

**CERTIFICATION OF SERVICE
RATE SCHEDULES**

PIPE REPLACEMENT PROGRAM ("PRP") RIDER

APPLICABILITY

Applicable to all customers receiving service under the Company's Rate Schedules, Residential, Small Non-Residential, Large Non-Residential and Interruptible Services.

CALCULATION OF PIPE REPLACEMENT RIDER REVENUE REQUIREMENT

The PRP Rider Revenue Requirement includes the following:

- a. PRP-related plant in service not included in base gas rates minus the associated PRP-related accumulated depreciation and accumulated deferred income taxes;
- b. Retirement and removal of plant related to PRP construction;
- c. The weighted average cost of capital on the net rate base is the overall rate of return on capital authorized in the Company's latest base gas rate case, grossed up for federal and state income taxes and PSC assessment;
- d. Depreciation expense on the PRP-related plant in service less retirement and removals;
- e. Reduction for savings in operating and maintenance expense;
- f. Increased property tax expense on the PRP-related plant in service.

(N)
(N)

PIPE REPLACEMENT PROGRAM FACTORS

All customers receiving service under Delta's Residential, Small Non-Residential, Large Non-Residential and Interruptible Service Rate Schedules shall be assessed a monthly charge in addition to the Customer Charge component of their applicable rate schedule that will enable the Company to complete the pipe main replacement program.

The PRP Rider will be updated annually, in order to reflect the impact on the Company's revenue requirements of net plant additions as well as a balancing adjustment for the preceding program year. Such adjustment to the Rider will become effective with meter readings on and after the first billing cycle of May, and will reflect the allocation of the required revenue increase based on the revenue distribution approved by the Commission.

(N)
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CANCELLED

January 4, 2022

**KENTUCKY PUBLIC
SERVICE COMMISSION**

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

Brent Kirtley

EFFECTIVE

8/24/2012

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

DATE OF ISSUE: August 28, 2012
 DATE EFFECTIVE: August 24, 2012 (Final Meter Reads)
 ISSUED BY: Glenn R. Jennings, Chairman of the Board, President and CEO

Glenn R. Jennings

Issued by Authority of an Order of the Public Service Commission of KY in Case No. 2012-00136 dated August 24, 2012