

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF DELTA)
NATURAL GAS COMPANY, INC. FOR) **CASE NO. 2018-00379**
APPROVAL OF SERVICES AGREEMENT)

VERIFIED APPLICATION

Delta Natural Gas Company, Inc. (“Delta”), pursuant to 807 KAR 5:001, Section 14 and to commitments made in Case No. 2017-00125, hereby respectfully requests approval from the Public Service Commission (“Commission”) of its Utility Services Agreement and Cost Allocation Manual. In support of its application, Delta states as follows:

1. Delta’s post office address, principal office, and place of business are located at 3617 Lexington Road, Winchester, Kentucky 40391. Delta’s full name is Delta Natural Gas Company, Inc. Delta can be reached at the email address of counsel set forth below.

2. Delta is a Kentucky corporation that was incorporated on October 7, 1949, and is currently in good standing under the laws of Kentucky.

3. Delta is a utility engaged in the natural gas business. Delta purchases, sells, stores, and transports natural gas in Bath, Estill, Montgomery, Menifee, Madison, Powell, Garrard, Jackson, Lee, Bourbon, Jessamine, Rowan, Bell, Knox, Whitley, Laurel, Clay, Leslie, Fayette, Fleming, Clark, Robertson, and Mason Counties, Kentucky.

4. In Case No. 2017-00125, the Commission approved the acquisition of Delta by PNG Companies, LLC (“PNG”), subject to commitments enumerated in the Commission’s Order.¹

¹ *In the Matter of: Electronic Joint Application of PNG Companies LLC, Drake Merger Sub Inc., and Delta Natural Gas Company, Inc. for Approval of an Acquisition of Ownership and Control of Delta Natural Gas Company, Inc., Case No. 2017-00125, Order (Ky. PSC July 13, 2017). By Order dated July 13, 2017, the Commission conditionally approved the acquisition and enumerated the commitments, subject to written acknowledgements by*

The commitments require the filing of an application and approval from the Commission before Delta may enter into a services agreement.² Delta seeks to enter into a Utility Services Agreement with PNG, Peoples Gas KY LLC, Delta Resources, LLC, Delgasco, LLC, and Enpro, LLC and requests approval of the Utility Services Agreement. The Utility Services Agreement is attached as Exhibit 1.

5. The parties to the Utility Services Agreement are affiliates of Delta. PNG is Delta's parent company. Peoples Gas KY LLC is a farm tap system providing service in Kentucky. Delta Resources, LLC, Delgasco, LLC, and Enpro, LLC are unregulated affiliates to which Delta provides natural gas transportation services.

6. The Utility Services Agreement contains pricing requirements that comport with KRS 278.2207 with regard to transactions between a utility and its affiliates.

7. In Case No. 2017-00125, the applicants further committed to seek approval from the Commission if it wished to modify the current Cost Allocation Manual.³ Delta is providing a copy of the Cost Allocation Manual and the revisions proposed thereto, which is attached as Exhibit 2. Delta requests approval of the updated Cost Allocation Manual. Delta plans to adopt PNG's general ledger chart of accounts effective January 1, 2019. Once this occurs, Delta will file an updated CAM with Appendix I containing the new account numbers which will include, if the

all of the joint applicants accepting and agreeing to be bound by the commitments. By Order dated August 15, 2017, the Commission granted unconditional approval of the acquisition of Delta by PNG.

² The commitments require "Commission approval prior to entering into any services agreement with *Peoples Service Company*." (emphasis added). The services that were being provided by Peoples Service Company are now being provided by PNG Companies, LLC.

³ *In the Matter of: Electronic Joint Application of PNG Companies LLC, Drake Merger Sub Inc., and Delta Natural Gas Company, Inc. for Approval of an Acquisition of Ownership and Control of Delta Natural Gas Company, Inc.*, Case No. 2017-00125, Response to Attorney General's Initial Requests for Information, Item 58 (Ky. PSC Apr. 19, 2017) ("PNG intends to maintain Delta's Cost Allocation Manual in its current form and is not currently contemplating any changes. To the extent PNG wishes to modify the Cost Allocation Manual, PNG will seek approval from the PSC.").

