



DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

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RECEIVED

SEP 21 2017

**PUBLIC SERVICE
COMMISSION**

September 20, 2017

Mr. John Lyons
Acting Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602

Dear Mr. Lyons:

Enclosed are the original and ten copies of Delta's Quarterly Report of Gas Cost Recovery Rate Calculation which determines the Gas Cost Recovery (GCR) to be effective with the first billing cycle of November 2017 which includes meters read on and after October 25, 2017.

An extra copy of this filing is attached for the public files.

Please acknowledge receipt of this filing.

Sincerely,

A handwritten signature in black ink that reads "Jenny Lowery Croft".

Jenny Lowery Croft
Manager –Employee & Regulatory Services

SEP 21 2017

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE I

PUBLIC SERVICE
COMMISSION

GAS COST RECOVERY CALCULATION

| COST RECOVERY RATE EFFECTIVE OCTOBER 25, 2017 | | |
|---|--------|---------------|
| PARTICULARS | UNIT | AMOUNT |
| EXPECTED GAS COST (EGC) | \$/MCF | 4.1937 |
| SUPPLIER REFUND (RA) | \$/MCF | - |
| ACTUAL ADJUSTMENT (AA) | \$/MCF | 1.1802 |
| BALANCE ADJUSTMENT (BA) | \$/MCF | 0.1231 |
| GAS COST RECOVERY RATE (GCR) | \$/MCF | <u>5.4970</u> |

EXPECTED GAS COST SUMMARY CALCULATION

| PARTICULARS | UNIT | AMOUNT |
|-------------------------------------|--------|------------------|
| PRIMARY GAS SUPPLIERS (SCHEDULE II) | \$ | 6,067,402 |
| UTILITY PRODUCTION | \$ | - |
| INCLUDABLE PROPANE | \$ | - |
| UNCOLLECTIBLE GAS COSTS | \$ | <u>10,430</u> |
| | \$ | 6,077,832 |
| TOTAL ESTIMATED SALES FOR QUARTER | MCF | <u>1,449,287</u> |
| EXPECTED GAS COST (EGC) RATE | \$/MCF | <u>4.1937</u> |

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 | <u>-</u> |

ACTUAL ADJUSTMENT SUMMARY CALCULATION

| PARTICULARS | UNIT | AMOUNT |
|-------------------------------|--------|---------------|
| CURRENT QUARTER (SCHEDULE IV) | \$/MCF | 0.1961 |
| PREVIOUS QUARTER | \$/MCF | (0.3274) |
| SECOND PREVIOUS QUARTER | \$/MCF | 0.8252 |
| THIRD PREVIOUS QUARTER | \$/MCF | 0.4863 |
| ACTUAL ADJUSTMENT (AA) | \$/MCF | <u>1.1802</u> |

BALANCE ADJUSTMENT SUMMARY CALCULATION

| PARTICULARS | UNIT | AMOUNT |
|------------------------------|--------|---------------|
| CURRENT QUARTER (SCHEDULE V) | \$/MCF | (0.0145) |
| PREVIOUS QUARTER | \$/MCF | 0.1031 |
| SECOND PREVIOUS QUARTER | \$/MCF | 0.0494 |
| THIRD PREVIOUS QUARTER | \$/MCF | (0.0149) |
| BALANCE ADJUSTMENT (BA) | \$/MCF | <u>0.1231</u> |

MCF PURCHASES FOR THREE MONTHS BEGINNING
November 1, 2017
AT SUPPLIERS COSTS EFFECTIVE
November 1, 2017

| Supplier | MCF Purchases | DTH Conv Factor | Rates (\$) | Quarterly Cost (\$) | Rate Increase (I)/ Reduction (R) |
|--|------------------|-----------------|------------|---------------------|----------------------------------|
| TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2) | | | | 839,007 | |
| CENTERPOINT ENERGY SERVICES | 509,365 | 1.058 | 3.2268 | 1,738,941 | I |
| COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2) | | | | 260,587 | |
| CENTERPOINT ENERGY SERVICES | 213,749 | 1.076 | 3.2160 | 739,672 | I |
| COLUMBIA GULF TRANSMISSION MIDWEST ENERGY SERVICES | 159,718 | 1.254 | 3.6210 | 725,236 | I |
| KENTUCKY PRODUCERS VINLAND | 13,031 | 1.200 | 3.3006 | 51,613 | I |
| STORAGE | 553,423 | | 3.0941 | 1,712,346 | N |
| TOTAL | 1,449,287 | | | 6,067,402 | |
| COMPANY USAGE | 21,739 | | | | |

