



**DELTA NATURAL GAS COMPANY, INC.**

3617 Lexington Road  
Winchester, Kentucky 40391-9797



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Case No. 2015-00066

February 27, 2015

**RECEIVED**

**FEB 27 2015**

**PUBLIC SERVICE  
COMMISSION**

Mr. Jeff Derouen  
Executive Director  
Kentucky Public Service Commission  
P O Box 615  
Frankfort, KY 40602-0615

Dear Mr. Derouen:

Enclosed are the original and ten copies of Delta's Annual Pipe Replacement Program rate filing which determines the Pipe Replacement Program Rate to be effective April 29, 2015, which includes meters read on and after April 20, 2015.

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  
Manager – Corporate & Employee Services

Delta Natural Gas Company, Inc.  
 Pipe Replacement Program Filing  
 Program Year Ended: December 31, 2014  
 Rates Effective: May 1, 2015

	2010	2011	2012	2013	2014	Total
1 Total annual expenditures under the PRP (Schedule II)	\$ 1,574,788	\$ 1,730,104	\$ 3,796,271	\$ 2,961,542	\$ 1,843,366	
2 Less:						
3 Accumulated depreciation	(133,393)	(139,195)	(227,067)	(102,287)	(26,093)	
4 Accumulated deferred income taxes	(527,184)	(603,909)	(1,328,185)	(1,085,373)	(689,747)	
5 Net PRP Rate Base, as of December 31, 2014	914,211	987,000	2,241,019	1,773,882	1,127,526	
6 WACOC, per case no 2010-00116	7.97025%	7.97025%	7.97025%	7.97025%	7.97025%	
7 Allowed Return	72,865	78,666	178,615	141,383	89,867	
8 Tax expansion factor, w PSC (per Case No. 2010-00116)	1.60658	1.60658	1.60658	1.60658	1.60658	
9 Return, grossed up for income taxes	\$ 117,064	\$ 126,383	\$ 286,960	\$ 227,143	\$ 144,379	\$ 901,929
10 Cost of Service Items (Schedule III)						348,170
12 Current Year PRP Adjustment						\$ 1,250,099
13 Balancing Adjustment						
14 Prior Year PRP Adjustment						1,124,360
15 Less: Actual Collections of Prior Year PRP Adjustment May 2014 through February 2015						(896,915)
16 Less: Estimated Collections March 2015 and April 2015						(184,436) <sup>A</sup>
17 Total PRP Adjustment						\$ 1,293,108

	Calculated Net Revenue @ Approved Rates per Case No. 2010-00116	Class Allocation	Allocated PRP Adjustment	# of Customers for the 12 months ended October 31, 2014	Monthly PRP Rate
18 Residential	\$ 14,846,218	54.3%	\$ 702,449	354,235	\$ 1.98
19 Small Non-Residential	3,991,286	14.6%	188,848	49,843	\$ 3.79
18 Large Non-Residential	7,008,122	25.6%	331,590	11,312	\$ 29.31
19 Interruptible	1,484,119	5.4%	70,221	435	\$ 161.43
20	\$ 27,329,745	100.0%	\$ 1,293,108	415,825	

<sup>A</sup> Based on average monthly PRP billings for the six-months ended February 2015.

Calendar Year 2010  
PRP Worksheet

	A Book Depr		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2010	Year	Depreciation					
	Investment	5	Beginning	Expense	Ending			
1 Distribution Mains	816,750	3.10%	(88,617)	(25,319)	(113,936)	702,814	0.01%	\$ (82)
2 Transmission Mains	23,974	2.33%	(1,956)	(559)	(2,515)	21,459	0.02%	(5)
3 Services	118,268	2.69%	(11,134)	(3,181)	(14,315)	103,953	0.42%	(497)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	615,796	various	(2,043)	(584)	(2,627)	613,169	0.00%	-
	1,574,788		(103,750)	(29,643)	(133,393)	1,441,395		\$ (584)

