



Delta Natural Gas Company, Inc.



3617 Lexington Road
Winchester, Kentucky 40391-9797

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June 23, 2010

RECEIVED

JUN 24 2010

PUBLIC SERVICE
COMMISSION

Mr. Jeff Derouen
Executive Director
Public Service Commission
P O Box 615
Frankfort, KY 40602

Dear Mr. Derouen:

2010-254

Enclosed are the original and three copies of Delta's Quarterly Report of Gas Cost Recovery Rate Calculation which determines the Gas Cost Recovery Rate (GCR) to be effective with the first billing cycle of August 2010 which includes meters read on and after July 26, 2010. We are filing our total actual adjustment using the actual adjustment used in Case No. 2010-00127 pending Commission's approval.

An extra copy of the filing is attached for public files.

Please acknowledge receipt of this filing by stamping the extra copy of the cover letter and returning to Delta in the envelope provided.

Sincerely,

Connie King

Connie King
Manager – Corporate & Employee Services

**AMENDED GAS COST
RECOVERY RATE CALCULATION**

Date Filed	06/24/10
Date to be Effective	07/26/10

GAS COST RECOVERY CALCULATION

COST RECOVERY RATE EFFECTIVE JULY 26, 2010		
PARTICULARS	UNIT	AMOUNT
EXPECTED GAS COST (EGC)	\$/MCF	6.7499
SUPPLIER REFUND (RA)	\$/MCF	-
ACTUAL ADJUSTMENT (AA)	\$/MCF	0.8926
BALANCE ADJUSTMENT (BA)	\$/MCF	(0.1761)
GAS COST RECOVERY RATE (GCR)	\$/MCF	<u>7.4664</u>

EXPECTED GAS COST SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
PRIMARY GAS SUPPLIERS (SCHEDULE II)	\$	2,392,007
UTILITY PRODUCTION	\$	-
INCLUDABLE PROPANE	\$	-
	\$	<u>2,392,007</u>
TOTAL ESTIMATED SALES FOR QUARTER	MCF	<u>354,377</u>
EXPECTED GAS COST (EGC) RATE	\$/MCF	<u>6.7499</u>

SUPPLIER REFUND ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE III)	\$/MCF	-
PREVIOUS QUARTER	\$/MCF	-
SECOND PREVIOUS QUARTER	\$/MCF	-
THIRD PREVIOUS QUARTER	\$/MCF	-
SUPPLIER REFUND ADJUSTMENT (RA)	\$/MCF	<u>-</u>

ACTUAL ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
CURRENT QUARTER (SCHEDULE IV)	\$/MCF	(0.5276)
PREVIOUS QUARTER	\$/MCF	1.5112
SECOND PREVIOUS QUARTER	\$/MCF	0.0407
THIRD PREVIOUS QUARTER	\$/MCF	(0.1317)
ACTUAL ADJUSTMENT (AA)	\$/MCF	<u>0.8926</u>

BALANCE ADJUSTMENT SUMMARY CALCULATION

PARTICULARS	UNIT	AMOUNT
BALANCE ADJUSTMENT AMOUNT (SCHEDULE V)	\$	(62,422)
ESTIMATED SALES FOR QUARTER	MCF	<u>354,377</u>
BALANCE ADJUSTMENT (BA)	\$/MCF	<u>(0.1761)</u>

MCF PURCHASES FOR THREE MONTHS BEGINNING
August 1, 2010
AT SUPPLIERS COSTS EFFECTIVE
August 1, 2010

Supplier	MCF Purchases	DTH Conv Factor	Rates (\$)	Quarterly Cost	Rate Increase (I)/ Reduction (R)
TENNESSEE GAS PIPELINE PIPELINE (SCH II, PAGE 2 OF 2)				397,016	
ATMOS ENERGY MARKETING COLUMBIA GAS TRANSMISSION PIPELINE (SCH II, PAGE 2 OF 2)	114,567	1.036	4.8769	578,846	I
ATMOS ENERGY MARKETING COLUMBIA GULF TRANSMISSION M&B GAS SERVICES	53,727	1.029	4.8714	269,316	I
KENTUCKY PRODUCERS CHESAPEAKE STORAGE	184,397	1.035	5.4357	1,037,408	I
	1,686		6.8216	11,501	I
	-			-	
TOTAL	<u>354,377</u>			<u>2,392,007</u>	

