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PUBLIC SERVICE
COMMISSION

DELTA NATURAL GAS COMPANY, INC.

3617 Lexington Road
Winchester, Kentucky 40391-9797

www.deltagas.com

PHONE: 859-744-6171

FAX: 859-744-3623

February 28, 2020

Mr. Kent Chandler
Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602

Dear Mr. Chandler:

Enclosed are the original and ten copies of Delta's Annual Pipe Replacement Program rate filing which determines the Pipe Replacement Program rate to be effective May 1, 2020. Also included with the filing are responses to the information requested in the order dated April 30, 2019 in case number 2019-00074.

An extra copy of the filing is enclosed for public files.

Sincerely,

Jenny Lowery Croft
Manager –Employee & Regulatory Services

Delta Natural Gas Company, Inc.
 Pipe Replacement Program Filing
 Program Year Ended: December 31, 2019
 Rates Effective: May 1, 2020

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
1 Total annual expenditures under the PRP (Schedule II)	\$ 1,574,788	\$ 1,730,104	\$ 3,796,271	\$ 2,961,542	\$ 1,843,366	\$ 1,758,827	\$ 3,190,348	\$ 2,479,950	\$ 3,889,747	\$ 6,201,678	
2 Less:											
3 Accumulated depreciation	(281,608)	(338,045)	(681,202)	(443,242)	(287,023)	(196,744)	(298,622)	(166,800)	(153,882)	(89,814)	
4 Accumulated deferred income taxes	(478,769)	(528,426)	(1,167,123)	(955,947)	(590,735)	(573,740)	(1,061,491)	(860,730)	(781,870)	(1,439,911)	
5 Net PRP Rate Base, as of December 31, 2019	814,411	863,633	1,947,946	1,562,353	965,608	988,343	1,830,235	1,452,420	2,953,995	4,671,953	
6 WACOC, per case no 2010-00116	7.97025%	7.97025%	7.97025%	7.97025%	7.97025%	7.97025%	7.97025%	7.97025%	7.97025%	7.97025%	
7 Allowed Return	64,911	68,834	155,256	124,523	76,961	78,773	145,874	115,762	235,441	372,366	
8 Tax expansion factor, w PSC (per Case No. 2010-00116)	1.60658	1.60658	1.60658	1.60658	1.60658	1.60658	1.60658	1.60658	1.33245	1.33245	
9 Return, grossed up for income taxes	\$ 104,285	\$ 110,587	\$ 249,432	\$ 200,056	\$ 123,644	\$ 126,555	\$ 234,359	\$ 185,981	\$ 313,713	\$ 496,159	\$ 2,144,771
10 Cost of Service Items (Schedule III)											\$ 1,194,809
12 Current Year PRP Adjustment											\$ 3,339,580
13 Balancing Adjustment											
14 Prior Year PRP Adjustment											2,738,532
15 Less: Actual Collections of Prior Year PRP Adjustment May 2019 through February 2020											(2,250,226)
16 Less: Estimated Collections March 2020 and April 2020											(457,439) A
17 Total PRP Adjustment											\$ 3,370,447

	Calculated Net Revenue @ Approved Rates per Case No. 2010-00116	Class Allocation	Allocated PRP Adjustment	# of Customers for the 12 months ended October 31, 2019	Monthly PRP Rate
18 Residential	\$ 14,846,218	54.3%	\$ 1,830,913	358,653	\$ 5.10
19 Small Non-Residential	3,991,286	14.6%	492,226	50,374	\$ 9.77
18 Large Non-Residential	7,008,122	25.6%	864,278	12,084	\$ 71.52
19 Interruptible	1,484,119	5.4%	183,029	333	\$ 549.64
20	\$ 27,329,745	100.0%	\$ 3,370,446	421,444	

A Based on average monthly PRP billings for the six-months ended February 2020.

Calendar Year 2010
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2010 Investment	Book Depr Year 10	Depreciation					
			Beginning	Expense	Ending			
1 Distribution Mains	816,750	3.10%	(215,212)	(25,319)	(240,531)	576,219	0.01%	\$ (82)
2 Transmission Mains	23,974	2.33%	(4,751)	(559)	(5,310)	18,664	0.02%	(5)
3 Services	118,268	2.69%	(27,039)	(3,181)	(30,220)	88,048	0.42%	(497)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	615,796	various	(4,963)	(584)	(5,547)	610,249	0.00%	-
	1,574,788		(251,965)	(29,643)	(281,608)	1,293,180		\$ (584)

	Book Investment	Qualifying Tax Expense Percentage	Tax Expense	Tax Additions	50% Bonus Depreciation	Depreciable Base	MACRS YEAR 10	Tax Depreciation Reserve				Tax Net Book Value		
								Tax Life	Beginning	Expense	Bonus Depr		MACRS Depr	Ending
7 Distribution Mains	816,750	94.5%	(771,829)	44,921	(22,461)	22,461	15	5.905%	(809,138)	-	-	(1,326)	(810,464)	6,286
8 Transmission Mains	23,974	100.0%	(23,974)	-	-	-	15	5.905%	(23,974)	-	-	-	(23,974)	-
9 Services	118,268	0.0%	-	118,268	(59,134)	59,134	20	4.461%	(89,979)	-	-	(2,638)	(92,617)	25,651
10 Gathering Lines	-	0.0%	-	-	-	-	7	0.000%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	5.905%	-	-	-	-	-	-
12 Cost of Removal	615,796	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	1,574,788		(795,803)	163,189	(81,595)	81,595			(923,091)	-	-	(3,964)	(927,055)	31,937

	Net Book Value		Cumulative Timing Difference	Statutory Rate	Deferred Income Taxes
	Book	Tax			
	13 Distribution Mains	576,219			
14 Transmission Mains	18,664	-	(18,664)	37.96%	(7,085)
15 Services	88,048	25,651	(62,397)	37.96%	(23,686)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	610,249	NA	(610,249)	37.96%	(231,651)
	1,293,180	31,937	(1,261,243)		(478,769)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2011
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2011 Investment	Book Depr Year	A					
			Beginning	Expense	Ending			
1 Distribution Mains	828,951	3.10%	(192,728)	(25,697)	(218,425)	610,526	0.01%	\$ (83)
2 Transmission Mains	88,312	2.33%	(15,435)	(2,058)	(17,493)	70,819	0.02%	(18)
3 Services	383,075	2.69%	(77,287)	(10,305)	(87,592)	295,483	0.42%	(1,609)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	429,766	various	(12,825)	(1,710)	(14,535)	415,231	0.00%	-
	1,730,104		(298,275)	(39,770)	(338,045)	1,392,059		\$ (1,710)

	Book Investment	Qualifying Tax Expense Percentage	Tax Expense	Tax Additions	100% Bonus Depreciation	Depreciable Base	MACRS YEAR	Tax Depreciation Reserve					Tax Net Book Value		
								Tax Life	9	Beginning	Tax Expense	Bonus Depr		MACRS Depr	Ending
7 Distribution Mains	828,951	71.0%	(588,555)	240,396	(240,396)	-	15	5.905%	(828,951)	-	-	-	(828,951)	-	
8 Transmission Mains	88,312	94.0%	(82,981)	5,331	(5,331)	-	15	5.905%	(88,312)	-	-	-	(88,312)	-	
9 Services	383,075	100.0%	(383,075)	-	-	-	20	4.462%	(383,075)	-	-	-	(383,075)	-	
10 Gathering Lines	-	0.0%	-	-	-	-	7	0.000%	-	-	-	-	-	-	
11 Storage Lines	-	0.0%	-	-	-	-	15	5.905%	-	-	-	-	-	-	
12 Cost of Removal	429,766	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA	
	1,730,104		(1,054,611)	245,727	(245,727)	-			(1,300,338)	-	-	-	(1,300,338)	-	

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
13 Distribution Mains	610,526	-	(610,526)	37.96%	(231,756)
14 Transmission Mains	70,819	-	(70,819)	37.96%	(26,883)
15 Services	295,483	-	(295,483)	37.96%	(112,165)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	415,231	NA	(415,231)	37.96%	(157,622)
	1,392,059	-	(1,392,059)		(528,426)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2012
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2012 Investment	Book Depr Year 8	A		Ending			
			Beginning	Depreciation Expense				
1 Distribution Mains	2,164,531	3.10%	(436,150)	(67,100)	(503,250)	1,661,281	0.01%	\$ (216)
2 Transmission Mains	31,604	2.33%	(4,784)	(736)	(5,520)	26,084	0.02%	(6)
3 Services	732,128	2.69%	(128,011)	(19,694)	(147,705)	584,423	0.42%	(3,075)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	868,008	various	(21,430)	(3,297)	(24,727)	843,281	0.00%	-
	3,796,271		(590,375)	(90,827)	(681,202)	3,115,069		\$ (3,297)

