

Delta Gas Story

1999

Fifty Years &
Growing



1949

DELTA GAS STORY

FIFTY YEARS AND GROWING



Corporate Office

Delta Natural Gas Company, Inc.
and Subsidiary Companies

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~ Acknowledgments ~

Our special thanks to the following...

Graham Shelby, Author
Delta Gas Story compilation

Juanita E. Hensley
Delta Gas Story Coordinator

Nell C. Waller
Delta Gas Story Editor
Book format/layout compilation

~ **Delta's Mission** ~

Maximize business growth

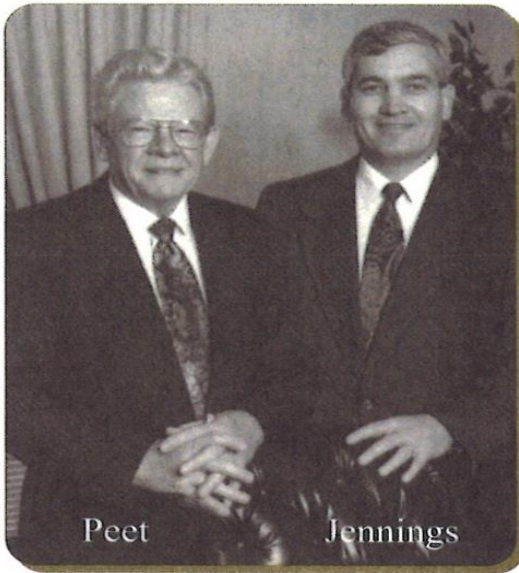
Strive for complete customer satisfaction

Ensure an excellent work environment for all employees

Enhance the quality of shareholders' investment



DELTA



Welcome to 50 years of Delta Gas. This book celebrates Delta's history from its formation in 1949. We represent the only two presidents in Delta's history. (Peet was Chairman, President and CEO from 1949 through 1985, and has continued as Chairman of the Board since that time, and Jennings has been President and CEO since 1985.)

Delta has grown from humble beginnings to a company with 38,000 customers, 181 employees, 10 branch offices and 2 warehouses in addition to its corporate headquarters. Delta now has 2,000 miles of pipe located in 20 Kentucky counties. Delta's business has continued to expand into transmission and underground storage, as well as oil and gas production.

We believe Delta's future is bright. We thank everyone involved with Delta over these many years. All who have come before have helped Delta to get where it is today. Delta's fine employees are congratulated for their many efforts and accomplishments. Our stockholders have been very supportive. Our customers are loyal and are deserving of our best efforts to provide service to them. Delta's Board of Directors has provided outstanding guidance and direction. All these, together, have made Delta what it is today.

We look forward to the future with renewed optimism and confidence.

Harrison D. Peet
Chairman of the Board
August 1, 1998

Glenn R. Jennings
President & CEO

The Early Years



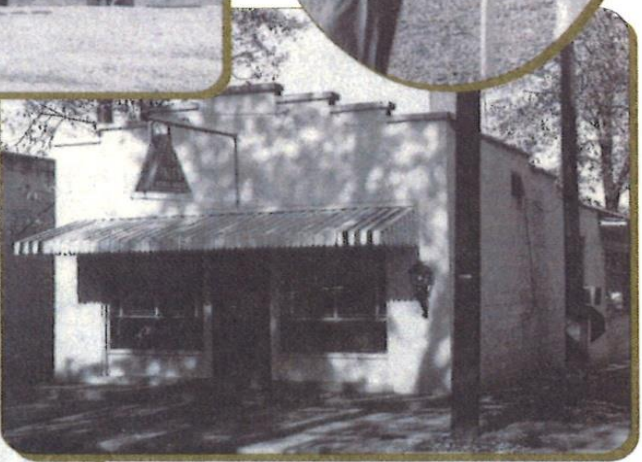
DELTA GAS STORY

FIFTY YEARS AND GROWING

The source of a company's success can be difficult to determine. There is always more than one. Looking back over the fifty-year history of Delta Natural Gas, there is savvy on the part of its leaders, as well as skill and determination, all mixed in with luck. It took all of those and more for a small power line construction company in Stanton, Kentucky to turn itself into a \$100 million utility, with shares traded on the NASDAQ National Market System.

To understand Delta's success and longevity, there are three things one has to know. First is the events that make up the company's history, the baby steps and giant leaps Delta has taken over five decades. To understand the Delta that is preparing itself for the 21st century requires some knowledge of the steps it took to get there. Second, it must be remembered that Delta isn't just a corporation. It isn't gas, pipelines, or storage fields. It's people. And to understand what they have done requires a familiarity with the men and women who founded and fed this company over five decades. Lastly, none of this can be clear without some knowledge of the man whose vision and drive, passion and compassion have fueled the company's success from the beginning.

