



Delta Natural Gas Company, Inc.



3617 Lexington Road
Winchester, Kentucky 40391-9797

PHONE: 859-744-6171
FAX: 859-744-3623

March 22, 2004

RECEIVED

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**PUBLIC SERVICE
COMMISSION**

Mr. Thomas Dorman
Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602

Case 2004-00099

Dear Mr. Dorman:

Enclosed is the original and three copies of Delta's Quarterly Report of Gas Cost Recovery Rate Calculation which determines the Gas Cost Recovery Rate (GCR) to be effective May 1, 2004.

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
Director - Rates & Treasury

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR A Service Areas
P.S.C. NO. 9
Twenty Second Revised SHEET NO. 2
CANCELLING P.S.C. NO. 9
Twenty First Revised SHEET NO. 2

CLASSIFICATION OF SERVICE
RATE SCHEDULES

RESIDENTIAL

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

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

| | <u>Base Rate</u> + | Gas Cost Recovery Rate (GCR) ** = | = | <u>Total Rate</u> | |
|-----------------|--------------------|--|---|-------------------|-----|
| Customer Charge | \$ 8.00 | | | \$ 8.00 | |
| All Mcf | \$ 3.6224 | \$7.8486 | | \$ 11.4710 | (R) |

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 12 and 13 of this tariff.

DATE OF ISSUE March 23, 2004 DATE EFFECTIVE May 1, 2004 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE President
Name of Officer
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. _____ DATED _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR A Service Areas
P.S.C. NO. 9
Twenty Second Revised SHEET NO. 3
CANCELLING P.S.C. NO. 9
Twenty First Revised SHEET NO. 3

CLASSIFICATION OF SERVICE
RATE SCHEDULES

SMALL NON-RESIDENTIAL GENERAL SERVICE *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

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> + | Gas Cost Recovery Rate (GCR) ** = | <u>Total Rate</u> | |
|------------------|--------------------|--|-------------------|-----|
| Customer Charge | \$ 17.00 | | \$ 17.00 | |
| .1 - 200 Mcf | \$ 3.6224 | \$7.8486 | \$ 11.4710/Mcf | (R) |
| 200.1 - 1000 Mcf | \$ 2.4000 | \$7.8486 | \$ 10.2486/Mcf | (R) |
| Over 1000 Mcf | \$ 2.0495 | \$7.8486 | \$ 9.8981/Mcf | (R) |

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the General Service or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the General Service or Interruptible Service rate schedule.

* Meter no larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 10 and 11 of this tariff.

DATE OF ISSUE March 23, 2004 DATE EFFECTIVE May 1, 2004 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE President
Name of Officer
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. _____ DATED _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR A Service Areas
P.S.C. NO. 9
Twenty Second Revised SHEET NO. 4
CANCELLING P.S.C. NO. 9
Twenty First Revised SHEET NO. 4

CLASSIFICATION OF SERVICE
RATE SCHEDULES

LARGE NON-RESIDENTIAL GENERAL SERVICE *

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

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 | \$ 50.00 | | \$ 50.00 | |
| .1 - 200 Mcf | \$ 3.6224 | \$7.8486 | \$ 11.4710/Mcf | (R) |
| 200.1 - 1000 Mcf | \$ 2.0063 | \$7.8486 | \$ 9.8549/Mcf | (R) |
| 1000.1 - 5000 Mcf | \$ 1.3190 | \$7.8486 | \$ 9.1676/Mcf | (R) |
| 5000.1 - 10000 Mcf | \$ 0.9190 | \$7.8486 | \$ 8.7676/Mcf | (R) |
| Over 10,000 Mcf | \$ 0.7190 | \$7.8486 | \$ 8.5676/Mcf | (R) |

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the General Service or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the General Service or Interruptible Service rate schedule.

* Meter larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 10 and 11 of this tariff.

DATE OF ISSUE March 23, 2004 DATE EFFECTIVE May 1, 2004 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE President
Name of Officer
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. _____ DATED _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR All Service Areas
P.S.C. NO. 9
Twenty Second Revised SHEET NO. 5
CANCELLING P.S.C. NO. 9
Twenty First Revised SHEET NO. 5

CLASSIFICATION OF SERVICE
RATE SCHEDULES

INTERRUPTIBLE SERVICE

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 16.