	Book Investment	Qualifying Tax		Tax Expense	Tax Additions	50%		MACRS YEAR	Tax Depreciation Reserve					Tax Net Book Value		
		Expense Percentage				Bonus Depreciation	Depreciable Base		Tax Life	5	Beginning	Expense	Bonus Depr		MACRS Depr	Ending
		7 Distribution Mains	816,750			94.5%	(771,829)		44,921	(22,461)	22,461	15	6.925%		(802,205)	-
8 Transmission Mains	23,974	100.0%	(23,974)	-	-	-	15	6.925%	(23,974)	-	-	-	(23,974)	-		
9 Services	118,268	0.0%	-	118,268	(59,134)	59,134	20	5.713%	(75,273)	-	-	(3,378)	(78,651)	39,617		
10 Gathering Lines	-	0.0%	-	-	-	-	7	8.925%	-	-	-	-	-	-		
11 Storage Lines	-	0.0%	-	-	-	-	15	6.925%	-	-	-	-	-	-		
12 Cost of Removal	615,796	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA		
	1,574,788		(795,803)	163,189	(81,595)	81,595			(901,452)	-	-	(4,933)	(906,385)	52,607		

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
	13 Distribution Mains	702,814	12,990	(689,824)	37.96%
14 Transmission Mains	21,459	-	(21,459)	37.96%	(8,146)
15 Services	103,953	39,617	(64,336)	37.96%	(24,422)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	613,169	NA	(613,169)	37.96%	(232,759)
	1,441,395	52,607	(1,388,788)		(527,184)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2011  
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2011 Investment	Book Depr Year	A					
			Beginning	Expense	Ending			
1 Distribution Mains	828,951	3.10%	(64,243)	(25,697)	(89,940)	739,011	0.01%	\$ (83)
2 Transmission Mains	88,312	2.33%	(5,145)	(2,058)	(7,203)	81,109	0.02%	(18)
3 Services	383,075	2.69%	(25,762)	(10,305)	(36,067)	347,008	0.42%	(1,609)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	429,766	various	(4,275)	(1,710)	(5,985)	423,781	0.00%	-
	1,730,104		(99,425)	(39,770)	(139,195)	1,590,909		\$ (1,710)

	Qualifying Tax		100%			MACRS		Tax Depreciation Reserve				Tax Net Book Value		
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation	Depreciable Base	Tax Life	YEAR	Beginning	Tax Expense	Bonus Depr		MACRS Depr	Ending
7 Distribution Mains	828,951	71.0%	(588,555)	240,396	(240,396)	-	15	7.695%	(828,951)	-	-	-	(828,951)	-
8 Transmission Mains	88,312	94.0%	(82,981)	5,331	(5,331)	-	15	7.695%	(88,312)	-	-	-	(88,312)	-
9 Services	383,075	100.0%	(383,075)	-	-	-	20	6.177%	(383,075)	-	-	-	(383,075)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	12.495%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	7.695%	-	-	-	-	-	-
12 Cost of Removal	429,766	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	1,730,104		(1,054,611)	245,727	(245,727)	-			(1,300,338)	-	-	-	(1,300,338)	-

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
13 Distribution Mains	739,011	-	(739,011)	37.96%	(280,529)
14 Transmission Mains	81,109	-	(81,109)	37.96%	(30,789)
15 Services	347,008	-	(347,008)	37.96%	(131,724)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	423,781	NA	(423,781)	37.96%	(160,867)
	1,590,909	-	(1,590,909)		(603,909)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2012  
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2012 Investment	Book Depr Year	A					
			Beginning	Expense	Ending			
1 Distribution Mains	2,164,531	3.10%	(100,650)	(67,100)	(167,750)	1,996,781	0.01%	\$ (216)
2 Transmission Mains	31,604	2.33%	(1,104)	(736)	(1,840)	29,764	0.02%	(6)
3 Services	732,128	2.69%	(29,541)	(19,694)	(49,235)	682,893	0.42%	(3,075)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	868,008	various	(4,945)	(3,297)	(8,242)	859,766	0.00%	-
	3,796,271		(136,240)	(90,827)	(227,067)	3,569,204		\$ (3,297)

