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May 4, 2007

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

RECEIVED

MAY 04 2007

**PUBLIC SERVICE
COMMISSION**

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 Petition of Delta Natural Gas Company, Inc. for Confidential Protection 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.)

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED
MAY 04 2007
PUBLIC SERVICE
COMMISSION

In the Matter of:

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

* * * * *
PETITION OF DELTA NATURAL GAS COMPANY, INC.
FOR CONFIDENTIAL PROTECTION

Delta Natural Gas Company, Inc. (“Delta”) petitions the Kentucky Public Service Commission (“Commission”) pursuant to 807 KAR 5:001, Section 7 and KRS 61.878(1)(k), 61.878(1)(l), 131.190(1) and 26 U.S.C. § 6103(a) to grant confidential protection to certain information relating to its federal and state income tax returns, which information is being provided in response to Item No. 23(8) of the First Data Request of the Commission Staff dated March 19, 2007, herein. In support of this Petition, Delta states as follows:

1. On March 2, 2007, Delta served notice of its intent to file a rate application for a general adjustment in rates with the Commission. On March 19, 2007, the Commission Staff issued its First Data Request to Delta. On April 20, 2007, Delta filed its Notice and Application herein.

2. In response to the Commission Staff’s Data Request No. 23(8), Delta is providing a copy of its federal and state income tax returns for the taxable year ending during the test year, including supporting schedules. KRS 61.878(1)(k) exempts from public disclosure “all public records or information the disclosure of which is prohibited by

federal law or regulation.” Pursuant to 28 U.S.C. § 6103(a), state officials are prohibited from publicly disclosing any federal income tax return or its contents. Therefore, federal income tax returns fall within the exemption provided by KRS 61.878(1)(k) and are exempt from disclosure. See *In the Matter of: Application for Adjustment of Rates of Kentucky Power Company*, Case No. 91-066, Order of July 23, 1991, at 5-6. KRS 61.878(1)(l) exempts from the Kentucky Open Records Act “public records or information the disclosure of which is prohibited or restricted or otherwise made confidential by enactment of the General Assembly.” KRS 131.190(1) requires that all income tax information filed with the Kentucky Department of Revenue be treated in a confidential manner. Thus, state income tax returns are also confidential in nature and protected from disclosure by KRS 61.878(1)(l). See *In the Matter of: Rate Adjustment of Western Kentucky Gas Company*, Case No. 90-013, Order of January 28, 1991, at 2.

3. In accordance with the provisions of 807 KAR 5:001, Section 7, one copy of Delta’s response to the Commission Staff’s Data Request No. 23(8) with the confidential information highlighted (in this case, the confidential tax returns are attached under seal) and ten (10) copies of Delta’s response without the confidential information are herewith filed with the Commission.

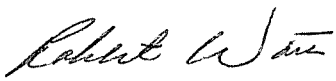
WHEREFORE, Delta prays that the Commission grant confidential protection to its federal and state income tax returns submitted herewith.

Respectfully submitted,

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and


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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 persons on this 4th day of May 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