Commission approves Delta's Cost Allocation Manual, the account number to which "Outside Services PNG Companies" will be recorded.

WHEREFORE, pursuant to commitments made in Case No. 2017-00125, Delta Natural Gas Company, Inc. respectfully requests that the Commission approve the Utility Services Agreement and updated Cost Allocation Manual.

Dated: November 26, 2018

Respectfully submitted,



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Counsel for Delta Natural Gas Company, Inc.

CERTIFICATE OF COMPLIANCE

In accordance with 807 KAR 5:001 Section 8(7), this is to certify that Delta Natural Gas Company, Inc.'s November 26, 2018 electronic filing is a true and accurate copy of the documents being filed in paper medium; that the electronic filing has been transmitted to the Commission on November 26, 2018; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding; and that an original of the filing will be delivered to the Commission within two business days from the date of the electronic filing.

Maura H. Braun

Counsel for Delta Natural Gas Company, Inc.

VERIFICATION

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF CLARK)

The undersigned, **John B. Brown**, being duly sworn, deposes and says he is the President, Secretary, and Treasurer of Delta Natural Gas Company, Inc.; that he has personal knowledge of the matters set forth in the foregoing Application; and that the answers contained therein are true and correct to the best of his information, knowledge and belief.


JOHN B. BROWN

Subscribed and sworn to before me, a Notary Public in and before said County and State, this 21 day of November 2018.

(SEAL)


Notary Public 549533

My Commission Expires:

2-29-20

UTILITY SERVICES AGREEMENT

This Utility Services Agreement (this “Agreement”) is entered into as of the ____ day of _____, 201_, by and between Delta Natural Gas Company (“Delta”), a Kentucky public utility organized under Kentucky law; PNG Companies LLC (“PNG”), organized as a Delaware limited liability company; Peoples Gas KY LLC (“Peoples KY”), a Kentucky farm tap system organized as a Kentucky limited liability company; Delta Resources, LLC, a Kentucky limited liability company (“Delta Resources”); Delgasco, LLC, a Kentucky limited liability company (“Delgasco”); and Enpro, LLC, a Kentucky limited liability company (“Enpro”) (collectively, the “Affiliates”).

WHEREAS, Delta; Peoples KY; Delta Resources; Delgasco; and Enpro are direct, wholly owned subsidiaries of PNG;

WHEREAS, the Affiliates believe that it is in their interest to enter into an arrangement whereby Delta may agree to purchase, from time to time and at its option, certain goods and administrative, management, and other services from PNG and the other Affiliates;

WHEREAS, the procurement of such goods and services, at the sole election of Delta, may result in purchasing and operational efficiencies, or is otherwise administratively necessary, and is in the public interest and the interest of Delta;

WHEREAS, the Affiliates believe that it is in their interest to enter into an arrangement whereby PNG; Peoples KY; Delta Resources; Delgasco; and Enpro may agree to purchase, from time to time at their option, certain goods and administrative, management, and other services from Delta; and

NOW, THEREFORE, in consideration of the mutual covenants contain herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Affiliates hereto, intending to be legally bound, hereby agree as follows:

1. **GOODS AND SERVICES:** PNG; Peoples KY; Delta Resources; Delgasco; and Enpro will supply certain goods and administrative, management, or other services to Delta similar to those supplied by other subsidiaries or affiliates of PNG. Such goods and services are and will be provided to Delta only at their request or consent. PNG; Peoples KY; Delta Resources; Delgasco; and Enpro will procure certain goods and services needed by Delta from third-party vendors. Such third-party goods and services will be provided to Delta only at the request of Delta. PNG; Peoples KY; Delta Resources; Delgasco; and Enpro will invoice Delta, at its fully distributed cost. Costs directly incurred by PNG; Peoples KY; Delta Resources; Delgasco; and Enpro from third parties on behalf and for the benefit of Delta are invoiced to Delta at cost.

