

**CLASSIFICATION OF SERVICE – RATE SCHEDULES
RESIDENTIAL**

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate + (GCR)**</u>	<u>= Total Rate</u>
Customer Charge*	\$ 24.00		\$24.00
All Mcf***	\$ 5.2539	\$ 11.9556	\$ 17.2095 /per 1.0 Mcf

* Residential rates are subject to a \$0.30 fee collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 38 of this tariff. The fee is not included in the Customer Charge.

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

*** Residential rates are subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of 0/Mcf. The CEPRC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 – 42 of this tariff.

Residential rates are subject to a Pipe Replacement Program charge of \$0.45174 per 1.0 Mcf, as determined (I)
in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff. The fee is not (T)
included in the Base Rate. (T)

DATE OF ISSUE: October 14, 2022
DATE EFFECTIVE: January 1, 2023
ISSUED BY: /s/ John B. Brown
John B. Brown, President

DELTA NATURAL GAS COMPANY, INC.

**P.S.C. No. 13, Fourth Revised Sheet No. 3
Superseding P.S.C. No. 13, Third Revised Sheet No. 3**

**CLASSIFICATION OF SERVICE – RATE SCHEDULES
SMALL NON-RESIDENTIAL***

APPLICABILITY

Applicable within all areas served by Delta. See Tariff Sheet No. 17.

AVAILABILITY

Available for use by small non-residential customers.

CHARACTER OF SERVICE

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES

	Base Rate	Gas Cost Recovery Rate + (GCR)**	= Total Rate
Customer Charge*	\$ 44.40		\$ 44.40
All Mcf***	\$ 4.9739	\$ 11.9556	\$ 16.9295 / per 1.0 Mcf

TERMS AND CONDITIONS

For a customer that is utilizing transportation service and has under deliveries of transportation gas to Delta's system, and/or requests to revert to the Small Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Small Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Small Non-Residential or Interruptible Service rate schedule.

* Meter no larger than AL425

** The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheets No. 13 and 14 of this tariff.

Small Non-Residential rates are subject to a Pipe Replacement Program charge of \$0.28838 per 1.0 Mcf as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff. The fee is not included in the Base Rate.

(I)
(T)
(T)

DATE OF ISSUE: October 14, 2022
DATE EFFECTIVE: January 1, 2023
ISSUED BY: /s/ John B. Brown
John B. Brown, President

Delta Natural Gas Company, Inc.
Pipe Replacement Program Filing
Forecasted Period Ending December 31, 2023
Rates Effective: January 1, 2023

	2022	2023	Total
1 Planned eligible expenditures under the PRP (Schedule II)	\$ 5,833,465	\$ 8,074,114	
2 Less:			
3 Accumulated depreciation	(261,497)	(121,579)	
4 Accumulated deferred income taxes	(1,099,470)	(1,849,649)	
5 Net PRP Rate Base, as of December 31, 2023	4,472,498	6,102,886	
6 WACOC, per case no 2021-00185	6.69175%	6.69175%	
7 Allowed Return	299,288	408,390	
8 Tax expansion factor, w PSC (per Case No. 2021-00185)	1.33984	1.33984	
9 Return, grossed up for income taxes	\$ 400,999	\$ 547,179	\$ 948,178
10 Cost of Service Items (Schedule III)			\$ 534,331
11 Current Year PRP Adjustment			\$ 1,482,509

	Calculated Net Revenue @ Approved Rates per Case No. 2021-00185	Class Allocation	Allocated PRP Adjustment	Volumes for the 12 months ended July 31, 2021	PRP Rate Per MCF
12 Residential	\$ 17,392,991	51.4%	\$ 761,911	1,686,614	\$ 0.45174
13 Small Non-Residential	5,243,155	15.5%	\$ 229,680	796,451	\$ 0.28838
14 Large Non-Residential	9,236,757	27.3%	\$ 404,622	2,179,457	\$ 0.18565
15 Interruptible	1,969,984	5.8%	\$ 86,296	1,406,651	\$ 0.06135
16 Total	\$ 33,842,887	100.0%	\$ 1,482,509	6,069,173	

