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October 22, 2008

Connie King
Mngr. Corporate & Employee Services
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391

CERTIFICATE OF SERVICE

RE: Case No. 2008-00391
Delta Natural Gas Company, Inc.

I, Stephanie Stumbo, 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 October 22, 2008.

A handwritten signature in cursive script that reads "Stephanie Stumbo".

Executive Director

SS/ke
Enclosure

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. 2008-00391

O R D E R

On October 19, 2007, in Case No. 2007-00089,¹ 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 September 22, 2008, Delta filed its proposed GCA to be effective October 27, 2008. 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 notice sets out an Expected Gas Cost ("EGC") of \$9.8377 per Mcf, which is \$5.1769 per Mcf less than the previous EGC of \$15.0146.
3. Delta's notice sets out no current quarter Refund Adjustment ("RA"), which is no change from the previous total RA.

¹ Case No. 2007-00089, 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 \$1.3499 per Mcf. Delta's total AA is \$3.3181 per Mcf, which is an increase of \$.9689 per Mcf from the previous total AA.

5. Delta's notice sets out a Balance Adjustment ("BA") of (\$.0263) per Mcf, which represents an increase of \$.1273 per Mcf from the previous BA.

6. Delta's GCA is \$13.1295 per Mcf, which is \$4.0807 per Mcf less than the previous GCA of \$17.2102.

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 October 27, 2008.

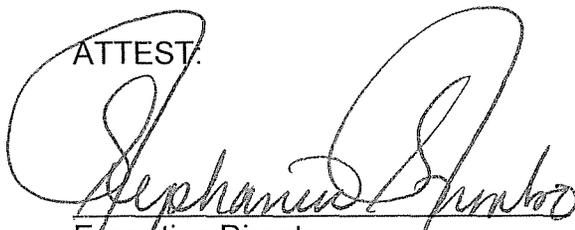
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after October 27, 2008.

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 22nd day of October, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00391 DATED OCTOBER 22, 2008

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	\$ 15.50				
All Ccf	\$.4158		\$1.3130		\$ 1.7288
Small Non-Residential					
Monthly Service Charge	\$ 25.00				
All Ccf	\$.4158		1.3130		\$ 1.7288
Large Non-Residential					
Monthly Service Charge	\$ 100.00				
1 – 2,000 Ccf	\$.4158		\$ 1.3130		\$ 1.7288
2001 – 10,000 Ccf	.2509		1.3130		1.5639
10,001 – 50,000 Ccf	.1713		1.3130		1.4843
50,001 – 100,000 Ccf	.1313		1.3130		1.4443
Over 100,000 Ccf	.1113		1.3130		1.4243

Interruptible

Monthly Service Charge		\$ 250.00		
1 - 10,000	Ccf	\$.16000	\$ 1.3130	\$ 1.4730
10,001 - 50,000	Ccf	.12000	1.3130	1.4330
50,001 - 100,000	Ccf	.08000	1.3130	1.3930
Over 100,000	Ccf	.06000	1.3130	1.3730