Delta Gas Story



GETTING STARTED

"I was raised in the utility business," H. D. Peet said. His father, Harry Peet, Jr. had founded Ky. Edison Company, an electric distribution company, and later served as a silent partner for Delta. Small wonder that the younger Peet left the Louisville manufacturing firm he had been working for when an opportunity arose to enter the utility construction business as co-founder of Power Line Construction Company. "I wanted to run my own show," he said.

In the spring of 1948, Peet borrowed \$5000 and he and William Harrison incorporated Power Line Construction Company to construct electric power line extensions in Eastern Kentucky. Peet then called Virgil Scott, an accountant he had worked with in Louisville. "He asked me to come to Stanton to help him start this venture," Scott recalled. When he arrived, Scott found the beginnings of the company were truly humble. "At first, we slept in the attic at Peet's parents' home," he said. Later, that proved impractical so they found a more convenient location. "We moved to an office in the old train station and slept on cots," Scott said, adding that they didn't mind the accommodations at the time. "We were ready to go. You know, you're young, you're energetic. We were full of energy and ready to get everything moving."

The operation did well for about two years, but then Peet, Scott and their new partner, John D. Harrison, who had replaced his brother in the business, ran out of major contracts. "There just wasn't enough for us to do," Peet said. Faced with few sources of revenue, they knew they would have to move elsewhere, dissolve the company or enter a new business. They chose the latter, opting to try out the natural gas distribution business.

Commenting on the origin of naming this new company, Peet said, "I was determined to select a name that was short and did not relate to any particular person or place. The Greek letter, Delta, being a three sided emblem, to me, represented the three owners of Power Line Construction Company from which Delta evolved."

Delta Natural Gas Company was started in October 1949 and its first project was to build systems in the small towns of Frenchburg and Owingsville. Peet believed that a company could make money by supplying gas to communities that urban gas companies deemed too small or remote to be profitable.

Scott's first job for Delta was to survey people in the two towns to determine if there was sufficient interest in gas service to support the project. He found interest was high so the next job was to look for

financing. To finance the project they decided to sell securities in packages of \$1000. Each package consisted of \$500 in bonds, \$400 in preferred stock and \$100 in common stock.

While the completed projects were expected to cost \$130,000, it would require a minimum of \$75,000 to get gas from the interstate pipelines to the communities. To protect the initial investors it was agreed that all security sales would be put into an escrow account that could not be drawn down until the minimum of \$75,000 was reached. Peet's friends and relatives bought in as did potential customers in Owingsville and Frenchburg, but it wasn't enough. The day before the escrow agreement was to terminate, Delta's coffers held \$69,000 and nobody knew where to get any more money.

That night, Peet, who had already borrowed on his life insurance to keep the young company breathing, visited his friend, Arthur "Easy" Walker. "He told me he had already invested all he could afford but for me to

"He (Easy Walker) told me he was making this investment because he was sure I didn't have enough sense to know I could fail."

H. D. Peet

go home and we would both sleep on it," Peet recalled. The next morning, two hours before the agreement would have been terminated, Walker

gave Peet a check for the remaining \$6000. "He told me

he was making this investment because he was sure I didn't have enough sense to know I could fail."

Construction began in October 1950. Three months after nearly collapsing, Delta served its first customer. A year later, 300 customers were warming their homes with Delta gas. The company was growing, but it was still a small operation. "When we first started," Scott recalled, "it took three of us to do the gas bills. We didn't have computers back then." They also didn't have full salaries. Delta wasn't profitable enough to supply full pay to Peet and Scott before 1955. Until then, they had to mix and match employees' salaries with money from Power Line, which John D. Harrison began running in 1952. Peet said Harrison's work with Power Line kept

Delta afloat in those early years by building all of Delta's systems as well as doing small jobs for Bell Telephone and Kentucky

Utilities. "John D. ran Power Line very well and had he not done that, we wouldn't have eaten. Power Line did it all. We couldn't have done it any other way."

Elizabeth Roberts became the first woman to work for Delta in 1953, working as a customer service representative in Owingsville. She retired 44 years later

"John D. ran Power Line very well and had he not done that, we wouldn't have eaten. Power Line did it all. We couldn't have done it any other way."