	Book Investment	Qualifying Tax Expense Percentage	Tax Expense	Tax Additions	50% Bonus Depreciation	Depreciable Base	MACRS YEAR 8	Tax Depreciation Reserve				Tax Net Book Value		
								Tax Life	Beginning	Expense	Bonus Depr		MACRS Depr	Ending
7 Distribution Mains	2,164,531	93.0%	(2,013,014)	151,517	(75,759)	75,758	15	5.905%	(2,126,507)	-	(4,474)	(2,130,981)	33,550	
8 Transmission Mains	31,604	1.3%	(416)	31,188	(15,594)	15,594	15	5.905%	(23,777)	-	(921)	(24,698)	6,906	
9 Services	732,128	100.0%	(732,128)	-	-	-	20	4.522%	(732,128)	-	-	(732,128)	-	
10 Gathering Lines	-	0.0%	-	-	-	-	7	4.462%	-	-	-	-	-	
11 Storage Lines	-	0.0%	-	-	-	-	15	5.905%	-	-	-	-	-	
12 Cost of Removal	868,008	NA	-	-	-	-	NA	NA	-	-	-	-	NA	
	3,796,271		(2,745,558)	182,705	(91,353)	91,352			(2,882,412)	-	(5,395)	(2,887,807)	40,456	

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
13 Distribution Mains	1,661,281	33,550	(1,627,731)	37.96%	(617,887)
14 Transmission Mains	26,084	6,906	(19,178)	37.96%	(7,280)
15 Services	584,423	-	(584,423)	37.96%	(221,847)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	843,281	NA	(843,281)	37.96%	(320,109)
	3,115,069	40,456	(3,074,613)		(1,167,123)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2013
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2013 Investment	Book Depr Year	A					
			Beginning	Expense	Ending			
1 Distribution Mains	1,672,265	3.10%	(285,120)	(51,840)	(336,960)	1,335,305	0.01%	\$ (167)
2 Transmission Mains	-	2.33%	-	-	-	-	0.02%	-
3 Services	520,370	2.69%	(76,989)	(13,998)	(90,987)	429,383	0.42%	(2,186)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	768,907	various	(12,942)	(2,353)	(15,295)	753,612	0.00%	-
	2,961,542		(375,051)	(68,191)	(443,242)	2,518,300		\$ (2,353)

	Book Investment	Qualifying Tax		Tax Additions	50% Bonus Depreciation	Depreciable Base	MACRS YEAR	Tax Depreciation Reserve				Tax Net Book Value		
		Expense Percentage	Tax Expense					Tax Expense	Tax Expense	Tax Expense	Tax Expense		Tax Expense	Tax Expense
7 Distribution Mains	1,672,265	100.0%	(1,672,265)	-	-	-	15	5.905%	(1,672,265)	-	-	-	(1,672,265)	-
8 Transmission Mains	-	0.0%	-	-	-	-	15	5.905%	-	-	-	-	-	-
9 Services	520,370	100.0%	(520,370)	-	-	-	20	4.888%	(520,370)	-	-	-	(520,370)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	8.925%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	5.905%	-	-	-	-	-	-
12 Cost of Removal	768,907	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	2,961,542		(2,192,635)	-	-	-			(2,192,635)	-	-	-	(2,192,635)	-

	Net Book Value		Cumulative Timing Difference	Statutory Rate	Deferred Income Taxes
	Book	Tax			
	13 Distribution Mains	1,335,305			
14 Transmission Mains	-	-	-	37.96%	-
15 Services	429,383	-	(429,383)	37.96%	(162,994)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	753,612	NA	(753,612)	37.96%	(286,071)
	2,518,300	-	(2,518,300)		(955,947)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2014
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2014 Investment	Book Depr Year 6	A					
			Beginning	Expense	Ending			
1 Distribution Mains	1,281,613	3.10%	(178,785)	(39,730)	(218,515)	1,063,098	0.01%	\$ (128)
2 Transmission Mains	500	2.33%	(54)	(12)	(66)	434	0.02%	-
3 Services	396,014	2.69%	(47,938)	(10,653)	(58,591)	337,423	0.42%	(1,663)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	165,239	various	(8,060)	(1,791)	(9,851)	155,388	0.00%	-
	1,843,366		(234,837)	(52,186)	(287,023)	1,556,343		\$ (1,791)

	Book Investment	Qualifying Tax		Tax Additions	50% Bonus Depreciation	Depreciable Base	MACRS YEAR 6	Tax Depreciation Reserve				Tax Net Book Value		
		Expense Percentage	Tax Expense					Tax Expense	MACRS Depr	MACRS Depr	Ending			
													Tax Life	Beginning
7 Distribution Mains	1,281,613	100.0%	(1,281,613)	-	-	-	15	6.233%	(1,281,613)	-	-	(1,281,613)	-	
8 Transmission Mains	500	0.0%	-	500	(250)	250	15	6.233%	(344)	-	-	(16)	(360)	140
9 Services	396,014	100.0%	(396,014)	-	-	-	20	5.285%	(396,014)	-	-	-	(396,014)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	8.925%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	6.233%	-	-	-	-	-	-
12 Cost of Removal	165,239	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	1,843,366		(1,677,627)	500	(250)	250			(1,677,971)	-	-	(16)	(1,677,987)	140

	Net Book Value		Cumulative Timing Difference	Statutory Rate	Deferred Income Taxes
	Book	Tax			
	13 Distribution Mains	1,063,098			
14 Transmission Mains	434	140	(294)	37.96%	(112)
15 Services	337,423	-	(337,423)	37.96%	(128,086)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	155,388	NA	(155,388)	37.96%	(58,985)
	1,556,343	140	(1,556,203)		(590,735)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2015
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2015 Investment	Book Depr Year 5	Depreciation					
			Beginning	Expense	Ending			
1 Distribution Mains	1,201,977	3.10%	(130,414)	(37,261)	(167,675)	1,034,302	0.01%	\$ (120)
2 Transmission Mains	87,414	2.33%	(7,129)	(2,037)	(9,166)	78,248	0.02%	(17)
3 Services	137,797	2.69%	(12,974)	(3,707)	(16,681)	121,116	0.42%	(579)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	331,639	various	(2,506)	(716)	(3,222)	328,417	0.00%	-
	1,758,827		(153,023)	(43,721)	(196,744)	1,562,083		\$ (716)

	Book Investment	Qualifying Tax		Tax Additions	50% Bonus Depreciation	Depreciable Base	MACRS YEAR 5	Tax Depreciation Reserve					Tax Net Book Value		
		Expense Percentage	Tax Expense					Tax Expense	Tax Expense	Tax Expense	Tax Expense	Tax Expense		Tax Expense	Tax Expense
7 Distribution Mains	1,201,977	91.9%	(1,104,617)	97,360	(48,680)	48,680	15	6.925%	(1,168,264)	-	-	(3,371)	(1,171,635)	30,342	
8 Transmission Mains	87,414	25.5%	(22,254)	65,160	(32,580)	32,580	15	6.925%	(64,851)	-	-	(2,256)	(67,107)	20,307	
9 Services	137,797	100.0%	(137,797)	-	-	-	20	5.713%	(137,797)	-	-	-	(137,797)	-	
10 Gathering Lines	-	0.0%	-	-	-	-	7	8.925%	-	-	-	-	-	-	
11 Storage Lines	-	0.0%	-	-	-	-	15	6.925%	-	-	-	-	-	-	
12 Cost of Removal	331,639	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA	
	1,758,827		(1,264,668)	162,520	(81,260)	81,260			(1,370,912)	-	-	(5,627)	(1,376,539)	50,649	

