

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF)
DELTA NATURAL GAS)
COMPANY)

CASE NO. 8256

ORDER

IT IS ORDERED that Delta Natural Gas Company shall file an original and five copies of the following information with the Commission, with a copy to all parties of record, by July 31, 1981. Each copy of the data requested should be placed in a bound volume with each item tabbed. Where a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Careful attention should be given to copied material to insure that it is legible. For an applicant operating exclusively in Kentucky, the terms total company and Kentucky have identical meanings. Therefore, such an applicant should only provide one set of figures where both terms are used.

The information requested herein should be supplied separately for Delta Natural Gas and its subsidiary, Laurel Valley Pipeline Company.

Staff Request No. 1

1. a. In comparative form, a total company income statement, a statement of changes in financial position and a balance sheet for the test year and the twelve-month period immediately preceding the test year.

- b. A detailed statement (show net income) for the applicant's Kentucky gas operation for the test year.
 2.
 - a. A calculation of total company average (thirteen month) and end-of-period debt, preference and preferred stock, and common equity capital for the test year in the format as shown in Format 2a to this request.
 - b. A calculation of the average (thirteen month) and end-of-period long-term debt composite interest and preferred stock costs for the twelve months of the test year. Supporting details underlying calculations should be provided. (The average long-term debt composite interest cost is calculated by dividing the sum of book interest accrued on long-term debt and related amortization of discount, premium, and issuance cost by average long-term debt as calculated in Format 2a, column c, line 15).
 3. List each general office account (asset, reserve, and expense accounts) covering the twelve months of the test year. If any amounts were allocated, provide a calculation of the factor used to allocate each amount.
 4. The following monthly account balances and a calculation of the average (thirteen month) account balances for the test year for total

company and Kentucky:

- a. Plant in service (Account 101)
- b. Plant purchased or sold (Account 102)
- c. Property held for future use (Account 105)
- d. Construction work in progress (Account 107)
- e. Completed construction not classified (Account 106)
- f. Depreciation reserve (Account 108)
- g. Plant acquisition adjustment (Account 114)
- h. Amortization of utility plant acquisition adjustment
(Account 115)
- i. Materials and supplies (include all accounts and
subaccounts)
- j. Balance in accounts payable applicable to each
account in i above. (If actual is indeterminable,
give reasonable estimate)
- k. Unamortized investment credit - Pre-Revenue Act of
1971.
- l. Unamortized investment credit - Revenue Act of 1971
- m. Accumulated deferred income taxes
- n. Computation and development of minimum cash requirements
- o. Balance in accounts payable applicable to amounts
included in utility plant in service (If actual is
indeterminable, give reasonable estimate)
- p. Balance in accounts payable applicable to amounts
included in plant under construction (If actual is
indeterminable, give reasonable estimate)
- q. Short-term borrowing
- r. Interest on short-term borrowings (expense)

5. Provide the following information for each item of gas property held for future use at the end of the test year:
 - a. Description of property
 - b. Location
 - c. Date purchased
 - d. Cost
 - e. Estimated date to be placed in service
 - f. Brief description of intended use
6. Schedules in comparative form showing by months for the test year and the year preceding the test year the total company balance in each gas plant and reserve account or subaccount included in the applicant's chart of accounts as shown in Format 6.
7. Provide the journal entries relating to the purchase of utility plant acquired as an operating unit or system by purchase, merger, consolidation, liquidation, or otherwise since the end of the test period in the last rate case. Also, a schedule showing the calculation of the acquisition adjustment at the date of purchase of each item of gas plant, the amortization period, and the unamortized balance at the end of the test year.
8. The detailed workpapers showing calculations supporting all accounting, pro forma, end-of-period, and proposed rate adjustments in the rate application to revenue, expense, investment and reserve accounts for the test year and a complete detailed narrative explanation of

each adjustment including the reason why each adjustment is required. Explain all components used in each calculation. Index each calculation to the accounting, pro forma, end-of-period, and proposed rate adjustment which it supports.

9. A schedule showing a comparison by month the total company and Kentucky revenue accounts for each month of the test year to the same month of the preceding year for each revenue account or subaccount included in the applicant's chart of accounts. Include appropriate footnotes to show the month each rate increase was granted and the month the full increase was recorded in the accounts. See Format 6.
10.
 - a. A schedule showing a comparison of the balance in the total company and Kentucky operating expense accounts for each month of the test year to the same month of the preceding year for each account or subaccount included in the applicant's chart of accounts. See Format 6.
 - b. A schedule in comparative form showing the total company and Kentucky operating expense account balance for the test year and each of the five years preceding the test year for each account or subaccounts included in the applicant's annual report. (FERC Form No. 2, Pages 320 - 325). Show the percentage of increase of each year over the prior year.

c. A schedule of total company salaries and wages for the test year and each of the five calendar years preceding the test year in the format as shown in Format 10c to this request.

