



Delta Natural Gas Company, Inc.

3617 Lexington Road
Winchester, Kentucky 40391-9797

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RECEIVED

June 23, 2016

JUN 22 2016

Public Service
Commission

Mr. Aaron Greenwell
Acting Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602

Dear Mr. Greenwell:

Case No. 2016-00213

Enclosed are the original and ten copies of Delta's Quarterly Report of Gas Cost Recovery Rate Calculation which determines the Gas Cost Recovery (GCR) to be effective with the first billing cycle of August 2016 which includes meters read on and after July 27, 2016.

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

Please acknowledge receipt of this filing.

Sincerely,

A handwritten signature in black ink that reads "Jenny Lowery Croft".

Jenny Lowery Croft
Manager –Employee & Regulatory Services

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE 1
RECEIVED

GAS COST RECOVERY CALCULATION

JUN 22 2016

Public Service
Commission

COST RECOVERY RATE EFFECTIVE JULY 27, 2016		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	4.9704
SUPPLIER REFUND (RA)	\$/MCF	-
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.4791
BALANCE ADJUSTMENT (BA)	\$/MCF	0.3392
GAS COST RECOVERY RATE (GCR)	\$/MCF	<u>5.7887</u>

EXPECTED GAS COST SUMMARY CALCULATION		
PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	1,189,825
UTILITY PRODUCTION	\$	-
INCLUDABLE PROPANE	\$	-
UNCOLLECTIBLE GAS COSTS	\$	<u>5,610</u>
	\$	1,195,435
TOTAL ESTIMATED SALES FOR QUARTER	MCF	<u>240,511</u>
EXPECTED GAS COST (EGC) RATE	\$/MCF	<u>4.9704</u>

SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION		
PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE III)	\$/MCF	-
PREVIOUS QUARTER	\$/MCF	-
SECOND PREVIOUS QUARTER	\$/MCF	-
THIRD PREVIOUS QUARTER	\$/MCF	-
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>-</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION		
PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	(0.6712)
PREVIOUS QUARTER	\$/MCF	0.8335 *
SECOND PREVIOUS QUARTER	\$/MCF	0.3639 *
THIRD PREVIOUS QUARTER	\$/MCF	(0.0471) *
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.4791</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION		
PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE V)	\$/MCF	0.2768
PREVIOUS QUARTER	\$/MCF	0.0741 *
SECOND PREVIOUS QUARTER	\$/MCF	0.0040 *
THIRD PREVIOUS QUARTER	\$/MCF	(0.0157) *
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.3392</u>

MCF PURCHASES FOR THREE MONTHS BEGINNING
August 1, 2016
AT SUPPLIERS COSTS EFFECTIVE
August 1, 2016

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				\$302,279	
ATMOS ENERGY MARKETING COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)	80,891	1.067	2.5595	220,910	I
ATMOS ENERGY MARKETING COLUMBIA GULF TRANSMISSION MIDWEST ENERGY SERVICES	29,451	1.092	2.5498	82,003	I
KENTUCKY PRODUCERS VINLAND	128,382	1.235	3.1198	494,653	I
STORAGE	1,787	1.200	2.6200	5,618	I
TOTAL	<u>240,511</u>		0.0000	<u>1,189,825</u>	
COMPANY USAGE	3,608				

ESTIMATED UNCOLLECTIBLE GAS COSTS
FOR THE THREE MONTHS ENDED
October 31, 2016

TWELVE MONTH AVERAGE % OF PURCHASED GAS TO RECORDED REVENUE	33.00%				
ESTIMATED BAD DEBT EXPENSE	\$17,000				R
% OF PURCHASED GAS TO BILLED REVENUE UNCOLLECTIBLE GAS COSTS	5,610				R