Delta may supply certain goods and administrative, management, or other services to PNG; Peoples KY; Delta Resources; Delgasco; and Enpro. Such goods and services are and will be provided to PNG; Peoples KY; Delta Resources; Delgasco; and Enpro only at their request. Delta may procure certain goods and services needed by PNG; Peoples KY; Delta Resources; Delgasco; and Enpro from third-party vendors. Such third-party goods and services will be provided to PNG; Peoples KY; Delta Resources; Delgasco; and Enpro only at the request of PNG; Peoples KY; Delta Resources; Delgasco; and Enpro. Delta will invoice to PNG; Peoples KY; Delta Resources;

Delgasco; and Enpro, at its fully distributed cost, for PNG's; Peoples KY's; Delta Resources'; Delgasco's; and Enpro's portion of the costs of purchases of goods and services.

2. **PERSONNEL:** The Affiliates will provide such goods and services by utilizing the services of their executives, accountants, financial advisors, technical advisors, attorneys, and other persons with the necessary qualifications. If necessary, the Affiliates, after consultation with and consent by the receiving party, may also arrange for the services of nonaffiliated experts, consultants, and attorneys in connection with the performance of any of the services supplied under this Agreement.

3. **COMPENSATION AND ALLOCATION:** As and to the extent required by law, PNG; Peoples KY; Delta Resources; Delgasco; and Enpro will provide such goods and services at fully distributed cost in accordance with the requirements of Kentucky Revised Statute 278.2207 and Delta's Cost Allocation Manual on file with the Kentucky Public Service Commission. Delta will provide services to PNG; Peoples KY; Delta Resources; Delgasco; and Enpro at fully distributed cost.

4. **TERMINATION:** This Agreement shall be in full force and effect as to the date of execution, subject to any necessary approval of governmental agencies having jurisdiction over this matter, and shall continue until terminated by any Affiliate hereto by giving the other Affiliates one year written notice of termination; provided, however, this Agreement shall terminate immediately with regard to any Affiliate as of the date such Affiliate ceases to be affiliated with the other Affiliates. This Agreement shall also be subject to termination, without notice, if and to the extent performance under this Agreement may conflict with any state or federal statute, or any regulation, decision, or order of any state or federal regulatory agency having jurisdiction over one or more of the Affiliates.

5. **BILLING AND PAYMENT:** As soon as practical after the last day of each month, a bill shall be rendered for all amounts due for services and expenses for such period, computed pursuant to this Agreement. All amounts so billed shall be paid within 30 days. Payment for services provided shall be made by remittance of the amount billed or by making appropriate accounting entries on the books of the Affiliate performing the service and the Affiliate receiving the service. Any amount remaining unpaid after 30 days following receipt of the bill shall bear interest thereon from the due date of the bill until payment at a rate equal to the prime rate on the due date. The Affiliates shall keep their books and records available at all reasonable times for inspection by representatives of the other Affiliate or by regulatory bodies having jurisdiction over them and, upon request, shall furnish any and all information required with respect to the services rendered, the costs thereof, and the allocation of costs among all Affiliates to the Agreement.

6. **NOTICE.** All notices, requests, and other communications shall be deemed to have been duly given or delivered if transmitted by personal service or, if mailed, postage prepaid, return receipt requested, to the following addresses:

If to Delta:

President
Delta Natural Gas Company, Inc.
3617 Lexington Rd.
Winchester, KY 40391

If to PNG:

President
PNG Companies LLC
375 North Shore Drive
Pittsburgh, PA 15212

If to Peoples KY:

President
Peoples Gas KY LLC
375 North Shore Drive
Pittsburgh, PA 15212

If to Delta Resources:

President
Delta Resources, LLC
3617 Lexington Rd.
Winchester, KY 40391

If to Delgasco:

President
Delgasco, LLC
3617 Lexington Rd.
Winchester, KY 40391

If to Enpro:

President
Enpro, LLC
3617 Lexington Rd.
Winchester, KY 40391

7. **GOVERNING LAW.** The construction and interpretation of the terms and provisions of this Agreement shall be in accordance with and governed by the laws of the Commonwealth of Kentucky.