11. The following tax data for the test year for total company and Kentucky:

a. Income taxes:

- (1) Federal operating income taxes deferred - accelerated tax depreciation
- (2) Federal operating income taxes deferred - other (explain)
- (3) Federal income taxes - operating
- (4) Income credits resulting from prior deferrals of Federal income taxes
- (5) Investment tax credit net
 - (i) Investment credit realized
 - (ii) Investment credit amortized - Pre-Revenue Act of 1971
 - (iii) Investment credit amortized - Revenue Act of 1971
- (6) Provide the information in (1) through (4) for state income taxes
- (7) Reconciliation of book to taxable income as shown in Format 11a (7) and a calculation of the book federal and state income tax expense for the test year using book taxable income as the starting point

- (8) A copy of federal and state income tax returns for the taxable year ended during the test year including supporting schedules (three copies required)
- b. An analysis of Kentucky other operating taxes in the format as shown in Format 11b to this request.
12. A schedule of total company net income per MCF sold per company books for the test year and the five years preceding the test year. This data should be provided in the format as shown in Format 12 to this request.
13. The comparative operating statistics in Format 13 to this request.
14. A schedule of total company average gas plant in service per MCF sold by account per company books for the test year and the five calendar years preceding the test year. This data should be provided in the format as shown in Format 14 to this request.
15. A statement of gas plant in service per company books for the test year. This data should be presented in the format as shown in Format 15 to this request.
16. a. A detailed analysis of all charges booked during the test period for advertising expenditures. This analysis should include a complete breakdown of Account 913 - Advertising Expenses, as shown in Format 16a attached and further should show any other advertising expenditures included in any other expense accounts. The analysis should be

specific as to the purpose of the expenditure and the expected benefit to be derived.

- b. An analysis of Account 930 - Miscellaneous General Expenses, for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 16b and further provide all detailed working papers supporting this analysis. As a minimum, the work papers should show the date, vendor, reference (i.e. voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 16b attached.
- c. An analysis of Account 426 - Other Income Deductions for the test period. This analysis should show a complete breakdown of this account as shown in attached Format 16c, and further provide all detailed working papers supporting this analysis. As a minimum the work papers should show the date, vendor, reference (i.e., voucher no., etc.), dollar amount and brief description of each expenditure. Detailed analysis is not required for amounts of less than \$500 provided the items are grouped by classes as shown in Format 16c attached.
17. A detailed analysis of contributions for charitable and political purposes (in cash or services), if any, recorded in accounts other than Account 426. This

analysis should indicate the amount of the expenditure, the recipient of the contribution and the specific account charged.

18. A statement describing the applicant's lobbying activities and a schedule showing the name of the individual, his salary, and all company-paid or reimbursed expenses or allowances and the account charged for all personnel for whom a principal function is that of lobbying, whether it be lobbying on the local, state, or national level.
19. A schedule showing for the test year and the year preceding the test year with each year shown separately the following information regarding the applicant's investments in subsidiaries and joint ventures:
 - a. Name of subsidiary or joint venture
 - b. Date of initial investment
 - c. Amount and type of investment made for each of the two years included in this schedule.
 - d. Balance sheet and income statement for the test year and the year preceding the test year. Where only internal statements are prepared, furnish copies of these.
 - e. Show on separate schedule all dividends or income of any type received by applicant from its subsidiaries or joint ventures for each of the two years and indicate how this income is reflected

in the reports filed with the Commission and the stockholder reports.

- f. Name of officers of each of the subsidiaries or joint ventures, officers' annual compensation, and portion of compensation charged to the subsidiary or joint venture. Also, indicate the position each officer holds with the applicant and the compensation received from the applicant.
20. Provide a detailed analysis of the retained earnings account for the test period and 12-month period immediately preceding the test period.
 21. Provide the following with regard to uncollectible accounts for the test year and five preceding calendar years (taxable year acceptable) for total company:
 - a. Reserve account balance at the beginning of the year
 - b. Charges to reserve account (accounts charged off)
 - c. Credits to reserve account
 - d. Current year provision
 - e. Reserve account balance at the end of the year
 - f. Percent of provision to total revenue
 22. A listing of nonutility property and property taxes and account where amounts are recorded.
 23. Rates of return in Format 23 to this request.
 24. Employee data in Format 24 to this request.
 25. A calculation of the rate or rates used to capitalize interest during construction for the test year and the three preceding calendar years. Provide a narrative

explanation of each component entering into the calculation of this rate.