H. D Peet

and said that when Delta was young, most everything in it was old: an old Studebaker for a service truck; an ancient typewriter; and a faulty copier that overinked some bills and underinked others. But even then, despite the uncertainty of working in a risky new enterprise, she felt good there. The customers were sufficiently few that she knew most of them and their transactions were friendly. "We would just gather around the gas heater when people came in to pay their bill. Everybody knew everybody," she said. Plus, customers were happy to get gas service. Before Delta, "These people had coal or oil furnaces. And elderly people didn't have any means to get heat except to depend on a family member. Customers would come into the office and praise Delta for their service."

G R O W T H

Praise from satisfied customers was part of the company founders' vision for Delta, but not all of it. "My idea was to keep growing," Peet said. He didn't even know which way he wanted the company to grow at first, but when an opportunity presented itself, he took it. Delta had already expanded service to Sharpsburg and Camargo, two small communities in their area. But in December 1954, Delta filed a request with the Kentucky Public Service Commission to construct a gas

system for the towns of Berea and Salt Lick.

"It was like a mouse swallowing a lion," Peet said. Berea's population

dwarfed that of the small communities Delta had served to that point. Still, "We never doubted we could do it," he said. "We had confidence in our people."

Others outside the company weren't always so sure. "There were people who questioned us," Scott said. "People who said, 'What are you fellows doing? It's foolish to try to do this.' But we went ahead, because, we wanted to grow and that was the best opportunity we had. We had to have a lot of confidence in ourselves and each other to try something like this."

Delta had to have confidence not only in itself; it had to have the confidence of a financial institution to raise the necessary capital. It was a hard sell, Peet said, because at the time, "Big institutions didn't loan to little companies. That was why little companies stayed little and big companies stayed big." Eventually, Delta got the backing of Northwestern Mutual Life Insurance Company. Northwestern bought \$468,000 worth of institutional bonds, giving the company the financial foundation it needed to expand.

"It was like a mouse swallowing a lion. We never doubted we could do it. We had confidence in our people."

H. D. Peet

Delta lit the flame on Berea's gas service in October 1955 at a ceremony attended by the town's mayor, local



dignitaries and others. It commemorated not only an era of new home heating options for people in Berea, but also a new chapter for Delta as well.

It was the beginning of a trend towards bold expansion, one that would lead them the next year to hook up and begin serving other communities including Nicholasville and Wilmore. It was a trend that would continue throughout the company's first fifty years.

Among Delta's customers in Berea was the Jennings family. Current Delta President and CEO Glenn Jennings remembered, "As a young boy, I used to watch the blue flame burn through the glass on the stove." He also recalled the difference between having gas heat and not having it. "You just set the thermostat. It was a lot better than going out and carrying coal and wood in to a stove," he said.

After the spurt of growth that took Delta into

Berea and Nicholasville, the company's expansion continued at a slower, steadier pace for the next few years into small communities near ones that had existing service. Delta began heating homes and businesses in Stanton, Clay City, southern Richmond, Farmers-Midland and Clearfield over the next fifteen years. During that period, the company continued to experience ups and downs.

In 1964 Harry Peet, Jr. died. The elder Peet had been instrumental in helping his son found the company and had advised him over the years on the job of running his own business. One of the things his

"You take good care of Delta and she'll take good care of you."

Harry Peet, Jr.

father told him was, "You take good care of Delta and she'll take good care of you." The following year, Delta was operating on a more stable foundation, as gross annual revenue exceeded \$1 million for the first time.

Gas shortages in the early 1970s slowed Delta's growth to a near standstill. Unable to add new customers to its existing facilities, Delta took an alternate route, expanding through the acquisition of additional properties. In 1976, Delta negotiated the purchase of three existing gas distribution and pipeline companies in Southeastern Kentucky. This yielded Delta about 9,000 new customers in Middlesboro, Pineville,

London, Williamsburg and part of Barbourville. Delta had been serving about 11,000 customers, meaning the company was essentially doubling in size.

This presented numerous logistical challenges, which were compounded once the company took possession of the systems and was faced with bringing the systems up to acceptable standards.

To finance the acquisition, Delta arranged to sell \$4,300,000 worth of bonds to New England Mutual Life Insurance Company and began looking at more properties to acquire. In 1978, Delta moved into a new corporate office in Winchester and by 1980, Delta had grown to over 100 employees and annual revenue had increased to \$14.3 million.

Clyde Russell, Manager of Transmission, became one of Delta's new employees as a result of the company's latest round of acquisitions. Russell had worked for Cumberland Valley Pipeline, one of the regional companies in Southeastern Kentucky Delta had just purchased. Russell said that at the time of the transition, he felt fairly sure he'd be kept on, but there was some uncertainty among his co-workers. When the company you work for is bought out, "You always wonder what's going to happen," he said. He stopped wondering after he met his new boss. "Mr. Peet met with people in the company and he assured us that they

weren't planning any major changes. That was good enough for me," he said.