8. **COMPLIANCE WITH LAWS AND REGULATIONS.** Unless specifically exempted, this Agreement will be performed in full conformance with all applicable federal, state, and local labor and employment laws and regulations.

9. **MODIFICATION.** No amendment, change, or modification to this Agreement shall be valid, unless made in writing and signed by all Affiliates hereto; provided however that all amendments, changes, and modifications must be approved as necessary by any governmental agencies having jurisdiction.

10. **ENTIRE AGREEMENT.** This Agreement, together with Delta's Cost Allocation Manual, constitutes the entire understanding and agreement of the Affiliates with respect to its subject matter, and effective upon the execution of the Agreement by the respective Affiliates hereof, and any and all prior agreements, understandings or representations with respect to this subject matter are hereby terminated and canceled in their entirety and are of no further force and effect, except to the extent transactions thereunder have taken place prior to such effective date in which case such agreements will govern the terms of such transactions.

11. **WAIVER.** No waiver by any Affiliate hereto of a breach of a provision of this Agreement shall constitute a waiver of any preceding or succeeding breach of the same or any other provision hereof.

12. **FORCE MAJEURE.** It is agreed that, in the event a force majeure renders any Affiliate wholly or partially unable to carry out its obligations under this Agreement, other than its obligations to make payments on money due incident to performance hereunder, the obligation of the Affiliate so affected shall be suspended during the continuance of any such liability. The Affiliate claiming a *force majeure* shall remedy the condition and resume performance with all reasonable dispatch. "*Force Majeure*" shall mean acts of God, strikes, lockouts or other industrial disturbances; acts of the public enemy, wars, blockages, boycotts, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, storms, floods, washouts, arrest and restraints (either economic or physical) of government, rulers and people, civil disturbances, explosions, governmental regulations, curtailment or other inability to obtain required governmental permits and other causes, whether of the kind herein enumerated or otherwise, not within the reasonable control of an Affiliate, and which by the exercise of reasonable diligence such Affiliate is unable to prevent or overcome; provided that the settlement of strikes or lockouts by an Affiliate to this Agreement shall be entirely within the discretion of the Affiliate to the Agreement having the difficulty, and the above requirements that any event of *force majeure* shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by an Affiliate to this Agreement when such course is deemed inadvisable in the discretion of the Affiliate to the Agreement having the difficulty.

13. **ASSIGNMENT.** This Agreement shall inure to the benefit of and shall be binding upon the Affiliates and their respective successors and assigns.

14. **SEVERABILITY.** If any provision or provisions of this Agreement shall be held by a court of competent jurisdiction to be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired thereby.

15. **REPRESENTATIONS.** By their execution hereof, the Affiliates represent and warrant that they are authorized to enter into this Agreement, that it does not conflict with any contract, lease, instrument, or other obligation, that it represents their valid and binding obligation, enforceable in accordance with its terms, and that each Affiliate has all legal power and authority to own and use its properties and to transact the business in which it engages or proposes to engage, and has all governmental authorizations necessary and required therefor.

16. **CONFIDENTIALITY.** An Affiliate shall hold in confidence any information concerning the affairs of any other Affiliate that it has reason to believe is reasonably considered by the other Affiliate, to be confidential and shall not (except as required by law or regulatory authority, subject to available confidentiality protections) disclose, publish, or make use of such information without the consent of the other Affiliate.

IN WITNESS WHEREOF, the Affiliates have caused this Agreement to be executed by their duly authorized representatives, effective as of the _____ of _____, 201_.

Delta Natural Gas Company, Inc.

PNG Companies LLC

By: _____

By: _____

Title: _____

Title: _____

Peoples Gas KY LLC

Delta Resources, LLC

By: _____

By: _____

Title: _____

Title: _____

Delgasco, LLC

Enpro, LLC

By: _____

By: _____

Title: _____

Title: _____

**Delta Natural Gas Company, Inc.
 Cost Allocation Manual
 KRS 278.2205**

(2) (a) A list of regulated and nonregulated divisions within the utility

Delta Natural Gas Company, Inc. (“Delta” or “the Company”) is a regulated utility and has no divisions.