26. The information as soon as it is known, which would have a material effect on net operating income, rate base, and cost of capital which occurred after the test year and was not incorporated in the filed testimony and exhibits.
27. A detailed monthly income statement for each month after the test period including the month in which the hearing ends, as they become available.
28.
 - a. Capital structure at the end of each calendar year for the previous ten years
 - b. Capital structure at end of the test period
 - (1) Class of capital
 - (2) Amount of each class (\$)
 - (3) Ratio of each class to total (%)
 - (4) Total capitalization (\$)
 - c. Capital structure at end of latest available quarter
 - d. Item 28.a, 28.b, and 28.c should include the following information:
 - (1) Class of capital
 - (2) Amount of each class (\$)
 - (3) Ratio of each class to total (%)
 - (4) Total capitalization (\$)
29.
 - a. List all outstanding issues of long-term debt as end of the latest calendar year and at the end of the test period. This list should include the following

information for each outstanding issue of long-term debt:

- (1) Date of maturity
- (2) Date of issue
- (3) Amount outstanding (\$)
- (4) Coupon interest rate (%)
- (5) Cost rate at issue (%)
- (6) Cost rate to maturity (%)
- (7) Bond rating at time of issue (Moody's, Standard & Poor's, etc.)
- (8) Type of obligation

b. Provide calculations of embedded cost of long-term debt at the end of each calendar year for the previous ten years. Also provide this calculation for the end of the test period.

30. a. List all outstanding issues of preferred stock as of end of the latest calendar year and at the end of the test period. This list should include the following information for each outstanding issue of preferred stock:

- (1) Date of issue
- (2) Amount sold (\$)
- (3) Amount outstanding (\$)
- (4) Dividend rate
- (5) Convertibility features if any
- (6) Cost rate at issue (%)

b. Provide calculations of embedded cost calculations of preferred stock at the end of each of the previous ten

years. Also, provide this calculation for the end of the test period.

31. a. Provide a listing of all issues of common stock in the primary market during the most recent ten-year period. On this list, provide the following information:

- (1) Date of issue
- (2) Number of shares issued
- (3) Date of announcement and registration
- (4) Price per share (net to company) (\$)
- (5) Book value per share at time of issue (\$)
- (6) Selling expenses as % of gross issue amount
- (7) Net proceeds to company
- (8) Price per above to the public

c. Provide the following information on a quarterly and yearly basis for the most recent ten-year period available, through the latest available quarter. (Item 5 and (6) refer to yearly figures only.)

- (1) Average number of shares of common outstanding
- (2) Book value at end of quarter (year)
- (3) Quarterly (yearly) earnings per share
- (4) Declared quarterly (yearly) dividend rate per share
- (5) Rate of return on average common equity
- (6) Rate of return on year-end common equity

d. Provide monthly market price figures for common stock for each month during the most recent ten-year period. Include the following:

- (1) Monthly high price

- (2) Monthly low price
 - (3) Monthly closing price
 - (4) Note all stock splits by date and type
32. a. Provide figures showing computation of fixed charge coverage ratio (SEC Method, PRETAX, including Short Term Debt payments) at the end of each of the ten most prior years.
33. A listing of present or proposed research efforts dealing with the pricing of gas and the current status of each efforts.

Done at Frankfort, Kentucky, this 9th day of July, 1981.

PUBLIC SERVICE COMMISSION

Marlin M. Vohs
Chairman

ATTEST:

Secretary

Delta Natural Gas Company
Commonwealth of Kentucky

Case No. 8256

Format 2a

CALCULATION OF AVERAGE AND END-OF-PERIOD CAPITAL

12 Months Ended March 31, 1981

Line No.	<u>Item</u> (a)	<u>Total Capital</u> (b)	<u>Long-Term Debt</u> (c)	<u>Preferred Stock</u> (d)	<u>Common Stock</u> (e)	<u>Capital</u> (f)	<u>Retained Earnings</u> (g)	<u>Total Company Equity</u> (h)
1.	Balance beginning of test year							
2.	1st Month							
3.	2nd Month							
4.	3rd Month							
5.	4th Month							
6.	5th Month							
7.	6th Month							
8.	7th Month							
9.	8th Month							
10.	9th Month							
11.	10th Month							
12.	11th Month							
13.	12th Month							
14.	Total (L1 through L13)							
15.	Average balance (L14 + L13)							
16.	Average capitalization ratios							
17.	End-of-period capitalization ratios							

If applicable, provide an additional schedule in the above format excluding common equity in subsidiaries from the total company capital structure. Show the amount of common equity excluded.

