



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391-9797

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January 8, 2014



RECEIVED

JAN 10 2014

PUBLIC SERVICE
COMMISSION

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

RE: CASE NO. 2013-00469

Dear Mr. Derouen:

Enclosed are the original and ten copies of Delta's Revised 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 February 2014 which includes meters read on and after January 22, 2014.

Schedule I of the filing has been revised to include the BA for the prior three quarters in addition to the current quarter BA as these amounts are now being collected over twelve months, as approved in Case No. 2013-00114. Additionally, the BA included on Schedule I for the previous quarter has been corrected to exclude the uncollected portion of the BA which became effective April 29, as it should continue to be collected over 12 months before any remaining uncollected portion is included in the BA.

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 and returning to Delta in the envelope provided.

Sincerely,

Connie King

Connie King
Manager – Corporate & Employee Services

**AMENDED GAS COST
RECOVERY RATE CALCULATION**

Date Filed	1/08/2014
Date to be Effective	01/22/2014

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE I

GAS COST RECOVERY CALCULATION

COST RECOVERY RATE EFFECTIVE JANUARY 22, 2014		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	5.4051
SUPPLIER REFUND (RA)	\$/MCF	(0.0400)
ACTUAL ADJUSTMENT (AA)	\$/MCF	2.3531
BALANCE ADJUSTMENT (BA)	\$/MCF	0.3680
GAS COST RECOVERY RATE (GCR)	\$/MCF	8.0862

EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	5,806,978
UTILITY PRODUCTION	\$	-
INCLUDABLE PROPANE	\$	-
UNCOLLECTIBLE GAS COSTS	\$	27,016
	\$	5,833,994
TOTAL ESTIMATED SALES FOR QUARTER	MCF	1,079,359
EXPECTED GAS COST (EGC) RATE	\$/MCF	5.4051

SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE III)	\$/MCF	-
PREVIOUS QUARTER	\$/MCF	-
SECOND PREVIOUS QUARTER	\$/MCF	(0.0400)
THIRD PREVIOUS QUARTER	\$/MCF	-
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	(0.0400)

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	0.8642
PREVIOUS QUARTER	\$/MCF	0.3846
SECOND PREVIOUS QUARTER	\$/MCF	(0.0381)
THIRD PREVIOUS QUARTER	\$/MCF	1.1424
ACTUAL ADJUSTMENT (AA)	\$/MCF	2.3531

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE V)	\$/MCF	(0.0331)
PREVIOUS QUARTER	\$/MCF	0.1317
SECOND PREVIOUS QUARTER	\$/MCF	(0.0540)
THIRD PREVIOUS QUARTER	\$/MCF	0.3234
BALANCE ADJUSTMENT (BA)	\$/MCF	0.3680

DELTA NATURAL GAS COMPANY, INC.

**SCHEDULE II
PAGE 1 OF 2**

**MCF PURCHASES FOR THREE MONTHS BEGINNING
February 1, 2014
AT SUPPLIERS COSTS EFFECTIVE
February 1, 2014**

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				\$750,313	
ATMOS ENERGY MARKETING COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)	380,074	1.052	4.2619	1,704,076	I
ATMOS ENERGY MARKETING COLUMBIA GULF TRANSMISSION MIDWEST ENERGY SERVICES	174,742	1.022	4.2456	758,207	I
KENTUCKY PRODUCERS VINLAND STORAGE	87,131	1.234	4.6630	501,363	I
	20,536	1.200	4.3125	106,274	I
	<u>416,876</u>		<u>4.2379</u>	<u>1,766,664</u>	
TOTAL	<u>1,079,359</u>			<u>5,806,978</u>	
 COMPANY USAGE	 16,190				

**ESTIMATED UNCOLLECTIBLE GAS COSTS
FOR THE THREE MONTHS ENDED
April 30, 2014**

TWELVE MONTH AVERAGE % OF PURCHASED GAS TO RECORDED REVENUE	44.00%	
ESTIMATED BAD DEBT EXPENSE	\$61,400	I
% OF PURCHASED GAS TO BILLED REVENUE UNCOLLECTIBLE GAS COSTS	27,016	I

**SUPPLIER REFUND ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
October 31, 2013**

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	0
INTEREST FACTOR (2)		0.998034
REFUND ADJUSTMENT INCLUDING INTEREST	\$	0
SALES TWELVE MONTHS ENDED October 31, 2013	MCF	3,053,623
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	0.0000

(1) Suppliers Refunds Received	Date Received	Amount
Total		0.00

(2) Interest Factor			
RESULT OF PRESENT VALUE	0.1369230	-0.5 =	(0.363077)

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE IV

ACTUAL ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 October 31, 2013

Particulars	Unit	For the Month Ended		
		Aug-13	Sep-13	Oct-13
SUPPLY VOLUME PER BOOKS				
PRIMARY GAS SUPPLIERS	MCF	255,717	168,547	439,148
UTILITY PRODUCTION	MCF	-	-	-
INCLUDABLE PROPANE	MCF	-	-	-
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	255,717	168,547	439,148
SUPPLY COST PER BOOKS				
PRIMARY GAS SUPPLIERS	\$	1,057,530	770,206	1,840,777
UTILITY PRODUCTION	\$	-	-	-
INCLUDABLE PROPANE	\$	-	-	-
UNCOLLECTIBLE GAS COSTS	\$	2,255	-	-
OTHER COST (SPECIFY)	\$	-	-	-
TOTAL	\$	1,059,785	770,206	1,840,777
SALES VOLUME				
JURISDICTIONAL	MCF	62,908	48,913	49,223
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	62,908	48,913	49,223
UNIT BOOK COST OF GAS				
EGC IN EFFECT FOR MONTH	\$	6.4064	6.4064	6.4064
RATE DIFFERENCE	\$	10.4402	9.3400	30.9903
MONTHLY SALES	MCF	62,908	48,913	49,223
MONTHLY COST DIFFERENCE	\$	656,772	456,847	1,525,436
Summary of Adjustments				
				Three Month Period
COST DIFFERENCE FOR THE THREE MONTHS	\$			2,639,055
TWELVE MONTHS SALES FOR PERIOD ENDED	MCF			3,053,623
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			0.8642