(2) (b) A list of all regulated and nonregulated affiliates of the utility to which the utility provides services or products and where the affiliates provide nonregulated activities as defined in KRS 278.010(21).

Delta and its affiliates Delta Resources, LLC, Delgasco, LLC, Enpro, LLC and Peoples Gas KY LLC, are wholly-owned by PNG Companies LLC and meet the definition in KRS 278.010(21)

(2) (c) A list of services and products provided by the utility, an identification of each as regulated or nonregulated, and the cost allocation method generally applicable to each category

<u>Services and Products</u>	<u>Activity Type</u>	<u>Cost Allocation Method</u>
Natural gas distribution	Regulated	Not allocated
Natural gas transportation	Regulated	Not allocated
Natural gas liquids	Non-regulated	Fully distributed cost allocation methodology consistent with Delta’s cost of service study.

(2) (d) A list of incidental, nonregulated activities that are subject to the provisions of KRS 278.2203(4)

Merchandise sales, labor service and other revenue.

(2) (e) A description of the nature of transactions between the utility and the affiliates.

Delta provides natural gas transportation to its affiliates Delta Resources, LLC, Delgasco, LLC and Enpro, LLC.

PNG Companies LLC provides administrative, management and other services to Delta. Delta and Peoples Gas KY LLC are in close geographic proximity to one another and can provide emergency and operational support to one another.

(2) (f) For each USoA account and subaccount, a report that identifies whether the account contains costs attributable to regulated operations and nonregulated operations. The report shall also identify whether the costs are joint costs that cannot be directly identified. A description of the methodology used to apportion each of these costs shall be included and the allocation methodology shall be consistent with the provisions of KRS 278.2203.

See Appendix I (attached) for Delta's chart of accounts. The accounts for Delta Resources, LLC, Delgasco, LLC and Enpro, LLC have been deleted as these unregulated affiliates are no longer wholly owned by Delta. The chart of account structure is based on USoA guidelines. The utility incurs certain costs which are shared with the non-regulated affiliates such as labor, administrative costs, storage, natural gas liquids processing and interest. Such joint costs are allocated to the nonregulated affiliates using a fully distributed cost allocation methodology.

Additionally, PNG Companies LLC provides administrative, management and other services under a Utility Service Agreement with Delta, which includes, but is not limited to, services related to:

- Accounts payable
- Software applications
- General accounting
- Network and computer applications
- Risk management
- Software
- Tax accounting and compliance
- Telecommunications
- Treasury and cash management

Such costs are allocated to Delta using a fully distributed cost allocation methodology and recorded in account 1.923.XX - Outside Services PNG Companies.

Costs directly incurred from third parties on behalf and for the benefit of Delta are invoiced to Delta, at cost.

Updated: November 26, 2018 and submitted for KPSC approval.

