

NOTICE

PLEASE TAKE NOTICE that on November 25, 2024, Delta Natural Gas Company, Inc. ("Delta") expects to file an Application seeking approval by the Kentucky Public Service Commission in Case No. 2024-00346 to increase the gas service revenues by \$10,909,513 on an annual basis, which is approximately 19.02%, and for authority to establish a regulatory asset for the costs incurred to complete a tax change associated with the natural gas safe harbor rules. The proposed annual revenue increases by customer classification are: Residential - \$5,986,702 (22.45%); Small Non-Residential - \$1,584,976 (17.84%); Large Non-Residential - \$2,679,106 (19.62%); Interruptible Service - \$100,999 (4.60%); Transportation – On System Utilization/Special Contracts - \$148,874 (32.86%); Transportation – Off System Utilization - \$300,218 (10.79%); Farm Tap - \$79,776 (2.98%). Delta is also proposing increases to its collection and reconnection charges, resulting in an annual increase of \$28,862 (52.55%) in special charges revenue.

The proposed effective date of the rates is for service rendered on and after January 1, 2025. Delta has requested the proposed rates be implemented to all customer classifications as shown below:

Monthly Customer Charge*

Classification	Present Rate	Proposed Rate	\$ Change	% Increase
Residential	\$24.00	\$33.60	\$9.60	40.00%
Small Non-Residential	\$44.40	\$57.70	\$13.30	29.95%
Large Non-Residential	\$195.04	\$195.04	\$0.00	0.00%
Interruptible Service	\$267.85	\$267.85	\$0.00	0.00%
Transportation – Off System Utilization	N/A	N/A	N/A	N/A
Farm Tap	\$24.00	\$33.60	\$9.60	40.00%

*The present and proposed rates listed do not include the \$0.30 Energy Assistance Program Tariff charge that is billed as a separate line item for Residential and Farm Tap customers.

The Transportation – On System Utilization Rate shall be the same as the rate for Residential, Small Non-Residential, Large Non-Residential and Interruptible Service customers, as applicable, set forth above.

Consumption Charges**

Classification	Present Rate	Proposed Rate	\$ Change	% Change
Residential	\$5.2539/per 1.0 Mcf	\$6.6040/per 1.0 Mcf	\$1.3501/per 1.0 Mcf	25.70%
Small Non-Residential	\$4.9739/per 1.0 Mcf	\$6.2840/per 1.0 Mcf	\$1.3101/per 1.0 Mcf	26.34%
Large Non-Residential				
1 - 200 Mcf	\$5.3766/per 1.0 Mcf	\$7.3549/per 1.0 Mcf	\$1.9783/per 1.0 Mcf	36.79%
201 - 1,000 Mcf	\$3.2307/per 1.0 Mcf	\$4.4195/per 1.0 Mcf	\$1.1888/per 1.0 Mcf	36.80%
1,001 - 5,000 Mcf	\$2.1947/per 1.0 Mcf	\$3.0024/per 1.0 Mcf	\$0.8077/per 1.0 Mcf	36.80%
5,001 - 10,000 Mcf	\$1.6743/per 1.0 Mcf	\$2.2905/per 1.0 Mcf	\$0.6162/per 1.0 Mcf	36.80%
Over 10,000 Mcf	\$1.4141/per 1.0 Mcf	\$1.9345/per 1.0 Mcf	\$0.5204/per 1.0 Mcf	36.80%
Interruptible Service				
1 - 1,000 Mcf	\$1.7143/per 1.0 Mcf	\$1.8052/per 1.0 Mcf	\$0.0909/per 1.0 Mcf	5.30%
1,001 - 5,000 Mcf	\$1.2857/per 1.0 Mcf	\$1.3538/per 1.0 Mcf	\$0.0681/per 1.0 Mcf	5.30%
5,001 - 10,000 Mcf	\$0.8571/per 1.0 Mcf	\$0.9025/per 1.0 Mcf	\$0.0454/per 1.0 Mcf	5.30%
Over 10,000 Mcf	\$0.6428/per 1.0 Mcf	\$0.6768/per 1.0 Mcf	\$0.0340/per 1.0 Mcf	5.29%
Transportation – Off System Utilization	\$0.3142/per 1,000 cu. ft. of gas transported or \$0.3142/per dekatherm	\$0.3481/per 1,000 cu. ft. of gas transported or \$0.3481/per dekatherm	\$0.0339/per 1,000 cu. ft. of gas transported or \$0.0339/per dekatherm	10.79%
Farm Tap	\$3.2110/per 1.0 Mcf	\$2.1599/per 1.0 Mcf	-\$1.0511/per 1.0 Mcf	-32.73%

** The consumption charges are exclusive of the Gas Cost Recovery rate and do not include the Pipe Replacement Program Rider, which is billed as a separate line item.

