

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL)	
GAS COMPANY, INC. FOR AN ORDER)	
AUTHORIZING THE ISSUANCE OF UP TO)	CASE NO. 2000-474
200,000 SHARES OF COMMON STOCK)	

O R D E R

On October 17, 2000, Delta Natural Gas Company, Inc. ("Delta") filed an application seeking Commission approval to issue and sell an additional 200,000 shares of its authorized but unissued common stock, \$1 par value, pursuant to its Amended and Restated Dividend Reinvestment and Stock Purchase Plan ("Plan"). The proceeds earned from this sale will be used for partial funding of capital expenditures.

Under the terms of the Plan, the price of common stock sold will be the average of the high and low sale prices of the Company's common stock as reported on the National Association of Securities Dealers Automated Quotation System ("NASDAQ") National Market System on the Pricing Date, except that shares will not be issued for less than their par value of one dollar (\$1.00) per share. Investors who are not currently stockholders may participate in the Plan with a minimum initial investment of \$100. Delta's common stock traded between 17 1/16 and 17 7/8 on the NASDAQ on November 28, 2000. The total amount of funds to be raised by the stock issuance will be dependent upon dividends distributed by Delta, the sales price of the common stock at issuance and the level of investor participation in the Plan.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and sale of the above 200,000 additional shares by Delta are for lawful objects within its corporate purposes, are necessary and appropriate for and consistent with the proper performance of its service to the public and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purposes, and should, therefore, be approved.

IT IS THEREFORE ORDERED that:

1. Delta is authorized to issue and sell up to 200,000 additional shares of common stock pursuant to its Plan as set forth in the provisions and terms of its application.
2. From the date of this Order, Delta shall semiannually file, as a supplement to its June and December monthly financial reports to the Commission, a statement setting forth the number of shares issued through its Plan and the amount received.
3. The proceeds from the transaction authorized herein shall be used only for the lawful purpose set out in the application.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

Done at Frankfort, Kentucky, this 12th day of December, 2000.

By the Commission

ATTEST:


Executive Director