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 | \$250.00 | | \$250.00 | |
| .1 - 1000 Mcf | \$ 1.6000 | \$7.8486 | \$ 9.4486/Mcf | (R) |
| 1000.1 - 5000 Mcf | \$ 1.2000 | \$7.8486 | \$ 9.0486/Mcf | (R) |
| 5000.1 - 10000 Mcf | \$ 0.8000 | \$7.8486 | \$ 8.6486/Mcf | (R) |
| Over 10,000 Mcf | \$ 0.6000 | \$7.8486 | \$ 8.4486/Mcf | (R) |

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. 2. Gas requirements, minimum charges and other specific information shall be set forth in the Agreement.

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has underdeliveries of transportation gas to Delta's system, and/or requests to revert to the General Service or Interruptible Service rate schedule,

DATE OF ISSUE March 23, 2004 DATE EFFECTIVE May 1, 2004 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE President
Name of Officer
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. DATED

GAS COST
RECOVERY RATE CALCULATION

| | |
|-----------------------------|----------------|
| Date Filed | 3/22/04 |
| Date to be Effective | 5/01/04 |

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE I

GAS COST RECOVERY CALCULATION

| COST RECOVERY RATE EFFECTIVE MAY 1, 2004 | | |
|--|--------|---------------|
| PARTICULARS | UNIT | AMOUNT |
| EXPECTED GAS COST (EGC) | \$/MCF | 7.5440 |
| SUPPLIER REFUND (RA) | \$/MCF | - |
| ACTUAL ADJUSTMENT (AA) | \$/MCF | 1.2943 |
| BALANCE ADJUSTMENT (BA) | \$/MCF | (0.9897) |
| GAS COST RECOVERY RATE (GCR) | \$/MCF | <u>7.8486</u> |

| EXPECTED GAS COST SUMMARY CALCULATION | | |
|---------------------------------------|--------|------------------|
| PARTICULARS | UNIT | AMOUNT |
| PRIMARY GAS SUPPLIERS (SCHEDULE II) | \$ | 2,782,954 |
| UTILITY PRODUCTION | \$ | - |
| INCLUDABLE PROPANE | \$ | - |
| TOTAL QUARTERLY EXPECTED GAS COST | \$ | <u>2,782,954</u> |
| TOTAL ESTIMATED SALES FOR QUARTER | MCF | <u>368,896</u> |
| EXPECTED GAS COST (EGC) RATE | \$/MCF | <u>7.5440</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 | 0.9460 |
| PREVIOUS QUARTER | \$/MCF | 0.3343 |
| SECOND PREVIOUS QUARTER | \$/MCF | 0.0394 |
| THIRD PREVIOUS QUARTER | \$/MCF | (0.0255) |
| ACTUAL ADJUSTMENT (AA) | \$/MCF | <u>1.2943</u> |

| BALANCE ADJUSTMENT SUMMARY CALCULATION | | |
|--|--------|-----------------|
| PARTICULARS | UNIT | AMOUNT |
| BALANCE ADJUSTMENT AMOUNT (SCHEDULE V) | \$ | (365,085) |
| ESTIMATED SALES FOR QUARTER | MCF | <u>368,896</u> |
| BALANCE ADJUSTMENT (BA) | \$/MCF | <u>(0.9897)</u> |

DELTA NATURAL GAS COMPANY, INC.

MCF PURCHASES FOR THREE MONTHS BEGINNING
May 1, 2004
AT SUPPLIERS COSTS EFFECTIVE
May 1, 2004

| Supplier | MCF Purchases | DTH Conv Factor | Rates (\$) | Quarterly Cost | Rate Increase (I)/ Reduction (R) |
|---|------------------|-----------------------|---------------|-------------------|---|
| TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2) | | | | 403,941 | |
| ATMOS ENERGY MARKETING | 114,965 | 1.036 | 5.7400 | 683,655 | R |
| COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2) | | | | 96,850 | |
| ATMOS ENERGY MARKETING | 48,233 | 1.029 | 5.7300 | 284,390 | R |
| COLUMBIA GULF TRANSMISSION M&B GAS SERVICES | 201,091 | 1.030 | 6.1700 | 1,277,953 | I |
| KENTUCKY PRODUCERS CNR | 4,607 | | 7.8500 | 36,165 | R |
| STORAGE | - | | 0.0000 | - | |
| TOTAL | <u>368,896</u> | | | <u>2,782,954</u> | |