TENNESSEE GAS PIPELINE RATES EFFECTIVE 8/01/16

		DTH VOLUMES	FIXED OR VARIABLE		RATES	QUARTERLY COST
FT-G RESERVATION RATE - ZONE 0-2	1.	4,943	F	2.	\$15.596	\$77,095
FT-G RESERVATION RATE - ZONE 1-2	3.	13,294	F	4.	\$10.661	\$141,731
FT-G COMMODITY RATE - ZONE 0-2	5.	2,946	V	6.	\$0.0184	\$54
FT-G COMMODITY RATE - ZONE 1-2	7.	7,920	V	8.	\$0.0154	\$122
FT-A RESERVATION RATE - ZONE 0-2	9.	416	F	10.	\$15.596	\$6,493
FT-A RESERVATION RATE - ZONE 1-2	11.	1,786	F	12.	\$10.661	\$19,040
FT-A RESERVATION RATE - ZONE 3-2	13.	278	F	14.	\$5.566	\$1,548
FT-A COMMODITY RATE - ZONE 0-2	15.	12,664	V	16.	\$0.0184	\$233
FT-A COMMODITY RATE - ZONE 1-2	17.	54,321	V	18.	\$0.0154	\$837
FT-A COMMODITY RATE - ZONE 3-2	19.	8,461	V	20.	\$0.0033	\$28
FUEL & RETENTION - ZONE 0-2	21.	15,610	V	22.	\$0.0374	\$583
FUEL & RETENTION - ZONE 1-2	23.	62,241	V	24.	\$0.0322	\$2,007
FUEL & RETENTION - ZONE 3-2	25.	8,461	V	26.	\$0.0118	\$100
SUB-TOTAL						\$249,871
FS-PA DELIVERABILITY RATE	27.	2,700	F	28.	\$2.03	\$5,490
FS-PA INJECTION RATE	29.	27,573	V	30.	\$0.0073	\$201
FS-PA WITHDRAWAL RATE	31.	27,573	V	32.	\$0.0073	\$201
FS-PA SPACE RATE	33.	330,880	F	34.	\$0.0207	\$6,849
FS-PA RETENTION	35.	27,573	V	36.	\$0.0205	\$565
SUB-TOTAL						\$13,307
FS-MA DELIVERABILITY RATE	37.	15,301	F	38.	\$1.49	\$22,856
FS-MA INJECTION RATE	39.	57,230	V	40.	\$0.0087	\$498
FS-MA WITHDRAWAL RATE	41.	57,230	V	42.	\$0.0087	\$498
FS-MA SPACE RATE	43.	686,756	F	44.	\$0.0205	\$14,078
FS-MA RETENTION	45.	57,230	V	46.	\$0.0205	\$1,172
SUB-TOTAL						\$39,102
TOTAL TENNESSEE GAS PIPELINE CHARGES						\$302,279
COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 8/01/16						
GTS COMMODITY RATE	47.	32,160	V	48.	\$0.7908	\$25,432
FUEL & RETENTION	49.	32,160	V	50.	\$0.0687	\$2,209
TOTAL COLUMBIA GAS TRANSMISSION CHARGES						\$27,641
COLUMBIA GULF CORPORATION RATES EFFECTIVE 8/01/16						
FTS-1 RESERVATION RATE	51.	13,134	F	52.	\$4.2917	\$56,367
FTS-1 COMMODITY RATE	53.	32,160	V	54.	\$0.0109	\$351
FUEL & RETENTION	55.	32,160	V	56.	\$0.0001	\$2
TOTAL COLUMBIA GULF CORPORATION CHARGES						\$56,720
TOTAL PIPELINE CHARGES						\$386,641

SUPPLIER REFUND ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 April 30, 2016

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	0
INTEREST FACTOR (2)		0.998759
REFUND ADJUSTMENT INCLUDING INTEREST	\$	0
SALES TWELVE MONTHS ENDED April 30, 2016	MCF	2,622,301
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	0.0000

(1) Suppliers Refunds Received	Date Received	Amount
Total		0.00

(2) Interest Factor			
RESULT OF PRESENT VALUE	0.2707690	-0.5 =	(0.229231)