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE V

EXPECTED GAS COST BALANCE ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 October 31, 2013

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		
	\$	406,525
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	0.1662	
	\$	<u>507,512</u>
BALANCE ADJUSTMENT FOR THE AA	\$	<u>(100,987)</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		
	\$	-
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	0.0000	
	\$	-
BALANCE ADJUSTMENT FOR THE RA	\$	-
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR		
	\$	-
LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR		
BALANCE ADJUSTMENT FOR THE BA	\$	<u>-</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(100,987)</u>
ESTIMATED ANNUAL SALES	MCF	<u>3,053,623</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.0331)</u>

TGP SUPPLIED AREAS PURCHASE PROFILE:

12/12/2013

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
February 2014	171,400	180,312	\$4 372	(\$0 060)	\$777,507 34
March	140,446	147,749	\$4 338	(\$0 060)	\$632,072 22
April	<u>68,228</u>	<u>71,776</u>	\$4 163	(\$0 060)	<u>\$294,495 96</u>
	380,074	399,838			\$1,704,075 52
Fixed Price ____		0	\$0 000		\$0 00
Fixed Price ____		0	\$0 000		\$0 00
Total Dth		399,838			
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$4.2619</u></u>	

COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
February 2014	72,083	73,669	\$4 372	(\$0 07)	\$316,925 11
March	66,294	67,753	\$4 338	(\$0 07)	\$289,169 33
April	<u>36,364</u>	<u>37,164</u>	\$4 163	(\$0 07)	<u>\$152,112 63</u>
	174,742	178,586			\$758,207 07
Fixed Price ____		0	\$0 000		\$0 00
Fixed Price ____		0	\$0 000		\$0 00
Total Dth		178,586			
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$4.2456</u></u>	

VINLAND SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
February 2014	8,868	10,642	\$4 372	0	\$46,525 08
March	6,953	8,344	\$4 338	0	\$36,194 54
April	<u>4,715</u>	<u>5,658</u>	\$4 163	0	<u>\$23,554 25</u>
	20,536	24,643			\$106,273 87
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$4.3125</u></u>	

COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
February 2014	0	0	\$4 372	\$0 50	\$0 00
March	0	0	\$4 338	\$0 50	\$0 00
April	<u>87,131</u>	<u>107,519</u>	\$4 163	\$0 50	<u>\$501,363 05</u>
	87,131	107,519			\$501,363 05
FIXED PRICE		0			\$0 00
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$4.6830</u></u>	

**COMPUTATION OF VINLAND PRICE EFFECTIVE 2/01/14 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR FEBRUARY THROUGH APRIL 2014**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.3125 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 2/01/14 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR FEBRUARY THROUGH APRIL 2014 (TGP)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.2619 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 2/01/14 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR FEBRUARY THROUGH APRIL 2014 (TCO)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.2456 per MMBtu dry

**COMPUTATION OF MIOWEST ENERGY SERVICES PRICE EFFECTIVE 2/01/14 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR FEBRUARY THROUGH APRIL 2014**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.6630 per MMBtu dry

**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		\$ 0.80862		\$ 1.24047 /Ccf	(1)

- * 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 .01447 /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 \$1.19, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: January 8, 2014
DATE EFFECTIVE: January 22, 2014 (Final Meter Reads)
ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

Issued by Authority of an Order of the Public Service Commission of KY In
 Case No. 2013-00469 dated _____.

**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

	Base Rate	+	Gas Cost Recovery Rate (GCR) **	=	Total Rate	
Customer Charge	\$ 31.20000				\$ 31.20000	
All Ccf ***	\$ 0.43185		\$ 0.80862		\$ 1.24047 /Ccf	(1)

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 \$2.31 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: January 8, 2014
DATE EFFECTIVE: January 22, 2014 (Final Meter Reads)
ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

Issued by Authority of an Order of the Public Service Commission of KY in Case No. 2013-00469 dated _____.

**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		\$ 0.80862		\$ 1.24047 /Ccf	(I)
2,001 - 10,000 Ccf	\$ 0.26696		\$ 0.80862		\$ 1.07558 /Ccf	(I)
10,001 - 50,000 Ccf	\$ 0.18735		\$ 0.80862		\$ 0.99597 /Ccf	(I)
50,001 - 100,000 Ccf	\$ 0.14735		\$ 0.80862		\$ 0.95597 /Ccf	(I)
Over 100,000 Ccf	\$ 0.12735		\$ 0.80862		\$ 0.93597 /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.

Large Non-Residential rates are also subject to a Pipe Replacement Program charge of \$17.97, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: January 8, 2014
DATE EFFECTIVE: January 22, 2014 (Final Meter Reads)
ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

**Issued by Authority of an Order of the Public Service Commission of KY In
Case No. 2013-00469 dated _____.**

**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		\$ 0.80862		\$ 0.96862 /Ccf	(1)
10,001 - 50,000 Ccf	\$ 0.12000		\$ 0.80862		\$ 0.92862 /Ccf	(1)
50,001 - 100,000 Ccf	\$ 0.08000		\$ 0.80862		\$ 0.88862 /Ccf	(1)
Over 100,000 Ccf	\$ 0.06000		\$ 0.80862		\$ 0.86862 /Ccf	(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.

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 \$89.72, 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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