ESTIMATED UNCOLLECTIBLE GAS COSTS
FOR THE THREE MONTHS ENDED
January 31, 2018

| | | | | | |
|---|----------|--|--|--|---|
| TWELVE MONTH AVERAGE % OF PURCHASED GAS TO RECORDED REVENUE | 35.00% | | | | |
| ESTIMATED BAD DEBT EXPENSE | \$29,800 | | | | I |
| % OF PURCHASED GAS TO BILLED REVENUE UNCOLLECTIBLE GAS COSTS | \$10,430 | | | | I |

TENNESSEE GAS PIPELINE RATES EFFECTIVE 11/01/17

| | | DTH VOLUMES | FIXED OR VARIABLE | | RATES | QUARTERLY COST |
|---|-----|----------------|----------------------|-----|----------|-------------------|
| FT-G RESERVATION RATE - ZONE 0-2 | 1. | 13,051 | F | 2. | \$15.597 | \$203,552 |
| FT-G RESERVATION RATE - ZONE 1-2 | 3. | 35,098 | F | 4. | \$10.662 | \$374,222 |
| FT-G COMMODITY RATE - ZONE 0-2 | 5. | 92,100 | V | 6. | \$0.0186 | \$1,713 |
| FT-G COMMODITY RATE - ZONE 1-2 | 7. | 247,627 | V | 8. | \$0.0156 | \$3,863 |
| FT-A RESERVATION RATE - ZONE 0-2 | 9. | 1,099 | F | 10. | \$15.597 | \$17,144 |
| FT-A RESERVATION RATE - ZONE 1-2 | 11. | 4,715 | F | 12. | \$10.662 | \$50,271 |
| FT-A RESERVATION RATE - ZONE 3-2 | 13. | 734 | F | 14. | \$5.567 | \$4,088 |
| FT-A COMMODITY RATE - ZONE 0-2 | 15. | 33,434 | V | 16. | \$0.0186 | \$622 |
| FT-A COMMODITY RATE - ZONE 1-2 | 17. | 143,411 | V | 18. | \$0.0156 | \$2,237 |
| FT-A COMMODITY RATE - ZONE 3-2 | 19. | 22,337 | V | 20. | \$0.0035 | \$78 |
| FUEL & RETENTION - ZONE 0-2 | 21. | 125,534 | V | 22. | \$0.0694 | \$8,709 |
| FUEL & RETENTION - ZONE 1-2 | 23. | 391,038 | V | 24. | \$0.0581 | \$22,712 |
| FUEL & RETENTION - ZONE 3-2 | 25. | 22,337 | V | 26. | \$0.0119 | \$267 |
| SUB-TOTAL | | | | | | \$689,479 |
| FS-PA DELIVERABILITY RATE | 27. | 7,128 | F | 28. | \$2.03 | \$14,495 |
| FS-PA INJECTION RATE | 29. | 72,796 | V | 30. | \$0.0073 | \$531 |
| FS-PA WITHDRAWAL RATE | 31. | 72,796 | V | 32. | \$0.0073 | \$531 |
| FS-PA SPACE RATE | 33. | 873,548 | F | 34. | \$0.0207 | \$18,082 |
| FS-PA RETENTION | 35. | 72,796 | V | 36. | \$0.0703 | \$5,121 |
| SUB-TOTAL | | | | | | \$38,761 |
| FS-MA DELIVERABILITY RATE | 37. | 40,395 | F | 38. | \$1.49 | \$60,341 |
| FS-MA INJECTION RATE | 39. | 151,090 | V | 40. | \$0.0087 | \$1,314 |
| FS-MA WITHDRAWAL RATE | 41. | 151,090 | V | 42. | \$0.0087 | \$1,314 |
| FS-MA SPACE RATE | 43. | 1,813,085 | F | 44. | \$0.0205 | \$37,168 |
| FS-MA RETENTION | 45. | 151,090 | V | 46. | \$0.0703 | \$10,628 |
| SUB-TOTAL | | | | | | \$110,767 |
| TOTAL TENNESSEE GAS PIPELINE CHARGES | | | | | | \$839,007 |

COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 11/01/17

| | | | | | | |
|--|-----|---------|---|-----|----------|------------------|
| GTS COMMODITY RATE | 47. | 229,994 | V | 48. | \$0.8136 | \$187,123 |
| FUEL & RETENTION | 49. | 229,994 | V | 50. | \$0.0703 | \$16,169 |
| TOTAL COLUMBIA GAS TRANSMISSION CHARGES | | | | | | \$203,293 |

COLUMBIA GULF CORPORATION RATES EFFECTIVE 11/01/17

| | | | | | | |
|--|-----|---------|---|-----|----------|--------------------|
| FTS-1 RESERVATION RATE | 51. | 13,134 | F | 52. | \$4.1700 | \$54,769 |
| FTS-1 COMMODITY RATE | 53. | 229,994 | V | 54. | \$0.0109 | \$2,507 |
| FUEL & RETENTION | 55. | 229,994 | V | 56. | \$0.0001 | \$19 |
| TOTAL COLUMBIA GULF CORPORATION CHARGES | | | | | | \$57,295 |
| TOTAL PIPELINE CHARGES | | | | | | \$1,099,594 |

TGP SUPPLIED AREAS PURCHASE PROFILE:

9/13/2017

| MONTH | VOLUMES MCF | VOLUMES DTH | NYMEX \$ PER DTH | ADD-ON PER DTH | TOTAL |
|--|----------------|----------------|---------------------|-------------------------------|---------------------|
| November 2017 | 101,841 | 107,748 | \$3.121 | (\$0.060) | \$329,815.63 |
| December | 179,414 | 189,820 | \$3.270 | (\$0.060) | \$609,322.93 |
| January 2018 | <u>228,110</u> | <u>241,341</u> | \$3.374 | (\$0.060) | <u>\$799,802.58</u> |
| | 509,365 | 538,908 | | | \$1,738,941.14 |
| Fixed Price ____ | | 0 | \$0.000 | | \$0.00 |
| Fixed Price ____ | | 0 | \$0.000 | | \$0.00 |
| Total Dth | | 538,908 | | | |
| WEIGHTED AVERAGE PRICE PER DTH: | | | | <u><u>\$3.2268</u></u> | |

COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:

| MONTH | VOLUMES MCF | VOLUMES DTH | NYMEX \$ PER DTH | ADD-ON PER DTH | TOTAL |
|--|----------------|----------------|---------------------|-------------------------------|---------------------|
| November 2017 | 41,271 | 44,407 | \$3.121 | (\$0.07) | \$135,486.16 |
| December | 80,381 | 86,490 | \$3.270 | (\$0.07) | \$276,767.30 |
| January 2018 | <u>92,098</u> | <u>99,098</u> | \$3.374 | (\$0.07) | <u>\$327,418.26</u> |
| | 213,749 | 229,994 | | | \$739,671.71 |
| Fixed Price ____ | | 0 | \$0.000 | | \$0.00 |
| Fixed Price ____ | | 0 | \$0.000 | | \$0.00 |
| Total Dth | | 229,994 | | | |
| WEIGHTED AVERAGE PRICE PER DTH: | | | | <u><u>\$3.2160</u></u> | |

VINLAND SUPPLIED AREAS PURCHASE PROFILE:

| MONTH | VOLUMES MCF | VOLUMES DTH | NYMEX \$ PER DTH | ADD-ON PER DTH | TOTAL |
|--|----------------|----------------|---------------------|-------------------------------|--------------------|
| November 2017 | 1,760 | 2,112 | \$3.121 | 0 | \$6,591.55 |
| December | 4,910 | 5,892 | \$3.270 | 0 | \$19,266.84 |
| January 2018 | <u>6,361</u> | <u>7,633</u> | \$3.374 | 0 | <u>\$25,754.42</u> |
| | 13,031 | 15,637 | | | \$51,612.81 |
| WEIGHTED AVERAGE PRICE PER DTH: | | | | <u><u>\$3.3006</u></u> | |

COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:

| MONTH | VOLUMES MCF | VOLUMES DTH | NYMEX \$ PER DTH | ADD-ON PER DTH | TOTAL |
|--|----------------|----------------|---------------------|-------------------------------|---------------|
| November 2017 | 159,718 | 200,286 | \$3.121 | \$0.50 | \$725,235.75 |
| December | 0 | 0 | \$3.270 | \$0.50 | \$0.00 |
| January 2018 | <u>0</u> | <u>0</u> | \$3.374 | \$0.50 | <u>\$0.00</u> |
| | 159,718 | 200,286 | | | \$725,235.75 |
| FIXED PRICE | | 0 | | | \$0.00 |
| WEIGHTED AVERAGE PRICE PER DTH: | | | | <u><u>\$3.6210</u></u> | |

**COMPUTATION OF VINLAND PRICE EFFECTIVE 11/01/17 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR NOVEMBER 2017 THROUGH JANUARY 2018**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$3.3006 per MMBtu dry

**COMPUTATION OF CENTERPOINT ENERGY SERVICES PRICE EFFECTIVE 11/01/17 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR NOVEMBER 2017 THROUGH JANUARY 2018 (TGP)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$3.2268 per MMBtu dry

**COMPUTATION OF CENTERPOINT ENERGY SERVICES PRICE EFFECTIVE 11/01/17 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR NOVEMBER 2017 THROUGH JANUARY 2018 (TCO)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$3.2160 per MMBtu dry

**COMPUTATION OF MIDWEST ENERGY SERVICES PRICE EFFECTIVE 11/01/17 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR NOVEMBER 2017 THROUGH JANUARY 2018**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$3.6210 per MMBtu dry

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE III

SUPPLIER REFUND ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 July 31, 2017

| Particulars | Unit | Amount |
|---|--------|-----------|
| SUPPLIERS REFUNDS RECEIVED (1) | \$ | 0 |
| INTEREST FACTOR (2) | | 1.001463 |
| REFUND ADJUSTMENT INCLUDING INTEREST | \$ | 0 |
| SALES TWELVE MONTHS ENDED July 31, 2017 | MCF | 2,529,404 |
| CURRENT SUPPLIER REFUND ADJUSTMENT | \$/MCF | 0.0000 |

| (1) Suppliers Refunds Received | Date Received | Amount |
|--------------------------------|---------------|--------|
| | | |
| Total | | 0.00 |

| (2) Interest Factor | | | |
|-------------------------|-----------|--------|-----------|
| RESULT OF PRESENT VALUE | 0.7700000 | -0.5 = | 0.2700000 |

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE IV

ACTUAL ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 July 31, 2017

| Particulars | Unit | For the Month Ended | | |
|--------------------------------------|------|---------------------|----------------|-----------------------|
| | | May-17 | Jun-17 | Jul-17 |
| SUPPLY VOLUME PER BOOKS | | | | |
| PRIMARY GAS SUPPLIERS | MCF | 196,770 | 171,386 | 126,731 |
| UTILITY PRODUCTION | MCF | - | - | - |
| INCLUDABLE PROPANE | MCF | - | - | - |
| OTHER VOLUMES (SPECIFY) | MCF | - | - | - |
| TOTAL | MCF | <u>196,770</u> | <u>171,386</u> | <u>126,731</u> |
| SUPPLY COST PER BOOKS | | | | |
| PRIMARY GAS SUPPLIERS | \$ | 815,624 | 703,584 | 535,752 |
| UTILITY PRODUCTION | \$ | - | - | - |
| INCLUDABLE PROPANE | \$ | - | - | - |
| UNCOLLECTIBLE GAS COSTS | \$ | (14,179) | 314 | 2,804 |
| OTHER COST (SPECIFY) | \$ | - | - | - |
| TOTAL | \$ | <u>801,445</u> | <u>703,898</u> | <u>538,556</u> |
| SALES VOLUME | | | | |
| JURISDICTIONAL | MCF | 120,020 | 91,951 | 69,173 |
| OTHER VOLUMES (SPECIFY) | MCF | - | - | - |
| TOTAL | MCF | <u>120,020</u> | <u>91,951</u> | <u>69,173</u> |
| UNIT BOOK COST OF GAS | | | | |
| EGC IN EFFECT FOR MONTH | \$ | 6.6776 | 7.6551 | 7.7856 |
| RATE DIFFERENCE | \$ | 1.1722 | 2.1497 | 2.2802 |
| MONTHLY SALES | MCF | <u>120,020</u> | <u>91,951</u> | <u>69,173</u> |
| MONTHLY COST DIFFERENCE | \$ | <u>140,687</u> | <u>197,667</u> | <u>157,728</u> |
| | | | | Three Month Period |
| COST DIFFERENCE FOR THE THREE MONTHS | | | | \$ 496,082 |
| TWELVE MONTHS SALES FOR PERIOD ENDED | | | | MCF <u>2,529,404</u> |
| CURRENT QUARTERLY ACTUAL ADJUSTMENT | | | | \$/MCF <u>0.1961</u> |