COMPANY USAGE 5,316

TENNESSEE GAS PIPELINE RATES EFFECTIVE 8/01/10

		DTH	FIXED OR		RATES	ANNUAL
		VOLUMES	VARIABLE			COST
FT-G RESERVATION RATE - ZONE 0-2	1.	8,371	F	2.	\$9.060	\$75,837
FT-G RESERVATION RATE - ZONE 1-2	3.	22,511	F	4.	\$7.620	\$171,532
FT-G COMMODITY RATE - ZONE 0-2	5.	(2,456)	V	6.	\$0.0897	(\$220)
FT-G COMMODITY RATE - ZONE 1-2	7.	(6,602)	V	8.	\$0.0793	(\$524)
FT-A RESERVATION RATE - ZONE 0-2	9.	705	F	10.	\$9.060	\$6,387
FT-A RESERVATION RATE - ZONE 1-2	11.	3,024	F	12.	\$7.620	\$23,043
FT-A RESERVATION RATE - ZONE 3-2	13.	471	F	14.	\$4.320	\$2,035
FT-A COMMODITY RATE - ZONE 0-2	15.	21,444	V	16.	\$0.0897	\$1,924
FT-A COMMODITY RATE - ZONE 1-2	17.	91,980	V	18.	\$0.0793	\$7,294
FT-A COMMODITY RATE - ZONE 3-2	19.	14,326	V	20.	\$0.0547	\$784
FUEL & RETENTION - ZONE 0-2	21.	18,988	V	22.	\$0.2308	\$4,382
FUEL & RETENTION - ZONE 1-2	23.	85,378	V	24.	\$0.1919	\$16,381
FUEL & RETENTION - ZONE 3-2	25.	14,326	V	26.	\$0.0571	\$818
SUB-TOTAL						\$309,672
FS-PA DELIVERABILITY RATE	27.	4,572	F	28.	\$2.02	\$9,235
FS-PA INJECTION RATE	29.	46,689	V	30.	\$0.0053	\$247
FS-PA WITHDRAWAL RATE	31.	46,689	V	32.	\$0.0053	\$247
FS-PA SPACE RATE	33.	560,271	F	34.	\$0.0248	\$13,895
FS-PA RETENTION	35.	46,689	V	36.	\$0.0727	\$3,393
SUB-TOTAL						\$27,018
FS-MA DELIVERABILITY RATE	37.	25,908	F	38.	\$1.15	\$29,794
FS-MA INJECTION RATE	39.	96,906	V	40.	\$0.0102	\$988
FS-MA WITHDRAWAL RATE	41.	96,906	V	42.	\$0.0102	\$988
FS-MA SPACE RATE	43.	1,162,866	F	44.	\$0.0185	\$21,513
FS-MA RETENTION	45.	96,906	V	46.	\$0.0727	\$7,042
SUB-TOTAL						\$60,326
TOTAL TENNESSEE GAS PIPELINE CHARGES						\$397,016
COLUMBIA GAS TRANSMISSION RATES EFFECTIVE 8/01/10						
GTS COMMODITY RATE	47.	55,285	V	48.	\$0.7927	\$43,824
FUEL & RETENTION	49.	55,285	V	50.	\$0.2120	\$11,721
TOTAL COLUMBIA GAS TRANSMISSION CHARGES						\$55,545
COLUMBIA GULF CORPORATION RATES EFFECTIVE 8/01/10						
FTS-1 RESERVATION RATE	51.	13,134	F	52.	\$3.1450	\$41,306
FTS-1 COMMODITY RATE	53.	55,285	V	54.	\$0.0189	\$1,045
FUEL & RETENTION	55.	55,285	V	56.	\$0.0004	\$24
TOTAL COLUMBIA GULF CORPORATION CHARGES						\$42,375
TOTAL PIPELINE CHARGES						\$494,936