In January 1981, Delta added another system, Peoples Gas Company of Kentucky, bringing in another 8,700 customers in Corbin, Barbourville and Manchester. As this was happening, Peet, Jennings, who was hired as Chief Financial Officer two years earlier, and the leaders of the company realized that Delta could not continue to grow at its current rate without restructuring its finances. Delta was swimming in deep waters and was going to need help to stay afloat. The company had borrowed extensively to complete its recent acquisitions, "It was hard to borrow additional money because we were so heavily leveraged," Jennings said. "We had to go public to continue to grow."

The decision to offer shares of ownership in the company on the open market was not made lightly. Peet remembered he had to go against the advice of his late father. "Don't ever give up control," the elder Peet had warned his son.

"That was hard," H.D. Peet remembered. "Up until that point it had been an extremely tightly-held corporation." He also received prophetic advice from his mentor, Easy Walker. Before he died in January 1981, Walker told Peet, "You're going to change the personality of Delta if you do this and you're not going to like it, but you can't stop."

The company had been growing fast and to sell shares on the stock market would mean taking an irrevocable step toward further expansion and away from the small, folksy company that had made a name for itself by servicing rural communities in Eastern Kentucky. "We knew then that the family atmosphere would disappear because we were just getting too big," Peet said. Still, it was a necessary step in the evolution of the company, like a child's move from adolescence to adulthood.

In May 1981, Delta offered 500,000 shares of common stock at \$9.25 each. The stock sold quickly and looking back, Jennings said it was a necessary move. "We got the company on good footing, financially. It gave Delta the capacity to continue to expand."

And expand it did. Over the next few years, the company renovated the systems it had purchased, trained and reorganized its people. It purchased oil and gas leases in 1986 and leased pipeline space in 1989, expanding its operations in the production and transportation ends of the gas business. Beattyville received gas service in 1992. And in 1996, Delta acquired the North Middletown municipal system in Bourbon County and expanded the Nicholasville system into southern Fayette County. In 1997, Delta purchased TranEx Corporation, which owned a 43-mile pipeline

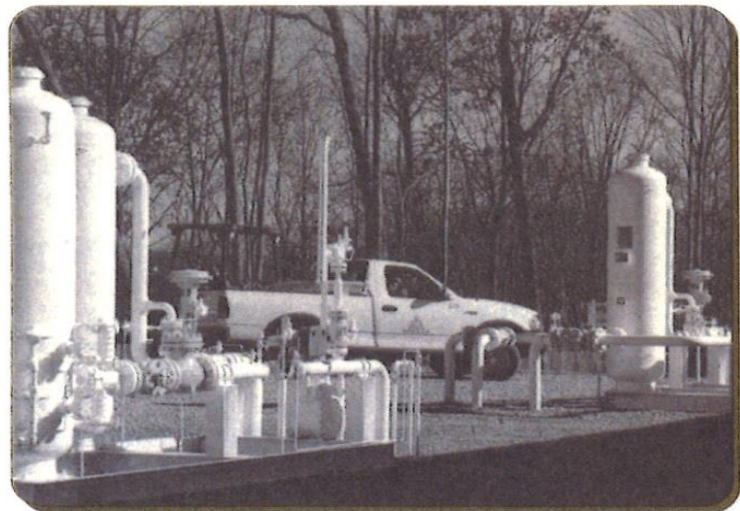
stretching from Clay County to Madison County, and Delta also acquired the Annville Gas and Transmission Corporation in Jackson County and expanded that system into the town of Annville. By 1998, Delta customers numbered over 38,000 and yearly revenue topped \$44 million.

During all this flurry of acquisition, the company was developing another venture, one Peet hoped would “turn Delta into a crown jewel.”

CANADA MOUNTAIN

If the company began in the dirt, digging pole holes for power lines, it’s fitting that the pinnacle it has reached can only be seen from a mountaintop. The Canada Mountain gas storage facility in Middlesboro,

Kentucky is roughly a \$14 million dollar investment. “It’s the biggest project the company has ever done, in size and dollars,” Alan Heath, Vice President of Operations and



Engineering, said. It’s also essential to the company’s future because as the customer base has increased, so

has Delta's need for larger and more dependable gas sources. "We would run out of gas if it wasn't there," Heath said. The storage field, which actually lies almost 3,000 feet below Canada Mountain, has the capacity to hold approximately six billion cubic feet of gas.

