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December 20, 2022

ELECTRONICALLY FILED

Linda C. Bridwell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

Re: Case No. 2022-00422

Dear Ms. Bridwell:

Please find enclosed Delta's Quarterly Report of Gas Cost Recovery Rate Calculation, which determines the Gas Cost Recovery to be effective with the first billing cycle of February 2023 that includes meters read on and after January 25, 2023. Delta is also filing copies of the schedules in Excel format. Delta has contemporaneously filed a Petition for Confidential Protection for certain of the information in the Quarterly Report and gas supplier invoices.

In addition to requesting approval of the quarterly rate, Delta also requests approval of a monthly surcharge to recover the remaining balances associated with gas costs for Delta Natural Gas Company, Inc. and the former Peoples Gas of KY LLC system prior to the unification of the gas cost recovery mechanisms as approved in the Commission's January 3, 2022 Order in Case No. 2021-00185. During an informal conference on May 11, 2022 in Case No. 2022-00100, Delta discussed with Commission Staff the process by which the remaining balances could be collected. As summarized in the May 13, 2022 memorandum, "After the period in which the lingering Actual Cost Adjustment quarters and Balancing Adjustment quarters for each of the separate gas systems were accounted for, any under- or over-recoveries of gas costs related to each individual gas systems are totaled. Future GCR rate reports would establish a tracking mechanism that would allow for customers in each separate gas system to be charged a separate recovery rate until the remaining under- or over-recoveries of gas costs are individually reconciled." Delta is proposing the tracking mechanism as part of this proceeding.

The total under-recovery for Delta customers is \$8,160,521, as compared to \$320,990 for the former Peoples customers. Delta proposes to recover the balances through a monthly surcharge of \$.87 for Delta customers and \$.74 for the former Peoples customers. The balance would be recovered from Delta customers over three years, and two years from Peoples customers. Once the balances are recovered, the surcharge shall automatically terminate. Delta



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has tendered a schedule outlining the calculation of the under-recoveries and proposed recovery periods.

Delta further requests that if the Commission needs additional time to consider the proposed surcharges, that it please considers issuing an order regarding the quarterly GCR rate without suspension so that Delta can maintain the established GCR quarters.

In accordance with 807 KAR 5:001, Section 8(7), this is to certify that Delta's December 20, 2022 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 December 20, 2022; that there are currently no parties that the Commission has excused from participation by electronic means in this proceeding,

Please let me know if you have any questions or concerns.

Sincerely,

A handwritten signature in blue ink that reads "Monica H. Braun".

Monica H. Braun