	Net Book Value		Cumulative Timing Difference	Statutory Rate	Deferred Income Taxes
	Book	Tax			
	13 Distribution Mains	1,034,302			
14 Transmission Mains	78,248	20,307	(57,941)	37.96%	(21,994)
15 Services	121,116	-	(121,116)	37.96%	(45,976)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	328,417	NA	(328,417)	37.96%	(124,667)
	1,562,083	50,649	(1,511,434)		(573,740)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2016
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2016 Investment	Book Depr Year 4	Beginning	Depreciation Expense	Ending			
1 Distribution Mains	2,328,216	3.10%	(180,437)	(72,175)	(252,612)	2,075,604	0.01%	\$ (233)
2 Transmission Mains	219,764	2.33%	(12,802)	(5,121)	(17,923)	201,841	0.02%	(44)
3 Services	249,152	2.69%	(16,755)	(6,702)	(23,457)	225,695	0.42%	(1,046)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	393,216	various	(3,307)	(1,323)	(4,630)	388,586	0.00%	-
	3,190,348		(213,301)	(85,321)	(298,622)	2,891,726		\$ (1,323)

	Book Investment	Qualifying Tax		Tax Additions	50% Bonus Depreciation	Depreciable Base	MACRS YEAR 4	Tax Depreciation Reserve					Tax Net Book Value	
		Expense Percentage	Tax Expense					Tax Depr	Bonus Depr	MACRS Depr	Ending			
7 Distribution Mains	2,328,216	96.9%	(2,256,041)	72,175	(36,088)	36,087	15	7.695%	(2,300,446)	-	-	(2,777)	(2,303,223)	24,993
8 Transmission Mains	219,764	7.5%	(16,483)	203,281	(101,641)	101,640	15	7.695%	(141,552)	-	-	(7,821)	(149,373)	70,391
9 Services	249,152	100.0%	(249,152)	-	-	-	20	6.177%	(249,152)	-	-	-	(249,152)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	12.495%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	7.695%	-	-	-	-	-	-
12 Cost of Removal	393,216	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	3,190,348		(2,521,676)	275,456	(137,729)	137,727			(2,691,150)	-	-	(10,598)	(2,701,748)	95,384

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
13 Distribution Mains	2,075,604	24,993	(2,050,611)	37.96%	(778,412)
14 Transmission Mains	201,841	70,391	(131,450)	37.96%	(49,898)
15 Services	225,695	-	(225,695)	37.96%	(85,674)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	388,586	NA	(388,586)	37.96%	(147,507)
	2,891,726	95,384	(2,796,342)		(1,061,491)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2017
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2017 Investment	Book Depr Year 3	Beginning	Depreciation Expense	Ending			
1 Distribution Mains	1,891,971	3.10%	(87,977)	(58,651)	(146,628)	1,745,343	0.01%	\$ (189)
2 Transmission Mains	90,359	2.33%	(3,158)	(2,105)	(5,263)	85,096	0.02%	(18)
3 Services	185,093	2.69%	(7,469)	(4,979)	(12,448)	172,645	0.42%	(777)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	312,527	various	(1,477)	(984)	(2,461)	310,066	0.00%	-
	2,479,950		(100,081)	(66,719)	(166,800)	2,313,150		\$ (984)

	Qualifying Tax		50%			MACRS YEAR 3	Tax Depreciation Reserve				Tax Net Book Value			
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation		Depreciable Base	Tax Beginning	Bonus Expense	MACRS Depr		Ending		
7 Distribution Mains	1,891,971	98.5%	(1,863,591)	28,380	(14,190)	14,190	15	8.550%	(1,879,839)	-	-	(1,213)	(1,881,052)	10,919
8 Transmission Mains	90,359	0.0%	-	90,359	(45,180)	45,179	15	8.550%	(51,731)	-	-	(3,863)	(55,594)	34,765
9 Services	185,093	100.0%	(185,093)	-	-	-	20	6.677%	(185,093)	-	-	-	(185,093)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	17.492%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	8.550%	-	-	-	-	-	-
12 Cost of Removal	312,527	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	2,479,950		(2,048,684)	118,739	(59,370)	59,369			(2,116,663)	-	-	(5,076)	(2,121,739)	45,684

	Net Book Value		Cumulative Timing		B Statutory Deferred	
	Book	Tax	Difference	Rate	Income Taxes	
13 Distribution Mains	1,745,343	10,919	(1,734,424)	37.96%	(658,387)	
14 Transmission Mains	85,096	34,765	(50,331)	37.96%	(19,106)	
15 Services	172,645	-	(172,645)	37.96%	(65,536)	
16 Gathering Lines	-	-	-	37.96%	-	
17 Storage Lines	-	-	-	37.96%	-	
18 Cost of Removal	310,066	NA	(310,066)	37.96%	(117,701)	
	2,313,150	45,684	(2,267,466)		(860,730)	

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

B In December, 2017, tax law was enacted to reduce the federal corporate income tax rate to 21%.

Delta remeasured its deferred income taxes using the 21% federal rate as of December 31, 2017, including deferred taxes on PRP assets.

The reduction in deferred taxes is being returned to customers through Case No. 2018-00040.

PRP assets for years subsequent to 2017 have been measured at the reduced tax rate.

Calendar Year 2018
PRP Worksheet

	A		B			Book Net Book Value	COR Rate	COR Depr
	2018 Investment	Book Depr Year	Depreciation					
			Beginning	Expense	Ending			
1 Distribution Mains	2,669,534	3.10%	(41,378)	(82,756)	(124,134)	2,545,400	0.01%	\$ (267)
2 Transmission Mains	611,904	2.33%	(7,129)	(14,257)	(21,386)	590,518	0.02%	(122)
3 Services	166,771	2.69%	(2,243)	(4,486)	(6,729)	160,042	0.42%	(700)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	441,538	various	(544)	(1,089)	(1,633)	439,905	0.00%	-
	3,889,747		(51,294)	(102,588)	(153,882)	3,735,865		\$ (1,089)

	Qualifying Tax		0%			MACRS YEAR	Tax Depreciation Reserve				Tax Net Book Value				
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation		Depreciable Base	Tax Life	2	Beginning		Tax Expense	Bonus Depr	MACRS Depr	Ending
8 Transmission Mains	611,904	82.2%	(502,983)	108,921	-	108,921	15	9.500%	(508,429)	-	-	(10,347)	(518,776)	93,128	
9 Services	166,771	100.0%	(166,771)	-	-	-	20	7.219%	(166,771)	-	-	-	(166,771)	-	
10 Gathering Lines	-	0.0%	-	-	-	-	7	24.490%	-	-	-	-	-	-	
11 Storage Lines	-	0.0%	-	-	-	-	15	9.500%	-	-	-	-	-	-	
12 Cost of Removal	441,538	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA	
	3,889,747		(2,743,982)	704,227	-	704,227			(2,779,193)	-	-	(66,901)	(2,846,094)	602,115	

	Net Book Value		Cumulative Timing Difference	C	
	Book	Tax		Statutory Rate	Deferred Income Taxes
14 Transmission Mains	590,518	93,128	(497,390)	24.95%	(124,099)
15 Services	160,042	-	(160,042)	24.95%	(39,930)
16 Gathering Lines	-	-	-	24.95%	-
17 Storage Lines	-	-	-	24.95%	-
18 Cost of Removal	439,905	NA	(439,905)	24.95%	(109,756)
	3,735,865	602,115	(3,133,750)		(781,870)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

B Year 1 for PRP assets assumes a half year of depreciation expense.

C In December, 2017, tax law was enacted to reduce the federal corporate income tax rate to 21%. (See effective tax rate calculation below.)

Delta remeasured its deferred income taxes using the 21% federal rate as of December 31, 2017, including deferred taxes on PRP assets.

The reduction in deferred taxes is being returned to customers through Case No. 2018-00040.

PRP assets for years subsequent to 2017 have been measured at the reduced tax rate.