DELTA NATURAL GAS COMPANY, INC.

SCHEDULE V

EXPECTED GAS COST BALANCE ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 July 31, 2017

| 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 | \$ | (1,760,129) |
| LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 2,529,404 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 | (0.6712) \$ | <u>(1,697,736)</u> |
| BALANCE ADJUSTMENT FOR THE AA | \$ | <u>(62,393)</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 | \$ | - |
| LESS: DOLLAR AMOUNT RESULTING FROM THE UNIT RATE FOR SUPPLIER REFUND ADJUSTMENT OF 0.0000 \$/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 2,529,404 | \$ | <u>-</u> |
| BALANCE ADJUSTMENT FOR THE RA | \$ | <u>-</u> |
| DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR | \$ | 725,962 |
| LESS: SEE ATTACHED SCHEDULE VI | \$ | <u>700,137</u> |
| BALANCE ADJUSTMENT FOR THE BA | \$ | <u>25,825</u> |
| TOTAL BALANCE ADJUSTMENT AMOUNT | \$ | <u>(36,568)</u> |
| ESTIMATED ANNUAL SALES | MCF | <u>2,529,404</u> |
| BALANCE ADJUSTMENT (BA) | \$/MCF | <u>(0.01450)</u> |

Delta Natural Gas Company, Inc.
Balance Adjustment for the BA

SCHEDULE VI

| A | B | C | D | E | A x B |
|---|------------------|--------------|-------------|------------|-------------------|
| | Aug-16 | Nov-16 | Feb-17 | May-17 | |
| Balance Adjustment | \$ 725,962 | \$ (546,801) | \$ (39,176) | \$ 142,123 | |
| <u>Mcf Billed</u> | | | | | |
| August | 52,512 | 0.2768 | | | 14,535 |
| September | 58,862 | 0.2768 | | | 16,293 |
| October | 58,683 | 0.2768 | | | 16,243 |
| November | 99,289 | 0.2768 | (0.2082) | | 27,483 |
| December | 285,305 | 0.2768 | (0.2082) | | 78,972 |
| January | 476,825 | 0.2768 | (0.2082) | | 131,985 |
| February | 542,815 | 0.2768 | (0.2082) | (0.0149) | 150,251 |
| March | 346,233 | 0.2768 | (0.2082) | (0.0149) | 95,837 |
| April | 327,736 | 0.2768 | (0.2082) | (0.0149) | 90,717 |
| May | 120,020 | 0.2768 | (0.2082) | (0.0149) | 33,222 |
| June | 91,951 | 0.2768 | (0.2082) | (0.0149) | 25,452 |
| July | 69,173 | 0.2768 | (0.2082) | (0.0149) | 19,147 |
| | <u>2,529,404</u> | | | | <u>700,137</u> |
| Balance Adjustment four quarters prior to the currently effective GCR | | | | | <u>\$ 725,962</u> |
| Balance Adjustment for the BA | | | | | <u>\$ 25,825</u> |

**CLASSIFICATION OF SERVICE – RATE SCHEDULES
RESIDENTIAL**

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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

| | <u>Base Rate</u> | + | <u>Gas Cost Recovery Rate (GCR) **</u> | = | <u>Total Rate</u> | |
|-------------------|------------------|---|--|---|-------------------|-----|
| Customer Charge * | \$ 20.90000 | | | | \$ 20.90000 | |
| All Ccf *** | \$ 0.43185 | | \$ 0.54970 | | \$ 0.98155 /Ccf | (R) |

* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 38 of this tariff.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

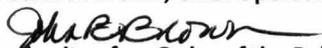
*** Residential rates are also subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of .01873/Ccf. The CEPRC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 – 42 of this tariff.

