

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL GAS COMPANY,)	
INC. FOR AN ORDER AUTHORIZING THE ISSUANCE)	CASE NO.
OF 79,099 SHARES OF ITS COMMON STOCK)	2012-00423

ORDER

On September 14, 2012, Delta Natural Gas Company, Inc. ("Delta") filed an application for Commission approval to issue and sell an additional 79,099 shares of its common stock pursuant to its Amended and Restated Dividend Reinvestment and Stock Purchase Plan ("DRIP"). The purpose of the issuance is to provide partial funding of capital expenditures. As of June 30, 2012, there were 6,803,941 shares of common stock, \$1 par value, issued and outstanding.

In Case No. 2005-00336¹, the Commission authorized Delta to issue up to 200,000 shares of its common stock in connection with the DRIP. As of April 30, 2012, Delta had issued all but 79,099 of the 200,000 shares authorized. On May 1, 2012, Delta executed a two-for-one stock split for each share outstanding as of April 17, 2012.² As a result of the stock split, the 79,099 shares left to be distributed under the DRIP became 158,198 shares, which is 79,099 more than the 200,000 authorized by

¹ Case No. 2005-00336, *Application of Delta Natural Gas Company, Inc. for an Order Authorizing the Issuance of up to 200,000 Shares of Common Stock* (Ky. PSC Oct. 14, 2005).

² The stock split was authorized by the Commission in Case No. 2012-00033, *Application of Delta Natural Gas Company, Inc. for an Order Authorizing a Two-For-One Split of Its Common Stock* (Ky. PSC Mar. 8, 2012).

the Commission in Case No. 2005-00336. Delta seeks approval to issue the additional 79,099 shares in this proceeding.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the issuance and sale by Delta of 79,099 additional shares of its \$1 par value common stock are for lawful objects within its corporate purposes, are necessary and appropriate for and consistent with the proper performance of its service to the public, and will not impair its ability to perform that service, and are reasonably necessary and appropriate for such purposes, and should be approved.

IT IS THEREFORE ORDERED that:

1. Delta is authorized to issue and sell up to 79,099 additional shares of common stock pursuant to its Amended and Restated Dividend Reinvestment Plan as set forth in its application.

2. From the date of this Order, Delta shall semiannually file, as a supplement to its June and December monthly financial reports to the Commission, a statement setting forth the number of shares issued through its Plan and the amounts received.

3. The proceeds from the transactions authorized herein shall be used only for the lawful purposes set out in Delta's application.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.

ENTERED ⁰⁷
OCT 31 2012
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2012-00423

Honorable Robert M Watt, III
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