Line No.	Item (a)	12 Months Ended					Test Year (l)
		Calendar Years Prior to Test Year					
		5th	4th	3rd	2nd	1st	
		Amount (b)	Amount (d)	Amount (f)	Amount (h)	Amount (j)	Amount (l)
		% (c)	% (e)	% (g)	% (i)	% (k)	% (m)

9. Administrative and general expenses (continued):

- (g) Employee pensions and benefits
- (h) Franchise requirements
- (l) Regulatory commission expenses
- (j) Duplicate charges-cr. Miscellaneous general expense
- (k) Miscellaneous general expense
- (l) Rents
- (m) Maintenance of general plant

- 0. Total administrative and general expenses L9(a) through L9(m)
- 1. Total salaries and wages charged expense (L2 through L8 + L10)
- 2. Wages capitalized
- 3. Total salaries and wages
- 4. Ratio of salaries and wages charged expense to total wages (L11 ÷ L13)
- 13. Total salaries and wages
- 14. Ratio of salaries and wages charged expense to total wages (L11 ÷ L13)
- 15. Ratio of salaries and wages capitalized to total wages (L12 ÷ L13)

NOTE: Show percent increase of each year over the prior year in Columns (c), (e), (g), (i), (k), and (m).

RECONCILIATION OF BOOK NET INCOME AND FEDERAL TAXABLE INCOME

Format 11a(7)
Schedule 1

12 Months Ended March 31, 1981

Line No.	Item (a)	Total		Operating	
		Company (b)	Non-operating (c)	Kentucky Retail (d)	Other Jurisdictions (e)
1.	Net income per books				
2.	Add income taxes:				
3.	A. Federal income tax - Current				
4.	B. Federal income tax deferred - Depreciation				
5.	C. Federal income tax deferred - Other				
6.	D. Investment tax credit adjustment				
7.	E. Federal income taxes charged to other income and deductions				
8.	F. State income taxes				
9.	G. State income taxes charged to other income and deductions				
10.	Total				
11.	Flow through items:				
12.	Add (itemize)				
13.	Deduct (itemize)				
14.	Book taxable income				
15.	Difference between book taxable income and taxable income per tax return:				
16.	Add (itemize)				
17.	Deduct (itemize)				
18.	Taxable income per return				

NOTE:

- (1) Provide a calculation of the amounts shown on lines 3 through 7 above.
- (2) Provide work papers showing the calculation of straight-line tax depreciation and accelerated tax depreciation and all other work papers in support of the calculation of Federal income tax expense.
- (3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

RECONCILIATION OF BOOK NET INCOME AND STATE TAXABLE INCOME
Case No. 8256

12 Months Ended March 31, 1981

Line No.	Item (a)	Total		Operating	
		Company (b)	Non-Operating (c)	Kentucky Retail	Other Jurisdictions
1.	Net Income per books				
2.	Add Income taxes:				
3.	A. Federal Income tax-Current				
4.	B. Federal Income tax deferred-Depreciation				
5.	C. Federal Income tax deferred-Other				
6.	D. Investment tax credit adjustment				
7.	E. Federal Income taxes charged to other income and deductions				
8.	F. State Income taxes				
9.	G. State Income taxes charged to other income and deductions				
10.	Total				
11.	Flow through items:				
12.	Add (itemize)				
13.	Deduct (itemize)				
14.	Book taxable income				
15.	Differences between book taxable income and taxable income per tax return:				
16.	Add (itemize)				
17.	Deduct (itemize)				
18.	Taxable income per return				

NOTE: (1) Provide a calculation of the amount shown on Lines through above.
 (2) Provide work papers showing the calculation of straight-line tax depreciation and accelerated tax depreciation and all other work papers in support of the calculation of Federal income tax expense.
 (3) Provide a schedule setting forth the basis of allocation of each item of revenue or cost allocated above.

Delta Natural Gas Company

Case No. 8256

ANALYSIS OF OTHER OPERATING TAXES

12 Months Ended March 31, 1981

(000's)

Line No.	Item (a)	Charged Expense (b)	Charged to Construction (c)	Charged to Other Accounts (d)	Amount Accrued (e)	Amount Paid (f)
1.	Kentucky Retail:					
	(a) State Income					
	(b) Franchise Fees					
	(c) Ad Valorem					
	(d) Payroll (Employers Portion)					
	(e) Other Taxes					
2.	Total Kentucky Retail (L1(a) through L1(e))					
3.	Other Jurisdictions					
	Total Per Books (L2 and L3)					

1/ Explain items in this column.

Delta Natural Gas Company
Commonwealth of Kentucky
Case No. 8256

NET INCOME PER MCF SOLD
(TOTAL COMPANY)