ACTUAL ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 April 30, 2016

Particulars	Unit	For the Month Ended		
		Feb-16	Mar-16	Apr-16
SUPPLY VOLUME PER BOOKS				
PRIMARY GAS SUPPLIERS	MCF	585,589	341,621	255,995
UTILITY PRODUCTION	MCF	-	-	-
INCLUDABLE PROPANE	MCF	-	-	-
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	<u>585,589</u>	<u>341,621</u>	<u>255,995</u>
SUPPLY COST PER BOOKS				
PRIMARY GAS SUPPLIERS	\$	1,813,028	917,024	793,761
UTILITY PRODUCTION	\$	-	-	-
INCLUDABLE PROPANE	\$	-	-	-
UNCOLLECTIBLE GAS COSTS	\$	22,380	30,521	16,582
OTHER COST (SPECIFY)	\$	-	-	-
TOTAL	\$	<u>1,835,408</u>	<u>947,545</u>	<u>810,343</u>
SALES VOLUME				
JURISDICTIONAL	MCF	573,172	628,773	283,310
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	<u>573,172</u>	<u>628,773</u>	<u>283,310</u>
UNIT BOOK COST OF GAS				
EGC IN EFFECT FOR MONTH	\$	3.2022	1.5070	2.8603
RATE DIFFERENCE	\$	<u>3.6044</u>	<u>3.6044</u>	<u>3.6044</u>
MONTHLY SALES	MCF	(0.4022)	(2.0974)	(0.7441)
MONTHLY COST DIFFERENCE	\$	<u>573,172</u>	<u>628,773</u>	<u>283,310</u>
		<u>(230,530)</u>	<u>(1,318,788)</u>	<u>(210,811)</u>
Summary of Adjustments				
				Three Month
				Period
COST DIFFERENCE FOR THE THREE MONTHS	\$			(1,760,129)
TWELVE MONTHS SALES FOR PERIOD ENDED	MCF			<u>2,622,301</u>
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF			<u>(0.6712)</u>

**EXPECTED GAS COST BALANCE ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
April 30, 2016**

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	\$	3,769,908
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	1.1455 2,622,301 \$	 <u>3,003,846</u>
BALANCE ADJUSTMENT FOR THE AA	\$	<u>766,062</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 2,622,301 \$	 <u>-</u>
BALANCE ADJUSTMENT FOR THE RA	\$	<u>-</u>
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(197,175)
LESS: SEE ATTACHED SCHEDULE VI	\$	<u>(157,075)</u>
BALANCE ADJUSTMENT FOR THE BA	\$	<u>(40,100)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>725,962</u>
ESTIMATED ANNUAL SALES	MCF	<u>2,622,301</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>0.2768</u>

Delta Natural Gas Company, Inc.
Balance Adjustment for the BA

SCHEDULE VI

	A	B	C	D	E	A x B
		May-15	Aug-15	Nov-15	Feb-16	
Balance Adjustment		\$ (197,175)	\$ (93,776)	\$ (51,093)	\$ 12,971	
	<u>Mcf Billed</u>					
May	196,950	(0.0599)				(11,797)
June	94,453	(0.0599)				(5,658)
July	65,581	(0.0599)				(3,928)
August	57,700	(0.0599)	(0.0290)			(3,456)
September	48,949	(0.0599)	(0.0290)			(2,932)
October	55,058	(0.0599)	(0.0290)			(3,298)
November	119,211	(0.0599)	(0.0290)	(0.0157)		(7,141)
December	217,903	(0.0599)	(0.0290)	(0.0157)		(13,052)
January	281,241	(0.0599)	(0.0290)	(0.0157)		(16,846)
February	573,172	(0.0599)	(0.0290)	(0.0157)	0.0040	(34,333)
March	628,773	(0.0599)	(0.0290)	(0.0157)	0.0040	(37,664)
April	<u>283,310</u>	(0.0599)	(0.0290)	(0.0157)	0.0040	<u>(16,970)</u>
	2,622,301					(157,075)
Balance Adjustment four quarters prior to the currently effective GCR						<u>\$ (197,175)</u>
Balance Adjustment for the BA						<u>\$ (40,100)</u>

**COMPUTATION OF VINLAND PRICE EFFECTIVE 8/01/16 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR AUGUST 2016 THROUGH OCTOBER 2016**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$2.6200 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 8/01/16 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR AUGUST 2016 THROUGH OCTOBER 2016 (TGP)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$2.5595 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 8/01/16 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR AUGUST 2016 THROUGH OCTOBER 2016 (TCO)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$2.5498 per MMBtu dry

**COMPUTATION OF MIDWEST ENERGY SERVICES PRICE EFFECTIVE 8/01/16 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR AUGUST 2016 THROUGH OCTOBER 2016**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$3.1198 per MMBtu dry

TGP SUPPLIED AREAS PURCHASE PROFILE:

6/7/2016

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2016	18,154	19,371	\$2.544	(\$0.060)	\$48,116.45
September	18,995	20,268	\$2.589	(\$0.060)	\$51,257.17
October	<u>43,742</u>	<u>46,673</u>	\$2.664	(\$0.060)	<u>\$121,535.95</u>
	80,891	86,311			\$220,909.57
Fixed Price ____		0	\$0.000		\$0.00
Fixed Price ____		0	\$0.000		\$0.00
Total Dth		86,311			
WEIGHTED AVERAGE PRICE PER DTH:				\$2.5595	

COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2016	6,341	6,924	\$2.544	(\$0.07)	\$17,129.88
September	7,200	7,862	\$2.589	(\$0.07)	\$19,804.73
October	<u>15,910</u>	<u>17,374</u>	\$2.664	(\$0.07)	<u>\$45,068.41</u>
	29,451	32,160			\$82,003.02
Fixed Price ____		0	\$0.000		\$0.00
Fixed Price ____		0	\$0.000		\$0.00
Total Dth		32,160			
WEIGHTED AVERAGE PRICE PER DTH:				\$2.5498	

VINLAND SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2016	418	502	\$2.544	0	\$1,276.07
September	379	455	\$2.589	0	\$1,177.48
October	<u>990</u>	<u>1,188</u>	\$2.664	0	<u>\$3,164.83</u>
	1,787	2,144			\$5,618.38
WEIGHTED AVERAGE PRICE PER DTH:				\$2.6200	

COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2016	28,649	35,381	\$2.544	\$0.50	\$107,699.67
September	29,780	36,778	\$2.589	\$0.50	\$113,607.96
October	<u>69,953</u>	<u>86,392</u>	\$2.664	\$0.50	<u>\$273,345.86</u>
	128,382	158,552			\$494,653.49
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				\$3.1198	

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		\$ 0.57887		\$ 1.01072 /Ccf	(l)

* 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.

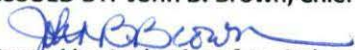
*** Residential rates are also subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of .01508/Ccf. The CEPRC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 – 42 of this tariff.

Residential rates are also subject to a Pipe Replacement Program charge of \$2.21, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: June 16, 2016

DATE EFFECTIVE: July 27, 2016

ISSUED BY: John B. Brown, Chief Operating Officer, Treasurer and Secretary


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

Case No. _____ 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		\$ 0.57887		\$ 1.01072 /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

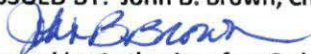
** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Small Non-Residential rates are also subject to a Pipe Replacement Program charge of \$4.19 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: June 16, 2016

DATE EFFECTIVE: July 27, 2016

ISSUED BY: John B. Brown, Chief Operating Officer, Treasurer and Secretary



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

Case No. _____ 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

	<u>Base Rate</u>	+	Gas Cost Recovery Rate (GCR) **	=	<u>Total Rate</u>	
Customer Charge	\$ 131.00000				\$ 131.00000	
1 - 2,000 Ccf	\$ 0.43185		\$ 0.57887		\$ 1.01072 /Ccf	(l)
2,001 - 10,000 Ccf	\$ 0.26696		\$ 0.57887		\$ 0.84583 /Ccf	(l)
10,001 - 50,000 Ccf	\$ 0.18735		\$ 0.57887		\$ 0.76622 /Ccf	(l)
50,001 - 100,000 Ccf	\$ 0.14735		\$ 0.57887		\$ 0.72622 /Ccf	(l)
Over 100,000 Ccf	\$ 0.12735		\$ 0.57887		\$ 0.70622 /Ccf	(l)

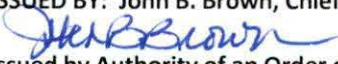
TERMS AND CONDITIONS

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 \$31.97, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: June 16, 2016
 DATE EFFECTIVE: July 27, 2016
 ISSUED BY: John B. Brown, Chief Operating Officer, Treasurer and Secretary

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


	<u>Base Rate</u>	+	Gas Cost Recovery Rate (GCR) **	=	<u>Total Rate</u>	
Customer Charge	\$ 250.00000				\$ 250.00000	
1 - 10,000 Ccf	\$ 0.16000		\$ 0.57887		\$ 0.73887 /Ccf	(l)
10,001 - 50,000 Ccf	\$ 0.12000		\$ 0.57887		\$ 0.69887 /Ccf	(l)
50,001 - 100,000 Ccf	\$ 0.08000		\$ 0.57887		\$ 0.65887 /Ccf	(l)
Over 100,000 Ccf	\$ 0.06000		\$ 0.57887		\$ 0.63887 /Ccf	(l)

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. In order to provide a fair opportunity to compete with other motor fuels, the customer charge and Pipe Replacement Program charge may be waived by Delta at its sole discretion for compressed natural gas fueling station customers.

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 \$229.44, 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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 ISSUED BY: John B. Brown, Chief Operating Officer, Treasurer and Secretary

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