



Delta Natural Gas Company, Inc.

3617 Lexington Road  
Winchester, Kentucky 40391-9797



www.deltagas.com

PHONE: 859-744-6171

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March 20, 2012

RECEIVED

MAR 21 2012

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P O Box 615  
Frankfort, KY 40602-0615

Dear Mr. Derouen:

Enclosed are the original and ten copies of Delta's Quarterly Report of Gas Cost Recovery Rate Calculation which determines the Gas Cost Recovery Rate (GCR) to be effective with the first billing cycle of May 2012 which includes meters read on and after April 23, 2012.

An extra copy of the filing is attached for public files.

Please acknowledge receipt of this filing by stamping the extra copy of the cover letter.

Sincerely,

*Connie King*

Connie King  
Manager – Corporate & Employee Services

**RECEIVED**

**MAR 21 2012**

**PUBLIC SERVICE  
COMMISSION**

**CONSERVATION/EFFICIENCY PROGRAM**

**RATE CALCULATION**

## GAS COST RECOVERY CALCULATION

COST RECOVERY RATE EFFECTIVE APRIL 23, 2012		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.4252
SUPPLIER REFUND (RA)	\$/MCF	(0.0664)
ACTUAL ADJUSTMENT (AA)	\$/MCF	1.4180
BALANCE ADJUSTMENT (BA)	\$/MCF	0.7122
GAS COST RECOVERY RATE (GCR)	\$/MCF	<u>8.4890</u>

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	1,242,862
UTILITY PRODUCTION	\$	-
INCLUDABLE PROPANE	\$	-
UNCOLLECTIBLE GAS COSTS	\$	<u>14,476</u>
	\$	1,257,338
TOTAL ESTIMATED SALES FOR QUARTER	MCF	<u>195,690</u>
EXPECTED GAS COST (EGC) RATE	\$/MCF	<u>6.4252</u>

## SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE III)	\$/MCF	(0.0205)
PREVIOUS QUARTER	\$/MCF	(0.0152)
SECOND PREVIOUS QUARTER	\$/MCF	(0.0152)
THIRD PREVIOUS QUARTER	\$/MCF	<u>(0.0155)</u>
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>(0.0664)</u>

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	0.4885
PREVIOUS QUARTER	\$/MCF	1.3028
SECOND PREVIOUS QUARTER	\$/MCF	(0.0449)
THIRD PREVIOUS QUARTER	\$/MCF	<u>(0.3284)</u>
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>1.4180</u>

## BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
BALANCE ADJUSTMENT AMOUNT (SCHEDULE V)	\$	139,379
ESTIMATED SALES FOR QUARTER	MCF	<u>195,690</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.7122</u>

**MCF PURCHASES FOR THREE MONTHS BEGINNING**  
**May 1, 2012**  
**AT SUPPLIERS COSTS EFFECTIVE**  
**May 1, 2012**

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				\$541,220	
ATMOS ENERGY MARKETING	70,891	1.014	2.4961	179,429	R
COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)				\$80,494	
ATMOS ENERGY MARKETING	25,723	1.027	2.4931	65,863	R
COLUMBIA GULF TRANSMISSION M&B GAS SERVICES	96,345	1.236	3.0656	365,055	R
KENTUCKY PRODUCERS VINLAND	2,731		3.9551	10,801	R
STORAGE	-		4.6070	-	
<b>TOTAL</b>	<u><b>195,690</b></u>			<u><b>1,242,862</b></u>	
 COMPANY USAGE	 2,935				

**ESTIMATED UNCOLLECTIBLE GAS COSTS**  
**FOR THE THREE MONTHS ENDED**  
**July 31, 2012**

TWELVE MONTH AVERAGE % OF PURCHASED GAS TO RECORDED REVENUE	44.00%				N
ESTIMATED BAD DEBT EXPENSE	\$32,900				I
% OF PURCHASED GAS TO BILLED REVENUE UNCOLLECTIBLE GAS COSTS	14,476				I