	Qualifying Tax			50%			MACRS YEAR	Tax Depreciation Reserve				Tax Net Book Value		
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation	Depreciable Base		Tax Life	3	Beginning	Tax Expense		Bonus Depr	MACRS Depr
7 Distribution Mains	2,164,531	93.0%	(2,013,014)	151,517	(75,759)	75,758	15	8.550%	(2,099,758)	-	-	(6,477)	(2,106,235)	58,296
8 Transmission Mains	31,604	1.3%	(416)	31,188	(15,594)	15,594	15	8.550%	(18,271)	-	-	(1,333)	(19,604)	12,000
9 Services	732,128	100.0%	(732,128)	-	-	-	20	6.677%	(732,128)	-	-	-	(732,128)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	17.492%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	8.550%	-	-	-	-	-	-
12 Cost of Removal	868,008	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	3,796,271		(2,745,558)	182,705	(91,353)	91,352			(2,850,157)	-	-	(7,810)	(2,857,967)	70,296

	Net Book Value		Cumulative		
	Book	Tax	Timing	Statutory	Deferred
			Difference	Rate	Income Taxes
13 Distribution Mains	1,996,781	58,296	(1,938,485)	37.96%	(735,849)
14 Transmission Mains	29,764	12,000	(17,764)	37.96%	(6,743)
15 Services	682,893	-	(682,893)	37.96%	(259,226)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	859,766	NA	(859,766)	37.96%	(326,367)
	3,569,204	70,296	(3,498,908)		(1,328,185)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2013  
PRP Worksheet

	A Book Depr		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2013	Year	A Depreciation					
	Investment	2	Beginning	Expense	Ending			
1 Distribution Mains	1,672,265	3.10%	(25,920)	(51,840)	(77,760)	1,594,505	0.01%	\$ (167)
2 Transmission Mains	-	2.33%	-	-	-	-	0.02%	-
3 Services	520,370	2.69%	(6,999)	(13,998)	(20,997)	499,373	0.42%	(2,186)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	768,907	various	(1,177)	(2,353)	(3,530)	765,377	0.00%	-
	2,961,542		(34,096)	(68,191)	(102,287)	2,859,255		\$ (2,353)

	Qualifying Tax		Tax Expense	Tax Additions	50% Bonus Depreciation	Depreciable Base	MACRS YEAR	Tax Depreciation Reserve				Tax Net Book Value	
	Book Investment	Expense Percentage						Beginning	Expense	Bonus Depr	MACRS Depr		Ending
7 Distribution Mains	1,672,265	100.0%	(1,672,265)	-	-	-	15	9.500%	(1,672,265)	-	-	(1,672,265)	-
8 Transmission Mains	-	0.0%	-	-	-	-	15	9.500%	-	-	-	-	-
9 Services	520,370	100.0%	(520,370)	-	-	-	20	7.219%	(520,370)	-	-	(520,370)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	24.490%	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	9.500%	-	-	-	-	-
12 Cost of Removal	768,907	NA	-	-	-	-	NA	NA	-	-	-	-	NA
	2,961,542		(2,192,635)	-	-	-			(2,192,635)	-	-	(2,192,635)	-

	Net Book Value		Cumulative		
	Book	Tax	Timing Difference	Statutory Rate	Deferred Income Taxes
	13 Distribution Mains	1,594,505	-	(1,594,505)	37.96%
14 Transmission Mains	-	-	-	37.96%	-
15 Services	499,373	-	(499,373)	37.96%	(189,562)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	765,377	NA	(765,377)	37.96%	(290,537)
	2,859,255	-	(2,859,255)		(1,085,373)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.

