

Ernie Fletcher  
Governor

Teresa J. Hill, Secretary  
Environmental and Public  
Protection Cabinet

Timothy J. LeDonne  
Commissioner  
Department of Public Protection

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



Commonwealth of Kentucky  
**Public Service Commission**  
211 Sower Blvd.  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Mark David Goss  
Chairman

John W. Clay  
Commissioner

June 19, 2007

RE: Case No. 2007-00244  
Delta Natural Gas Company, Inc.  
(Purchased Gas Adjustment)  
PGA

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received June 19, 2007 and has been assigned Case No. 2007-00244. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact Dawn McGee at (502) 564-3940 ext. 243.

Sincerely,

A handwritten signature in black ink, appearing to read "Beth O'Donnell".

Beth O'Donnell  
Executive Director

BOD/tw



**Delta Natural Gas Company, Inc.**

3617 Lexington Road  
Winchester, Kentucky 40391-9797

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

June 18, 2007



2007-  
244

**RECEIVED**

JUN 19 2007

**PUBLIC SERVICE  
COMMISSION**

Ms. Beth O'Donnell  
Executive Director  
Public Service Commission  
P O Box 615  
Frankfort, KY 40602

Dear Ms. O'Donnell:

Enclosed are 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 with the first billing cycle of August 2007 which includes meters read on and after July 24, 2007.

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

**RECEIVED**

JUN 19 2007

PUBLIC SERVICE  
COMMISSION

## **GAS COST**

### **RECOVERY RATE CALCULATION**

<b>Date Filed</b>	<b>06/18/07</b>
<b>Date to be Effective</b>	<b>07/24/07</b>

## GAS COST RECOVERY CALCULATION

COST RECOVERY RATE EFFECTIVE AUGUST 1, 2007		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	9.6914
SUPPLIER REFUND (RA)	\$/MCF	-
ACTUAL ADJUSTMENT (AA)	\$/MCF	1.0100
BALANCE ADJUSTMENT (BA)	\$/MCF	1.4157
GAS COST RECOVERY RATE (GCR)	\$/MCF	12.1171

## EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	3,988,679
UTILITY PRODUCTION	\$	-
INCLUDABLE PROPANE	\$	-
	\$	3,988,679
TOTAL ESTIMATED SALES FOR QUARTER	MCF	411,570
EXPECTED GAS COST (EGC) RATE	\$/MCF	9.6914

## 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	-

## ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	(0.4466)
PREVIOUS QUARTER	\$/MCF	1.0642
SECOND PREVIOUS QUARTER	\$/MCF	0.2733
THIRD PREVIOUS QUARTER	\$/MCF	0.1191
ACTUAL ADJUSTMENT (AA)	\$/MCF	1.0100

## BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
BALANCE ADJUSTMENT AMOUNT (SCHEDULE V)	\$	582,680
ESTIMATED SALES FOR QUARTER	MCF	411,570
BALANCE ADJUSTMENT (BA)	\$/MCF	1.4157

DELTA NATURAL GAS COMPANY, INC.

MCF PURCHASES FOR THREE MONTHS BEGINNING  
August 1, 2007  
AT SUPPLIERS COSTS EFFECTIVE  
August 1, 2007

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				422,941	
ATMOS ENERGY MARKETING COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)	130,123	1.036	7.8300	1,055,542	I
ATMOS ENERGY MARKETING COLUMBIA GULF TRANSMISSION M&B GAS SERVICES	62,852	1.029	7.8300	506,403	I
KENTUCKY PRODUCERS CHESAPEAKE	216,275	1.030	8.3800	1,866,756	I
STORAGE	2,320		10.3700	24,058	I
	-		0.0000	-	
<b>TOTAL</b>	<u>411,570</u>			<u>3,988,679</u>	