Delta Natural Gas Co., Inc.
 Cost Allocation Manual
 KRS 278.2205

	Description	GI #/Description (GHCT)	
110	Regulated purchased gas	1.803.000 PURCHASED GAS - OUTSIDE	Regulated
		1.803.010 PURCHASED GAS COST - RESIDENTIAL	Regulated
111	Residential	1.803.210 UNBILLED PURCHASE GAS - RESIDENTIAL	Regulated
112	Small Non-Residential	1.803.040 PURCHASED GAS COST - SMALL NON-RES	Regulated
		1.803.240 UNBILLED PURCHASE GAS - SMALL NON-RES	Regulated
113	Large Non-Residential	1.803.020 PURCHASED GAS COST - LARGE NON-RES	Regulated
		1.803.220 UNBILLED PURCHASE GAS - LARGE NON-RES	Regulated
114	Interruptible	1.803.050 PURCHASED GAS COST - INTERRUPTIBLE	Regulated
		1.803.250 UNBILLED PURCHASE GAS - INTERRUPTIBLE	Regulated
130	Labor	1.753.010 WELLS & GATHERING PAYROLL	Regulated
		1.754.010 COMPRESSOR STATION PAYROLL	Regulated
		1.816.010 CM WELLS EXPENSES - PAYROLL	Regulated
		1.818.010 CM COMPRESSOR STATION EXPENSES - PAYROLL	Regulated
		1.900.010 TRANS & DIST. PAYROLL	Regulated
		1.903.010 CASHERING PAYROLL	Regulated
		1.920.010 ADMINISTRATIVE PAYROLL	Joint
		1.926.010 TIME OFF PAYROLL	Joint
135	Transportation	1.900.020 OPR TRANSPORTATION EXPENSES	Joint
		1.920.020 ADM TRANSPORTATION EXPENSES	Joint
140	General Operations	1.821.020 CM PURIFICATION OF NATURAL GAS - MISC	Regulated
		1.871.000 TELEMETRY COSTS	Regulated
		1.880.010 OPERATIONS OFFICE TELEPHONE	Regulated
		1.880.020 OPERATIONS OFFICE UTILITIES	Regulated
		1.880.021 UTILITIES DEW POINT CONTROL UNIT	Joint
		1.880.030 OPERATIONS OFFICE MISC.	Regulated
		1.880.031 CM OPERATIONS MISC.	Joint
		1.880.040 FEES TRAINING SCHOOLS	Regulated
		1.880.050 UNIFORMS	Regulated
		1.880.060 WELDING SUPPLIES	Regulated
		1.881.020 RENT LAND & LAND RIGHTS	Regulated
150	Customer Billing	1.903.020 CUSTOMER COLLECTIONS & RECORDS	Regulated
160	Uncollectible Accounts	1.904.000 UNCOLLECTIBLE ACCOUNTS	Regulated
170	Administrative	1.921.010 ADM TELEPHONE	Joint
		1.921.030 BOOKS & SUBSCRIPTIONS	Joint
		1.921.040 COMPANY FORMS	Joint
		1.921.050 SMALL SUPPLY ITEMS	Joint
		1.921.060 MISCELLANEOUS OTHER ITEMS	Joint
		1.921.070 EMPLOYEE MEMBERSHIPS	Joint
		1.921.080 SAFETY LITERATURE & EDUCATION	Joint
		1.921.090 ENGR & DRAFTING SUPPLIES	Joint
		1.921.100 ADM UTILITIES	Joint
		1.921.110 INVENTORY - DIFFERENCE	Regulated
		1.921.210 TRAVEL ETC CO BUS PRES & CEO	Joint
		1.921.220 TRAVEL ETC CO BUS OFFICERS	Joint
		1.921.230 TRAVEL ETC CO BUS OPER & CONST	Joint
		1.921.240 TRAVEL ETC CO BUS ADM&CUST SER	Joint
		1.921.260 TRAVEL ETC CO BUS FINANCE	Joint
		1.921.290 CO. BUS. MEALS & ENTERTAINMENT	Joint
		1.921.300 COMPUTER EQUIPMENT OPERATIONS	Joint
180	Outside Services	1.923.010 OUTSIDE SERVICES LEGAL	Joint
		1.923.020 OUTSIDE SERVICES ACCOUNTING	Joint
		1.923.030 OUTSIDE SERVICES JANITORIAL	Joint
		1.923.040 OUTSIDE SERVICES OTHER	Joint
		1.923.050 OUTSIDE SERVICES COMPUTERS	Joint
		1.923.070 OUTSIDE SERVICES PNG COMPANIES	Joint
190	Insurance	1.924.000 INSURANCE	Joint
		1.925.000 TERM LIFE INSURANCE	Joint
200	Employee Benefits	1.926.020 PENSION	Joint
		1.926.030 EMPLOYEE 401K PLAN	Joint
		1.926.040 MEDICAL COVERAGE	Joint
		1.926.050 SALARY CONTINUATION COVERAGE	Joint
		1.926.080 EMPLOYEE RECREATION & SOCIAL	Joint
		1.926.100 SUPPLEMENTAL RETIREMENT PLAN	Joint
		1.926.110 EQUITY & INCENTIVE COMPENSATION	Non-Regulated
210	General Administration	1.908.010 CUSTOMER ASSISTANCE	Regulated
		1.913.000 ADVERTISING	Regulated
		1.928.000 REGULATORY COMMISSION EXPENSE	Regulated
		1.930.010 DIRECTOR FEES & EXPENSES	Joint
		1.930.020 COMPANY MEMBERSHIPS	Joint
		1.930.030 FEES CONVENTIONS & MEETINGS	Joint
		1.930.040 MARKETING	Regulated
		1.930.050 COMPANY RELATIONS	Joint
		1.930.060 TRUSTEE, REGISTRAR, AGENT FEES	Joint
		1.930.080 STOCKHOLDER REPORTS	Joint
		1.930.090 CUSTOMER & PUBLIC INFORMATION	Joint
		1.930.100 PUBLIC & COMMUNITY RELATIONS	Joint