Calendar Year 2022
PRP Worksheet

	2022 Investment	Book Depr Year 1	Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
			Beginning	Expense	Ending			
1 Distribution Mains	4,234,003	3.10%	-	(65,627)	(65,627)	4,168,376	0.01%	\$ (212)
2 Transmission Mains	1,024,178	2.90%	-	(14,851)	(14,851)	1,009,327	0.02%	(102)
3 Services	362,153	3.10%	-	(5,613)	(5,613)	356,540	0.42%	(761)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.10%	-	-	-	-	0.00%	-
6 Cost of Removal	213,132	various	-	(1,075)	(1,075)	212,057	0.00%	-
	5,833,465		-	(87,166)	(87,166)	5,746,299		\$ (1,075)

	Book Investment	Qualifying Tax Expense Percentage	Tax Expense	Tax Additions	0% Bonus Depreciation	Depreciable Base	MACRS YEAR 1	Tax Depreciation Reserve				Tax Net Book Value		
								Beginning	Tax Expense	Bonus Depr	MACRS Depr		Ending	
7 Distribution Mains	4,234,003	92.0%	(3,895,282)	338,721	-	338,721	15	5.000%	-	(3,895,282)	-	(16,936)	(3,912,218)	321,785
8 Transmission Mains	1,024,178	0.0%	-	1,024,178	-	1,024,178	15	5.000%	-	-	-	(51,209)	(51,209)	972,969
9 Services	362,153	100.0%	(362,153)	(1)	-	(1)	20	3.750%	-	(362,153)	-	-	(362,153)	(1)
10 Gathering Lines	-	0.0%	-	-	-	-	7	14.286%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	5.000%	-	-	-	-	-	-
12 Cost of Removal	213,132	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	5,833,465		(4,257,435)	1,362,898	-	1,362,898			-	(4,257,435)	-	(68,145)	(4,325,580)	1,294,753

	Net Book Value		Cumulative Timing Difference	Statutory Rate	Deferred Income Taxes
	Book	Tax			
13 Distribution Mains	4,168,376	321,785	(3,846,591)	24.95%	(959,724)
14 Transmission Mains	1,009,327	972,969	(36,358)	24.95%	(9,071)
15 Services	356,540	(1)	(356,540)	24.95%	(88,957)
16 Gathering Lines	-	-	-	24.95%	-
17 Storage Lines	-	-	-	24.95%	-
18 Cost of Removal	212,057	NA	(212,057)	24.95%	(52,908)
	5,746,299	1,294,753	(4,451,546)		(1,110,660)

A Year 1 for PRP assets assumes a half year of depreciation expense.

Calendar Year 2022
PRP Worksheet

	Book Depr		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2022 Investment	Year 2	A Depreciation					
			Beginning	Expense	Ending			
1 Distribution Mains	4,234,003	3.10%	(65,627)	(131,254)	(196,881)	4,037,122	0.01%	\$ (423)
2 Transmission Mains	1,024,178	2.90%	(14,851)	(29,701)	(44,552)	979,626	0.02%	(205)
3 Services	362,153	3.10%	(5,613)	(11,227)	(16,840)	345,313	0.42%	(1,521)
4 Gathering Lines		2.25%	-	-	-	-	0.00%	-
5 Storage Lines		2.10%	-	-	-	-	0.00%	-
6 Cost of Removal	213,132	various	(1,075)	(2,149)	(3,224)	209,908	0.00%	-
	5,833,465		(87,166)	(174,331)	(261,497)	5,571,968		\$ (2,149)