COMPANY USAGE 6,174

**TENNESSEE GAS PIPELINE RATES EFFECTIVE 8/01/07**

		DTH	FIXED OR		RATES	ANNUAL
		VOLUMES	VARIABLE			COST
FT-G RESERVATION RATE - ZONE 0-2	1.	8,371	F	2.	\$9.060	\$75,837
FT-G RESERVATION RATE - ZONE 1-2	3.	22,511	F	4.	\$7.620	\$171,532
FT-G COMMODITY RATE - ZONE 0-2	5.	1,913	V	6.	\$0.0898	\$172
FT-G COMMODITY RATE - ZONE 1-2	7.	5,144	V	8.	\$0.0794	\$408
FT-A RESERVATION RATE - ZONE 0-2	9.	705	F	10.	\$9.060	\$6,387
FT-A RESERVATION RATE - ZONE 1-2	11.	3,024	F	12.	\$7.620	\$23,043
FT-A RESERVATION RATE - ZONE 3-2	13.	471	F	14.	\$4.320	\$2,035
FT-A COMMODITY RATE - ZONE 0-2	15.	21,444	V	16.	\$0.0898	\$1,926
FT-A COMMODITY RATE - ZONE 1-2	17.	91,980	V	18.	\$0.0794	\$7,303
FT-A COMMODITY RATE - ZONE 3-2	19.	14,326	V	20.	\$0.0548	\$785
FUEL & RETENTION - ZONE 0-2	21.	23,357	V	22.	\$0.3703	\$8,649
FUEL & RETENTION - ZONE 1-2	23.	97,124	V	24.	\$0.3079	\$29,900
FUEL & RETENTION - ZONE 3-2	25.	14,326	V	26.	\$0.0917	\$1,313

SUB-TOTAL

\$329,290

FS-PA DELIVERABILITY RATE	27.	4,572	F	28.	\$2.02	\$9,235
FS-PA INJECTION RATE	29.	46,889	V	30.	\$0.0053	\$247
FS-PA WITHDRAWAL RATE	31.	46,889	V	32.	\$0.0053	\$247
FS-PA SPACE RATE	33.	560,271	F	34.	\$0.0248	\$13,895
FS-PA RETENTION	35.	46,889	V	36.	\$0.1166	\$5,444

SUB-TOTAL

\$29,069

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.	\$0.1166	\$11,299

SUB-TOTAL

\$64,583**TOTAL TENNESSEE GAS PIPELINE CHARGES**\$422,941**COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 8/01/07**

GTS COMMODITY RATE	47.	64,675	V	48.	\$0.7772	\$50,265
FUEL & RETENTION	49.	64,675	V	50.	\$0.3120	\$20,180

**TOTAL COLUMBIA GAS TRANSMISSION CHARGES**\$70,445**COLUMBIA GULF CORPORATION RATES EFFECTIVE 8/01/07**

FTS-1 RESERVATION RATE	51.	13,134	F	52.	\$3.1450	\$41,306
FTS-1 COMMODITY RATE	53.	64,675	V	54.	\$0.0186	\$1,203
FUEL & RETENTION	55.	64,675	V	56.	\$0.0004	\$24

**TOTAL COLUMBIA GULF CORPORATION CHARGES**\$42,533**TOTAL PIPELINE CHARGES**\$535,920

**SUPPLIER REFUND ADJUSTMENT  
DETAIL FOR THE THREE MONTHS ENDED  
April 30, 2007**

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	(58)
INTEREST FACTOR (2)		1.0232
REFUND ADJUSTMENT INCLUDING INTEREST	\$	(59)
SALES TWELVE MONTHS ENDED April 30, 2007	MCF	3,214,671
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	0.0000

(1) Suppliers Refunds Received	Date Received	Amount
Columbia Gas Transmission          Inv # M11893	3/31/2007	57.95
Total		57.95

