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July 23, 2007

Connie King
Director - Rates & Treasury
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

CERTIFICATE OF SERVICE

RE: Case No. 2007-00244
Delta Natural Gas Company, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on July 23, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA) CASE NO. 2007-00244
NATURAL GAS COMPANY, INC.)

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 June 19, 2007, Delta filed its proposed GCA to be effective July 24, 2007.

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 \$9.6914 per Mcf, which is 54.37 cents per Mcf more than the previous EGC of \$9.1477.
3. Delta's notice sets out no current quarter refund adjustment ("RA"). Delta's notice sets out no total RA, which, because of the effect of the rolling averages, results in .03 cent more than 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 (44.66) cents per Mcf. Delta's total AA is \$1.01 per Mcf, which is an increase of \$1.7184 per Mcf from the previous total AA.

5. Delta's notice sets out a balance adjustment ("BA") of \$1.4157 per Mcf, which represents a decrease of 56.53 cents per Mcf from the previous BA.

6. Delta's GCA is \$12.1171 per Mcf, which is \$1.6971 per Mcf more than the previous GCA of \$10.42.

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 July 24, 2007.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after July 24, 2007.

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 23rd day of July, 2007.

By the Commission

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00244 DATED July 23, 2007.

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 the 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	\$ 10.00				
All Mcf	\$ 4.1592		\$ 12.1171		\$ 16.2763
Small Non-Residential					
Monthly Service Charge	\$ 20.00				
All Mcf	\$ 3.7950		\$ 12.1171		\$ 15.9121
Large Non-Residential					
Monthly Service Charge	\$ 72.00				
First 200 Mcf	\$ 3.7950		\$ 12.1171		\$ 15.9121
Next 800 Mcf	2.1461		12.1171		14.2632
Next 4,000 Mcf	1.3500		12.1171		13.4671
Next 5,000 Mcf	.9500		12.1171		13.0671
Over 10,000 Mcf	.7500		12.1171		12.8671

Interruptible

Monthly Service Charge		\$ 250.00		
First 1,000 Mcf		\$ 1.6000	\$ 12.1171	\$ 13.7171
Next 4,000 Mcf		1.2000	12.1171	13.3171
Next 5,000 Mcf		.8000	12.1171	12.9171
Over 10,000 Mcf		.6000	12.1171	12.7171