SUPPLIER REFUND ADJUSTMENT
 DETAIL FOR THE THREE MONTHS ENDED
 April 30, 2010

Particulars	Unit	Amount
SUPPLIERS REFUNDS RECEIVED (1)	\$	0
INTEREST FACTOR (2)		0.9984
REFUND ADJUSTMENT INCLUDING INTEREST	\$	0
SALES TWELVE MONTHS ENDED April 30, 2010	MCF	3,299,215
CURRENT SUPPLIER REFUND ADJUSTMENT	\$/MCF	0.0000

(1) Suppliers Refunds Received	Date Received	Amount
		-
Total		0.00

(2) Interest Factor			
RESULT OF PRESENT VALUE	0.2069230	-0.5 =	(0.293077)

**ACTUAL ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
April 30, 2010**

Particulars	Unit	For the Month Ended		
		Feb-10	Mar-10	Apr-10
SUPPLY VOLUME PER BOOKS				
PRIMARY GAS SUPPLIERS	MCF	562,410	623,846	343,711
UTILITY PRODUCTION	MCF	-	-	-
INCLUDABLE PROPANE	MCF	-	-	-
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	<u>562,410</u>	<u>623,846</u>	<u>343,711</u>
SUPPLY COST PER BOOKS				
PRIMARY GAS SUPPLIERS	\$	3,146,690	3,443,444	1,577,538
UTILITY PRODUCTION	\$	-	-	-
INCLUDABLE PROPANE	\$	-	-	-
OTHER COST (SPECIFY)	\$	-	-	-
TOTAL	\$	<u>3,146,690</u>	<u>3,443,444</u>	<u>1,577,538</u>
SALES VOLUME				
JURISDICTIONAL	MCF	671,391	680,624	381,260
OTHER VOLUMES (SPECIFY)	MCF	-	-	-
TOTAL	MCF	<u>671,391</u>	<u>680,624</u>	<u>381,260</u>
UNIT BOOK COST OF GAS	\$	4.6868	5.0592	4.1377
EGC IN EFFECT FOR MONTH	\$	<u>5.7166</u>	<u>5.7166</u>	<u>5.7166</u>
RATE DIFFERENCE	\$	(1.0298)	(0.6574)	(1.5789)
MONTHLY SALES	MCF	<u>671,391</u>	<u>680,624</u>	<u>381,260</u>
MONTHLY COST DIFFERENCE	\$	<u>(691,398)</u>	<u>(447,442)</u>	<u>(601,971)</u>

Particulars	Unit	Three Month Period
COST DIFFERENCE FOR THE THREE MONTHS	\$	(1,740,811)
TWELVE MONTHS SALES FOR PERIOD ENDED	MCF	<u>3,299,215</u>
CURRENT QUARTERLY ACTUAL ADJUSTMENT	\$/MCF	<u>(0.5276)</u>

**EXPECTED GAS COST BALANCE ADJUSTMENT
DETAIL FOR THE THREE MONTHS ENDED
April 30, 2010**

Particulars	Unit	Amount
COST DIFFERENCE BETWEEN BOOK AND EFFECTIVE EGC AS USED TO COMPUTE AA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	6,570,517
LESS: DOLLAR AMOUNT RESULTING FROM THE AA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL SALES OF 3,299,215 MCF FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE	2.0192 \$	 <u>6,661,775</u>
BALANCE ADJUSTMENT FOR THE AA	\$	<u>(91,258)</u>
DOLLAR AMOUNT OF SUPPLIER REFUND ADJUSTMENT AS USED TO COMPUTE RA OF THE GCR IN EFFECT FOUR QUARTERS PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	-
LESS: DOLLAR AMOUNT RESULTING FROM THE UNIT RATE FOR SUPPLIER REFUND ADJUSTMENT OF 0.0000 \$/MCF AS USED TO COMPUTE RA OF THE JURISDICTIONAL SALES FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT APPROXIMATELY ONE YEAR PRIOR TO THE CURRENT RATE FOR THE MCF TOTAL OF 3,299,215	\$	-
BALANCE ADJUSTMENT FOR THE RA	\$	-
DOLLAR AMOUNT OF BALANCE ADJUSTMENT AS USED TO COMPUTE BA OF THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR	\$	(127,159)
LESS: DOLLAR AMOUNT RESULTING FROM THE BA OF \$/MCF AS USED TO COMPUTE THE GCR IN EFFECT ONE QUARTER PRIOR TO THE CURRENTLY EFFECTIVE GCR TIMES THE JURISDICTIONAL MCF SALES OF 1,733,275 FOR THE PERIOD BETWEEN THE EFFECTIVE DATE OF THE CURRENT GCR RATE AND THE EFFECTIVE DATE OF THE GCR RATE IN EFFECT IMMEDIATELY PRIOR TO THE CURRENT RATE	(0.0900) \$	 <u>(155,995)</u>
BALANCE ADJUSTMENT FOR THE BA	\$	<u>28,836</u>
TOTAL BALANCE ADJUSTMENT AMOUNT	\$	<u>(62,422)</u>