Calendar Year 2014  
PRP Worksheet

	A		Book Depreciation Reserve			Book Net Book Value	COR Rate	COR Depr
	2014 Investment	Book Depr Year	B					
			Beginning	Depreciation Expense	Ending			
1 Distribution Mains	1,281,613	3.10%	-	(19,865)	(19,865)	1,261,748	0.01%	\$ (64)
2 Transmission Mains	500	2.33%	-	(6)	(6)	494	0.02%	-
3 Services	396,014	2.69%	-	(5,326)	(5,326)	390,688	0.42%	(832)
4 Gathering Lines	-	2.25%	-	-	-	-	0.00%	-
5 Storage Lines	-	2.05%	-	-	-	-	0.00%	-
6 Cost of Removal	165,239	various	-	(896)	(896)	164,343	0.00%	-
	1,843,366		-	(26,093)	(26,093)	1,817,273		\$ (896)

	Qualifying Tax			50%			MACRS						Tax Net Book Value	
	Book Investment	Expense Percentage	Tax Expense	Tax Additions	Bonus Depreciation	Depreciable Base	Tax Life	YEAR 1	Tax Depreciation Reserve			MACRS Depr		Ending
									Beginning	Expense	Bonus Depr			
7 Distribution Mains	1,281,613	100.0%	(1,281,613)	-	-	-	15	5.000%	-	(1,281,613)	-	-	(1,281,613)	-
8 Transmission Mains	500	0.0%	-	500	(250)	250	15	5.000%	-	-	(250)	(13)	(263)	237
9 Services	396,014	100.0%	(396,014)	-	-	-	20	3.750%	-	(396,014)	-	-	(396,014)	-
10 Gathering Lines	-	0.0%	-	-	-	-	7	14.286%	-	-	-	-	-	-
11 Storage Lines	-	0.0%	-	-	-	-	15	5.000%	-	-	-	-	-	-
12 Cost of Removal	165,239	NA	-	-	-	-	NA	NA	-	-	-	-	-	NA
	1,843,366		(1,677,627)	500	(250)	250			-	(1,677,627)	(250)	(13)	(1,677,890)	237

	Net Book Value		Cumulative		
	Book	Tax	Timing	Statutory	Deferred
			Difference	Rate	Income Taxes
13 Distribution Mains	1,261,748	-	(1,261,748)	37.96%	(478,960)
14 Transmission Mains	494	237	(257)	37.96%	(98)
15 Services	390,688	-	(390,688)	37.96%	(148,305)
16 Gathering Lines	-	-	-	37.96%	-
17 Storage Lines	-	-	-	37.96%	-
18 Cost of Removal	164,343	NA	(164,343)	37.96%	(62,385)
	1,817,273	237	(1,817,036)		(689,747)

A Depreciation rate for lines 1-5 exclude cost of removal rate. Provision for cost of removal on PRP assets is reflected on line 6.  
B Year 1 for PRP assets assumes a half year of depreciation expense.



**DELTA NATURAL GAS**  
**Cost of Removal and Replacement Projects for 2014**

<u>PLANT ACCOUNT</u>	<u>PLANT CLASSIFICATION</u>	<u>PIPE SIZE AND TYPE INSTALLED</u>	<u>INSTALLED FOOTAGE</u>	<u>TOTAL</u>
	COST OF REMOVAL	( A )	<u>-</u>	<u>165,239</u>
376	DISTRIBUTION MAINS	UNDER 2" PLASTIC	2,646	90,844
376	DISTRIBUTION MAINS	2" PLASTIC	30,890	687,688
376	DISTRIBUTION MAINS	4" PLASTIC	19,250	489,827
376	DISTRIBUTION MAINS	4" STEEL	317	2,286
376	DISTRIBUTION MAINS	6" STEEL	44	10,968
			<u>53,147</u>	<u>1,281,613</u>
367	TRANSMISSION MAINS	6" STEEL	<u>10</u>	<u>500</u>
380	SERVICES	( B )	<u>-</u>	<u>396,014</u>
			Report Total	<u>1,843,366</u>
			Control Total	<u>1,843,366</u>

( A ) Represents cost of removal incurred. No pipe installed.

( B ) Represents replacement of a service line. Delta does not track the footage of each individual service line.

