS EXPENSES		
Operation		
Supervision (901)		
Meter Reading Expenses (902)	\$108,395.00	\$100,000.00
Customer Records and Collections Expenses (903)	\$628,360.00	\$622,367.00
Uncollectible Accounts (904)	\$484,710.00	\$501,623.00
Miscellaneous Customer Account Expenses (905)		
237. Total Customer Accounts Expenses	\$1,221,465.00	\$1,323,990.00
6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
Operation		
Supervision (907)		
Customer Assistance Expenses (908)		
Informational and Instructional Expenses (909)		
Miscellaneous Customer Service and Informational Expenses (910)		
244. Total Customer Service and Informational Expenses	\$0.00	\$0.00
7. SALES EXPENSES		
Operation		
Supervision (911)		
Demonstrating and Selling Expenses (912)		
Advertising Expenses (913)	\$2,264.00	\$4,362.00
Miscellaneous Sales Expenses (916)		
251. TOTAL Sales Expenses	\$2,264.00	\$4,362.00
8. ADMINISTRATIVE AND GENERAL EXPENSES		
Operation		

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Operation and Maintenance - 3 through 8 (Ref Page: 323)

	Am. for Current Yr. (b)	Am. for Prev. Yr. (c)
Administrative and General Salaries (920)	\$2,576,284.00	\$2,431,894.00
Office Supplies and Expenses (921)	\$579,827.00	\$552,026.00
(Less) Administrative Expenses Transferred - Credit (922)	\$3,036,569.00	\$2,508,523.00
Outside Services Employed (923)	\$657,984.00	\$765,795.00
Property Insurance (924)	\$786,124.00	\$754,608.00
Injuries and Damages (925)		
Employee Pensions and benefits (926)	\$3,181,758.00	\$3,512,878.00
Franchise Requirements (927)		
Regulatory Commission Expenses (928)	\$163,359.00	\$159,545.00
(Less) Duplicate Charges - Credit (929)		
General Advertising Expenses (930.1)		
Miscellaneous General Expenses (930.2)	\$562,597.00	\$665,085.00
Rents (931)		
267. Total Operation	\$5,471,364.00	\$6,333,308.00
Maintenance		
269. Maintenance of General Plant (935)	\$183,394.00	\$301,836.00
270. Total Administrative and General (Total 267 and 269)	\$5,654,758.00	\$6,635,144.00
Total Gas O and M Expenses (Total Lines 97,177,201,229,237,244,251 and 270)	\$49,866,196.00	\$47,690,561.00

Exchange and Imbalance Transactions (Ref Page: 328)

Zone/Rate Schedule	Gas Received Amount (b)	Gas Received MCF (c)	Gas Delivered Amount (d)	Gas Delivered MCF (e)
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Total

Gas Used in Utility Operations (Ref Page: 331)

Purpose (a)	Acct Charged (b)	Natural Gas Used MCF (c)	Natural Gas Amount of Credit (d)	Manufactured Gas MCF (e)	Manufactured Gas Amount of Credit (f)
Gas Used for Compressor Station Fuel - Credit (810)					
Gas Used For Products Extration - Credit (811)					
Gas Shrinkage and Other Usage in Respondent's Own Processing					
Gas Shrinkage, etc. for Respondent's Gas Processed by Others					
Gas Used for Other Utility Operations - Credit (812)					
(Report seperately each principal use. Group minor uses.)					
Total					

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Other Gas Supply Expenses (813) (Ref Page: 334)

Description (a)	Amount (b)
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Total

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Miscellaneous General Expenses (Acct 930.2) (Ref Page: 335)

Description	Amount
Industry association dues	\$49,470.00
Experimental and general research expenses.	
a. Gas Research Institute (GRI)	
b. Other	\$227,144.00
Publishing and distributing information and reports to stockholders, trustee, registrar and transfer agent fees and expenses and other expenses	
Other:	
DIRECTOR FEES AND EXPENSES	\$204,464.00
FEES - CONVENTIONS AND MEETINGS	\$6,125.00
MARKETING	\$3,973.00
COMPANY RELATIONS	\$15,945.00
CONSERVATION PROGRAM	\$32,821.00
LOBBYING	\$22,281.00
MISC. NON TAXABLE	\$374.00
Total	\$562,597.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Depreciation, Depletion and Amortization of Gas Plant (403,403.1,404.1,404.2,404.3,405) (Ref Page: 336)

