

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

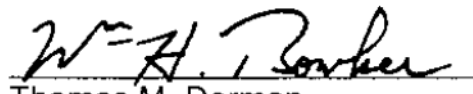
THE APPLICATION OF DELTA NATURAL)	
GAS COMPANY, INC. FOR AN ORDER)	
AUTHORIZING THE ISSUANCE OF UP TO)	CASE NO. 2002-00378
\$20,000,000 OF LONG-TERM DEBT)	

FIRST DATA REQUEST OF COMMISSION STAFF
TO DELTA NATURAL GAS COMPANY

Delta Natural Gas Company (Delta), pursuant to Administrative Regulation 807 KAR 5:001, is to file with the Commission the original and 5 copies of the following information, with a copy to all parties of record. The information requested herein is due October 25, 2002. Each copy of the data requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for example, Item 1(a), Sheet 2 of 6. Include with each response the name of the person who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure that it is legible. Where information herein has been previously provided, in the format requested herein, reference may be made to the specific location of said information in responding to this information request.

1. Refer to page 2 of Delta s application, Exhibit C, pages 2, 3 and 4. Delta states that it will use the proceeds of the \$20,000,000 in new long-term debt to retire all or a portion of its existing variable rate short-term bank debt and to refinance its 8.3% Debentures maturing in 2026.

- a. Exhibit C states that the short-term bank debt was \$20,605,000 as of July 31, 2002 and the 8.3% Debentures represent another \$15,000,000. Explain how Delta will allocate the \$20,000,000 between these two uses of the proceeds.
 - b. Explain how Delta determined the least costly method of allocating the proceeds of the new debt.
 - c. Explain what level of flexibility Delta has regarding whether or not it will retire the full amount of its existing variable rate short-term bank debt.
 - d. Provide the balance and the applicable interest rate of the short-term debt as of September 30, 2002.
2. Provide Delta's debt to capital ratio if the Commission approves Delta's request.

for 
Thomas M. Dorman
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

Dated: October 24, 2002

cc: All Parties