Line No.	Item (a)	12 Months Ended					Test Year (g)
		Calendar Years					
		Prior to Test Year					
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	
1.	<u>Operating Income</u>						
2.	Operating Revenues						
3.	<u>Operating Expense</u>						
4.	Operating Expenses						
5.	Maintenance Expenses						
6.	Depreciation Expense						
7.	Amortization and Depletion of Utility Plant						
8.	Amortization of Utility Plant Acquisition Adjustment						
9.	Amortization of Property Losses						
0.	Amortization of Conversion Expenses						
1.	Taxes Other Than Income Taxes						
2.	Income Taxes - Federal						
3.	Income Taxes - State						
4.	Income Taxes - Other						
5.	Provision for Deferred Income Taxes						
6.	Investment Tax Credit						
7.	Amortization of Investment Tax Credit						
8.	Total Operating Expenses						
9.	Net Operating Income						
0.	<u>Other Income - Net</u>						
1.	Mdse. Job and Contract Works						
2.	LP Gas Operating						
3.	Nonoperating Rental Income						
4.	Interest and Dividend Income						
5.	Allowance for Funds Used During Construction						
6.	Miscellaneous Nonoperating Income						
7.	Total Other Income						
8.	Total Income						
9.	Miscellaneous Income Deductions						
0.	Income Before Interest Charges						
1.	<u>Interest Charges</u>						
2.	Interest on Long-Term Debt						
3.	Amortization of Debt Discount and Expense						
4.	Amortization of Premium on Debt-Credit						
5.	Other Interest Expense						
6.	Total Interest Charges						
7.	Net Income						
8.	Net Sold						

Delta Natural Gas Company

Format 13

Commonwealth of Kentucky

Case No. 8256

For the Calendar Years through
and the 12-Month Period Ended March 31, 1981
(Total Company)

Line No.	Item (a)	12 Months Ended							
		Calendar Years Prior to Test Year					Test Year		
		5th	4th	3rd	2nd	1st			
		X	X	X	X	X	X	X	
		Cost Inc.	Cost Inc.	Cost Inc.	Cost Inc.	Cost Inc.	Cost Inc.	Cost Inc.	
		(b)	(d)	(e)	(f)	(g)	(h)	(i)	
		(c)	(d)	(e)	(f)	(g)	(h)	(i)	
		(j)	(k)	(l)	(m)	(n)	(o)	(p)	

1. Cost Per MCF of Purchased Gas
2. Cost of Propane Gas Per MCF Equivalent for Peak Shaving
3. Cost Per MCF of Gas Sold
4. Maintenance Cost Per Transmission Mile
5. Maintenance Cost Per Distribution Mile
6. Sales Promotion Expense Per Customer
7. Administration and General Expense Per Customer
8. Wages and Salaries - Charged Expense: Per Average Employee
9. Depreciation Expense: Per \$100 of Average Gross Depreciable Plant in Service
11. Rents: Per \$100 of Average Gross Plant in Service
12. Property Taxes: Per \$100 of Average Net Plant In Service
13. Payroll Taxes: Per Average Employee Whose Salary Is Charged to Expense
14. Interest Expense: Per \$100 of Average Debt Outstanding
15. Per \$100 of Average Plant Investment
16. Per MCF Sold

Delta Natural Gas Company

Format 14
Sheet 1 of 5

Commonwealth of Kentucky

Case No. 8256

AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1876 Through 1980 and the 12 Month Ended March 31, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended						Test Year (g)
		5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)		
	<u>Intangible Plant</u>							
301	Organization							
302	Franchises and Consents							
303	Miscellaneous Intangible Plant							
	Total Intangible Plant							
	<u>Production Plant</u>							
	<u>Natural Gas Production and Gathering Plant</u>							
325.1	Producing Lands							
325.2	Producing Leaseholds							
325.3	Gas Rights							
325.4	Rights-of-Way							
325.5	Other Land and Land Rights							
326	Gas Well Structures							
327	Field Compressor Station Structures							
328	Field Meas. and Reg. Sta. Structures							
329	Other Structures							
330	Producing Gas Wells-Well Construction							
331	Producing Gas Wells-Well Equipment							
332	Field Lines							
333	Field Compressor Station Equipment							
334	Field Meas. and Reg. Sta. Equipment							
335	Drilling and Cleaning Equipment							
336	Purification Equipment							
337	Other Equipment							
	Unsuccessful Exploration and Devel. Costs							
	Total Production and Gathering Plant							

Delta Natural Gas Company
Commonwealth of Kentucky

Case No. 8256

AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended March 31, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended					Test Year (g)
		Calendar Years Prior to Test Year 5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	
	<u>Products Extraction Plant</u>						
340	Land and Land Rights						
341	Structures and Improvements						
342	Extraction and Refining Equipment						
343	Pipe Lines						
344	Extracted Products Storage Equipment						
345	Compressor Equipment						
46	Gas Meas. and Reg. Equipment						
47	Other Equipment						
	Total Products Extraction Plant						
	Total Nat. Gas Production Plant						
	Mfd. Gas Prod. Plant (Submit Suppl. Statement)						
	<u>Total Production Plant</u>						
	<u>Natural Gas Storage and Processing Plant</u>						
	<u>Underground Storage Plant</u>						
30.1	Land						
30.2	Rights-of-Way						
1	Structures and Improvements						
2	Wells						
2.1	Storage Leasable and Rights						
2.2	Reservoirs						
2.3	Non-Recoverable Natural Gas						
3	Lines						
	Compressor Station Equipment						
	Measuring and Reg. Equipment						
	Purification Equipment						
	Other Equipment						
	Total Underground Storage Plant						