	403(b) Depreciation	404.1(d) Depreciation/Exp	404.2(e)	404.3(f)	405(g)	Total(h)
Intangible Plant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Production Plant, manufactured gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Production and gathering plant, natural gas	\$82,869.00	\$0.00	\$0.00	\$0.00	\$0.00	\$82,869.00
Products extraction plant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Underground gas storage plant	\$232,682.00	\$0.00	\$0.00	\$0.00	\$0.00	\$232,682.00
Other storage plant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Base load LNG terminaling and processing plant						
Transmission plant	\$1,039,655.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,039,655.00
Distribution plant	\$2,360,370.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,360,370.00
General Plant	\$531,163.00	\$0.00	\$0.00	\$0.00	\$0.00	\$531,163.00
Common plant - gas	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other						
Total	\$4,246,739.00	\$0.00	\$0.00	\$0.00	\$0.00	\$4,246,739.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006

Transmission and Compression of Gas by Others (858) (Ref Page: 332)

Name of Company and Desc. of	(b)	Amount of Payment (c)	MCF of Gas (d)
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Depreciation, Depletion and Amortization of Gas Plant (cont) (Ref Page: 338)

Functional Classification (a)	Plant Bases (thousands) (b)	Applied Dep'n or Amort Rates (c)
Production and Gathering Plant		
Offshore		
Onshore		
Underground Gas Storage Plant		
Transmission Plant		
Offshore		
Onshore		
General Plant		

Particulars Concerning Cetrain Income Deductions and Interest Charges Accounts (Ref Page: 340)

Item (a)	Amount (b)
CUSTOMER DEPOSIT INTEREST	\$30,055.00
SHORT-TERM NOTES INTEREST	\$662,148.00
CASH SURRENDER VALUE OF LIFE INSURANCE	\$5,265.00

Regulatory Commission Expenses (928) (Ref Page: 350)

Description (a)	Assessed by Reg. Commission (b)	Expenses of the Utility (c)	Total Expenses (d)	Deferred in 2006 (e)	Expenses Incurred, Charged to Department
PSC	\$102,643.00	\$0.00	\$102,643.00	\$0.00	
DOT SAFETY PROGRAM	\$0.00	\$60,716.00	\$60,716.00	\$0.00	
	\$102,643.00	\$60,716.00	\$163,359.00	\$0.00	

Regulatory Commission Expenses (928) (Ref Page: 350) (Part Two)

Description (a)	Expenses Incurred Charged to Acct (g)	Expenses Incurred Charged to Amount	Expenses Incurred Deferred to 182.3 (i)	Amortized Contra Acct (j)	Amortized Amt (k)	Deferred in 182.3 End of Yr (l)
PSC	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00
DOT SAFETY PROGRAM	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00		\$0.00	\$0.00

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Distribution of Salaries and Wages - Electric (Ref Page: 355)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
Electric			
Operation			
3. Production			
4. Transmission			
5. Distribution			
6. Customer Accounts			
7. Customer Service and Informational			
8. Sales			
9. Administrative and General			
10. Total Operation			
Maintenance			
12. Production			
13. Transmission			
14. Distribution			
15. Administrative and General			
16. Total Maint			
Total Operation and Maintenance			
18. Total Production (Lines 3 and 12)			
19. Total Transmission (Lines 4 and 13)			
20. Total Distribution (Lines 5 and 14)			
21. Customer Accounts (Transcribe from Line 6)			
22. Customer Service and Informational (Transcribe from Line 7)			
23. Sales (Transcribe from Line 8)			
24. Administrative and General (Lines 9 and 15)			

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
Distribution of Salaries and Wages - Electric (Ref Page: 355)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
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25. Total Oper. and Maint. (Lines
18-24)

Distribution of Salaries and Wages - Gas (Ref Page: 355)

Specify	Direct Payroll (b)	Alloc. Clearing/ Accts. (c)	Total (d)
Gas			
Operation			
28. Production -- Manufactured Gas	\$63,035.00	\$0.00	\$63,035.00
29. Production -- Nat. Gas (Including Expl and Dev.)			
20. Other Gas Supply	\$82,393.00	\$0.00	\$82,393.00
31. Storage, LNG Terminating and Processing			
32. Transmission			
33. Distribution	\$3,576,208.00	\$0.00	\$3,576,208.00
34. Customer Accounts	\$404,578.00	\$0.00	\$404,578.00
35. Customer Service and Informational			
36. Sales			
37. Administrative and General	\$2,482,184.00	(\$1,383,244.00)	\$1,098,940.00
38. Total Operation	\$6,608,398.00	(\$1,383,244.00)	\$5,225,154.00
Maintenance			
40. Production -- Manufactured Gas			
41. Production -- Natural Gas	\$12,634.00	\$0.00	\$12,634.00
42. Other Gas Supply			
43. Storage, LNG Terminating and Processing	\$10,917.00	\$0.00	\$10,917.00
44. Transmission			
45. Distribution	\$112,791.00	\$0.00	\$112,791.00
46. Administrative and General			
47. Total Maint	\$136,342.00	\$0.00	\$136,342.00
Total Operation and Maintenance			