COMPANY USAGE 5,533

TENNESSEE GAS PIPELINE RATES EFFECTIVE 5/01/04

| | | DTH VOLUMES | FIXED OR VARIABLE | | RATES | ANNUAL COST |
|--|-----|----------------|----------------------|-----|----------|------------------|
| FT-G RESERVATION RATE - ZONE 0-2 | 1. | 8,371 | F | 2. | \$9.091 | \$76,096 |
| FT-G RESERVATION RATE - ZONE 1-2 | 3. | 22,511 | F | 4. | \$7.651 | \$172,230 |
| FT-G COMMODITY RATE - ZONE 0-2 | 5. | (2,344) | V | 6. | \$0.0901 | (\$211) |
| FT-G COMMODITY RATE - ZONE 1-2 | 7. | (6,302) | V | 8. | \$0.0797 | (\$502) |
| FT-A RESERVATION RATE - ZONE 0-2 | 9. | 705 | F | 10. | \$9.091 | \$6,409 |
| FT-A RESERVATION RATE - ZONE 1-2 | 11. | 3,024 | F | 12. | \$7.651 | \$23,137 |
| FT-A RESERVATION RATE - ZONE 3-2 | 13. | 471 | F | 14. | \$4.351 | \$2,049 |
| FT-A COMMODITY RATE - ZONE 0-2 | 15. | 21,444 | V | 16. | \$0.0901 | \$1,932 |
| FT-A COMMODITY RATE - ZONE 1-2 | 17. | 91,980 | V | 18. | \$0.0797 | \$7,331 |
| FT-A COMMODITY RATE - ZONE 3-2 | 19. | 14,326 | V | 20. | \$0.0551 | \$789 |
| FUEL & RETENTION - ZONE 0-2 | 21. | 19,100 | V | 22. | \$0.2716 | \$5,187 |
| FUEL & RETENTION - ZONE 1-2 | 23. | 85,678 | V | 24. | \$0.2258 | \$19,343 |
| FUEL & RETENTION - ZONE 3-2 | 25. | 14,326 | V | 26. | \$0.0672 | \$963 |
| SUB-TOTAL | | | | | | \$314,753 |
| FS-PA DELIVERABILITY RATE | 27. | 4,572 | F | 28. | \$2.02 | \$9,235 |
| FS-PA INJECTION RATE | 29. | 46,689 | V | 30. | \$0.0053 | \$247 |
| FS-PA WITHDRAWAL RATE | 31. | 46,689 | V | 32. | \$0.0053 | \$247 |
| FS-PA SPACE RATE | 33. | 560,271 | F | 34. | \$0.0248 | \$13,895 |
| FS-PA RETENTION | 35. | 46,689 | V | 36. | \$0.0855 | \$3,992 |
| SUB-TOTAL | | | | | | \$27,617 |
| FS-MA DELIVERABILITY RATE | 37. | 25,908 | F | 38. | \$1.15 | \$29,794 |
| FS-MA INJECTION RATE | 39. | 96,906 | V | 40. | \$0.0102 | \$988 |
| FS-MA WITHDRAWAL RATE | 41. | 96,906 | V | 42. | \$0.0102 | \$988 |
| FS-MA SPACE RATE | 43. | 1,162,866 | F | 44. | \$0.0185 | \$21,513 |
| FS-MA RETENTION | 45. | 96,906 | V | 46. | \$0.0855 | \$8,286 |
| SUB-TOTAL | | | | | | \$61,570 |
| TOTAL TENNESSEE GAS PIPELINE CHARGES | | | | | | \$403,941 |
| COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 5/01/04 | | | | | | |
| GTS COMMODITY RATE | 47. | 49,632 | V | 48. | \$0.7901 | \$39,214 |
| FUEL & RETENTION | 49. | 49,632 | V | 50. | \$0.3094 | \$15,358 |
| TOTAL COLUMBIA GAS TRANSMISSION CHARGES | | | | | | \$54,572 |
| COLUMBIA GULF CORPORATION RATES EFFECTIVE 5/01/04 | | | | | | |
| FTS-1 RESERVATION RATE | 51. | 13,134 | F | 52. | \$3.1450 | \$41,306 |
| FTS-1 COMMODITY RATE | 53. | 49,632 | V | 54. | \$0.0191 | \$948 |
| FUEL & RETENTION | 55. | 49,632 | V | 56. | \$0.0005 | \$24 |
| TOTAL COLUMBIA GULF CORPORATION CHARGES | | | | | | \$42,279 |
| TOTAL PIPELINE CHARGES | | | | | | \$500,791 |