Delta Natural Gas Co., Inc.
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		1.930.110 CONSERVATION PROGRAM	Regulated
		1.930.120 LOBBYING EXPENDITURES	Joint
		1.930.130 MISC NON TAX DEDUCTIBLE	Joint
220	Expenses Transferred	1.922.000 EXP. TRANSFERRED - CAPITAL	Non-Regulated
		1.922.010 EXPENSES TRANSFERRED (CANADA MOUNTAIN)	Non-Regulated
		1.922.100 EXP. TRANSFERRED I/C	Non-Regulated
		1.922.200 EXP. TRANSFERRED - INCENTIVE COMP	Non-Regulated
230	Other	1.753.020 WELLS & GATHERING MISC	Regulated
		1.754.020 COMPRESSOR STATION MISC.	Regulated
		1.816.020 CM WELLS EXPENSES - MISC	Regulated
		1.818.020 CM COMPRESSOR STATION EXPENSES - MISC	Regulated
		1.824.020 CM OTHER UNDERGROUND STORAGE EXPENSES - MISC	Regulated
		1.825.000 CM STORAGE WELL ROYALTIES/RENTS	Regulated
		1.856.000 RIGHT OF WAY CLEARING	Regulated
		1.900.030 SMALL TOOLS & WORK EQUIPMENT	Regulated
240	Labor	1.764.010 MNT WELLS & GATHERING PAYROLL	Regulated
		1.765.010 MNT COMPRESSOR STATION PAYROLL	Regulated
		1.832.010 CM MAINT OF RESERVOIRS AND WELLS - PAYROLL	Regulated
		1.834.010 CM MAINT OF COMPRESSOR STAT EQUIP - PAYROLL	Regulated
		1.838.010 CM MAINT OF DEW POINT CONTROL UNIT - PAYROLL	Joint
		1.887.010 MNT TRANS & DIST MAINS PAYROLL	Regulated
		1.893.010 MNT OF METERS & REG PAYROLL	Regulated
		1.894.010 MNT OF OTHER EQUIPMENT PAYROLL	Regulated
250	Transportation	1.898.010 MNT - TRANSP EQUIP EXPENSE-PAYROLL	Regulated
		1.898.020 MNT - POWER OPR EQUIP EXPENSE-PAYROLL	Regulated
260	Mains	1.887.020 MNT TRANS & DIST MAINS OTHER	Regulated
270	Meter & Regulators	1.893.020 MNT OF METERS & REG OTHER	Regulated
280	Other	1.765.020 MNT COMPRESSOR STATION OTHER	Regulated
		1.831.020 CM MAINTENANCE STRUCTURES & IMPROVEMENTS - MISC	Regulated
		1.832.020 CM MAINTENANCE OF RESERVOIRS AND WELLS - MISC	Regulated
		1.834.020 CM MAINTENANCE OF COMPRESSOR STAT EQUIP - MISC	Regulated
		1.835.020 CM MAINTENANCE OF MEAS & REG STAT EQUIP - MISC	Regulated
		1.837.020 CM MAINTENANCE OF OTHER EQUIPMENT - MISC	Regulated
		1.838.020 CM MAINT OF DEW POINT CONTROL UNIT - MISC	Joint
		1.889.000 MNT REG STATION TRANS & DIST.	Regulated
		1.894.020 MNT OF OTHER EQUIPMENT OTHER	Regulated
		1.932.010 MNT COMMUNICATION EQUIPMENT	Joint
		1.932.020 MNT OFFICE EQUIPMENT	Joint
		1.932.030 MNT GENERAL STRUCTURES	Joint
		1.932.050 MAINTENANCE COMPUTER EQUIPMENT	Joint
290	Depreciation Expense	1.403.000 DEPRECIATION EXPENSE	Joint