Delta Natural Gas Company
Commonwealth of Kentucky

Case No. 8256

AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended March 31, 1981

Account Number	Title of Accounts (a)	12 Months Ended					Test Year
		Calendar Years Prior to Test Year	Test Year	1st	2nd	3rd	
		(b)	(c)	(d)	(e)	(f)	(g)

(Total Company)

360	Other Storage Plant						
	Land and Land Rights						
361	Structures and Improvements						
362	Gas Holders						
363	Purification Equipment						
363.1	Liquefaction Equipment						
363.2	Vaporizing Equipment						
363.3	Compressor Equipment						
363.4	Meas. and Reg. Equipment						
363.5	Other Equipment						
	Total Other Storage Plant						
	Base Load Liquefied Natural Gas, Terminaling and Processing Plant						
	Land and Land Rights						
364.1	Structures and Improvements						
364.2	LNG Processing Terminal Equipment						
364.3	LNG Transportation Equipment						
364.4	Measuring and Regulating Equipment						
364.5	Compressor Station Equipment						
364.6	Communications Equipment						
364.7	Other Equipment						
364.8	Total Base Load Liquefied Natural Gas, Terminaling, and Processing Plant						

Total Nat. Gas Storage and Proc. Plant

365	Transmission Plant						
	Land and Land Rights						
365.2	Rights-of-Way						
366	Structures and Improvements						
367	Mains						

Delta Natural Gas Company

Format 14
Sheet 4 of 5

Commonwealth of Kentucky

Case No. 8256

AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended March 31, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended					Test Year (g)
		Calendar Years Prior to Test Year 5th (b)	4th (c)	3rd (d)	2nd (e)	1st (f)	
368	Compressor Station Equipment						
369	Measuring and Reg. Sta. Equipment						
370	Communication Equipment						
371	Other Equipment						
	Total Transmission Plant						
	Distribution Plant						
374	Land and Land Rights						
375	Structures and Improvements						
376	Mains						
377	Compressor Station Equipment						
378	Meas. and Reg. Sta. Equip.-General						
379	Meas. and Reg. Sta. Equip.-City Gate						
380	Services						
381	Meters						
382	Meter Installations						
383	House Regulators						
384	House Reg. Installations						
385	Industrial Meas. and Reg. Sta. Equipment						
186	Other Prop. on Customer's Premises						
187	Other Equipment						
	Total Distribution Plant						
	General Plant						
89	Land and Land Rights						
90	Structures and Improvements						
91	Office Furniture and Equipment						
92	Transportation Equipment						
93	Stores Equipment						
94	Tools, Shop and Garage Equipment						

Delta Natural Gas Company

Commonwealth of Kentucky

Case No. 8256

Format 14
Sheet 5 of 5

AVERAGE GAS PLANT IN SERVICE BY ACCOUNT PER MCF

For the Calendar Years 1976 Through 1980 and the 12 Month Ended March 31, 1981

(Total Company)

Account Number	Title of Accounts (a)	12 Months Ended					Test Year (g)
		Calendar Years Prior to Test Year	5th Year (b)	4th Year (c)	3rd Year (d)	2nd Year (e)	
395	Laboratory Equipment						
396	Power Operated Equipment						
397	Communication Equipment						
398	Miscellaneous Equipment						
	Subtotal						
399	Other Tangible Property						
	Total General Plant						
	Total (Accounts 101 and 106)						
102	Gas Plant Purchased						
102	Gas Plant Sold						
.03	Experimental Gas Plant Unclassified						
	Total Gas Plant In Service						

Delta Natural Gas Company
Commonwealth of Kentucky

Case No. 8256

Format 15
Sheet 1 of 5

STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended March 31, 1981

(Total Company)

Account Number	Title of Accounts (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Ending Balance (f)
301	<u>Intangible Plant</u>					
	Organization					
302	Franchises and Consents					
303	Miscellaneous Intangible Plant					
	Total Intangible Plant					
	<u>Production Plant</u>					
	<u>Natural Gas Production and Gathering Plant</u>					
325.1	Producing Lands					
325.2	Producing Leaseholds					
325.3	Gas Rights					
325.4	Rights-of-Way					
325.5	Other Land and Land Rights					
326	Gas Well Structures					
327	Field Compressor Station Structures					
328	Field Meas. and Reg. Sta. Structures					
329	Other Structures					
330	Producing Gas Wells-Well Construction					
331	Producing Gas Wells-Well Equipment					
332	Field Lines					
333	Field Compressor Station Equipment					
34	Field Meas. and Reg. Sta. Equipment					
35	Drilling and Cleaning Equipment					
36	Purification Equipment					
37	Other Equipment					
38	Unsuccessful Exploration and Devel. Costs					
	Total Production and Gathering Plant					