Peet was almost giddy as he talked about the implications Canada Mountain has for Delta. "This will be



a Godsend for us," he said. "It's going to change our world." Previously, the company had been buying gas throughout the year when needed. This storage permits

Delta to purchase and store gas during the non-heating months when it is less expensive, and then withdraw and use the gas during the peak usage months. And since storage is a big part of the cost people pay for gas, Peet said Delta will be able to pass on some of the money it saves. "The customer is the real beneficiary of this."

Peet said Canada Mountain will allow him to rest much easier on bitter cold winter days. Normally, he said, "Every sub-zero day, everybody in the gas business sweats, worrying, are you going to be able to keep

everybody warm?" But no more, he said, because with Canada Mountain, "Our system will be strong enough and our supply will be strong enough that we'll be able to cope with sub-zero weather. I'm going to enjoy this winter."

THE PEOPLE OF DELTA

As Delta has grown larger and stronger, management has tried to motivate employees by making them comfortable in the workplace and confident in themselves and those around them. That philosophy was part of what drew Jane Hylton Green to the company and kept her there for more than forty years. When she came to Delta in 1956, she had been working in jobs where her future looked the same as her past. Delta was new, the atmosphere was exciting and open and she thought she'd have a good chance "to upgrade my position and have a greater opportunity for advancement."

She got it, retiring in 1995 as Vice-President of Human Resources and Secretary of the company. She said from the beginning, the feeling at Delta was, "One for all and all for one, let's get the job done." Working for the company was more than just going to work, "It was more like a family," she said.

Eunice Yarber retired as a manager of accounting



People

Delta





after thirty years with Delta. She recalled that Peet went out of his way to reach out to employees. "Every Monday morning all the employees gathered in his office for coffee and doughnuts and they would talk about their weekend. It was supposed to last fifteen minutes, but sometimes it lasted longer." Management's idea was to give the employees a sanctioned time to talk socially so they could then concentrate on their work.

Employees, in turn, have worked hard for Delta. The growth and development of the company couldn't have happened without the dedication, loyalty and expertise of people like Roger Byron, Delta's first general counsel. Others, including George Brewer, Thomas Derickson, Woodrow Harrison, Kenneth Hainline, Ollie Myers, Dick Morton, Sam Gloff, Wilburn Ginter, and many others too numerous to mention by name have played vital roles in the progress and expansion of the company.

The origin of Delta's logo resulted from a contest which was held among the employees during its early years to design a logo for the company. Jackie Tankersley, a customer representative in the Nicholasville office for over forty years won the contest and its \$25 prize.

Management's philosophy and openness were instrumental in enticing qualified people away from other companies as Delta grew. Engineering manager



Jim Nelson came to Delta in 1990 after 32 years with a joint gas and electric utility. He said the attitude and the feel of the two places are profoundly different. "Here at Delta, it's a much more laid back atmosphere," he said. "It's a very employee friendly organization." At his previous company, policy decisions came down like decrees from on high and unlike Delta, the big bosses were less than accessible to their employees. "They were like kings, sitting up there in their throne room," Nelson said with a laugh.

Glenn Jennings said Delta's "open-door" atmosphere was one of the things that lured him to the company from a job at Berea College. As president and CEO since 1985, he said he has tried to maintain that aspect of Delta's corporate culture. "Every door is open to anyone in the company who wants to talk about problems and concerns. We try to involve employees in what's going on," he said.

Like Nelson, he had seen other ways companies do business. As a former auditor with the accounting firm Arthur Andersen, Jennings said, "A lot of the big companies I had dealt with were very stodgy and stuffy and only did things a certain way. They were very monolithic and moved at glacial speed." While still working for Arthur Andersen in the seventies, he had audited Delta and saw that, "It didn't have a large



bureaucracy like a lot of utilities. That interested me.”

Alan Heath came to Delta in 1984 from an interstate pipeline company and said one of the things that appealed to him right away was the attitude of the people he saw working there. “When I walked into this office, I was met with smiles and that impressed me on day one.” He said he tries to pass along to people who work under him the feeling his bosses give him: that everyone is important. In dealing with workers in his department, “I try to make them feel like they matter, that their opinion is important. If you think that you have say-so and you have input, you’re going to be a happy employee.” At Delta, “People feel like their opinion is valued. That approach makes Delta unique.”