The Transportation – On System Utilization Rate shall be the same as the rate for Residential, Small Non Residential, Large Non-Residential and Interruptible Service customers, as applicable, set forth above.

Special Charges

Charge and Classification	Present Rate	Proposed Rate	\$ Change	% Change
Collection Charge – applies to all customer classes.	\$5.00 per trip to premises for purpose of terminating service.	\$20.00 per trip to premises for purpose of terminating service.	\$15.00	300.00%
Reconnection Charge – applies to all customer classes except Farm Tap customers, whose reconnection charge is \$25.00	\$9.00 per reconnection	\$60.00 per reconnection	\$51.00	566.67%

Delta is not proposing changes to any other special charges.

Average Monthly Bills

Classification	Monthly Average Usage	Current Average Bill	Proposed Bill	\$ Change	% Change
Residential	4.56 Mcf	\$71.00	\$86.75	\$15.75	22.18%
Small Non-Residential	13.00 Mcf	\$172.38	\$202.72	\$30.34	17.60%
Large Non-Residential	75.66 Mcf	\$964.86	\$1,114.53	\$149.67	15.51%
Interruptible Service	726.33 Mcf	\$4,930.39	\$4,996.41	\$66.02	1.34%
Transportation – On System Utilization					
Residential	3.28 Mcf	\$42.62	\$56.64	\$14.02	32.90%
Small Non-Residential	12.66 Mcf	\$110.09	\$139.97	\$29.88	27.14%
Large Non-Residential	1,329.06 Mcf	\$4,765.41	\$6,377.89	\$1,612.48	33.84%
Interruptible	4,256.49 Mcf	\$6,375.93	\$6,688.59	\$312.66	4.90%
Transportation – Off System Utilization	82,000 dekatherms***	\$25,764.40	\$28,544.20	\$2,779.80	10.79%
Farm Tap					
Delta	6.93 Mcf	\$78.82	\$81.15	\$2.33	2.96%
Former Peoples Gas KY LLC Customers****	6.93 Mcf	\$77.92	\$80.25	\$2.33	2.99%

*** No Transportation – Off System Utilization customers are currently billed based on Mcf so the average usage is shown only in dekatherms.

**** The average and proposed bills for the former Peoples Gas KY LLC Farm Tap customers differ from Delta Farm Tap customers due to the separate Gas Cost Recovery surcharges that were approved in Kentucky Public Service Commission Case No. 2023-00076.

Delta requests authority to establish a \$162,900 regulatory asset with a proposed three-year amortization period for the costs incurred to complete a tax change associated with the natural gas safe harbor rules.

Delta proposes changes to certain of its tariffs. The requested changes are: (1) update the sample bill to reflect the current appearance and format; (2) clarify that "billing month" in the Weather Normalization Adjustment is the month the bills are mailed; and (3) modify the Gas Technology Institute Research and Development unit charge to include Farm Tap customers. Delta is not proposing to reset its Pipe Replacement Program ("PRP") rates in this proceeding. Proposed revisions to the PRP rates are pending in Kentucky Public Service Commission Case No. 2024-00332. Delta plans to renegotiate rates for three Special Contract customers and is providing individual notice to those customers.

This application may be examined at the offices of Delta located at 3617 Lexington Road in Winchester, Kentucky, or on the company's website at <https://www.deltagas.com>.

This application may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday through Friday from 8:00 am – 4:30 pm or through the Commission's website at <http://psc.ky.gov>.

Comments regarding this application may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602; or through its website at <http://psc.ky.gov>.

The rates contained in this notice are the rates proposed by Delta but the Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice.

A person may submit a timely written request for intervention to the Public Service Commission, Post Office Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party.

If the Commission does not receive a written request for intervention within thirty (30) days of initial publication or mailing of the notice, the Commission may take final action on the application.



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