Delta Natural Gas Company
Commonwealth of Kentucky

Case No. 8256

STATEMENT OF GAS PLANT IN SERVICE
12 Months Ended March 31, 1981
(Total Company)

Account Number	Title of Accounts (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Ending Balance (f)
340	<u>Products Extraction Plant</u>					
341	Land and Land Rights					
342	Structures and Improvements					
343	Extraction and Refining Equipment					
344	Pipe Lines					
345	Extracted Products Storage Equipment					
346	Compressor Equipment					
347	Gas Meas. and Reg. Equipment					
	Other Equipment					
	Total Products Extraction Plant					
	Total Nat. Gas Production Plant					
	Mfd. Gas Prod. Plant (Submit Suppl. Statement)					
	Total Production Plant					
	<u>Natural Gas Storage and Processing Plant</u>					
	<u>Underground Storage Plant</u>					
	Land					
350.1	Rights-of-Way					
350.2	Structures and Improvements					
351	Wells					
352	Storage Leaseholds and Rights					
352.1	Reservoirs					
352.2	Non-Recoverable Natural Gas					
352.3	Lines					
353	Compressor Station Equipment					
354	Measuring and Reg. Equipment					
355	Purification Equipment					
356	Other Equipment					
357	Total Underground Storage Plant					

Delta Natural Gas Company
Commonwealth of Kentucky

Case No. 8256

STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended March 31, 1981

(Total Company)

Account Number	Title of Accounts (a)	Beginning Balance (b)	Additions (c)	Retirements (d)	Transfers (e)	Ending Balance (f)
360	<u>Other Storage Plant</u>					
361	Land and Land Rights					
362	Structures and Improvements					
363	Gas Holders					
363.1	Purification Equipment					
363.2	Liquefaction Equipment					
363.3	Vaporizing Equipment					
363.4	Compressor Equipment					
363.5	Meas. and Reg. Equipment					
	Other Equipment					
	Total Other Storage Plant					
	<u>Base Load Liquefied Natural Gas, Terminating and Processing Plant</u>					
364.1	Land and Land Rights					
364.2	Structures and Improvements					
364.3	LNG Processing Terminal Equipment					
364.4	LNG Transportation Equipment					
364.5	Measuring and Regulating Equipment					
164.6	Compressor Station Equipment					
164.7	Communications Equipment					
164.8	Other Equipment					
	Total Base Load Liquefied Natural Gas, Terminating, and Processing Plant					
	Total Nat. Gas Storage and Proc. Plant					
	<u>Transmission Plant</u>					
65.1	Land and Land Rights					
66	Rights-of-Way					
67	Structures and Improvements					
	Mains					

Delta Natural Gas Company

Commonwealth of Kentucky

Case No. 8256

STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended March 31, 1981

(Total Company)

Format 15
Sheet 4 of 5

<u>Account Number</u>	<u>Title of Accounts</u> (a)	<u>Beginning Balance</u> (b)	<u>Additions</u> (c)	<u>Retirements</u> (d)	<u>Transfers</u> (e)	<u>Ending Balance</u> (f)
368	Compressor Station Equipment					
369	Measuring and Reg. Sta. Equipment					
370	Communication Equipment					
371	Other Equipment					
	Total Transmission Plant					
	<u>Distribution Plant</u>					
374	Land and Land Rights					
375	Structures and Improvements					
376	Mains					
377	Compressor Station Equipment					
378	Meas. and Reg. Sta. Equip.--General					
379	Meas. and Reg. Sta. Equip.--City Gate					
380	Services					
381	Meters					
382	Meter Installations					
383	House Regulators					
384	House Reg. Installations					
385	Industrial Meas. and Reg. Sta. Equipment					
386	Other Prop. on Customer's Premises					
387	Other Equipment					
	Total Distribution Plant					
	<u>General Plant</u>					
89	Land and Land Rights					
90	Structures and Improvements					
91	Office Furniture and Equipment					
92	Transportation Equipment					
93	Stores Equipment					
94	Tools, Shop and Garage Equipment					

Delta Natural Gas Company

Format 15
Sheet 5 of 5

Commonwealth of Kentucky

Case No. 8256

STATEMENT OF GAS PLANT IN SERVICE

12 Months Ended March 31, 1981

(Total Company)

<u>Account Number</u>	<u>Title of Accounts (a)</u>	<u>Beginning Balance (b)</u>	<u>Additions (c)</u>	<u>Retirements (d)</u>	<u>Transfers (e)</u>	<u>Ending Balance (f)</u>
195	Laboratory Equipment					
196	Power Operated Equipment					
197	Communication Equipment					
98	Miscellaneous Equipment					
	Subtotal					
99	Other Tangible Property					
	Total General Plant					
	Total (Accounts 101 and 106)					
102	Gas Plant Purchased					
102	Gas Plant Sold					
	Experimental Gas Plant Unclassified					
103	Total Gas Plant In Service					