Effective Tax Rate Calculation

Statutory federal income tax rate	21.00%
State income taxes, net of federal benefit	3.95%
Effective income tax rate	24.95%

Calendar Year 2019
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2019 Investment	Book Depr Year 1	B					
			Beginning	Depreciation Expense	Ending			
1 Distribution Mains	5,352,350	3.10%	-	(82,961)	(82,961)	5,269,389	0.01%	\$ (268)
2 Transmission Mains	197,537	2.33%	-	(2,301)	(2,301)	195,236	0.02%	(20)
3 Services	274,211	2.69%	-	(3,688)	(3,688)	270,523	0.42%	(576)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	377,580	various	-	(864)	(864)	376,716	0.00%	-
	6,201,678		-	(89,814)	(89,814)	6,111,864		\$ (864)

	Qualifying Tax			0%			MACRS YEAR 1	Tax Depreciation Reserve					Tax Net Book Value	
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation	Depreciable Base		Tax Life	Beginning	Tax Expense	Bonus Depr	MACRS		
												Depr		Depr
7 Distribution Mains	5,352,350	93.3%	(4,993,743)	358,607	-	358,607	15	5.000%	-	(4,993,743)	-	(17,930)	(5,011,673)	340,677
8 Transmission Mains	197,537	100.0%	(197,537)	-	-	-	15	5.000%	-	(197,537)	-	-	(197,537)	-
9 Services	274,211	100.0%	(274,211)	-	-	-	20	3.750%	-	(274,211)	-	-	(274,211)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	14.286%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	5.000%	-	-	-	-	-	-
12 Cost of Removal	377,580	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	6,201,678		(5,465,491)	358,607	-	358,607			-	(5,465,491)	-	(17,930)	(5,483,421)	340,677

	Net Book Value		Cumulative Timing Difference	C	
	Book	Tax		Statutory Rate	Deferred Income Taxes
14 Transmission Mains	195,236	-	(195,236)	24.95%	(48,711)
15 Services	270,523	-	(270,523)	24.95%	(67,495)
16 Gathering Lines	-	-	-	24.95%	-
17 Storage Lines	-	-	-	24.95%	-
18 Cost of Removal	376,716	NA	(376,716)	24.95%	(93,991)
	6,111,864	340,677	(5,771,187)		(1,439,911)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

B Year 1 for PRP assets assumes a half year of depreciation expense.

C In December, 2017, tax law was enacted to reduce the federal corporate income tax rate to 21%. (See effective tax rate calculation below.)

Delta remeasured its deferred income taxes using the 21% federal rate as of December 31, 2017, including deferred taxes on PRP assets.

The reduction in deferred taxes is being returned to customers through Case No. 2018-00040.

PRP assets for years subsequent to 2017 have been measured at the reduced tax rate.

Effective Tax Rate Calculation

Statutory federal income tax rate	21.00%
State income taxes, net of federal benefit	3.95%
Effective income tax rate	24.95%

DELTA NATURAL GAS
Cost of Removal and Replacement Projects for 2019

Schedule IV

<u>DISTRICT BRANCH</u>	<u>PLANT CLASSIFICATION</u>	<u>SIZE AND PIPE INSTALLED</u>	<u>FOOTAGE</u>	<u>TOTAL COST</u>
Cost of Removal		(A)	-	\$ 377,580
Barbourville	Distribution Mains	UNDER 2" PLASTIC	120	\$ 25,601
Barbourville	Distribution Mains	2" PLASTIC	6,660	\$ 424,974
Barbourville	Distribution Mains	4" PLASTIC	1,758	\$ 175,804
Barbourville	Services	28	(B)	\$ 37,140
			<u>8,538</u>	<u>\$ 663,519</u>
Berea	Distribution Mains	UNDER 2" PLASTIC (Additional Cost)		\$ 397
Berea	Distribution Mains	2" PLASTIC	655	\$ 96,168
Berea	Distribution Mains	4" PLASTIC	1,384	\$ 89,471
Berea	Distribution Mains	4" STEEL	752	\$ 34,636
Berea	Services	9	(B)	\$ 13,305
			<u>2,791</u>	<u>\$ 233,977</u>
Corbin	Distribution Mains	UNDER 2" PLASTIC (Additional Cost)		\$ 239
Corbin	Distribution Mains	2" PLASTIC	11,461	\$ 698,038
Corbin	Distribution Mains	4" PLASTIC	7,576	\$ 830,721
Corbin	Distribution Mains	6" PLASTIC (Additional Cost)		\$ 275
Corbin	Transmission Mains	8" STEEL (Additional Cost)		\$ 487
Corbin	Services	69	(B)	\$ 105,482
			<u>19,037</u>	<u>\$ 1,635,243</u>
London	Distribution Mains	2" PLASTIC	520	\$ 13,101
London	Distribution Mains	4" PLASTIC	1,749	\$ 67,547
London	Services	3	(B)	\$ 7,243
			<u>2,269</u>	<u>\$ 87,890</u>
Manchester	Distribution Mains	UNDER 2" PLASTIC	1,056	\$ 114,356
Manchester	Distribution Mains	2" PLASTIC	11,418	\$ 636,472
Manchester	Distribution Mains	4" PLASTIC	17,869	\$ 801,702
Manchester	Transmission Mains	6" STEEL	99	\$ 35,936
Manchester	Transmission Mains	8" STEEL	253	\$ 112,674
Manchester	Distribution Mains	8" STEEL	55	\$ 83,047
Manchester	Services	46	(B)	\$ 52,344
			<u>30,750</u>	<u>\$ 1,836,531</u>
Middlesboro	Distribution Mains	2" PLASTIC	10	\$ 29,335
Middlesboro	Distribution Mains	4" PLASTIC	653	\$ 64,492
			<u>663</u>	<u>\$ 93,827</u>
Nicholasville	Distribution Mains	2" PLASTIC	2,466	\$ 344,717
Nicholasville	Services	13	(B)	\$ 15,640
			<u>2,466</u>	<u>\$ 360,358</u>
Owingsville	Distribution Mains	2" PLASTIC	2,238	\$ 84,847
Owingsville	Distribution Mains	4" PLASTIC	6,560	\$ 348,280
Owingsville	Services	16	(B)	\$ 23,187
			<u>8,798</u>	<u>\$ 456,314</u>

Schedule V

Delta Natural Gas Company, Inc. Supplemental Data as Requested by Case No. 2019-00074, Appendix B

1. Provide a list of the remaining items to be replaced and an estimate of the associated costs eligible to be recovered through the PRP, inclusive of all types of pipe authorized to be replaced through the PRP. The information should include:
 - a. The amount of pipe remaining to be replaced through the PRP. Pipe should be categorized by material (i.e. bare steel, coated steel, plastic, etc.), age, size, and location.
 - b. The estimated remaining cost per year of the PRP broken down by pipe, services, and any other eligible PRP activities.

Response:

- 1.a. See attached Schedule VI. This schedule does not include inactive services to be removed, active services to be replaced, and mandatory relocations being recovered through the PRP.
- 1.b. See attached Schedule VII.

2. Using the information provided in Item 1, provide a chart showing by year and customer class, the estimated PRP surcharges for each remaining year of the PRP.

Response:

See attached Schedule VIII.

3. Provide a list showing each project that was replaced under the PRP for the program year. The list should include the size of the pipe, length replaced, length installed, number of services, pipe material, and cost.

Response:

See attached Schedule IV included with the historical data in this filing.

4. Provide the same information as requested in Item 3 above but as an estimate for the next PRP program year.

Response:

See attached Schedule IX.

Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced

District Location	Total	Unknown Year	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Owingsville																
1" Bare Steel	128	128														
2" Bare Steel	231	158										73				
4" Bare Steel	210															
1" Unprotected Coated Steel	268									42	127	45				
2" Unprotected Coated Steel	1,104									794						
4" Unprotected Coated Steel	360															
1/2" Aldyl-A	38	38														
3/4" Aldyl-A	3,519	5													192	663
1" Aldyl-A	5,042	2110														
1-1/4" Aldyl-A	726	497														
1-1/2" Aldyl-A	3,211	3211														
2" Aldyl-A	140,112	21451													13214	57421
3" Aldyl-A	23,935	19961														
Owingsville Total	178,884	47,559	-	-	-	-	-	-	-	836	127	118	-	-	13,406	58,084
Berea																
1" Unprotected Coated Steel	318	318														
2" Unprotected Coated Steel	38												38			
3/4" Aldyl-A	3,422													450	694	680
1" Aldyl-A	3,752													40		
1-1/4" Aldyl-A	1,174															
2" Aldyl-A	180,185	250										269		27481	16296	21937
4" Aldyl-A	11,608															
Berea Total	200,497	568	-	-	-	-	-	-	-	-	-	269	38	27,971	16,990	22,617
Nicholasville																
1" Steel	1,119			315	473	127	32				170	2				
2" Steel	7,411	3569		172	1091						187	1442	459			
3/4" Aldyl-A	1,127															244
1" Aldyl-A	993															
1-1/4" Aldyl-A	562															
2" Aldyl-A	81,427												651	7299	2208	6803
Nicholasville Total	92,639	3,569	-	487	1,564	127	32	-	-	-	357	1,444	1,110	7,299	2,208	7,047
Stanton																
1" Unprotected Coated Steel	327	272														55
2" Unprotected Coated Steel	1,234	44							238		487	144	145			113
3" Unprotected Coated Steel	222															
3/4" Aldyl-A	3,779													780	434	794
1" Aldyl-A	6,148											90				32
1-1/4" Aldyl-A	500															
2" Aldyl-A	150,357											899		10659	30336	29030
3" Aldyl-A	4,906															
Stanton Total	167,473	316	-	-	-	-	-	-	238	-	487	1,133	145	11,439	30,770	30,024

Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced

District Location	Total	Unknown Year	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
London																
1" Bare Steel	189															
1" Unprotected Coated Steel	191	191														
3" Unprotected Coated Steel	300	300														
4" Unprotected Coated Steel	264	264														
8" Unprotected Coated Steel	4,013	4013														
1/2" Vintage Plastic	135															
3/4" Vintage Plastic	9,879	9030														
1" Vintage Plastic	5,643	4653														
1-1/4" Vintage Plastic	1,119	1119														
2" Vintage Plastic	114,994	39639														
3" Vintage Plastic	12,937	4944														
4" Vintage Plastic	28,654	9186														
London Total	178,318	73,339	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Williamsburg																
1" Bare Steel	25															
2" Bare Steel	3,971	3971														
6" Coated Steel (Exposed or Shallow Depth)	14,683	14683														
Williamsburg Total	18,679	18,654	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Barbourville																
1" Bare Steel	303	303														
3/4" Unprotected Coated Steel	24	24														
1" Unprotected Coated Steel	34	34														
3/4" Aldyl-A	160	160														
2" Aldyl-A	1,754	1754														
Barbourville Total	2,275	2,275	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middlesboro																
3/4" Bare Steel	103	103														
1" Bare Steel	1,211	1166														
2" Bare Steel	10,980	10053														
4" Bare Steel	628	628														
6" Bare Steel	3,859	3745														
1" Unprotected Coated Steel	145	145														
2" Unprotected Coated Steel	2,860	2853														
4" Unprotected Coated Steel	1,718	1623														
6" Coated Steel (Exposed)	4,700	4700														
Middlesboro Total	26,204	25,016	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced**

District Location	Total	Unknown Year	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
Corbin																
3/4" Bare Steel	730	730														
1" Bare Steel	337	277														
1-1/4" Bare Steel	1,136	1136														
2" Bare Steel	1,930	1837														
3" Bare Steel	167	167														
4" Bare Steel	170	170														
1-1/4" Unprotected Coated Steel	828	828														
2" Unprotected Coated Steel	486	486														
4" Unprotected Coated Steel	1,130	948														
6" Unprotected Coated Steel	493	493														
8" Unprotected Coated Steel	1,966	1966														
3/4" Aldyl-A	3,787	2705														
1" Aldyl-A	411	281														
1-1/4" Aldyl-A	715															
2" Aldyl-A	70,319	56305														
4" Aldyl-A	314															
Corbin Total	84,919	68,329	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manchester																
2" Steel	112	112														
1" Bare Steel	622	622														
1-1/4" Bare Steel	258	187														
3" Bare Steel	635	635														
1-1/4" Unprotected Coated Steel	110	110														
4" Unprotected Coated Steel	66	66														
3/4" Aldyl-A	655	375														
1" Aldyl-A	34	34														
2" Aldyl-A	13,863	13713														
4" Aldyl-A	770															
Manchester Total	17,125	15,854	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																
1" Bare Steel	1,111	424														
2" Bare Steel	296	45											101			
3" Bare Steel	214															
6" Bare Steel	912															
Transmission Total	2,533	469	-	-	-	-	-	-	-	-	-	-	101	-	-	-
Delta Total System																
Steel	8,642	3,681	-	487	1,564	127	32	-	-	-	357	1,444	459	-	-	-
Bare Steel	30,150	26,485	-	-	-	-	-	-	-	-	-	73	101	-	-	-
Unprotected Coated Steel	18,499	14,978	-	-	-	-	-	-	238	836	614	189	183	-	-	168
Coated Steel (Exposed or Shallow Depth)	19,383	19,383	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Aldyl-A / Vintage Plastic	893,017	191,421	-	-	-	-	-	-	-	-	-	1,258	834	46,709	63,374	117,772
Total PRP Eligible Footage	969,691	255,948	-	487	1,564	127	32	-	238	836	971	2,964	1,577	46,709	63,374	117,940

Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced

District Location	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Owingsville																	
1" Bare Steel																	
2" Bare Steel																	
4" Bare Steel														210			
1" Unprotected Coated Steel			54														
2" Unprotected Coated Steel	53	205							52								
4" Unprotected Coated Steel		360															
1/2" Aldyl-A																	
3/4" Aldyl-A	707	410	168			60	110		52		446	619	87				
1" Aldyl-A	76	295	355	204	197	551	92	48		686	340		88				
1-1/4" Aldyl-A			45		98		86										
1-1/2" Aldyl-A																	
2" Aldyl-A	12340	5108	4514	1287	2511	750	1098	333	3421	750	8023	3909	3982				
3" Aldyl-A	3974																
Owingsville Total	17,150	6,378	5,136	1,491	2,806	1,361	1,386	381	3,525	1,436	8,809	4,528	4,157	210	-	-	-
Berea																	
1" Unprotected Coated Steel																	
2" Unprotected Coated Steel																	
3/4" Aldyl-A	357	566		35	48	113			75	69		271	64				
1" Aldyl-A	173	141	578	224	306	1385	53	145	128	412		167					
1-1/4" Aldyl-A		594	44	30	243	137	26		75				25				
2" Aldyl-A	16932	12017	18437	9503	9815	5960	1745	5331	4095	10559	5783	8985	4790				
4" Aldyl-A												9283	2325				
Berea Total	17,462	13,318	19,059	9,792	10,412	7,595	1,824	5,476	4,373	11,040	5,783	18,706	7,204	-	-	-	-
Nicholasville																	
1" Steel																	
2" Steel									459		32						
3/4" Aldyl-A	75		168	160							480						
1" Aldyl-A		94	133				65	150	25	270		157	99				
1-1/4" Aldyl-A							95	301		166							
2" Aldyl-A	3956	8208	8080	12642	5574	3887	446	2017	1077	8798	1979	3488	4314				
Nicholasville Total	4,031	8,302	8,381	12,802	5,574	3,887	606	2,468	1,561	9,234	2,491	3,645	4,413	-	-	-	-
Stanton																	
1" Unprotected Coated Steel																	
2" Unprotected Coated Steel									63								
3" Unprotected Coated Steel											60						
3/4" Aldyl-A	77	20	66	513	210	452	41	29			185	150	28				
1" Aldyl-A	1051	272	595	578	311	592	156	136	868	367	831	124	145				
1-1/4" Aldyl-A				48		350	102										
2" Aldyl-A	13799	6366	6101	5483	4191	8640	2212	2107	8179	4684	9580	2887	5204				
3" Aldyl-A								2166			2740						
Stanton Total	14,927	6,658	6,762	6,622	4,712	10,034	2,511	4,438	9,110	5,051	13,396	3,161	5,377	-	-	-	-

**Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced**

District Location	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
London																	
1" Bare Steel																	
1" Unprotected Coated Steel																	
3" Unprotected Coated Steel																	
4" Unprotected Coated Steel																	
8" Unprotected Coated Steel																	
1/2" Vintage Plastic																135	
3/4" Vintage Plastic												239	474			136	
1" Vintage Plastic										31	275	353	301			30	
1-1/4" Vintage Plastic																	
2" Vintage Plastic										600	1690	33046	29919	10100			
3" Vintage Plastic												3910	4083				
4" Vintage Plastic												9241	4629	5598			
London Total	-	-	-	-	-	-	-	-	-	631	1,965	46,789	39,406	15,999	-	-	-
Williamsburg																	
1" Bare Steel											25						
2" Bare Steel																	
6" Coated Steel (Exposed or Shallow Depth)																	
Williamsburg Total	-	-	-	-	-	-	-	-	-	-	25	-	-	-	-	-	-
Barbourville																	
1" Bare Steel																	
3/4" Unprotected Coated Steel																	
1" Unprotected Coated Steel																	
3/4" Aldyl-A																	
2" Aldyl-A																	
Barbourville Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middlesboro																	
3/4" Bare Steel																	
1" Bare Steel																	
2" Bare Steel											84	35		206	602		
4" Bare Steel																	
6" Bare Steel																	
1" Unprotected Coated Steel																	
2" Unprotected Coated Steel																	
4" Unprotected Coated Steel																	
6" Coated Steel (Exposed)																	
Middlesboro Total	-	-	-	-	-	-	-	-	-	-	84	35	-	206	602	-	-

Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced

District Location	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Corbin																	
3/4" Bare Steel																	
1" Bare Steel															60		
1-1/4" Bare Steel																	
2" Bare Steel															93		
3" Bare Steel																	
4" Bare Steel																	
1-1/4" Unprotected Coated Steel																	
2" Unprotected Coated Steel																	
4" Unprotected Coated Steel																	
6" Unprotected Coated Steel																	
8" Unprotected Coated Steel																	
3/4" Aldyl-A				130									952				
1" Aldyl-A													130				
1-1/4" Aldyl-A													715				
2" Aldyl-A				814	10								13190				
4" Aldyl-A													314				
Corbin Total	-	-	-	944	10	-	-	-	-	-	-	-	15,301	-	153	-	-
Manchester																	
2" Steel																	
1" Bare Steel																	
1-1/4" Bare Steel																	
3" Bare Steel																	
1-1/4" Unprotected Coated Steel																	
4" Unprotected Coated Steel																	
3/4" Aldyl-A													280				
1" Aldyl-A																	
2" Aldyl-A													150				
4" Aldyl-A													770				
Manchester Total	-	-	-	-	-	-	-	-	-	-	-	-	1,200	-	-	-	-
Transmission																	
1" Bare Steel																7	
2" Bare Steel																	
3" Bare Steel																	
6" Bare Steel						912											
Transmission Total	-	-	-	-	-	912	-	-	-	-	-	-	-	-	7	-	-
Delta Total System																	
Steel	-	-	-	-	-	-	-	-	459	-	32	-	-	-	-	-	-
Bare Steel	-	-	-	-	-	912	-	-	-	-	109	35	-	210	762	-	-
Unprotected Coated Steel	53	565	54	-	-	-	-	-	115	-	60	-	-	-	-	-	-
Coated Steel (Exposed or Shallow Depth)																	
Aldyl-A / Vintage Plastic	53,517	34,091	39,284	31,651	23,514	22,877	6,327	12,763	17,995	27,392	32,352	76,829	77,058	15,999	-	-	-
Total PRP Eligible Footage	53,570	34,656	39,338	31,651	23,514	23,789	6,327	12,763	18,569	27,392	32,553	76,864	77,058	16,209	762	-	-

Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced

District Location	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Owingsville																	
1" Bare Steel																	
2" Bare Steel																	
4" Bare Steel																	
1" Unprotected Coated Steel																	
2" Unprotected Coated Steel																	
4" Unprotected Coated Steel																	
1/2" Aldyl-A																	
3/4" Aldyl-A																	
1" Aldyl-A																	
1-1/4" Aldyl-A																	
1-1/2" Aldyl-A																	
2" Aldyl-A																	
3" Aldyl-A																	
Owingsville Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Berea																	
1" Unprotected Coated Steel																	
2" Unprotected Coated Steel																	
3/4" Aldyl-A																	
1" Aldyl-A																	
1-1/4" Aldyl-A																	
2" Aldyl-A																	
4" Aldyl-A																	
Berea Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Nicholasville																	
1" Steel																	
2" Steel																	
3/4" Aldyl-A																	
1" Aldyl-A																	
1-1/4" Aldyl-A																	
2" Aldyl-A																	
Nicholasville Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Stanton																	
1" Unprotected Coated Steel																	
2" Unprotected Coated Steel																	
3" Unprotected Coated Steel																	
3/4" Aldyl-A																	
1" Aldyl-A																	
1-1/4" Aldyl-A																	
2" Aldyl-A																	
3" Aldyl-A																	
Stanton Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced

District Location	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
London																	
1" Bare Steel		189															
1" Unprotected Coated Steel																	
3" Unprotected Coated Steel																	
4" Unprotected Coated Steel																	
8" Unprotected Coated Steel																	
1/2" Vintage Plastic																	
3/4" Vintage Plastic																	
1" Vintage Plastic																	
1-1/4" Vintage Plastic																	
2" Vintage Plastic																	
3" Vintage Plastic																	
4" Vintage Plastic																	
London Total	-	189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Williamsburg																	
1" Bare Steel																	
2" Bare Steel																	
6" Coated Steel (Exposed or Shallow Depth)																	
Williamsburg Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Barbourville																	
1" Bare Steel																	
3/4" Unprotected Coated Steel																	
1" Unprotected Coated Steel																	
3/4" Aldyl-A																	
2" Aldyl-A																	
Barbourville Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Middlesboro																	
3/4" Bare Steel																	
1" Bare Steel											45						
2" Bare Steel																	
4" Bare Steel																	
6" Bare Steel																	
1" Unprotected Coated Steel																	
2" Unprotected Coated Steel									7								
4" Unprotected Coated Steel							95										
6" Coated Steel (Exposed)																	
Middlesboro Total	-	-	-	-	-	95	-	-	7	-	-	45	-	-	-	-	-

Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced

District Location	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Corbin																	
3/4" Bare Steel																	
1" Bare Steel																	
1-1/4" Bare Steel																	
2" Bare Steel																	
3" Bare Steel																	
4" Bare Steel																	
1-1/4" Unprotected Coated Steel																	
2" Unprotected Coated Steel																	
4" Unprotected Coated Steel			182														
6" Unprotected Coated Steel																	
8" Unprotected Coated Steel																	
3/4" Aldyl-A																	
1" Aldyl-A																	
1-1/4" Aldyl-A																	
2" Aldyl-A																	
4" Aldyl-A																	
Corbin Total	-	-	182	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Manchester																	
2" Steel																	
1" Bare Steel																	
1-1/4" Bare Steel																	
3" Bare Steel																	
1-1/4" Unprotected Coated Steel																	
4" Unprotected Coated Steel																	
3/4" Aldyl-A																	
1" Aldyl-A																	
2" Aldyl-A																	
4" Aldyl-A																	
Manchester Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission																	
1" Bare Steel	72	234		176	21	16	106		55								
2" Bare Steel			150														
3" Bare Steel											214						
6" Bare Steel																	
Transmission Total	72	234	150	176	21	16	106	-	55	-	214	-	-	-	-	-	-
Delta Total System																	
Steel																	
Bare Steel	72	423	150	176	21	16	106	-	55	-	259	-	-	-	-	-	-
Unprotected Coated Steel			182		95			7									
Coated Steel (Exposed or Shallow Depth)																	
Aldyl-A / Vintage Plastic																	
Total PRP Eligible Footage	72	423	332	176	116	16	106	7	55	-	259	-	-	-	-	-	-

**Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced**

District Location	2004	2005	2006	2007	2008	2009
Owingsville						
1" Bare Steel						
2" Bare Steel						
4" Bare Steel						
1" Unprotected Coated Steel						
2" Unprotected Coated Steel						
4" Unprotected Coated Steel						
1/2" Aaldyl-A						
3/4" Aaldyl-A						
1" Aaldyl-A						
1-1/4" Aaldyl-A						
1-1/2" Aaldyl-A						
2" Aaldyl-A						
3" Aaldyl-A						
Owingsville Total	-	-	-	-	-	-
Berea						
1" Unprotected Coated Steel						
2" Unprotected Coated Steel						
3/4" Aaldyl-A						
1" Aaldyl-A						
1-1/4" Aaldyl-A						
2" Aaldyl-A						
4" Aaldyl-A						
Berea Total	-	-	-	-	-	-
Nicholasville						
1" Steel						
2" Steel						
3/4" Aaldyl-A						
1" Aaldyl-A						
1-1/4" Aaldyl-A						
2" Aaldyl-A						
Nicholasville Total	-	-	-	-	-	-
Stanton						
1" Unprotected Coated Steel						
2" Unprotected Coated Steel						
3" Unprotected Coated Steel	162					
3/4" Aaldyl-A						
1" Aaldyl-A						
1-1/4" Aaldyl-A						
2" Aaldyl-A						
3" Aaldyl-A						
Stanton Total	162	-	-	-	-	-

Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced

District Location	2004	2005	2006	2007	2008	2009
London						
1" Bare Steel						
1" Unprotected Coated Steel						
3" Unprotected Coated Steel						
4" Unprotected Coated Steel						
8" Unprotected Coated Steel						
1/2" Vintage Plastic						
3/4" Vintage Plastic						
1" Vintage Plastic						
1-1/4" Vintage Plastic						
2" Vintage Plastic						
3" Vintage Plastic						
4" Vintage Plastic						
London Total	-	-	-	-	-	-
Williamsburg						
1" Bare Steel						
2" Bare Steel						
6" Coated Steel (Exposed or Shallow Depth)						
Williamsburg Total	-	-	-	-	-	-
Barbourville						
1" Bare Steel						
3/4" Unprotected Coated Steel						
1" Unprotected Coated Steel						
3/4" Aldyl-A						
2" Aldyl-A						
Barbourville Total	-	-	-	-	-	-
Middlesboro						
3/4" Bare Steel						
1" Bare Steel						
2" Bare Steel						
4" Bare Steel						
6" Bare Steel						114
1" Unprotected Coated Steel						
2" Unprotected Coated Steel						
4" Unprotected Coated Steel						
6" Coated Steel (Exposed)						
Middlesboro Total	-	-	-	-	-	114

**Delta Natural Gas Company, Inc.
Pipe Remaining to be Replaced**

District Location	2004	2005	2006	2007	2008	2009
Corbin						
3/4" Bare Steel						
1" Bare Steel						
1-1/4" Bare Steel						
2" Bare Steel						
3" Bare Steel						
4" Bare Steel						
1-1/4" Unprotected Coated Steel						
2" Unprotected Coated Steel						
4" Unprotected Coated Steel						
6" Unprotected Coated Steel						
8" Unprotected Coated Steel						
3/4" Aldyl-A						
1" Aldyl-A						
1-1/4" Aldyl-A						
2" Aldyl-A						
4" Aldyl-A						
Corbin Total	-	-	-	-	-	-
Manchester						
2" Steel						
1" Bare Steel						
1-1/4" Bare Steel		71				
3" Bare Steel						
1-1/4" Unprotected Coated Steel						
4" Unprotected Coated Steel						
3/4" Aldyl-A						
1" Aldyl-A						
2" Aldyl-A						
4" Aldyl-A						
Manchester Total	-	71	-	-	-	-
Transmission						
1" Bare Steel						
2" Bare Steel						
3" Bare Steel						
6" Bare Steel						
Transmission Total	-	-	-	-	-	-
Delta Total System						
Steel	-	-	-	-	-	-
Bare Steel	-	71	-	-	-	114
Unprotected Coated Steel	162	-	-	-	-	-
Coated Steel (Exposed or Shallow Depth)	-	-	-	-	-	-
Aldyl-A / Vintage Plastic	-	-	-	-	-	-
Total PRP Eligible Footage	162	71	-	-	-	114

Delta Natural Gas Company, Inc.
Estimated Remaining PRP Costs Per Year

Schedule VII

	Estimate Range		
	Low	High	
Main replacements & retirements (unprotected & Aldyl A)	\$ 3,916,000	\$ 9,998,000	{1}
Main & service relocations	382,000	1,527,000	{2}
Service line removals	124,000	287,000	{4}
Service line replacements	210,000	595,000	{5}
	4,632,000	12,407,000	

{1} The average cost per foot, net of relocations, has been \$54.86, but has been as high \$95.38 per foot. Delta used these prices in estimating the high and low estimates, escalated annually for inflation.

{2} Performed as needed. Mandatory relocations have averaged \$382,000 per year with a range of \$32,000 - \$1,527,000 per year.

{4} Delta has spent an average of \$287,000 per year over the last five years removing services that have been inactive for five years or longer. There are 3,600 inactive services remaining in Delta's system.

{5} Delta has approximately 9,900 bare steel and Aldyl-A services. Since the PRP inception, Delta has averaged 250 service line replacements per year and will need to average 710 per year over the remaining life of the PRP to replace the remaining services. The average cost to replace a service has been \$838. Delta estimates an average cost of \$210,000-595,000 per year.

Delta Natural Gas Company, Inc.
Estimated Future PRP Surcharges

Schedule VIII

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
PRP Adjustment		4,194,202	5,035,754	5,853,786	6,648,342	7,419,547	8,167,246	8,891,582	9,592,414	10,269,741	10,923,690	11,554,350	12,161,598	12,746,443	13,308,344	
Class Allocation																
Residential	54.3%	2,278,398	2,735,551	3,179,927	3,611,550	4,030,488	4,436,657	4,830,135	5,210,845	5,578,787	5,934,028	6,276,619	6,606,492	6,924,195	7,229,434	
Small Non-Residential	14.6%	612,529	735,431	854,898	970,936	1,083,564	1,192,760	1,298,543	1,400,894	1,499,812	1,595,316	1,687,418	1,776,102	1,861,514	1,943,575	
Large Non-Residential	25.6%	1,075,512	1,291,310	1,501,077	1,704,824	1,902,582	2,094,314	2,280,054	2,459,767	2,633,453	2,801,144	2,962,863	3,118,579	3,268,550	3,412,637	
Interruptible	5.4%	227,763	273,462	317,885	361,033	402,912	443,515	482,850	520,908	557,690	593,202	627,449	660,425	692,185	722,699	
Number of Customers																
Residential	358,653	358,653	358,653	358,653	358,653	358,653	358,653	358,653	358,653	358,653	358,653	358,653	358,653	358,653	358,653	
Small Non-Residential	50,374	50,374	50,374	50,374	50,374	50,374	50,374	50,374	50,374	50,374	50,374	50,374	50,374	50,374	50,374	
Large Non-Residential	12,084	12,084	12,084	12,084	12,084	12,084	12,084	12,084	12,084	12,084	12,084	12,084	12,084	12,084	12,084	
Interruptible	333	333	333	333	333	333	333	333	333	333	333	333	333	333	333	
Monthly PRP Rate																
		<u>Currently</u>														
		<u>Effective</u>	<u>Proposed</u>													
Residential	\$4.16	\$5.10	\$ 6.35	\$ 7.63	\$ 8.87	\$ 10.07	\$ 11.24	\$ 12.37	\$ 13.47	\$ 14.53	\$ 15.55	\$ 16.55	\$ 17.50	\$ 18.42	\$ 19.31	\$ 20.16
Small Non-Residential	7.98	9.77	12.16	14.60	16.97	19.27	21.51	23.68	25.78	27.81	29.77	31.67	33.50	35.26	36.95	38.58
Large Non-Residential	58.88	71.52	89.00	106.86	124.22	141.08	157.45	173.31	188.68	203.56	217.93	231.81	245.19	258.08	270.49	282.41
Interruptible	434.84	549.64	683.97	821.21	954.61	1,084.18	1,209.95	1,331.88	1,450.00	1,564.29	1,674.74	1,781.39	1,884.23	1,983.26	2,078.63	2,170.27