SUPPLIER REFUND ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 January 31, 2004

| Particulars | Unit | Amount |
|--|--------|-----------|
| SUPPLIERS REFUNDS RECEIVED (1) | \$ | (59) |
| INTEREST FACTOR (2) | | 1.0033 |
| REFUND ADJUSTMENT INCLUDING INTEREST | \$ | (60) |
| SALES TWELVE MONTHS ENDED January 31, 2004 | MCF | 4,207,507 |
| CURRENT SUPPLIER REFUND ADJUSTMENT | \$/MCF | 0.0000 |

| (1) Suppliers Refunds Received | Date Received | Amount |
|--------------------------------|---------------|--------|
| COLUMBIA GAS TRANSMISSION | 1/21/2004 | 59.39 |
| Total | | 59.39 |

| (2) Interest Factor | | | |
|-------------------------|-----------|--------|----------|
| RESULT OF PRESENT VALUE | 1.1053850 | -0.5 = | 0.605385 |

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE IV

ACTUAL ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
January 31, 2004

| Particulars | Unit | For the Month Ended | | |
|--------------------------------------|--------|---------------------|------------------|------------------|
| | | Nov-03 | Dec-03 | Jan-04 |
| SUPPLY VOLUME PER BOOKS | | | | |
| PRIMARY GAS SUPPLIERS | MCF | 327,781 | 870,568 | 994,028 |
| UTILITY PRODUCTION | MCF | - | - | - |
| INCLUDABLE PROPANE | MCF | - | - | - |
| OTHER VOLUMES (SPECIFY) | MCF | - | - | - |
| TOTAL | MCF | <u>327,781</u> | <u>870,568</u> | <u>994,028</u> |
| SUPPLY COST PER BOOKS | | | | |
| PRIMARY GAS SUPPLIERS | \$ | 1,773,096 | 4,793,670 | 6,217,451 |
| UTILITY PRODUCTION | \$ | - | - | - |
| INCLUDABLE PROPANE | \$ | - | - | - |
| OTHER COST (SPECIFY) | \$ | - | - | - |
| TOTAL | \$ | <u>1,773,096</u> | <u>4,793,670</u> | <u>6,217,451</u> |
| SALES VOLUME | | | | |
| JURISDICTIONAL | MCF | 228,363 | 435,436 | 846,852 |
| OTHER VOLUMES (SPECIFY) | MCF | - | - | - |
| TOTAL | MCF | <u>228,363</u> | <u>435,436</u> | <u>846,852</u> |
| UNIT BOOK COST OF GAS | | | | |
| EGC IN EFFECT FOR MONTH | \$ | 7.7644 | 11.0089 | 7.3418 |
| RATE DIFFERENCE | \$ | <u>5.8278</u> | <u>5.8278</u> | <u>5.8278</u> |
| MONTHLY SALES | MCF | 228,363 | 435,436 | 846,852 |
| MONTHLY COST DIFFERENCE | \$ | <u>442,248</u> | <u>2,256,037</u> | <u>1,282,134</u> |
| | | | | Three Month |
| | | | | Period |
| COST DIFFERENCE FOR THE THREE MONTHS | \$ | | | 3,980,419 |
| TWELVE MONTHS SALES FOR PERIOD ENDED | MCF | | | 4,207,507 |
| CURRENT QUARTERLY ACTUAL ADJUSTMENT | \$/MCF | | | <u>0.9460</u> |

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE V

EXPECTED GAS COST BALANCE ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 January 31, 2004

| 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 | | |
| LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF 0.2452 \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 4,207,507 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 | \$ | 888,210 |
| BALANCE ADJUSTMENT FOR THE AA | \$ | <u>1,031,681</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 0.0000 \$/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 4,207,507 | \$ | - |
| BALANCE ADJUSTMENT FOR THE RA | \$ | <u>(143,471)</u> |
| DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR | | |
| LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF 0.0255 \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL MCF SALES OF 1,510,651 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 | \$ | 58,514 |
| BALANCE ADJUSTMENT FOR THE BA | \$ | <u>38,522</u> |
| CORRECTIONS FROM PRIOR PERIODS(1) | \$ | <u>19,992</u> |
| TOTAL BALANCE ADJUSTMENT AMOUNT | \$ | <u>(365,085)</u> |