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Distribution of Salaries and Wages - Gas (Ref Page: 355)

Specify	Direct Payroll (b)	Alloc. Clearing Accts (c)	Total (d)
50. Total Production -- Manufactured Gas (Lines 28 and 40)	\$0.00	\$0.00	\$0.00
51. Total Production -- Natural Gas (Lines 29 and 41)	\$75,669.00	\$0.00	\$75,669.00
52. Total Other Gas Supply (Lines 30 and 42)	\$0.00	\$0.00	\$0.00
53. Total Storage LNG Terminaling and Processing (Lines 31 and 43)	\$93,310.00	\$0.00	\$93,310.00
54. Total Transmission (Lines 32 and 44)	\$0.00	\$0.00	\$0.00
55. Total Distribution (Lines 33 and 45)	\$3,688,999.00	\$0.00	\$3,688,999.00
56. Customer Accounts (Transcribe Line 34)	\$404,578.00	\$0.00	\$404,578.00
57. Customer Service and Informational (Transcribe Line 35)			
58. Sales (Transcribe Line 36)			
59. Administrative and General (Line 37 + 46)	\$2,482,184.00	(\$1,383,244.00)	\$1,098,940.00
60. Total Operation and Maint (Lines 50-59)	\$6,744,740.00	(\$1,383,244.00)	\$5,361,496.00
Other Utility Departments			
62. Operation and Maintenance			
63. Total All Utility Dept (Lines 25,60,62)	\$6,744,740.00	(\$1,383,244.00)	\$5,361,496.00

Distribution of Salaries and Wages - Utility Plant (Ref Page: 356)

Specify	Direct Payroll (b)	Alloc Clearing Accts (c)	Total (d)
Utility Plant			
Construction (By Utility Departments)			
66. Electric Plant			
67. Gas Plant	\$725,816.00	\$811,009.00	\$1,536,825.00
68. Other			
69. Total Construction	\$725,816.00	\$811,009.00	\$1,536,825.00
70. Plant Removal (By Utility Departments)			
71. Electric Plant			
72. Gas Plant			
73. Other			
74. Total Plant Removal	\$0.00	\$0.00	\$0.00
75. Other Accounts			
Merchandising	\$1,115.00	\$0.00	\$1,115.00
Subsidiaries	\$6,674.00	\$563,965.00	\$570,639.00
Misc Non Operating	\$2,556.00	\$0.00	\$2,556.00
Lobbying	\$0.00	\$8,270.00	\$8,270.00
76. Total Other Accounts	\$10,345.00	\$572,235.00	\$582,580.00
77. Total Salaries and Wages	\$7,480,901.00	\$0.00	\$7,480,901.00

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Charges for Outside Professional and Other Consultative Services (Ref Page: 358)

Description:(a)	(b)	Amount:(2)
NOT APPLICABLE		\$0.00
NONE OVER \$250,000		\$0.00

Compressor Stations (Ref Page: 508)

Name of Station and	Number of Units (b)	Certified Horsepower (c)	Plant Cost (d)	Fuel or Power (e)	Fuel or Power Type
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Compressor Stations (Ref Page: 508) (Part Two)

Name of Station and	Other (i)	Gas for Comp Fuel (MCF)	Total Comp Hours	Comp. operating at Time	Date of Station Peak (j)
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Gas Storage Projects (Ref Page: 512)

	Gas Belonging to Respondent (MCF) (b)	Gas Belonging to Others (MCF) (c)	Total (MCF) (d)
Storage Operations (in MCF)			
Gas Delivered to Storage			
January			
February			
March			
April	17,805	0	17,805
May	316,264	0	316,264
June	61,304	0	61,304
July	77,001	0	77,001
August	68,521	0	68,521
September	132,854	0	132,854
October	75,739	0	75,739
November	10,827	0	10,827
December	0	0	0
Total	760,315	0	760,315
Gas Withdrawn from Storage			
January	182,585	0	182,585
February	294,565	0	294,565
March	218,951	0	218,951
April	0	0	0
May	0	0	0
June	0	0	0
July	0	0	0
August	0	0	0
September	0	0	0
October	0	0	0
November	131,156	0	131,156

Gas Storage Projects (Ref Page: 512)

	Gas Belonging to Respondent (b)	Gas Belonging to Others (c)	Total (d)
December	157,331	0	157,331
Total	984,588	0	984,588