	Qualifying Tax		0%				MACRS YEAR 2	Tax Depreciation Reserve					Tax Net Book Value		
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation	Depreciable Base		Tax Life	MACRS YEAR 2	Beginning	Tax Expense	Bonus Depr		MACRS	
														Depr	Ending
7 Distribution Mains	4,234,003	92.0%	(3,895,282)	338,721	-	338,721	15	9.500%	(3,912,218)	-	-	(32,178)	(3,944,396)	289,607	
8 Transmission Mains	1,024,178	0.0%	-	1,024,178	-	1,024,178	15	9.500%	(51,209)	-	-	(97,297)	(148,506)	875,672	
9 Services	362,153	100.0%	(362,153)	(1)	-	(1)	20	7.219%	(362,153)	-	-	-	(362,153)	(1)	
10 Gathering Lines	-	0.0%	-	-	-	-	7	24.490%	-	-	-	-	-	-	
11 Storage Lines	-	0.0%	-	-	-	-	15	9.500%	-	-	-	-	-	-	
12 Cost of Removal	213,132	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA	
	5,833,465		(4,257,435)	1,362,898	-	1,362,898			(4,325,580)	-	-	(129,475)	(4,455,055)	1,165,278	

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
13 Distribution Mains	4,037,122	289,607	(3,747,515)	24.95%	(935,005)
14 Transmission Mains	979,626	875,672	(103,954)	24.95%	(25,937)
15 Services	345,313	(1)	(345,313)	24.95%	(86,156)
16 Gathering Lines	-	-	-	24.95%	-
17 Storage Lines	-	-	-	24.95%	-
18 Cost of Removal	209,908	NA	(209,908)	24.95%	(52,372)
	5,571,968	1,165,278	(4,406,690)		(1,099,470)

A Year 1 for PRP assets assumes a half year of depreciation expense.

Calendar Year **2023**
PRP Worksheet

	Book Depr		Book Depreciation Reserve			Book Net Book Value	COR	
	2023 Investment	Year 1	Beginning	Depreciation Expense	Ending		Rate	COR Depr
1 Distribution Mains	7,093,614	3.10%	-	(109,951)	(109,951)	6,983,663	0.01%	\$ (355)
2 Transmission Mains	-	2.90%	-	-	-	-	0.02%	-
3 Services	640,500	3.10%	-	(9,928)	(9,928)	630,572	0.42%	(1,345)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.10%	-	-	-	-	0.00%	-
6 Cost of Removal	340,000	various	-	(1,700)	(1,700)	338,300	0.00%	-
	8,074,114		-	(121,579)	(121,579)	7,952,535		\$ (1,700)

	Qualifying Tax			0%			MACRS YEAR	Tax Depreciation Reserve					Tax Net Book Value	
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation	Depreciable Base		Tax Life	1	Beginning	Tax Expense	Bonus Depr		MACRS Depr
7 Distribution Mains	7,093,614	92.0%	(6,526,125)	567,489	-	567,489	15	5.000%	-	(6,526,125)	-	(28,374)	(6,554,499)	539,115
8 Transmission Mains	-	0.0%	-	-	-	-	15	5.000%	-	-	-	-	-	-
9 Services	640,500	100.0%	(640,500)	-	-	-	20	3.750%	-	(640,500)	-	-	(640,500)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	14.286%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	5.000%	-	-	-	-	-	-
12 Cost of Removal	340,000	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	8,074,114		(7,166,625)	567,489	-	567,489			-	(7,166,625)	-	(28,374)	(7,194,999)	539,115

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
13 Distribution Mains	6,983,663	539,115	(6,444,548)	24.95%	(1,607,915)
14 Transmission Mains	-	-	-	24.95%	-
15 Services	630,572	-	(630,572)	24.95%	(157,328)
16 Gathering Lines	-	-	-	24.95%	-
17 Storage Lines	-	-	-	24.95%	-
18 Cost of Removal	338,300	NA	(338,300)	24.95%	(84,406)
	7,952,535	539,115	(7,413,420)		(1,849,649)

A Year 1 for PRP assets assumes a half year of depreciation expense.