(1) Correction resulted from the amortizing of the 8/01/02 Balance Adjustment (Case No. 2002-00241) over 12 months should have recovered \$1,520,237 actually recovered \$1,761,844

**COMPUTATION OF CNR PRICE EFFECTIVE 5/01/04 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR MAY, 2004 THRU JULY, 2004**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$7.85 per MCF

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 5/01/04 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR MAY, 2004 THRU JULY, 2004 (TGP)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$5.74 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 5/01/04 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR MAY, 2004 THRU JULY, 2004 (TCO)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$5.73 per MMBtu dry

**COMPUTATION OF M&B PRICE EFFECTIVE 5/01/04 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR MAY, 2004 THRU JULY, 2004**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$6.17 per MMBtu dry

TGP SUPPLIED AREAS PURCHASE PROFILE:

3/ 04

| MONTH | VOLUMES MCF | VOLUMES DTH | NYMEX \$ PER DTH | ADD-ON PER DTH | TOTAL |
|--|----------------|----------------|---------------------|----------------------|---------------------|
| May 2004 | 51,590 | 53,447 | \$5.771 | (\$0.060) | \$305,237.19 |
| June | 31,862 | 33,009 | \$5.808 | (\$0.060) | \$189,735.92 |
| July | <u>31,513</u> | <u>32,647</u> | \$5.835 | (\$0.060) | <u>\$188,539.13</u> |
| | 114,965 | 119,104 | | | \$683,512.23 |
| FIXED PRICE | | 0 | | | \$0.00 |
| FIXED PRICE | | 0 | | | \$0.00 |
| WEIGHTED AVERAGE PRICE PER DTH: | | | | <u><u>\$5.74</u></u> | |

COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:

| MONTH | VOLUMES MCF | VOLUMES DTH | NYMEX \$ PER DTH | ADD-ON PER DTH | TOTAL |
|--|----------------|----------------|---------------------|----------------------|--------------------|
| May 2004 | 22,320 | 22,967 | \$5.771 | (\$0.07) | \$130,936.46 |
| June | 13,150 | 13,531 | \$5.808 | (\$0.07) | \$77,642.89 |
| July | <u>12,763</u> | <u>13,133</u> | \$5.835 | (\$0.07) | <u>\$75,712.48</u> |
| | 48,233 | 49,632 | | | \$284,291.83 |
| FIXED PRICE | | 0 | | | \$0.00 |
| WEIGHTED AVERAGE PRICE PER DTH: | | | | <u><u>\$5.73</u></u> | |

COLUMBIA NATURAL RESOURCES SUPPLIED AREAS PURCHASE PROFILE:

| MONTH | VOLUMES MCF | NYMEX \$ PER DTH | ADD-ON PER DTH | BTU ADJUSTMENT | TOTAL |
|--|----------------|---------------------|-------------------|-------------------|----------------------|
| May 2004 | 2,637 | \$5.771 | \$0.75 | 1.2 | \$20,635.05 |
| June | 1,161 | \$5.808 | \$0.75 | 1.2 | \$9,136.61 |
| July | <u>809</u> | \$5.835 | \$0.75 | 1.2 | <u>\$6,392.72</u> |
| | 4,607 | | | | \$36,164.38 |
| WEIGHTED AVERAGE PRICE PER MCF: | | | | | <u><u>\$7.85</u></u> |

COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:

| MONTH | VOLUMES MCF | VOLUMES DTH | NYMEX \$ PER DTH | ADD-ON PER DTH | TOTAL |
|--|----------------|----------------|---------------------|----------------------|---------------------|
| May 2004 | 85,962 | 88,971 | \$5.771 | \$0.37 | \$546,368.88 |
| June | 58,261 | 60,300 | \$5.808 | \$0.37 | \$372,534.23 |
| July | <u>56,868</u> | <u>58,858</u> | \$5.835 | \$0.37 | <u>\$365,216.25</u> |
| | 201,091 | 208,129 | | | \$1,284,119.37 |
| FIXED PRICE | | 0 | | | \$0.00 |
| WEIGHTED AVERAGE PRICE PER DTH: | | | | <u><u>\$6.17</u></u> | |