	Total Amount (b)	Date
Storage Operations		
Top or Working Gas End of Year		
Cushion Gas (Including native gas)		
Total Gas in Reservoir		
Certified Storage Capacity		
Number of Injection - Withdrawal Wells		
Number of Observation Wells		
Maximum Days Withdrawal from Storage		
Date of Maximum Days Withdrawal		
LNG Terminal Companies (MCF)		
Number of Tanks		
Capacity of Tanks		
LNG Volume		
Received at Ship Rail		
Transferred to Tanks		
Withdrawn from Tanks		
Boil Off Vaporization Loss		

Transmission Lines (Ref Page: 514)

Designation of Line or Group of Lines (a)	(b)	Total Miles of Pipe (c)
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4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Transmission System Peak Deliveries (Ref Page: 518)

Description	MCF Gas to Interstate Pipelines (b)	MCF Gas to Others (c)	Total (d)
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Section A: Single Day Peak Deliveries

Date:			
Volumes of Gas Transported			
No-Notice Transportation			
Other Firm Transportation			
Interruptible Transportation			
Other (Describe)			

Total			
Volumes of gas Withdrawn from Storage under Storage Contracts			
No-Notice Storage			
Other Firm Storage			
Interruptible Storage			
Other (Describe)			

Total			
Other Operational Activities			
Gas Withdrawn from Storage for System Operations			
Reduction in Line Pack			
Other (Describe)			

Total			
Section B: Consecutive Three-Day Peak Deliveries			
Dates:			
Volumes of Gas Transported			

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Transmission System Peak Deliveries (Ref Page: 518)

Description	MCF Gas to Interstate Pipelines (b)	MCF Gas to Others (c)	Total (d)
No-Notice Transportation			
Other Firm Transportation			
Interruptible Transportation			
Other (Describe)			
Total			
Volumes of Gas Withdrawn from Storage under Storage Contracts			
No-Notice Storage			
Other Firm Storage			
Interruptible Storage			
Other (Describe)			
Total			
Other Operational Activities			
Gas Withdrawn from Storage for System Operations			
Reduction in Line Pack			
Other (Describe)			
Total			

Auxiliary Peaking Facilities (Ref Page: 519)

Location (a)	Type (b)	Max Daily Delivery Capacity	Cost of Facility (d)	Operated on Date Highest Trans Peak Del? (yes/no)
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Gas Account - Natural Gas (Ref Page: 520)

Description	Amt (MCF)
GAS RECEIVED	
Gas Purchases (800-805)	3,215,179
Gas of Others received for Gathering (ref pg 303) (489.1)	
Gas of Others Received for Transmission (Ref pg 305) (489.2)	
Gas of Others Received for Distribution (ref pg 301) (489.3)	13,901,249
Gas of Others Received for Contract Storage (Ref Pg 307) (489.4)	
Exchanged Gas Received from Others (Ref Pg 328) (806)	
Gas Received as Imbalances (Ref Pg 328) (806)	
Receipts of Respondent's Gas Transported by Others (Ref pg 332) (858)	
Other Gas Withdrawn from Storage (Explain)	984,732
Gas Received from Shippers as Compressor Station Fuel	
Gas Received from Shippers as Lost and Unaccounted for	
Other Receipts (Specify)	
Total Receipts	18,101,160
GAS DELIVERED	
Gas Sales (480-484)	3,247,997
Deliveries of gas Gathered for Others (Ref pg 303) (489.1)	
Deliveries of Gas Transported for Others (Ref Pg 305) (489.2)	
Deliveries of Gas Distributed for Others (Ref Pg 301) (489.3)	13,901,249
Deliveries of Contract Storage gas (Ref Pg 307) (489.4)	
Exchange Gas Delivered to Others (Ref Pg 328) (806)	
Gas Delivered as Imbalances (Ref Pg 328) (806)	
Deliveries of Gas to Others for Transportation (Ref Pg 332) (858)	
Other Gas Delivered to Storage (Explain)	760,315

4100 Delta Natural Gas Company, Inc. 01/01/2006 - 12/31/2006
 Gas Account - Natural Gas (Ref Page: 520)

Description	Amt (MCF)
Gas Used for Compressor Station Fuel (509)	
Other Deliveries (Specify)	
NET UNBILLED	
28. Total Deliveries	-201,647
GAS UNACCOUNTED FOR	
Production System Losses	
Gathering System Losses	
Transmission System Losses	
Distribution System Losses	
Storage System Losses	
Other Losses (Specify)	
36. Total Unaccounted For	393,246
Total Deliveries and Unaccounted For (Line 28 and 36)	18,101,160