Increased depreciation expense (Schedule II)

Vintage 2022	\$	174,331
Vintage 2023	\$	<u>121,579</u>
	\$	295,910

Increased property tax expense

A December 31, 2021

Net Book Value, PSC Report Page 110		168,871,482
2023 Property Tax Expense		2,977,000
Average ad valorem tax rate		1.763%
PRP Net Book Value		<u>13,524,503</u>
PRP Property Tax	\$	238,421

Total increased cost of service **\$ 534,331**

A Property tax expense for current year is based on plant balances at the end of the prior year

DELTA NATURAL GAS
Cost of Removal and Replacement Projects for 2022

Schedule IV
 2022 Summary

	2022 Estimate Per Updated Detail	Per 2021-0085			2022 PRP for Recovery during 2023
		PRP @ 12/31/21	PRP @ 12/31/22	Average (Amount Being Currently Recovered)	
Distribution Mains	6,374,541	-	4,281,077	2,140,539	4,234,003
Transmission Mains	1,851,328	-	1,654,300	827,150	1,024,178
Services	550,000	-	375,695	187,848	362,153
Cost of Removal	<u>340,000</u>	<u>-</u>	<u>253,736</u>	<u>126,868</u>	<u>213,132</u>
Total	<u><u>9,115,869</u></u>	<u><u>-</u></u>	<u><u>6,564,808</u></u>	<u><u>3,282,404</u></u>	<u><u>5,833,465</u></u>

DELTA NATURAL GAS**Cost of Removal and Replacement Projects for 01/01/2022 - 12/31/2022**

<u>DISTRICT BRANCH</u>	<u>PLANT CLASSIFICATION</u>	<u>SIZE AND PIPE INSTALLED</u>	<u>FOOTAGE</u>	<u>TOTAL COST</u>
Cost of Removal		(A)	-	\$ 340,000
Berea	Distribution Mains	2" Plastic	116	\$ 4,748
			116	\$ 4,748
London	Distribution Mains	6" Steel	6,117	\$ 805,889.42
London	Distribution Mains	4" Plastic	8,356	\$ 1,100,868
London	Distribution Mains	2" Plastic	3,377	\$ 444,906
London	Distribution Mains	2" Steel	42	\$ 5,533.33
London	Services	22	(C)	\$ 33,000
			17,850	\$ 2,390,197
Owingsville	Distribution Mains	4" Plastic	6,800	\$ 363,415
Owingsville	Distribution Mains	2" Plastic	28,735	\$ 1,535,697
Owingsville	Services	118	(C)	\$ 177,000
			35,535	\$ 2,076,112
Stanton	Distribution Mains	2" Plastic	1,600	\$ 52,298
Stanton	Services	4	(C)	\$ 6,000
			1,600	\$ 58,298
London	Distribution Mains	2" Plastic	118	\$ 8,276
London	Distribution Mains	1" Plastic	111	\$ 7,785
London	Services	4	(C)	\$ 6,000
			229	\$ 22,061
Williamsburg	Distribution Mains	2" Plastic	464	\$ 11,815
			464	\$ 11,815
Stanton	Distribution Mains	2" Plastic	500	\$ 7,491
Stanton	Services	1	(C)	\$ 1,500
			500	\$ 8,991
Stanton	Distribution Mains	2" Plastic	346	\$ 5,415
Stanton	Services	1	(C)	\$ 1,500
			346	\$ 6,915
Stanton	Distribution Mains	2" Plastic	236	\$ 8,795
Stanton	Services	1	(C)	\$ 1,500
			236	\$ 10,295
Corbin	Distribution Mains	2" Plastic	356	\$ 10,505
Corbin	Services	3	(C)	\$ 4,500

<u>DISTRICT BRANCH</u>	<u>PLANT CLASSIFICATION</u>	<u>SIZE AND PIPE INSTALLED</u>	<u>FOOTAGE</u>	<u>TOTAL COST</u>
			356	\$ 15,005
Owingsville	Distribution Mains	2" Plastic	648	\$ 25,137
Owingsville	Services	3	(C)	\$ 4,500
			648	\$ 29,637
Stanton	Distribution Mains	2" Plastic	430	\$ 14,037
Stanton	Services	1	(C)	\$ 1,500
			430	\$ 15,537
Stanton	Distribution Mains	2" Plastic	3,250	\$ 67,953
Stanton	Services	26	(C)	\$ 39,000
			3,250	\$ 106,953
Stanton	Distribution Mains	2" Plastic	8,615	\$ 839,534
Stanton	Services	101	(C)	\$ 151,500
			8,615	\$ 991,034
Manchester	Distribution Mains	4" Plastic	13,076	\$ 653,812
Manchester	Distribution Mains	2" Plastic	4,318	\$ 215,904
Manchester	Services	70	(C)	\$ 105,000
			17,394	\$ 974,715
Williamsburg	Transmission Mains	4" Steel	12,531	\$ 1,851,328
Williamsburg	Services	7	(C)	\$ 17,500
			12,531	\$ 1,868,828
Stanton	Distribution Mains	2" Plastic	38	\$ -
			38	\$ -
Nicholasville	Distribution Mains	Engineering Services	(D)	\$ 121,873
Nicholasville	Services		(C) (D)	\$ -
			-	\$ 121,873
Corbin	Distribution Mains	Engineering Services	(D)	\$ 62,855
Corbin	Services		(C) (D)	\$ -
			-	\$ 62,855
	Total		100,138	\$ 9,115,869

