

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA)
NATURAL GAS COMPANY, INC.) CASE NO. 2005-00547

ORDER

On November 10, 2004, in Case No. 2004-00067,¹ the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's gas cost adjustment ("GCA") clause.

On December 27, 2005, Delta filed its proposed GCA to be effective February 1, 2006. On January 23, 2006, Delta filed additional information in response to Staff's information request.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Delta's expected gas cost ("EGC") is \$11.9178 per Mcf, which is 28.66 cents per Mcf more than the previous EGC of \$11.6312.
3. Delta's notice sets out no current quarter refund adjustment ("RA"). Delta's notice sets out a total RA of (.01) cent per Mcf, which represents no change from the previous total RA.

¹ Case No. 2004-00067, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates.

4. Delta's notice sets out a current quarter actual adjustment ("AA") of \$1.7299 per Mcf. Delta's total AA is \$2.6070 per Mcf, which is an increase of \$1.7970 per Mcf from the previous total AA.

5. Delta's notice sets out a balance adjustment ("BA") of 27.93 cents per Mcf, which represents an increase of 39.11 cents per Mcf from the previous BA.

6. Delta's GCA is \$14.8040 per Mcf, which is \$2.4747 per Mcf more than the previous GCA of \$12.3293.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after February 1, 2006.

IT IS THEREFORE ORDERED that:

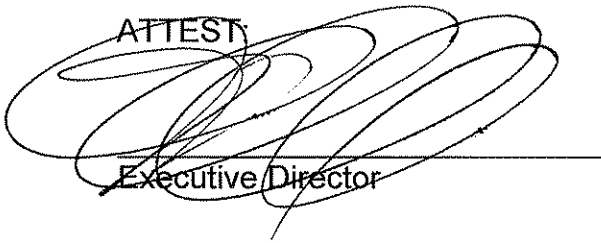
1. The rates in the Appendix to this Order are approved for final meter readings on and after February 1, 2006.

2. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 27th day of January, 2006.

By the Commission

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00547 DATED January 27, 2006.

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 9.80				
All Mcf	\$4.1592		\$14.8040		\$ 18.9632
Small Non-Residential					
Monthly Service Charge	\$ 20.00				
All Mcf	3.7950		14.8040		\$ 18.5990
Large Non-Residential					
Monthly Service Charge	\$ 72.00				
First 200 Mcf	\$ 3.7950		\$14.8040		\$18.5990
Next 800 Mcf	2.1461		14.8040		16.9501
Next 4,000 Mcf	1.3500		14.8040		16.1540
Next 5,000 Mcf	.9500		14.8040		15.7540
Over 10,000 Mcf	.7500		14.8040		15.5540

Interruptible

Monthly Service Charge	\$ 250.00		
First 1,000 Mcf	\$ 1.6000	\$14.8040	\$ 16.4040
Next 4,000 Mcf	\$ 1.2000	14.8040	16.0040
Next 5,000 Mcf	.8000	14.8040	15.6040
Over 10,000 Mcf	.6000	14.8040	15.4040