**TENNESSEE GAS PIPELINE RATES EFFECTIVE 5/01/12**

		DTH VOLUMES	FIXED OR VARIABLE		RATES	ANNUAL COST
FT-G RESERVATION RATE - ZONE 0-2	1	8,371	F	2	\$16,341	\$136,778
FT-G RESERVATION RATE - ZONE 1-2	3	22,511	F	4	\$11,133	\$250,610
FT-G COMMODITY RATE - ZONE 0-2	5	(15,145)	V	6	\$0,0390	(\$591)
FT-G COMMODITY RATE - ZONE 1-2	7	(40,721)	V	8	\$0,0330	(\$1,344)
FT-A RESERVATION RATE - ZONE 0-2	9	705	F	10	\$16,341	\$11,520
FT-A RESERVATION RATE - ZONE 1-2	11	3,024	F	12	\$11,133	\$33,666
FT-A RESERVATION RATE - ZONE 3-2	13	471	F	14	\$5,755	\$2,711
FT-A COMMODITY RATE - ZONE 0-2	15	21,444	V	16	\$0,0390	\$836
FT-A COMMODITY RATE - ZONE 1-2	17	91,980	V	18	\$0,0330	\$3,035
FT-A COMMODITY RATE - ZONE 3-2	19	14,326	V	20	\$0,0088	\$126
FUEL & RETENTION - ZONE 0-2	21	6,298	V	22	\$0,0492	\$310
FUEL & RETENTION - ZONE 1-2	23	51,259	V	24	\$0,0412	\$2,111
FUEL & RETENTION - ZONE 3-2	25	14,326	V	26	\$0,0055	\$79
SUB-TOTAL						\$439,848
FS-PA DELIVERABILITY RATE	27	4,572	F	28	\$2,81	\$12,847
FS-PA INJECTION RATE	29	46,689	V	30	\$0,0073	\$341
FS-PA WITHDRAWAL RATE	31	46,689	V	32	\$0,0073	\$341
FS-PA SPACE RATE	33	560,271	F	34	\$0,0286	\$16,024
FS-PA RETENTION	35	46,689	V	36	\$0,0397	\$1,853
SUB-TOTAL						\$31,406
FS-MA DELIVERABILITY RATE	37	25,908	F	38	\$1,54	\$39,898
FS-MA INJECTION RATE	39	96,906	V	40	\$0,0087	\$843
FS-MA WITHDRAWAL RATE	41	96,906	V	42	\$0,0087	\$843
FS-MA SPACE RATE	43	1,162,866	F	44	\$0,0211	\$24,536
FS-MA RETENTION	45	96,906	V	46	\$0,0397	\$3,846
SUB-TOTAL						\$69,967
TOTAL TENNESSEE GAS PIPELINE CHARGES						<u>\$541,220</u>
<b>COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 5/01/12</b>						
GTS COMMODITY RATE	47	26,418	V	48	\$0,8030	\$21,214
FUEL & RETENTION	49	26,418	V	50	\$0,0973	\$2,570
TOTAL COLUMBIA GAS TRANSMISSION CHARGES						<u>\$23,784</u>
<b>COLUMBIA GULF CORPORATION RATES EFFECTIVE 5/01/12</b>						
FTS-1 RESERVATION RATE	51	13,134	F	52	\$4,2917	\$56,367
FTS-1 COMMODITY RATE	53	26,418	V	54	\$0,0127	\$336
FUEL & RETENTION	55	26,418	V	56	\$0,0003	\$7
TOTAL COLUMBIA GULF CORPORATION CHARGES						<u>\$56,710</u>
TOTAL PIPELINE CHARGES						<u>\$621,714</u>

SUPPLIER REFUND ADJUSTMENT  
 DETAIL FOR THE THREE MONTHS ENDED  
 January 31, 2012

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	(59,304)
INTEREST FACTOR (2)		0.998218
REFUND ADJUSTMENT INCLUDING INTEREST	\$	(59,199)
SALES TWELVE MONTHS ENDED January 31, 2012	MCF	2,888,110
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	<u>(0.0205)</u>

(1) Suppliers Refunds Received	Date Received	Amount
PCB Refund from TGP	1/3/2012	59,304.41
Total		<u>59,304.41</u>

(2) Interest Factor			
RESULT OF PRESENT VALUE	0.1707690	-0.5 =	(0.329231)