300	Property Taxes	1.408.010 LICENSE & PRIVILEGE FEES	Regulated
		1.408.020 PROPERTY TAXES	Regulated
310	Payroll Taxes	1.408.030 PAYROLL TAXES	Joint
320	Current Federal	1.409.010 CURRENT FED INC TAX	Regulated
		1.409.011 APB 28 TRUE UP	Regulated
		1.409.012 CURRENT FED INC TAX - EQUITY & INCENT COMP	Regulated
		1.409.070 ESTIMATED INTERIM INCOME TAXES	Regulated
330	Current State	1.409.020 CURRENT STATE INC TAX	Regulated
		1.409.022 CURRENT STATE INC TAX - EQUITY & INCENT COMP	Regulated
340	Deferred Federal & State	1.410.000 DEFERRED INCOME TAXES	Regulated
		1.410.010 AMORT OF REGULATORY LIABILITY	Regulated
360	Net (Income) Loss From Subsidiaries	1.418.010 NET EARNINGS OF SUBSIDIARY	Non-Regulated
370	Income Taxes Non Regulated	1.409.080 NON REGULATED FEDERAL TAXES	Non-Regulated
		1.409.081 NON REGULATED FEDERAL TAXES - NAT GAS LIQUIDS	Non-Regulated
		1.409.090 NON REGULATED STATE TAXES	Non-Regulated
		1.409.091 NON REGULATED STATE TAXES - NAT GAS LIQUIDS	Non-Regulated
380	Other (income) deductions, net	1.415.010 LABOR SERVICE REVENUE	Non-Regulated
		1.415.020 MERCHANDISING REVENUE	Non-Regulated
		1.415.030 SALES TAX COMMISSION	Non-Regulated
		1.416.010 LABOR SERVICE EXPENSE	Non-Regulated
		1.416.020 MERCHANDISING EXPENSE	Non-Regulated
		1.419.000 INTEREST & DIVIDEND INCOME	Non-Regulated
		1.421.000 MISC NON OPERATING INCOME	Non-Regulated
		1.421.010 MISC NON OPERATING EXPENSE - PAYROLL	Regulated
		1.426.020 LIFE INSURANCE CO. BENEFICIARY	Non-Regulated
		1.426.050 OTHER NON-OPERATING DEDUCTIONS	Non-Regulated
381	Other (income) deductions - parent	1.419.010 INTERCOMPANY INTEREST	Regulated
390	Interest On Long Term Debt	1.427.000 INTEREST ON LONG TERM DEBT	Regulated
400	Interest On Short Term Debt - affiliates	1.431.021 SUBSIDIARY INTEREST	Non-Regulated
401	Interest On Short Term Debt - parent	1.431.020 INTEREST ON SHORT-TERM DEBT	Joint
410	Other Interest	1.431.010 INTEREST ON CUSTOMER DEPOSITS	Regulated
420	Amortization Of Debt Expense	1.428.000 AMORT OF DEBT EXPENSES	Regulated
390	Interest On Long Term Debt	1.427.000 INTEREST ON LONG TERM DEBT	Regulated
400	Interest On Short Term Debt	1.431.020 INTEREST ON SHORT-TERM DEBT	Joint
		1.431.021 SUBSIDIARY INTEREST	Non-Regulated
410	Other Interest	1.431.010 INTEREST ON CUSTOMER DEPOSITS	Regulated
420	Amortization Of Debt Expense	1.428.000 AMORT OF DEBT EXPENSES	Regulated