Harry Sowders retired as branch supervisor in Corbin seventeen years after joining Delta when the company acquired Peoples Gas where Sowders had worked. He wasn’t sure if he wanted to stay on with the new company, but he said the attitude of his new co-workers convinced him. “Everybody treated me really nice,” he said. “It made me feel at ease, like I was part of the company.” Sowders said one of the best things about his new employer was that, “If you really get in there and work, they make you feel like you’re part of it and they give you credit for what you do. It’s a good place to work.”

DELTA'S FOUNDER

While Delta is the story of a company and the thousands who have been part of it as customers, employees and shareholders over five decades, it is also to some extent, the story of one man. Though he might shrug at the suggestion,



Harrison D. Peet

there is no separating H. D. Peet's story from that of the company he helped create. He alone holds the common thread that links Power Line Construction Company to the modern utility with assets in excess of \$100 million. He is the one constant and still serves as chairman of the board of directors. To understand the man who's been behind Delta's growth for fifty years, it helps to listen to the people who have worked for him and with him.

Tom Kohnle, Vice President - Controller, retired after thirty years with Delta. Of his former boss, he said, "He didn't want any yes-men. He wanted you to be able to get angry." Elizabeth Roberts said, "If you had an opinion, he wanted to hear it." And even in lean or uncertain times, she said he projected a feeling of

optimism, enthusiasm and an expectation of success. Around Peet, "You always had a feeling that everything would materialize."

Glenn Jennings said other people in Peet's position, having built a successful company, have ceded control and then sold out. Not Peet. "He is still very interested in what is going on."

Peet said he has not been enticed by offers to buy Delta because, "money has never been a driving force. I've always had what I needed, enough that my family and I were content." He said the reason he has worked so hard for so long is because he enjoys his work. Asked about total retirement, he responded with cheerful defiance, "Never. Not as long as they will keep me."

Reflecting on the improbability of his accomplishments, he said, "Five thousand dollars I borrowed to start Power Line. We've run that five thousand dollars into \$100 million. I've said it before, I can't believe it."

The source of his and his company's success? Good people and good luck, according to him. And maybe something to do with what Easy Walker said when he purchased the remaining securities from the ambitious, young Peet that saved Delta in 1950. "He was right," Peet recalled. "I really didn't have sense enough to know I could fail."

~ IN MEMORIUM ~

Delta gratefully acknowledges
the dedicated contributions made by the following
toward the success the company has achieved
during the past fifty years...

Charles Crowe, Director - 1962

Raymond (Dutch) McIntosh, Asst. Manager Stanton System - 1963

Harry Peet, Jr., Benefactor - 1964

James B. Kittrell, Director - 1967

C. P. Killpatrick, Director - 1977

Ollie Myers, Manager Berea System - 1978

Thomas A. Derickson, Vice President-Administration - 1980

A. E. Walker, Sr., Director - 1981

Bennett Roop, Manager Berea System - 1981

Carl Collins, Corrosion Supervisor - 1981

Kenneth Hainline, Manager Owingsville System - 1983

William Harrison, Director - 1984

William A. Finnell, Director - 1985

Jake Reams, Director - 1986

Charles Lambdin, Laborer - 1987

George Brewer, Vice President-Engineering - 1988

Jo Ball, Customer Representative - 1988

William Carter, Leak Survey Supervisor - 1990

George Smith, Jr., Accountant - 1993

Elsie Harrison, Customer Representative - 1994

Barbara Messer, Customer Representative - 1994

Jessie Earl, Laborer - 1994



Board of Directors

Standing left to right:

Billy Joe Hall
Mt. Sterling, Kentucky

Arthur E. Walker, Jr.
Mt. Sterling, Kentucky

Henry C. Thompson
Nicholasville, Kentucky

Glenn R. Jennings
Berea, Kentucky

Donald R. Crowe
Versailles, Kentucky

Virgil E. Scott
Winchester, Kentucky

Seated left to right:

John D. Harrison
Stanton, Kentucky

Roger A. Byron
Owingsville, Kentucky

Harrison D. Peet, Chairman
Winchester, Kentucky

Jane Hylton Green
Winchester, Kentucky



Officers

Standing left to right:

Johnny L. Caudill
Vice President Administration and Customer Service

Robert C. Hazelrigg
Vice President Public and Consumer Affairs

Alan L. Heath
Vice President Operations and Engineering

Seated left to right:

John F. Hall
Vice President Finance, Secretary and Treasurer

Glenn R. Jennings
President and Chief Executive Officer

~ LIST OF EMPLOYEES ~

Effective August 1, 1998

Winford Adkins	Carl E. Cox	Robert C. Hazelrigg
Gregory W. Aines	Rehna Cox	Alan L. Heath
Stanley E. Altizer	Bobby R. Coyle	Benny R. Hensley
Ronald E. Azbill	H. Jouett Craycraft	Juanita E. Hensley
Gerald D. Baker	Jimmy B. Creekmore	Mark E. Hollon
Bobby Bargo	Michael L. Crockett	Charles E. Honaker
James Bargo	Carolyn S. Croley*	Eddie Hoskins
Larry L. Barton	Dennis R. Croley	Janice S. House
Jeff R. Baugh	Mark C. Crowe	Clarence Howington
Emily P. Bennett	E. Frances Curtis	Michael L. Jacobs
Douglas R. Beverly	Larry S. Curtis	Nelson Jefferson
G. Steve Billings	Virginia R. Decker	Howard L. Jeffery
Johnny Boggs III	Mark D. Dezarn	Glenn R. Jennings
Jeffrey A. Bond	Stephen D. Dooley	Jeffrey Jones
Mark J. Bowen	Carolyn R. Doran*	Marian E. Jones
James B. Bowman	Rebecca L. Douglas	Cindy P. Juett
Jimmy Boyd	Michael C. Downs	Raymond L. Kidd
Ruben H. Boykin	Norma J. Duncan	Connie H. King
Rickey Broughton	Kevin R. Elliott	Denisa L. King
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George D. Bryant	Larry J. Evans	Lillian J. Lawson
Timothy Buckler	Lonnie R. Eversole	Denver L. Leddington
Russell T. Bush	W. Mike Fields	Nancy C. Lethgo
Don Cartwright	Spencer B. Foley	Steven L. Lewis
John D. Caudill	Donna K. Fuller	E. Tom Lundy Jr.
Johnny L. Caudill	Robert S. Fuller	Anthony B. Maiden
William Caudill	Charles W. Gardner	James A. Martin
Ralph C. Chesnut	H. Steve Gayheart	Thomas G. McCay
Colleen Chumley	Frankie E. Gilbert	Sandra L. McCracken
Patrick D. Clark	Russell G. Goins	James G. McNabb
Wanda P. Clark	George B. Goodin	Kelly M. Meadows
Shawn D. Clayton	William A. Goosey	Mary P. Meers
Robert W. Cobb	John Lee Haddix	James H. Melton
Bonnie L. Collins	Gary K. Hall	Sawyer J. Messer
Donna J. Collins*	John F. Hall	Robert C. Miller
John B. Cooper	J. L. Hamblin	Charles A. Miracle
Carla M. Cornett	John W. Hart Jr.	C. Dennis Miracle

Employee list continued:

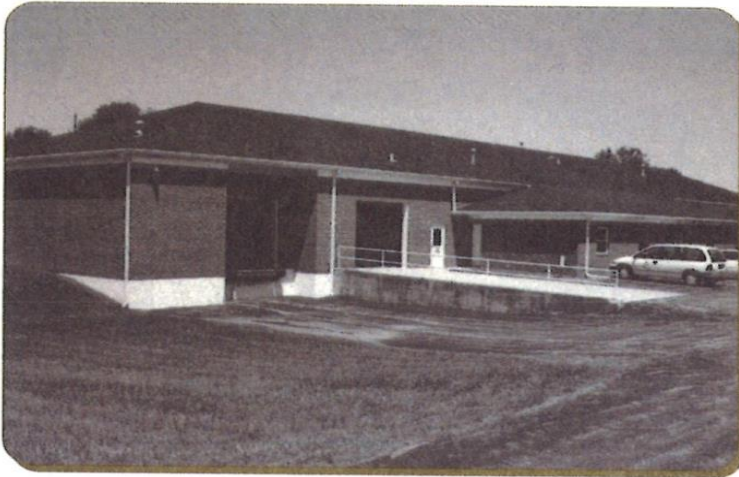
Craig Mitchell	Marjorie I. Sidwell
L. Kermit Money	Bill R. Smallwood
R. Glenn Montgomery	George A. Smith
Jonathan W. Morphew	Kenneth T. Smith
Carleen Morrison	Linville W. Snowden
Jason Napier	Brenda Sorrell
David M. Nash	B. P. Sowders
James Neace Jr.	Bobby Spurlock
James R. Nelson	G. Kevin Steele
Linda G. Nolan	Jeffrey C. Steele
Mark A. Norvell	Mary G. Steele
Larry W. Osborne	Lovell Clay Stevens
Ronald M. Owen	J. David Stivers
Lonnie V. Owens	Donna J. Stoneking
Betty R. Partin	Wayne Storms
Joe C. Peel	Arvil Swafford
David W. Phipps	J. Norman Swartz
John D. Pickard	Jackie J. Tankersley
Gregory L. Pickle	Ricky Terrill
M. Shane Polley	Dennis C. Thomas
Brian N. Potter	Donnison G. Thomas
James B. Potter	Carolyn S. Thompson
Gerald L. Powell	W. Deborah Townsend
Jerry W. Powers	Ralph G. Turner
Leland J. Prewitt	David L. Turpin
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Michael B. Robinson	Richard Wells
James Rogers	Robert F. Wells
Mary Virginia Rupard	Michele N. Whitehead*
Clyde A. Russell	Benny C. Williams
Connie S. Sadler	Charles R. Yearly
William C. Sams	Ruben W. York
William A. Sharp	Stephen R. York
Steven F. Shearer	
Danny R. Shelley	