Residential rates are also subject to a Pipe Replacement Program charge of \$2.70, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: September 20, 2017

DATE EFFECTIVE: October 25, 2017

ISSUED BY: John B. Brown, Chief Operating Officer, Treasurer and Secretary



Issued by Authority of an Order of the Public Service Commission of KY in
Case No. _____

**CLASSIFICATION OF SERVICE – RATE SCHEDULES
SMALL NON-RESIDENTIAL***

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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> | + | <u>Gas Cost Recovery Rate (GCR) **</u> | = | <u>Total Rate</u> | |
|-------------------|------------------|---|--|---|-------------------|-----|
| Customer Charge * | \$ 31.20000 | | | | \$ 31.20000 | |
| All Ccf *** | \$ 0.43185 | | \$ 0.54970 | | \$ 0.98155 /Ccf | (R) |

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Small Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential or Interruptible Service rate schedule.

* Meter no larger than AL425

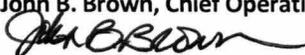
** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Small Non-Residential rates are also subject to a Pipe Replacement Program charge of \$5.12 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: September 20, 2017

DATE EFFECTIVE: October 25, 2017

ISSUED BY: John B. Brown, Chief Operating Officer, Treasurer and Secretary



**Issued by Authority of an Order of the Public Service Commission of KY in
Case No. _____**

**CLASSIFICATION OF SERVICE – RATE SCHEDULES
LARGE NON-RESIDENTIAL***

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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> | + | Gas Cost Recovery Rate (GCR) ** | = | <u>Total Rate</u> | |
|----------------------|------------------|---|---------------------------------------|---|-------------------|-----|
| Customer Charge | \$ 131.00000 | | | | \$ 131.00000 | |
| 1 - 2,000 Ccf | \$ 0.43185 | | \$ 0.54970 | | \$ 0.98155 /Ccf | (R) |
| 2,001 - 10,000 Ccf | \$ 0.26696 | | \$ 0.54970 | | \$ 0.81666 /Ccf | (R) |
| 10,001 - 50,000 Ccf | \$ 0.18735 | | \$ 0.54970 | | \$ 0.73705 /Ccf | (R) |
| 50,001 - 100,000 Ccf | \$ 0.14735 | | \$ 0.54970 | | \$ 0.69705 /Ccf | (R) |
| Over 100,000 Ccf | \$ 0.12735 | | \$ 0.54970 | | \$ 0.67705 /Ccf | (R) |

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Large Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Large Non-Residential or Interruptible Service rate schedule.

* Meter larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Large Non-Residential rates are also subject to a Pipe Replacement Program charge of \$38.63, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

DATE OF ISSUE: September 20, 2017

DATE EFFECTIVE: October 25, 2017

ISSUED BY: John B. Brown, Chief Operating Officer, Treasurer and Secretary



**Issued by Authority of an Order of the Public Service Commission of KY in
Case No. _____**

**CLASSIFICATION OF SERVICE – RATE SCHEDULES
INTERRUPTIBLE SERVICE**

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

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> | + | Gas Cost Recovery Rate <u>(GCR) **</u> | = | <u>Total Rate</u> | |
|----------------------|------------------|---|--|---|-------------------|-----|
| Customer Charge | \$ 250.00000 | | | | \$ 250.00000 | |
| 1 - 10,000 Ccf | \$ 0.16000 | | \$ 0.54970 | | \$ 0.70970 /Ccf | (R) |
| 10,001 - 50,000 Ccf | \$ 0.12000 | | \$ 0.54970 | | \$ 0.66970 /Ccf | (R) |
| 50,001 - 100,000 Ccf | \$ 0.08000 | | \$ 0.54970 | | \$ 0.62970 /Ccf | (R) |
| Over 100,000 Ccf | \$ 0.06000 | | \$ 0.54970 | | \$ 0.60970 /Ccf | (R) |

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. In order to provide a fair opportunity to compete with other motor fuels, the customer charge and Pipe Replacement Program charge may be waived by Delta at its sole discretion for compressed natural gas fueling station customers.

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.

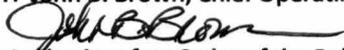
Interruptible rates are also subject to a Pipe Replacement Program charge of \$283.72, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Ccf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

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