**COMPUTATION OF CHESAPEAKE PRICE EFFECTIVE 8/01/10 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR AUGUST THROUGH OCTOBER 2010**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$6.8216 per MCF

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 8/01/10 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR AUGUST THROUGH OCTOBER 2010 (TGP)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.8769 per MMBtu dry

**COMPUTATION OF ATMOS ENERGY MARKETING PRICE EFFECTIVE 8/01/10 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR AUGUST THROUGH OCTOBER 2010 (TCO)**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$4.8714 per MMBtu dry

**COMPUTATION OF M&B PRICE EFFECTIVE 8/01/10 BASED ON WEIGHTED
AVERAGE NYMEX FUTURES PRICES FOR AUGUST THROUGH OCTOBER 2010**

WEIGHTED AVERAGE PRICE W/ ADD-ON \$5.4357 per MMBtu dry

TGP SUPPLIED AREAS PURCHASE PROFILE:

6/21/11

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2010	26,881	27,849	\$4.879	(\$0.060)	\$134,203.96
September	30,101	31,184	\$4.910	(\$0.060)	\$151,244.23
October	<u>57,585</u>	<u>59,658</u>	\$4.978	(\$0.060)	<u>\$293,399.36</u>
	114,567	118,692			\$578,847.55
FIXED PRICE		0			\$0.00
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$4.8769</u></u>	

COLUMBIA SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2010	10,437	10,739	\$4.879	(\$0.07)	\$51,645.60
September	13,722	14,120	\$4.910	(\$0.07)	\$68,339.50
October	<u>29,569</u>	<u>30,426</u>	\$4.978	(\$0.07)	<u>\$149,332.00</u>
	53,727	55,285			\$269,317.11
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$4.8714</u></u>	

CHESAPEAKE SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	NYMEX \$ PER DTH	ADD-ON PER DTH	BTU ADJUSTMENT	TOTAL
August 2010	454	\$4.879	\$0.75	1.2	\$3,066.68
September	413	\$4.910	\$0.75	1.2	\$2,805.10
October	<u>819</u>	\$4.978	\$0.75	1.2	<u>\$5,629.48</u>
	1,686				\$11,501.25
WEIGHTED AVERAGE PRICE PER MCF:			<u><u>\$6.8216</u></u>		

COLUMBIA GULF SUPPLIED AREAS PURCHASE PROFILE:

MONTH	VOLUMES MCF	VOLUMES DTH	NYMEX \$ PER DTH	ADD-ON PER DTH	TOTAL
August 2010	44,954	46,527	\$4.879	\$0.50	\$250,271.39
September	49,358	51,086	\$4.910	\$0.50	\$276,375.24
October	<u>90,085</u>	<u>93,238</u>	\$4.978	\$0.50	<u>\$510,755.36</u>
	184,397	190,851			\$1,037,401.98
FIXED PRICE		0			\$0.00
WEIGHTED AVERAGE PRICE PER DTH:				<u><u>\$5.4357</u></u>	

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR A Service Areas
P.S.C. NO. 11
Twelfth Revised SHEET NO. 2
CANCELLING P.S.C. NO. 11
Eleventh Revised SHEET NO. 2

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

	Base Rate +	Gas Cost Recovery Rate (GCR) ** =	Total Rate
Customer Charge *	\$ 15.50		\$ 15.50
All Ccf ***	\$ 0.4158	\$ 0.7466	\$ 1.1624/Ccf (I)

* The customer charge includes \$0.20 collected under Delta's Energy Assistance Program Tariff Rider as set forth on Sheet No. 38 of this tariff.