(2) Interest Factor			
RESULT OF PRESENT VALUE	4.7607690	-0.5 =	4.260769

**ACTUAL ADJUSTMENT  
DETAIL FOR THE THREE MONTHS ENDED  
April 30, 2007**

Particulars	Unit	For the Month Ended		
		Feb-07	Mar-07	Apr-07
<b>SUPPLY VOLUME PER BOOKS</b>				
PRIMARY GAS SUPPLIERS	MCF	869,560	241,702	332,828
UTILITY PRODUCTION	MCF	-	-	-
INCLUDABLE PROPANE	MCF	-	-	-
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
<b>TOTAL</b>	<b>MCF</b>	<b>869,560</b>	<b>241,702</b>	<b>332,828</b>
<b>SUPPLY COST PER BOOKS</b>				
PRIMARY GAS SUPPLIERS	\$	6,996,641	2,233,227	2,969,420
UTILITY PRODUCTION	\$	-	-	-
INCLUDABLE PROPANE	\$	-	-	-
OTHER COST (SPECIFY)	\$	-	-	-
<b>TOTAL</b>	<b>\$</b>	<b>6,996,641</b>	<b>2,233,227</b>	<b>2,969,420</b>
<b>SALES VOLUME</b>				
JURISDICTIONAL	MCF	727,752	635,794	272,345
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
<b>TOTAL</b>	<b>MCF</b>	<b>727,752</b>	<b>635,794</b>	<b>272,345</b>
<b>UNIT BOOK COST OF GAS</b>				
EGC IN EFFECT FOR MONTH	\$	9.6140	3.5125	10.9032
RATE DIFFERENCE	\$	1.2791	(4.8224)	2.5683
MONTHLY SALES	MCF	727,752	635,794	272,345
MONTHLY COST DIFFERENCE	\$	930,868	(3,066,053)	699,464
				Three Month Period
<b>COST DIFFERENCE FOR THE THREE MONTHS</b>				\$ (1,435,721)
<b>TWELVE MONTHS SALES FOR PERIOD ENDED</b>				3,214,671
<b>CURRENT QUARTERLY ACTUAL ADJUSTMENT</b>				(0.4466)



## DELTA NATURAL GAS COMPANY, INC.

## SCHEDULE V

**EXPECTED GAS COST BALANCE ADJUSTMENT  
DETAIL FOR THE THREE MONTHS ENDED  
April 30, 2007**

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	\$	7,073,104
LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF 2.0185 \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 3,214,671 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	\$	<u>6,488,813</u>
BALANCE ADJUSTMENT FOR THE AA	\$	<u>584,291</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	\$	(1,147)
LESS: DOLLAR AMOUNT RESULTING FROM THE UNIT RATE FOR SUPPLIER REFUND ADJUSTMENT OF (0.0003) \$/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 3,214,671	\$	(964)
BALANCE ADJUSTMENT FOR THE RA	\$	(183)
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	53,374
LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF 0.0335 \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL MCF SALES OF 1,635,891 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	\$	<u>54,802</u>
BALANCE ADJUSTMENT FOR THE BA	\$	<u>(1,428)</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>582,680</u>

**COMPUTATION OF CHESAPEAKE PRICE EFFECTIVE 8/01/07 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR AUGUST THRU OCTOBER, 2007**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$10.37 per MCF

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 8/01/07 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR AUGUST THRU OCTOBER, 2007 (TGP)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$7.83 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 8/01/07 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR AUGUST THRU OCTOBER, 2007 (TCO)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$7.83 per MMBtu dry

**COMPUTATION OF M&B PRICE EFFECTIVE 8/01/07 BASED ON WEIGHTED  
AVERAGE NYMEX FUTURES PRICES FOR AUGUST THRU OCTOBER, 2007**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$8.38 per MMBtu dry

**TGP SUPPLIED AREAS PURCHASE PROFILE:**

6/13/2007

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2007	30,911	32,024	\$7.746	(\$0.060)	\$246,134.90
September	34,008	35,232	\$7.836	(\$0.060)	\$273,966.27
October	<u>65,204</u>	<u>67,551</u>	\$7.977	(\$0.060)	<u>\$534,803.99</u>
	130,123	134,807			\$1,054,905.16
FIXED PRICE		0			\$0.00
FIXED PRICE		0			\$0.00
<b>WEIGHTED AVERAGE PRICE PER DTH:</b>				<u><u>\$7.83</u></u>	

**COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:**

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2007	12,218	12,572	\$7.746	(\$0.07)	\$96,505.14
September	16,115	16,582	\$7.836	(\$0.07)	\$128,778.41
October	<u>34,519</u>	<u>35,520</u>	\$7.977	(\$0.07)	<u>\$280,857.04</u>
	62,852	64,675			\$506,140.60
FIXED PRICE		0			\$0.00
<b>WEIGHTED AVERAGE PRICE PER DTH:</b>				<u><u>\$7.83</u></u>	

**CHESAPEAKE SUPPLIED AREAS PURCHASE PROFILE:**

MONTH	VOLUMES MCF	NYMEX \$ PER DTH	ADD-ON PER DTH	BTU ADJUSTMENT	TOTAL
August 2007	505	\$7.746	\$0.75	1.2	\$5,148.58
September	615	\$7.836	\$0.75	1.2	\$6,336.47
October	<u>1,200</u>	<u>\$7.977</u>	<u>\$0.75</u>	<u>1.2</u>	<u>\$12,566.88</u>
	2,320				\$24,051.92
<b>WEIGHTED AVERAGE PRICE PER MCF:</b>					<u><u>\$10.37</u></u>

**COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:**

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2007	52,863	54,713	\$7.746	\$0.50	\$451,165.09
September	57,987	60,017	\$7.836	\$0.50	\$500,297.92
October	<u>105,425</u>	<u>109,115</u>	<u>\$7.977</u>	<u>\$0.50</u>	<u>\$924,966.80</u>
	216,275	223,845			\$1,876,429.80
FIXED PRICE		0			\$0.00
<b>WEIGHTED AVERAGE PRICE PER DTH:</b>				<u><u>\$8.38</u></u>	

DELTA NATURAL GAS COMPANY, INC.  
Name of Issuing Corporation

FOR All Service Areas  
P.S.C. NO. 10  
Twelfth Revised SHEET NO. 2  
CANCELLING P.S.C. NO. 10  
Eleventh 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

	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate
Customer Charge *	\$ 10.00		\$ 10.00
All Mcf	\$ 4.1592	\$12.1171	\$ 16.2763/Mcf (I)

\* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 35 of this tariff.

\*\* 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 June 18, 2007 DATE EFFECTIVE July 24, 2007 (Final Meter Reads)  
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board  
Name of Officer President and CEO  
Issued by authority of an Order of the Public Service Commission of KY in  
CASE NO. DATED

FOR All Service Areas  
P.S.C. NO. 10  
Twelfth Revised SHEET NO. 3  
CANCELLING P.S.C. NO. 10  
Eleventh Revised SHEET NO. 3

DELTA NATURAL GAS COMPANY, INC.  
Name of Issuing Corporation

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	\$ 20.00		\$ 20.00
All Mcf	\$ 3.7950	\$12.1171	\$ 15.9121/Mcf (I)

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 June 18, 2007 DATE EFFECTIVE July 24, 2007 (Final Meter Reads)  
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board  
Name of Officer President and CEO  
Issued by authority of an Order of the Public Service Commission of KY in  
CASE NO. \_\_\_\_\_ DATED \_\_\_\_\_

FOR All Service Areas  
P.S.C. NO. 10  
Twelfth Revised SHEET NO. 4  
CANCELLING P.S.C. NO. 10  
Eleventh Revised SHEET NO. 4

DELTA NATURAL GAS COMPANY, INC.  
Name of Issuing Corporation

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

	<u>Base Rate</u> +	<u>Gas Cost Recovery Rate (GCR) **</u> =	<u>Total Rate</u>	
Customer Charge	\$ 72.00		\$ 72.00	
.1 - 200 Mcf	\$ 3.7950	\$12.1171	\$ 15.9121/Mcf	(I)
200.1 - 1000 Mcf	\$ 2.1461	\$12.1171	\$ 14.2632/Mcf	(I)
1000.1 - 5000 Mcf	\$ 1.3500	\$12.1171	\$ 13.4671/Mcf	(I)
5000.1 - 10000 Mcf	\$ 0.9500	\$12.1171	\$ 13.0671/Mcf	(I)
Over 10,000 Mcf	\$ 0.7500	\$12.1171	\$ 12.8671/Mcf	(I)

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 June 18, 2007 DATE EFFECTIVE July 24, 2007 (Final Meter Reads)  
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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. 10  
Twelfth Revised SHEET NO. 5  
CANCELLING P.S.C. NO. 10  
Eleventh 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

	<u>Base Rate</u> +	<u>Gas Cost</u> <u>Recovery</u> <u>Rate</u> <u>(GCR) ** =</u>	<u>Total Rate</u>	
Customer Charge	\$250.00		\$250.00	
.1 - 1000 Mcf	\$ 1.6000	\$12.1171	\$ 13.7171/Mcf	(I)
1000.1 - 5000 Mcf	\$ 1.2000	\$12.1171	\$ 13.3171/Mcf	(I)
5000.1 - 10000 Mcf	\$ 0.8000	\$12.1171	\$ 12.9171/Mcf	(I)
Over 10,000 Mcf	\$ 0.6000	\$12.1171	\$ 12.7171/Mcf	(I)

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.

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,

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