(A) Represents cost of removal incurred. No pipe installed.

(B) Charges relating to footage reported in prior year.

(C) Delta does not track the footage of each individual service line.

(D) These projects are not yet complete. Footages will be reported in the year projects are closed to plant.

DELTA NATURAL GAS
Cost of Removal and Replacement Projects for 2023

2023 Schedule IV

<u>DISTRICT BRANCH</u>	<u>PLANT CLASSIFICATION</u>	<u>SIZE AND PIPE INSTALLED</u>	<u>FOOTAGE</u>	<u>TOTAL COST</u>
Cost of Removal		(A)	-	\$ 340,000
Farmers/Midland	Distribution Mains	4" Plastic	16,549	\$ 1,026,038
Farmers/Midland	Distribution Mains	2" Plastic	12,584	\$ 780,208
Farmers/Midland	Services	91	(C)	\$ 136,500
			<u>29,133</u>	<u>\$ 1,942,746</u>
Owingsville	Distribution Mains	4" Plastic	2,022	\$ 125,364
Owingsville	Distribution Mains	2" Plastic	19,836	\$ 1,229,832
Owingsville	Distribution Mains	Under 2" Plastic	35	\$ 2,170
Owingsville	Services	134	(C)	\$ 201,000
			<u>21,893</u>	<u>\$ 1,558,366</u>
Nicholasville	Distribution Mains	2" Plastic	32,800	\$ 2,033,600
Nicholasville	Services	150	(C) (D)	\$ 225,000
			<u>32,800</u>	<u>\$ 2,258,600</u>
Corbin	Distribution Mains	4" Plastic	6,854	\$ 424,948
Corbin	Distribution Mains	2" Plastic	2,927	\$ 181,474
Corbin	Distribution Mains	Under 2" Plastic	3,213	\$ 199,206
Corbin	Services	25	(C) (D)	\$ 37,500
			<u>12,994</u>	<u>\$ 843,128</u>
Nicholasville	Distribution Mains	6" Steel	192	\$ 86,400
Nicholasville	Services	1	(C)	\$ 1,500
			<u>192</u>	<u>\$ 87,900</u>
Berea	Distribution Mains	4" Steel	328	\$ 37,064
Berea	Services	1	(C)	\$ 1,500
			<u>328</u>	<u>\$ 38,564</u>
Berea	Distribution Mains	4" Steel	7,550	\$ 943,750
Berea	Distribution Mains	2" Plastic	170	\$ 10,540
Berea	Distribution Mains	1" Steel	40	\$ 2,480
Berea	Distribution Mains	Under 2" Plastic	170	\$ 10,540
Berea	Services	25	(C) (D)	\$ 37,500
			<u>7,930</u>	<u>\$ 1,004,810</u>
	Total		<u>105,270</u>	<u>\$ 8,074,114</u>

- (A) Represents cost of removal incurred. No pipe installed.
- (B) Charges relating to footage reported in prior year.
- (C) Delta does not track the footage of each individual service line.
- (D) These projects are not yet complete. Footages will be reported in next year's filing when projects are closed to plant.