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

*** Residential rates are also subject to the "Conservation/Efficiency Program Cost Recovery Component (CEPRC)" of \$.0085 per Ccf. The CERC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 - 42 of this tariff.

DATE OF ISSUE June 24, 2010 DATE EFFECTIVE July 26, 2010 (Final Meter Reads)
ISSUED BY Glenn R. Jennings TITLE Chairman of the Board
Name of Officer President and CEO
Issued by authority of an Order of the Public Service Commission of KY in
CASE NO. _____ DATED _____

DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR P Service Areas
P.S.C. NO. 11
Twelfth Revised SHEET NO. 4
CANCELLING P.S.C. NO. 11
Eleventh Revised SHEET NO. 4

CLASSIFICATION OF SERVICE
RATE SCHEDULES

LARGE NON-RESIDENTIAL *

APPLICABILITY

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

AVAILABILITY

Available for use by large non-residential customers.

CHARACTER OF SERVICE

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

RATES

	<u>Base Rate</u> +	Gas Cost Recovery Rate (GCR) ** =	<u>Total Rate</u>	
Customer Charge	\$100.00		\$100.00	
1 - 2000 Ccf	\$ 0.4158	\$ 0.7466	\$ 1.1624/Ccf	(I)
2001 - 10,000 Ccf	\$ 0.2509	\$ 0.7466	\$ 0.9975/Ccf	(I)
10,001 - 50,000 Ccf	\$ 0.1713	\$ 0.7466	\$ 0.9179/Ccf	(I)
50,001 - 100,000 Ccf	\$ 0.1313	\$ 0.7466	\$ 0.8779/Ccf	(I)
Over 100,000 Ccf	\$ 0.1113	\$ 0.7466	\$ 0.8579/Ccf	(I)

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 Large Non-Residential or Interruptible Service rate schedule, Delta may require a written contract providing for a continuance of service under the Large Non-Residential or Interruptible Service rate schedule for a minimum term of twelve months beginning with the date service reverts to the Large Non-Residential or Interruptible Service rate schedule.

* Meter larger than AL425

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

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DELTA NATURAL GAS COMPANY, INC.
Name of Issuing Corporation

FOR A Service Areas
P.S.C. NO. 11
Twelfth Revised SHEET NO. 5
CANCELLING P.S.C. NO. 11
Eleventh Revised SHEET NO. 5

CLASSIFICATION OF SERVICE
RATE SCHEDULES

INTERRUPTIBLE SERVICE

APPLICABILITY

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

AVAILABILITY

Available for use by interruptible customers.

CHARACTER OF SERVICE

Interruptible - 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	\$250.00		\$250.00	
1 - 10,000 Ccf	\$ 0.1600	\$ 0.7466	\$ 0.9066/Ccf	(I)
10,001 - 50,000 Ccf	\$ 0.1200	\$ 0.7466	\$ 0.8666/Ccf	(I)
50,001 - 100,000 Ccf	\$ 0.0800	\$ 0.7466	\$ 0.8266/Ccf	(I)
Over 100,000 Ccf	\$ 0.0600	\$ 0.7466	\$ 0.8066/Ccf	(I)

Special Conditions - All customers having a connected load in excess of 2,500,000 Btu input per hour may be required to enter into an Interruptible Sales Agreement. Determinations of those customers so required shall be based on peak day use as well as annual volume and shall be at the sole discretion of the Company.

Any customer required to enter into an Interruptible Agreement shall be permitted to purchase or transport gas under the Interruptible Rate Schedule as set forth on Sheet No. 5. Gas requirements, minimum charges and other specific information shall be set forth in the Agreement.

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

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