<u>DISTRICT</u>	<u>PIPE SIZE AND TYPE TO BE REPLACED</u>	<u>ESTIMATED FOOTAGE</u>	<u>ESTIMATE RANGE</u>		{1}
			<u>Low</u>	<u>High</u>	
Owingsville	4" Unprotected Coated	360	\$ 19,750	\$ 34,337	
Owingsville	2" Unprotected Coated	500	\$ 27,430	\$ 47,690	
Owingsville	2" Bare Steel	325	\$ 17,830	\$ 30,999	
Owingsville	2" Aldyl-A	8,936	\$ 490,229	\$ 852,316	
Owingsville	3/4" Aldyl-A	489	\$ 26,827	\$ 46,641	
		<u>10,610</u>	<u>582,065</u>	<u>1,011,982</u>	
Berea	2" Aldyl-A	7,500	\$ 411,450	\$ 715,350	
Berea	3/4" Aldyl-A	2,920	\$ 160,191	\$ 278,510	
		<u>10,420</u>	<u>571,641</u>	<u>993,860</u>	
Nicholasville	2" Aldyl-A	7,500	\$ 411,450	\$ 715,350	
Nicholasville	2" Plastic	351	\$ 19,256	\$ 33,478	{2}
Nicholasville	1" Bare Steel	281	\$ 15,416	\$ 26,802	
Nicholasville	1" Aldyl-A	117	\$ 6,419	\$ 11,159	
Nicholasville	1" Plastic	23	\$ 1,262	\$ 2,194	{2}
Nicholasville	3/4" Aldyl-A	3,353	\$ 183,946	\$ 319,809	
		<u>11,625</u>	<u>\$ 637,748</u>	<u>\$ 1,108,793</u>	
Stanton	4" Coated Steel	1,294	\$ 70,989	\$ 123,422	{2}
Stanton	3" Coated Steel	207	\$ 11,356	\$ 19,744	{2}
Stanton	2" Coated Steel	1,112	\$ 61,004	\$ 106,063	{2}
Stanton	2" Aldyl-A	4,963	\$ 272,270	\$ 473,371	
Stanton	2" Plastic	6,176	\$ 338,815	\$ 589,067	{2}
Stanton	2" Bare Steel	400	\$ 21,944	\$ 38,152	
Stanton	1" Aldyl-A	550	\$ 30,173	\$ 52,459	
Stanton	1" Coated Steel	33	\$ 1,810	\$ 3,148	{2}
Stanton	1" Plastic	380	\$ 20,847	\$ 36,244	{2}
Stanton	3/4" Plastic	1,410	\$ 77,353	\$ 134,486	{2}
		<u>16,525</u>	<u>\$ 906,562</u>	<u>\$ 1,576,155</u>	
London	8" Unprotected Coated	4,013	\$ 220,153	\$ 382,760	
London	4" Unprotected Coated	710	\$ 38,951	\$ 67,720	
London	1" Unprotected Coated	45	\$ 2,469	\$ 4,292	
London	1" Bare Steel	189	\$ 10,369	\$ 18,027	
		<u>4,957</u>	<u>\$ 271,941</u>	<u>\$ 472,799</u>	
Williamsburg	2" Bare Steel	3,916	\$ 214,832	\$ 373,508	
Williamsburg	2" Unprotected Coated	99	\$ 5,431	\$ 9,443	
Williamsburg	1" Bare Steel	268	\$ 14,702	\$ 25,562	
		<u>4,283</u>	<u>\$ 234,965</u>	<u>\$ 408,513</u>	

<u>DISTRICT</u>	<u>PIPE SIZE AND TYPE TO BE REPLACED</u>	<u>ESTIMATED FOOTAGE</u>	<u>ESTIMATE RANGE</u>		{1}
			<u>Low</u>	<u>High</u>	
Middlesboro	6" Bare Steel	1,000	\$ 54,860	\$ 95,380	
Middlesboro	6" Coated Steel (Exposed)	4,700	\$ 257,842	\$ 448,286	
Middlesboro	4" Bare Steel	500	\$ 27,430	\$ 47,690	
Middlesboro	2" Bare Steel	2,000	\$ 109,720	\$ 190,760	
Middlesboro	2" Unprotected Coated	1,000	\$ 54,860	\$ 95,380	
Middlesboro	2" Aldyl-A	500	\$ 27,430	\$ 47,690	
Middlesboro	1" Bare Steel	1,000	\$ 54,860	\$ 95,380	
Middlesboro	3/4" Bare Steel	44	\$ 2,414	\$ 4,197	
		<u>10,744</u>	<u>\$ 589,416</u>	<u>\$ 1,024,763</u>	
Corbin	8" Coated Steel	997	\$ 54,695	\$ 95,094	{2}
Corbin	6" Coated Steel	30	\$ 1,646	\$ 2,861	{2}
Corbin	4" Coated Steel	480	\$ 26,333	\$ 45,782	{2}
Corbin	4" Plastic	1,871	\$ 102,643	\$ 178,456	{2}
Corbin	4" Aldyl-A	427	\$ 23,425	\$ 40,727	
Corbin	3" Bare Steel	231	\$ 12,673	\$ 22,033	
Corbin	2" Coated Steel	175	\$ 9,601	\$ 16,692	{2}
Corbin	2" Unprotected Coated	313	\$ 17,171	\$ 29,854	
Corbin	2" Plastic	4,145	\$ 227,395	\$ 395,350	{2}
Corbin	2" Aldyl-A	1,294	\$ 70,989	\$ 123,422	
Corbin	1-1/4" Unprotected Coated	402	\$ 22,054	\$ 38,343	
Corbin	1-1/4" Bare Steel	1,136	\$ 62,321	\$ 108,352	
Corbin	1" Bare Steel	68	\$ 3,730	\$ 6,486	
Corbin	1" Plastic	767	\$ 42,078	\$ 73,156	{2}
Corbin	3/4" Unprotected Coated	200	\$ 10,972	\$ 19,076	
Corbin	3/4" Plastic	343	\$ 18,817	\$ 32,715	{2}
Corbin	3/4" Bare Steel	284	\$ 15,580	\$ 27,088	
Corbin	3/4" Aldyl-A	40	\$ 2,194	\$ 3,815	
		<u>13,203</u>	<u>\$ 724,317</u>	<u>\$ 1,259,302</u>	
Manchester	8" Coated Steel	1,010	\$ 55,409	\$ 96,334	{2}
Manchester	2" Aldyl-A	2,456	\$ 134,736	\$ 234,253	
Manchester	2" Unprotected Coated	100	\$ 5,486	\$ 9,538	
Manchester	2" Plastic	456	\$ 25,016	\$ 43,493	
		<u>3,012</u>	<u>\$ 165,238</u>	<u>\$ 287,285</u>	
	Total 2020 PRP Estimate	<u>85,379</u>	<u>\$ 4,683,892</u>	<u>\$ 8,143,449</u>	

{1} To calculate the estimate range, Delta utilized the average and highest cost per foot experienced under the PRP, net of relocations, of \$54.86 and 95.38.

{2} This pipe is being replaced due to a KYTC Roadway Project.

**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		\$ 0.41689		\$ 0.84874 /Ccf

- * 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 subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of .00996/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 subject to a Pipe Replacement Program charge of \$5.10, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff. (I)

Residential rates are also subject to a Tax Cuts and Jobs Act Surcredit. Pursuant to the December 21, 2018 Order in Case No. 2018-00040, the surcredit is (\$3.83), subject to future change.

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

**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

	Base Rate	+	Gas Cost Recovery Rate (GCR) **	=	Total Rate
Customer Charge *	\$ 31.20000				\$ 31.20000
All Ccf ***	\$ 0.43185		\$ 0.41689		\$ 0.84874 /Ccf

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 subject to a Pipe Replacement Program charge of \$9.77 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff. (I)

Small Non-Residential rates are also subject to a Tax Cuts and Jobs Act Surcredit. Pursuant to the December 21, 2018 Order in Case No. 2018-00040, the surcredit is (\$7.29), subject to future change.

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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 <u>(GCR) **</u>	=	<u>Total Rate</u>
Customer Charge	\$ 131.00000				\$ 131.00000
1 - 2,000 Ccf	\$ 0.43185		\$ 0.41689		\$ 0.84874 /Ccf
2,001 - 10,000 Ccf	\$ 0.26696		\$ 0.41689		\$ 0.68385 /Ccf
10,001 - 50,000 Ccf	\$ 0.18735		\$ 0.41689		\$ 0.60424 /Ccf
50,001 - 100,000 Ccf	\$ 0.14735		\$ 0.41689		\$ 0.56424 /Ccf
Over 100,000 Ccf	\$ 0.12735		\$ 0.41689		\$ 0.54424 /Ccf

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 subject to a Pipe Replacement Program charge of \$71.52, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff. (1)

Large Non-Residential rates are also subject to a Tax Cuts and Jobs Act Surcredit. Pursuant to the December 21, 2018 Order in Case No. 2018-00040, the surcredit is (\$54.58), subject to future change.

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**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

	Base Rate	+	Gas Cost Recovery Rate (GCR) **	=	Total Rate
Customer Charge	\$ 250.00000				\$ 250.00000
1 - 10,000 Ccf	\$ 0.16000		\$ 0.41689		\$ 0.57689 /Ccf
10,001 - 50,000 Ccf	\$ 0.12000		\$ 0.41689		\$ 0.53689 /Ccf
50,001 - 100,000 Ccf	\$ 0.08000		\$ 0.41689		\$ 0.49689 /Ccf
Over 100,000 Ccf	\$ 0.06000		\$ 0.41689		\$ 0.47689 /Ccf

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 \$549.64, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff. (l)

** 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.

Interruptible rates are also subject to a Tax Cuts and Jobs Act Surcredit. Pursuant to the December 21, 2018 Order in Case No. 2018-00040, the surcredit is (\$370.49), subject to future change.

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