

CANCELLED

FOR All Service Areas

January 31, 2021
DELTA NATURAL GAS COMPANY, INC.

P.S.C. NO. 12

Original SHEET NO. 13

Name of Issuing Corporation

CANCELLING P.S.C. NO. 11

Original SHEET NO. 13

**KENTUCKY PUBLIC
SERVICE COMMISSION**

CLASSIFICATION OF SERVICE
RATE SCHEDULES

GAS COST ADJUSTMENT CLAUSE

DETERMINATION OF GCR

The Company shall file a Quarterly Report with the Commission which shall contain an updated Gas Cost Recovery Rate (GCR) and shall be filed at least thirty (30) days prior to the beginning of each calendar quarter. The GCR shall become effective for billing with the final meter readings of the first billing cycle of each calendar quarter.

The gas cost recovery rates are comprised of:

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- (1) The expected gas cost component (EGC), on a dollar per Ccf basis, which represents the average expected cost of gas supplies and may include fixed price, forward price and indexed price purchases. The purchases are less amounts injected into underground storage. The EGC includes withdrawals from underground storage at the average unit cost of working gas. The EGC includes the uncollectible gas costs portion of bad debt. In an effort to mitigate price volatility, the Company may contract with gas suppliers at fixed prices, at locked-in prices for gas to be delivered at future dates (forward price) and at index-based prices. These efforts can include the monthly or periodic layering of forward purchase volumes to help moderate the volatility of gas prices. The Company may consider published futures prices as well as price trends and price expectations at the time such decisions are made. Depending upon the circumstances, this volume can be up to the annual projected system requirements including storage needs.
- (2) The supplier refund adjustment (RA), on a dollar per Ccf basis, which reflects refunds received from suppliers during the reporting period, plus interest at the average 90 day commercial paper rate for the calendar quarter. In the event of any large or unusual refunds, the Company may apply to the Public Service Commission for the right to depart from the refund procedure herein set forth.
- (3) The actual adjustment (AA), on a dollar per Ccf basis, compensates for difference between the previous quarter's expected gas cost and the actual cost of gas during that quarter.
- (4) The balance adjustment (BA), on a dollar per Ccf basis, which compensates for any under or over collections which have occurred as a result of prior adjustments.

**KENTUCKY
PUBLIC SERVICE COMMISSION**

**JEFF R. DEROUEN
EXECUTIVE DIRECTOR**

TARIFF BRANCH

DATE OF ISSUE November 8, 2010

DATE EFFECTIVE Oct 10

ISSUED BY Glenn R. Jennings
Name of Officer

TITLE Chairman of the Board
President and CEO

Issued by authority of an Order of the Public Service Commission of KY in

CASE NO. 2010-00116

DATED Oct 10, 2010
PURSUANT TO KY R.S. 2011.011 SECTION 9 (1)

