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MAY 03 2007

**PUBLIC SERVICE
COMMISSION**

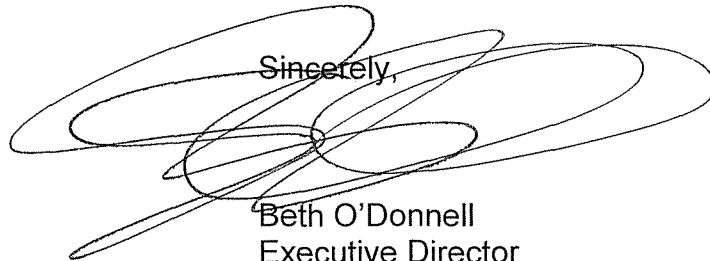
May 3, 2007

PARTIES OF RECORD

RE: Case No. 2007-00154
NOTICE OF DELTA NATURAL GAS COMPANY, INC. TO CONTINUE ITS
ENERGY ASSISTANCE PLAN

Enclosed please find a memorandum that has been filed in the record of the above referenced case. Any comments regarding this memorandum's content should be submitted to the Commission within five days of the receipt of this letter. Questions regarding this memorandum should be directed to Aaron D. Greenwell at 502-564-3940, extension 273.

Sincerely,



Beth O'Donnell
Executive Director

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

RECEIVED

MAY 03 2007

PUBLIC SERVICE
COMMISSION

TO: Main Case File - Case No. 2007-00154
FROM: Aaron Greenwell, Team Leader
DATE: May 3, 2007
SUBJECT: Informal Conference, April 24, 2007

Pursuant to Commission Order, an informal conference ("IC") was held on April 25, 2007. A copy of the conference attendance list is attached. The purpose of the conference was to discuss issues related to the application of Delta Natural Gas Company, Inc. ("Delta") requesting Commission approval to continue its energy assistance plan ("EAP"). The conference began with a brief discussion by Delta of the operation of the plan since February 2006. Delta provided a handout showing the EAP payments, revenues, enrollees and other information from February 2006 through February 2007 (copy attached).

The AG, Commission Staff and Delta also discussed the contents of the evaluation of the EAP which Delta was directed to file by May 25, 2007. A tentative list of the items to be included in the report is attached as Attachment Two. It was decided that a complete list would be included in the procedural schedule to be issued later.

A proposed procedural schedule was then discussed including the need to continue the EAP beyond the April 30, 2007 sunset date. The AG agreed that the EAP should be continued beyond April 30, 2007 until the Commission issued a decision in this proceeding. The following tentative procedural schedule was discussed.

Comments due on contents of May 25, 2007 report	May 7, 2007
Commission Order on contents of May 25, 2007 report	May 17, 2007
Delta's EAP evaluation report due	June 15, 2007
Initial data requests to Delta	June 25, 2007
Delta's response to initial data request due	July 9, 2007

If necessary an Informal Conference will be held on July 23, 2007. Otherwise the parties will have ten days to request a hearing or file comments; if no hearing is requested the case will stand submitted to the Commission.

The IC was then adjourned.

Attachments

Case No. 2007-00154

Informal Conference
April 24, 2007

Agenda

1. Introduction
2. Presentation by Delta
3. Discussion of tariff – Commission Staff and AG
4. Discussion of temporary continuation of EAP
5. Consideration of procedural schedule

CASE NO. 2007-00154
INFORMAL CONFERENCE - APRIL 24, 2007

NAME	REPRESENTING
Aaron Breenwee	Ky PSC
Dawn McGee	Ky PSC Financial Analysis
Virginia Gregg Paul Adams	KY PSC Legal OAG
Klem Jennings	Wells Ho

Case No. 2007-00154

Proposed Contents of Delta's EAP Evaluation Report

Provide a spreadsheet that includes by month:

Delta's contribution and the timing of such contribution

The EAP payments

Administration fees paid to CAC

Actual monthly EAP revenues

Actual monthly total revenues

Number of enrollees by month

Monthly dollar amount per enrollee

For each month provide the high, low and average bills for the enrollees

Explain the reason for the timing of the May 2006 EAP payment.

Explain if enrollees are also participants in LIHEAP

Provide a breakdown of enrollees and the total number of Delta customers by county

Explain the steps taken to make the EAP equally available

Provide a copy of the CAC contract

Provide specific detail of the activities performed by CAC by month and supporting invoices to Delta.

Have CAC explain its accounting for program costs

Explain how CAC certified that each enrollee was LIHEAP eligible or at 110 percent of the federal poverty level

Explain how Delta certified that each enrollee was a Delta customer

With regard to continuation of the program address the following:

Does Delta plan to continue its \$30,000 contribution?

Has Delta considered if enrollees should be required to participate in some form of weatherization program?

Does Delta have plans to amend the program in any manner?

Provide the number of disconnects for the 2005-2006 and 2006-2005 heating seasons including the reason for the disconnects.