Delta Natural Gas Company

Case Number 8256

ACCOUNT 913 - ADVERTISING EXPENSE

For the 12 Months Ended March 31, 1981

(Total Company)

(000's)

<u>Line No.</u>	<u>Item</u> (a)	<u>Sales or Promotional Advertising</u> (b)	<u>Institutional Advertising</u> (c)	<u>Conservation Advertising</u> (d)	<u>Rate Case</u> (e)	<u>Total</u> (f)
1.	Newspaper					
2.	Magazines and Other					
3.	Television					
4.	Radio					
5.	Direct Mail					
6.	Sales Aids					
7.	Total					
8.	Amount Assigned to Kentucky Retail					

Delta Natural Gas Company

Case Number 8256

ACCOUNT 930 - MISCELLANEOUS EXPENSES

For the 12 Months Ended March 31, 1981

<u>Line No.</u>	<u>Item (a)</u>	<u>Amount (b)</u>
1.	Industry Association Dues	
2.	Stockholder and Debt Servicing Expenses	
3.	Institutional Advertising	
4.	Conservation Advertising	
5.	Rate Department Load Studies	
6.	Director's Fees and Expenses	
7.	Dues and Subscriptions	
8.	Miscellaneous	
9.	Total	
10.	Amount Assigned to Kentucky	

Delta Natural Gas Company

Case No. 8256

ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS

For the 12 Months Ended March 31, 1981

(Total Company)

Case Number

ACCOUNT 426 - MISCELLANEOUS INCOME DEDUCTIONS

For the 12 Months Ended

(000's)

<u>Line No.</u>	<u>Item (a)</u>	<u>Amount (b)</u>
1.	Donations	
2.	Civic Activities	
3.	Political Activities	
4.	Other	
5.	Total	
6.	Amount Assigned to Kentucky	

Delta Natural Gas Company

Case No. 8256

AVERAGE RATES OF RETURN

For the Calendar Years 1976 Through 1980 and the 12 Month Ended March 31, 1981

<u>Line No.</u>	<u>Calendar Years Prior to Test Year</u> (a)	<u>Total Company</u> (b)	<u>Ky. Retail</u> (c)	<u>Other Retail Jurisdictions</u> (d)	<u>FERC Wholesale</u> (e)
1.	Original Cost Net Investment:				
2.	5th Year				
3.	4th Year				
4.	3rd Year				
5.	2nd Year				
6.	1st Year				
7.	Test Year				
8.	Original Cost Common Equity:				
9.	5th Year				
10.	4th Year				
11.	3rd Year				
12.	2nd Year				
13.	1st Year				
14.	Test Year				

NOTE: Provide work papers in support of the above calculations.

Case No. 8256

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES
PER EMPLOYEE

Calendar Years Prior to Test Year	Production		Natural Gas Storage Terminating and Processing		Transmission		Distribution		Customer Accounts				
	No. (B)	Hrs. (C)	No. (E)	Hrs. (F)	No. Hrs. (H) (I)	Wages (J)	No. Hrs. (K) (L)	Wages (M)	No. Hrs. (N) (O)	Wages (P)			
Year	(A)	(D)	(E)	(F)	(H)	(I)	(J)	(K)	(L)	(M)	(N)	(O)	(P)
% Change													
4th Year													
% Change													
3rd Year													
% Change													
2nd Year													
% Change													
1st Year													
% Change													
Test Year													
% Change													

NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
 (2) Show percent increase (decrease) of each year over the prior year on lines designated above "%Change."
 (3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.

Case No. 8256

SCHEDULE OF NUMBER OF EMPLOYEES, HOURS PER EMPLOYEE, AND AVERAGE WAGES
PER EMPLOYEE (Continued)

Calendar Years Prior to Test Year (A) Year	Customer Service and Information		Sales		Administrative and General		Construction		Total	
	No. (Q)	Hrs. Wages (R) (S)	No. (T)	Hrs. Wages (U) (V)	No. (W)	Hrs. Wages (X) (Y)	No. (Z)	Hrs. Wages (AA) (BB)	No. (CC)	Hrs. Wages (DD) (EE)
% Change										
4th Year										
% Change										
3rd Year										
% Change										
2nd Year										
% Change										
1st Year										
% Change										
Test Year										
% Change										

- NOTE: (1) Where an employee's wages are charged to more than one function include employee in function receiving largest portion of total wages.
- (2) Show percent increase (decrease) of each year over the prior year on lines designated above "% Change."
- (3) Employees, weekly hours per employee, and weekly wages per employee for the week including December 31 of each year and the last day of the test year.