



Steven L. Beshear  
Governor

Leonard K. Peters  
Secretary  
Energy and Environment Cabinet

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

David L. Armstrong  
Chairman

James W. Gardner  
Vice Chairman

Charles R. Borders  
Commissioner

January 4, 2010

Honorable Robert M. Watt, III  
Stoll Keenon Ogden, PLLC  
300 West Vine Street  
Suite 2100  
Lexington, KY 40507-1801

Glenn Jennings  
Delta Natural Gas Company, Inc.  
3617 Lexington Road  
Winchester, KY 40391

RE: Case No. 2009-00535  
Delta Natural Gas Company, Inc.  
(Financing)

The Commission staff has reviewed Delta Natural Gas Company, Inc.'s application in the above case and finds that it meets the minimum filing requirements. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further assistance, please contact my staff at 502-564-3940.

Sincerely,

A handwritten signature in black ink, appearing to read "Jeff Derouen".

Jeff Derouen  
Executive Director

JD/rs  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED  
DEC 21 2009  
PUBLIC SERVICE  
COMMISSION

In the Matter of:

THE APPLICATION OF DELTA )  
NATURAL GAS COMPANY, INC. )  
FOR AN ORDER AUTHORIZING )  
THE ISSUANCE OF SECURITIES )  
PURSUANT TO AN INCENTIVE )  
COMPENSATION PLAN )

CASE NO.

2009-00535

FILED

DEC 21 2009

PUBLIC SERVICE  
COMMISSION

APPLICATION

Delta Natural Gas Company, Inc. ("Delta") hereby requests, pursuant to KRS 278.300, that the Commission authorize the issuance of up to 500,000 shares of common stock by Delta pursuant to its Incentive Compensation Plan, approved by Delta's shareholders on November 19, 2009. A copy of the Incentive Compensation Plan is attached hereto as Exhibit 1 and incorporated herein by reference. In support of this Application, Delta states as follows:

1. The full name and mailing address of Delta are Delta Natural Gas Company, Inc., 3617 Lexington Road, Winchester, Kentucky 40391. Delta is a Kentucky corporation authorized to do business in the Commonwealth of Kentucky.

2. A certified copy of Delta's Amended and Restated Articles of Incorporation was filed with the Commission in Case No. 2007-00089 (In the Matter of: Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates) and is incorporated by reference herein pursuant to 807 KAR 5:001, Section 8(3).

3. Delta is a utility engaged in the natural gas business. Delta purchases, sells, stores and transports natural gas in Bath, Estill, Montgomery, Menifee, Madison,