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE IV

ACTUAL ADJUSTMENT  
 DETAIL FOR THE THREE MONTHS ENDED  
 January 31, 2012

Particulars	Unit	For the Month Ended		
		Nov-11	Dec-11	Jan-12
<b>SUPPLY VOLUME PER BOOKS</b>				
PRIMARY GAS SUPPLIERS	MCF	421,772	518,998	320,589
UTILITY PRODUCTION	MCF	-	-	-
INCLUDABLE PROPANE	MCF	-	-	-
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
<b>TOTAL</b>	<b>MCF</b>	<b><u>421,772</u></b>	<b><u>518,998</u></b>	<b><u>320,589</u></b>
<b>SUPPLY COST PER BOOKS</b>				
PRIMARY GAS SUPPLIERS	\$	1,804,447	2,567,888	1,572,027
UTILITY PRODUCTION	\$	-	-	-
INCLUDABLE PROPANE	\$	-	-	-
UNCOLLECTIBLE GAS COSTS	\$	-	20,227	9,791
OTHER COST (SPECIFY)	\$	-	-	-
<b>TOTAL</b>	<b>\$</b>	<b><u>1,804,447</u></b>	<b><u>2,588,115</u></b>	<b><u>1,581,818</u></b>
<b>SALES VOLUME</b>				
JURISDICTIONAL	MCF	157,586	325,593	392,908
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
<b>TOTAL</b>	<b>MCF</b>	<b><u>157,586</u></b>	<b><u>325,593</u></b>	<b><u>392,908</u></b>
<b>UNIT BOOK COST OF GAS</b>				
EGC IN EFFECT FOR MONTH	\$	11.4506	7.9489	4.0259
RATE DIFFERENCE	\$	6.2416	2.7399	(1.1831)
MONTHLY SALES	MCF	157,586	325,593	392,908
MONTHLY COST DIFFERENCE	\$	<u>983,589</u>	<u>892,092</u>	<u>(464,849)</u>
				Three Month
				Period
COST DIFFERENCE FOR THE THREE MONTHS	\$			1,410,832
TWELVE MONTHS SALES FOR PERIOD ENDED	MCF			<u>2,888,110</u>
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			0.4885

## DELTA NATURAL GAS COMPANY, INC.

## SCHEDULE V

**EXPECTED GAS COST BALANCE ADJUSTMENT  
DETAIL FOR THE THREE MONTHS ENDED  
January 31, 2012**

Particulars	Unit	Amount
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	1,808,120
LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE	0.5666 \$	 <u>1,636,403</u>
BALANCE ADJUSTMENT FOR THE AA	\$	<u>171,717</u>
DOLLAR AMOUNT OF SUPPLIER REFUND ADJUSTMENT AS USED TO COMPUTE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(23,046)
LESS: DOLLAR AMOUNT RESULTING FROM THE UNIT RATE FOR SUPPLIER REFUND ADJUSTMENT OF \$/MCF AS USED TO COMPUTE RA OF THE JURISDICTIONAL SALES FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE FOR THE MCF TOTAL OF	(0.0072) \$	 (20,794)
BALANCE ADJUSTMENT FOR THE RA	\$	<u>(2,252)</u>
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(71,438)
LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL MCF SALES OF MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE	(0.0472) \$	 <u>(41,351)</u>
BALANCE ADJUSTMENT FOR THE BA	\$	<u>(30,087)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>139,379</u>



**COMPUTATION OF VINLAND PRICE EFFECTIVE 5/01/12 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR MAY 2012 THROUGH JULY 2012**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$3.9551 per MCF

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 5/01/12 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR MAY 2012 THROUGH JULY 2012 (TGP)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$2.4961 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 5/01/12 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR MAY 2012 THROUGH JULY 2012 (TCO)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$2.4931 per MMBtu dry

**COMPUTATION OF M&B PRICE EFFECTIVE 5/01/12 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR MAY 2012 THROUGH JULY 2012**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$3.0656 per MMBtu dry

**TGP SUPPLIED AREAS PURCHASE PROFILE:**

3/19/2012

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
May 2012	35,455	35,951	\$2.481	(\$0.060)	\$87,038.11
June	18,848	19,112	\$2.584	(\$0.060)	\$48,239.62
July	<u>16,587</u>	<u>16,820</u>	\$2.685	(\$0.060)	<u>\$44,151.37</u>
	70,891	71,883			\$179,429.10
Fixed Price Feb		0	\$3.930		\$0.00
Fixed Price Mar		0	\$3.930		\$0.00
Total Dth		71,883			
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$2.4961</u></u>	

**COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:**

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
May 2012	11,404	11,712	\$2.481	(\$0.07)	\$28,238.62
June	8,003	8,219	\$2.584	(\$0.07)	\$20,663.41
July	<u>6,316</u>	<u>6,486</u>	\$2.685	(\$0.07)	<u>\$16,961.39</u>
	25,723	26,418			\$65,863.41
Fixed Price Feb		0	\$3.920		\$0.00
Fixed Price Mar		0	\$3.920		\$0.00
Total Dth		26,418			
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$2.4931</u></u>	

**VINLAND SUPPLIED AREAS PURCHASE PROFILE:**

MONTH	VOLUMES MCF	NYMEX \$ PER DTH	ADD-ON PER DTH	BTU ADJUSTMENT	TOTAL
May 2012	1,449	\$2.481	\$0.75	1.2	\$5,618.06
June	835	\$2.584	\$0.75	1.2	\$3,340.67
July	<u>447</u>	\$2.685	\$0.75	1.2	<u>\$1,842.53</u>
	2,731				\$10,801.26
WEIGHTED AVERAGE PRICE PER MCF:					<u><u>\$3.9551</u></u>

**COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:**

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
May 2012	42,779	52,875	\$2.481	\$0.50	\$157,620.53
June	27,516	34,010	\$2.584	\$0.50	\$104,886.76
July	<u>26,049</u>	<u>32,197</u>	\$2.685	\$0.50	<u>\$102,547.58</u>
	96,345	119,082			\$365,054.87
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$3.0656</u></u>	

**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 *	\$ 20.90000				\$ 20.90000
All Ccf ***	\$ 0.43185		\$ 0.84890		\$ 1.28075 /Ccf

(I)

\* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 38 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.

\*\*\* Residential rates are also subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of .001173/Ccf. The CEPRC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 – 42 of this tariff.

Residential rates are also subject to a Pipe Replacement Program charge of \$.47, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

(I)

DATE OF ISSUE: March 21, 2012  
 DATE EFFECTIVE: April 23, 2012 (Final Meter Reads)  
 ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

**CLASSIFICATION OF SERVICE – RATE SCHEDULES  
 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	\$ 31.20000				\$ 31.20000
All Ccf ***	\$ 0.43185		\$ 0.84890		\$ 1.28075 /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.

Small Non-Residential rates are also subject to a Pipe Replacement Program charge of \$0.92 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

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 DATE EFFECTIVE: April 23, 2012 (Final Meter Reads)  
 ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

**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

	Base Rate	+	Gas Cost Recovery Rate (GCR) **	=	Total Rate
Customer Charge	\$ 131.00000				\$ 131.00000
1 - 2,000 Ccf	\$ 0.43185		\$ 0.84890		\$ 1.28075 /Ccf
2,001 - 10,000 Ccf	\$ 0.26696		\$ 0.84890		\$ 1.11586 /Ccf
10,001 - 50,000 Ccf	\$ 0.18735		\$ 0.84890		\$ 1.03625 /Ccf
50,001 - 100,000 Ccf	\$ 0.14735		\$ 0.84890		\$ 0.99625 /Ccf
Over 100,000 Ccf	\$ 0.12735		\$ 0.84890		\$ 0.97625 /Ccf

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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.

Large Non-Residential rates are also subject to a Pipe Replacement Program charge of \$7.16, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

(l)

**DATE OF ISSUE: March 21, 2012**  
**DATE EFFECTIVE: April 23, 2012** (Final Meter Reads)  
**ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO**

**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	\$ 250.00000				\$ 250.00000
1 - 10,000 Ccf	\$ 0.16000		\$ 0.84890		\$ 1.00890 /Ccf
10,001 - 50,000 Ccf	\$ 0.12000		\$ 0.84890		\$ 0.96890 /Ccf
50,001 - 100,000 Ccf	\$ 0.08000		\$ 0.84890		\$ 0.92890 /Ccf
Over 100,000 Ccf	\$ 0.06000		\$ 0.84890		\$ 0.90890 /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.

Interruptible rates are also subject to a Pipe Replacement Program charge of \$35.76, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 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.

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