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

	<u>Base Rate</u>	+	<u>Gas Cost Recovery Rate (GCR) **</u>	=	<u>Total Rate</u>
Customer Charge *	\$ 20.90000				\$ 20.90000
All Ccf ***	\$ 0.43185		\$ 0.66871		\$ 1.10056 /Ccf

\* 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 .01148/Ccf. The CEPRC is an adjustment determined in accordance with the Conservation/Efficiency Program Cost Recovery as set forth on Sheets 39 – 42 of this tariff.

Residential rates are also subject to a Pipe Replacement Program charge of \$1.98, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff. (l)

DATE OF ISSUE: February 27, 2015  
 DATE EFFECTIVE: April 29, 2015  
 ISSUED BY: John B. Brown, Chief Financial Officer, Treasurer and Secretary

Issued by Authority of an Order of the Public Service Commission of KY in  
 Case No. \_\_\_\_\_ dated \_\_\_\_\_, 2015

CLASSIFICATION OF SERVICE – RATE SCHEDULES  
 SMALL NON-RESIDENTIAL\*

APPLICABILITY

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

AVAILABILITY

Available for use by small non-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	\$ 31.20000				\$ 31.20000
All Ccf ***	\$ 0.43185		\$ 0.66871		\$ 1.10056 /Ccf

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

\* Meter no 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.

Small Non-Residential rates are also subject to a Pipe Replacement Program charge of \$3.79 as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff. (l)

DATE OF ISSUE: February 27, 2015  
 DATE EFFECTIVE: April 29, 2015  
 ISSUED BY: John B. Brown, Chief Financial Officer, Treasurer and Secretary

Issued by Authority of an Order of the Public Service Commission of KY in  
 Case No. \_\_\_\_\_ dated \_\_\_\_\_, 2015

**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

	Base Rate	+	Gas Cost Recovery Rate (GCR) **	=	Total Rate
Customer Charge	\$ 131.00000				\$ 131.00000
1 - 2,000 Ccf	\$ 0.43185		\$ 0.66871		\$ 1.10056 /Ccf
2,001 - 10,000 Ccf	\$ 0.26696		\$ 0.66871		\$ 0.93567 /Ccf
10,001 - 50,000 Ccf	\$ 0.18735		\$ 0.66871		\$ 0.85606 /Ccf
50,001 - 100,000 Ccf	\$ 0.14735		\$ 0.66871		\$ 0.81606 /Ccf
Over 100,000 Ccf	\$ 0.12735		\$ 0.66871		\$ 0.79606 /Ccf

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.

Large Non-Residential rates are also subject to a Pipe Replacement Program charge of \$29.31, as determined in accordance with the Pipe Replacement Program Rider as set forth on Sheet 43 of this tariff.

(1)

DATE OF ISSUE: February 27, 2015  
 DATE EFFECTIVE: April 29, 2015  
 ISSUED BY: John B. Brown, Chief Financial Officer, Treasurer and Secretary

Issued by Authority of an Order of the Public Service Commission of KY in  
 Case No. \_\_\_\_\_ dated \_\_\_\_\_, 2015

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

	<u>Base Rate</u>	+	Gas Cost Recovery Rate <u>(GCR) **</u>	=	<u>Total Rate</u>
Customer Charge	\$ 250.00000				\$ 250.00000
1 - 10,000 Ccf	\$ 0.16000		\$ 0.66871		\$ 0.82871 /Ccf
10,001 - 50,000 Ccf	\$ 0.12000		\$ 0.66871		\$ 0.78871 /Ccf
50,001 - 100,000 Ccf	\$ 0.08000		\$ 0.66871		\$ 0.74871 /Ccf
Over 100,000 Ccf	\$ 0.06000		\$ 0.66871		\$ 0.72871 /Ccf

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.

Interruptible rates are also subject to a Pipe Replacement Program charge of \$161.43, as determined in accordance (I) with the Pipe Replacement Program Rider as set forth on Sheet 43 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.

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 ISSUED BY: John B. Brown, Chief Financial Officer, Treasurer and Secretary

Issued by Authority of an Order of the Public Service Commission of KY in  
 Case No. \_\_\_\_\_ dated \_\_\_\_\_, 2015