**Delta Natural Gas Company, Inc.
Supplemental Data as Requested by
Case No. 2019-00074, Appendix B**

1. Provide a list of the remaining items to be replaced and an estimate of the associated costs eligible to be recovered through the PRP, inclusive of all types of pipe authorized to be replaced through the PRP. The information should include:
 - a. The amount of pipe remaining to be replaced through the PRP. Pipe should be categorized by material (i.e. bare steel, coated steel, plastic, etc.), age, size and location.
 - b. The estimated remaining cost per year of the PRP broken down by pipe, services, and any other eligible PRP activities.

Response:

- 1.a. See attached Schedule VI. This schedule does not include inactive services to be removed, active services to be replaced, and mandatory relocations being recovered through the PRP.
- 1.b. See attached Schedule VII.
2. Using the information provided in Item 1, provide a chart showing by year and customer class, the estimated PRP surcharges for each remaining year of the PRP.

Response:

See Attached Schedule VIII.

3. Provide a list showing each project that was replaced under the PRP for the program year. The list should include the size of the pipe, length replaced, length installed, number of services, pipe material, and cost.

Response:

See attached Schedule IV.

4. Provide the same information as requested in Item 3 above but as an estimate for the next PRP program year.

Response:

See attached Schedule IX.

Delta Natural Gas Company, Inc.
 Pipe Remaining to be Replaced as of 12/31/21

District Location	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Owingsville																									
1/2" Vintage Plastic																									
3/4" Vintage Plastic	52		446	446	87																				
1" Bare Steel																									
1" Unprotected Coated Steel																									
1" Vintage Plastic		226	317		88																				
1 1/4" Vintage Plastic																									
1 1/2" Vintage Plastic																									
2" Bare Steel																									
2" Unprotected Coated Steel	52																								
2" Vintage Plastic	3421	750	7498	4082	3825																				
3" Vintage Plastic																									
4" Bare Steel						210																			
4" Unprotected Coated Steel																									
Owingsville Total	3,525	976	8,261	4,528	4,000	210	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Berea																									
1/2" Vintage Plastic																									
3/4" Vintage Plastic		22		46																					
1" Unprotected Coated Steel																									
1" Vintage Plastic	91	412		167																					
1 1/4" Vintage Plastic	75				25																				
2" Vintage Plastic	3277	9127	6468	7900	4570																				
4" Vintage Plastic				9283	2325																				
Berea Total	3,443	9,561	6,468	17,396	6,920	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Nicholasville																									
3/4" Vintage Plastic			480																						
1" Vintage Plastic	25	270		157	99																				
1 1/4" Vintage Plastic		166																							
2" Bare Steel																									
2" Vintage Plastic	1,077	8,798	2,941	3,119	3,746																				
6" Bare Steel																									
Nicholasville Total	1,102	9,234	3,421	3,276	3,845	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Stanton																									
3/4" Vintage Plastic			185	150	28																				
1" Unprotected Coated Steel																									
1" Vintage Plastic	174	367	831	124	145																				
1 1/4" Vintage Plastic																									
2" Bare Steel																									
2" Unprotected Coated Steel	63																								
2" Vintage Plastic	7741	4534	9580	2887	5204																				
3" Unprotected Coated Steel			60																						
3" Vintage Plastic			2740																						
Stanton Total	7,978	4,901	13,396	3,161	5,377	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

London																									
1" Bare Steel																									
1" Unprotected Coated Steel																									
3" Unprotected Coated Steel																									
4" Unprotected Coated Steel																									
8" Unprotected Coated Steel																									

District Location	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
London Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Williamsburg

- 2" Bare Steel
- 2" Unprotected Coated Steel
- 6" Coated Steel (Exposed or Shallow Depth)

Williamsburg Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Barbourville

- 3/4" Vintage Plastic
- 1" Bare Steel
- 1" Unprotected Coated Steel
- 2" Vintage Plastic

Barbourville Total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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Middlesboro

- 3/4" Bare Steel
- 1" Bare Steel
- 1" Unprotected Coated Steel
- 2" Bare Steel
- 2" Unprotected Coated Steel
- 4" Bare Steel
- 4" Unprotected Coated Steel
- 6" Bare Steel
- 6" Coated Steel (Exposed)

