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PSC Accepts Settlement Agreement in Delta Gas Rate Case

FRANKFORT, Ky. (July 1, 2025) – Today, the Kentucky Public Service Commission (PSC) accepted a settlement in Case No. 2024-00346 between Delta Natural Gas company (Delta) and the Kentucky Attorney General's Office of Rate Intervention. Delta's original application asked to adjust its tariffed rates to generate an additional \$10,909,513 in revenues to recover capital investments that Delta says are necessary to continue to provide safe and reliable natural gas service to its customers. The proposal would have resulted in an approximate 19.02% increase in Delta's revenue and increased the average residential monthly bill by \$15.76. Under the terms of the settlement, the average residential monthly bill will increase by \$13.5% or \$11.21 on the average residential bill.

In the settlement, Delta's overall base rate revenue requirement was adjusted to \$7,744,071. The PSC also accepted increases to Delta's Collection and Reconnection charges which raises those fees to \$20 and \$60. The parties have agreed that increases in annual revenues for Delta should be effective for service rendered on and after July 1, 2025. Also, a return on equity (ROE) of 9.75 percent was established for Delta's base rates, and a 9.65 percent ROE for Delta's Pipe Replacement Program operations. The customer charge for residential service shall increase by \$5.95 from \$24.00 to \$29.95. The approved rate schedule is as follows (cost per Mcf): Residential - \$13.62; Small Non-



Residential - \$12.83; and Large Non-Residential - \$14.01 (for the first 200 Mcf, then declining rate thereafter).

Finally, as part of the Joint Settlement, Delta agreed to not file an application to adjust base rates prior to June 1, 2028.

Today's order, a video of the hearing, and other records in the case are available on the PSC website, psc.ky.gov. The case number is 2024-00346.

Delta Natural Gas, headquartered in Winchester, Kentucky, is a regulated public utility that distributes, transports, and gathers natural gas. It serves approximately 36,000 retail customers in central and southeastern Kentucky through 2,600 miles of pipeline. Delta also provides transportation services to industrial customers and interconnected pipelines.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,100 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 90 employees.

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