Middlesboro Total	-	-	-	-	-	-	107	-	-	-	-	-	-	-	-	-	-	-
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Corbin

- 3/4" Vintage Plastic
- 1" Bare Steel
- 1" Vintage Plastic
- 1 1/4" Vintage Plastic
- 1 1/4" Unprotected Coated Steel
- 2" Bare Steel
- 2" Unprotected Coated Steel
- 2" Vintage Plastic
- 4" Bare Steel
- 4" Unprotected Coated Steel
- 4" Vintage Plastic
- 6" Unprotected Coated Steel
- 8" Unprotected Coated Steel

Corbin Total	-	-	-	-	-	-	-	-	-	-	-	30	-	-	-	-	-	-
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Manchester

- 3/4" Vintage Plastic
- 1" Bare Steel
- 1" Vintage Plastic
- 1 1/4" Bare Steel
- 2" Vintage Plastic
- 2" Bare Steel
- 3" Bare Steel
- 4" Vintage Plastic

Manchester Total	-	-	71	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
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DOT Transmission

- 1" Bare Steel

Delta Natural Gas Company, Inc.
Estimated Remaining PRP Costs Per Year

Schedule VII

	Estimate Range		
	Low	High	
Main replacements & retirements (unprotected & Aldyl A)	\$ 3,096,000	\$ 9,910,000	{1}
Main & service relocations	448,000	1,527,000	{2}
Service line removals	24,000	243,000	{3}
Service line replacements	675,000	927,000	{4}
	<u>4,243,000</u>	<u>12,607,000</u>	

{1} The average cost per foot, net of relocations, has been \$57.78, but has been as high \$95.38 per foot. Delta used these prices in estimating the high and low estimates, escalated annually for inflation.

{2} Performed as needed. Mandatory relocations have averaged \$448,000 per year with a range of \$32,000 - \$1,527,000 per year.

{3} Delta has spent an average of \$243,000 per year over the five years ending 12/31/2020 removing services that have been inactive for five years or longer. There are 544 inactive services remaining in Delta's system.

{4} Delta has approximately 8,202 bare steel and Aldyl-A services and will need to average approximately 700 per year over the remaining life of the PRP to replace the remaining services. The average cost to replace a service has been \$964. Delta estimates an average cost of \$675,000-927,000 per year.

Delta Natural Gas Company, Inc.
Estimated Future PRP Surcharges

		2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	
PRP Adjustment		\$ 1,482,509	\$ 2,353,232	\$ 3,112,228	\$ 3,860,849	\$ 4,614,197	\$ 5,397,119	\$ 6,180,041	\$ 6,962,963	\$ 7,745,885	\$ 8,528,807	\$ 9,311,730	
Increase amount			\$ 870,723	\$ 758,996	\$ 748,621	\$ 753,348	\$ 782,922	\$ 782,922	\$ 782,922	\$ 782,922	\$ 782,922	\$ 782,922	
Class Allocation													
Residential	51.4%	\$ 1,209,405	\$ 1,599,478	\$ 1,984,219	\$ 2,371,390	\$ 2,773,760	\$ 3,176,130	\$ 3,578,500	\$ 3,980,869	\$ 4,383,239	\$ 4,785,609		
Small Non-Residential	15.5%	\$ 364,578	\$ 482,166	\$ 598,147	\$ 714,861	\$ 836,156	\$ 957,451	\$ 1,078,746	\$ 1,200,042	\$ 1,321,337	\$ 1,442,632		
Large Non-Residential	27.3%	\$ 642,269	\$ 849,422	\$ 1,053,744	\$ 1,259,355	\$ 1,473,039	\$ 1,686,722	\$ 1,900,405	\$ 2,114,089	\$ 2,327,772	\$ 2,541,455		
Interruptible	5.8%	\$ 136,981	\$ 181,162	\$ 224,739	\$ 268,591	\$ 314,165	\$ 359,738	\$ 405,312	\$ 450,886	\$ 496,459	\$ 542,033		
Volumes													
Residential		1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	1,686,614	
Small Non-Residential		796,451	796,451	796,451	796,451	796,451	796,451	796,451	796,451	796,451	796,451	796,451	
Large Non-Residential		2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	2,179,457	
Interruptible		1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	1,406,651	
PRP Rate per Mcf													
		Currently Effective	Proposed										
Residential	\$	-	\$ 0.45174	\$ 0.71706	\$ 0.94834	\$ 1.17645	\$ 1.40601	\$ 1.64457	\$ 1.88314	\$ 2.12171	\$ 2.36027	\$ 2.59884	\$ 2.83741
Small Non-Residential		-	\$ 0.28838	\$ 0.45775	\$ 0.60539	\$ 0.75102	\$ 0.89756	\$ 1.04985	\$ 1.20215	\$ 1.35444	\$ 1.50674	\$ 1.65903	\$ 1.81133
Large Non-Residential		-	\$ 0.18565	\$ 0.29469	\$ 0.38974	\$ 0.48349	\$ 0.57783	\$ 0.67587	\$ 0.77392	\$ 0.87196	\$ 0.97001	\$ 1.06805	\$ 1.16610
Interruptible		-	\$ 0.06135	\$ 0.09738	\$ 0.12879	\$ 0.15977	\$ 0.19094	\$ 0.22334	\$ 0.25574	\$ 0.28814	\$ 0.32054	\$ 0.35294	\$ 0.38534

<u>DISTRICT</u>	<u>PIPE SIZE AND TYPE TO BE REPLACED</u>	<u>ESTIMATED FOOTAGE</u>	<u>ESTIMATE RANGE</u> {1}	
			<u>Low</u>	<u>High</u>
Clay City	3" Aldyl-A	2,962	\$ 171,144	\$ 282,516
Clay City	2" Aldyl-A	28,568	\$ 1,650,659	\$ 2,724,816
Clay City	1-1/4" Aldyl-A	150	\$ 8,667	\$ 14,307
Clay City	1" Aldyl-A	871	\$ 50,326	\$ 83,076
Clay City	3/4" Aldyl-A	2,123	\$ 122,667	\$ 202,492
		<u>34,674</u>	<u>\$ 2,003,464</u>	<u>\$ 3,307,206</u>
Clay City	2" Aldyl-A	29,000	\$ 1,675,620	\$ 2,766,020
		<u>29,000</u>	<u>\$ 1,675,620</u>	<u>\$ 2,766,020</u>
Corbin	8" Unprotected Coated	1,966	\$ 113,595	\$ 187,517
Corbin	6" Unprotected Coated	431	\$ 24,903	\$ 41,109
Corbin	2" Bare Steel	708	\$ 40,908	\$ 67,529
Corbin	1" Bare Steel	20	\$ 1,156	\$ 1,908
		<u>3,125</u>	<u>\$ 180,563</u>	<u>\$ 298,063</u>
Corbin	2" Aldyl-A	15,871	\$ 917,026	\$ 1,513,776
Corbin	3/4" Aldyl-A	605	\$ 34,957	\$ 57,705
		<u>16,476</u>	<u>\$ 1,132,546</u>	<u>\$ 1,869,543</u>
London	8" Unprotected Coated	4,013	\$ 231,871	\$ 382,760
London	1" Unprotected Coated	45	\$ 2,600	\$ 4,292
		<u>4,058</u>	<u>\$ 2,499,563</u>	<u>\$ 4,126,139</u>
	Total 2024 PRP Estimate	<u>87,333</u>	<u>\$ 7,491,755</u>	<u>\$ 12,366,971</u>

{1} To calculate the estimate range, Delta utilized the average and highest cost per foot experienced under the PRP, net of relocations, of \$57.78 and 95.38.

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	
7	14.286%	24.490%	17.492%	12.495%	8.925%	8.925%	8.925%	4.462%														100.000%
15	5.000%	9.500%	8.550%	7.695%	6.925%	6.233%	5.905%	5.905%	5.905%	5.905%	5.905%	5.905%	5.905%	5.905%	5.905%	2.952%						100.000%
20	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%	4.888%	4.522%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	2.231%	100.000%