*Parttime

RETIREES:

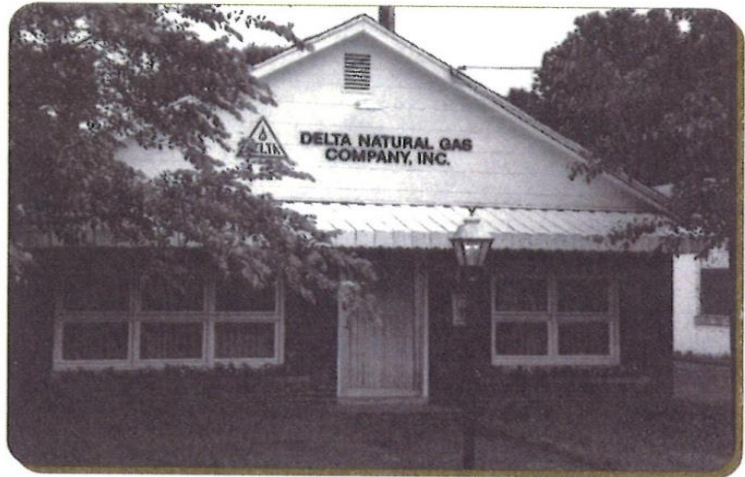
Clarence Abner
Verna Jo Ball
Elbert Bargo
Geneva Botkin
Joe Broughton
Olene Campbell
Lola B. Denton
Glen England
Wilburn Ginter
Samuel Gloff
Jane Hylton Green
Jack Hale
O. Raymond Hall
Loretta Harris
Woodrow Harrison
Thomas A. Kohnle
Richard Morton
Luther Moyers
Harrison D. Peet
Elizabeth Roberts
Virgil E. Scott
Harry P. Sowders
Helen Stewart
Billy Walker
Jessie C. White
Eunice A. Yarber





3617 Lexington Rd.
Winchester, KY
40391

Winchester Warehouse



116 Water Street
Owingsville, KY
40360

Owingsville Branch Office



US 25 North
Berea, KY
40403

Berea Branch Office

501 Etter Drive
Nicholasville, KY
40356



Nicholasville Branch Office



189 North Main St.
Stanton, KY
40380

Stanton Branch Office

421 West Fourth St.
London, KY
40741



London Branch Office



US 25 West
Williamsburg, KY
40769

Williamsburg Branch Office



230 Cumberland Ave.
Barbourville, KY
40906

Barbourville Branch Office



2110 Cumberland Ave.
Middlesboro, KY
40965

Middlesboro Branch Office

513 South Main St.
Corbin, KY
40701



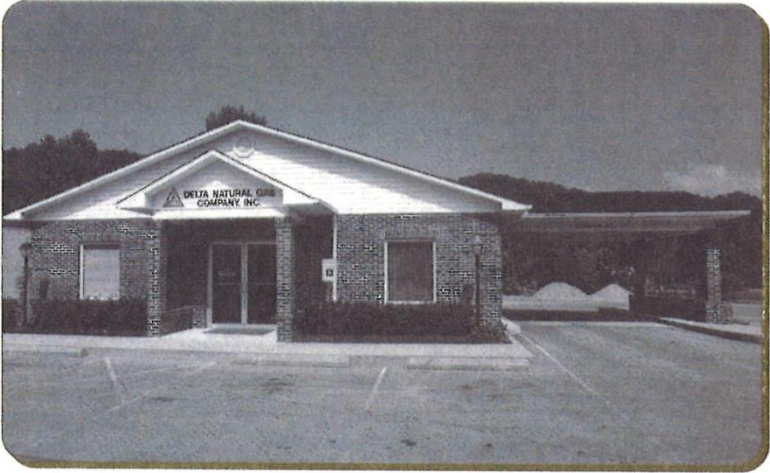
Corbin Branch Office



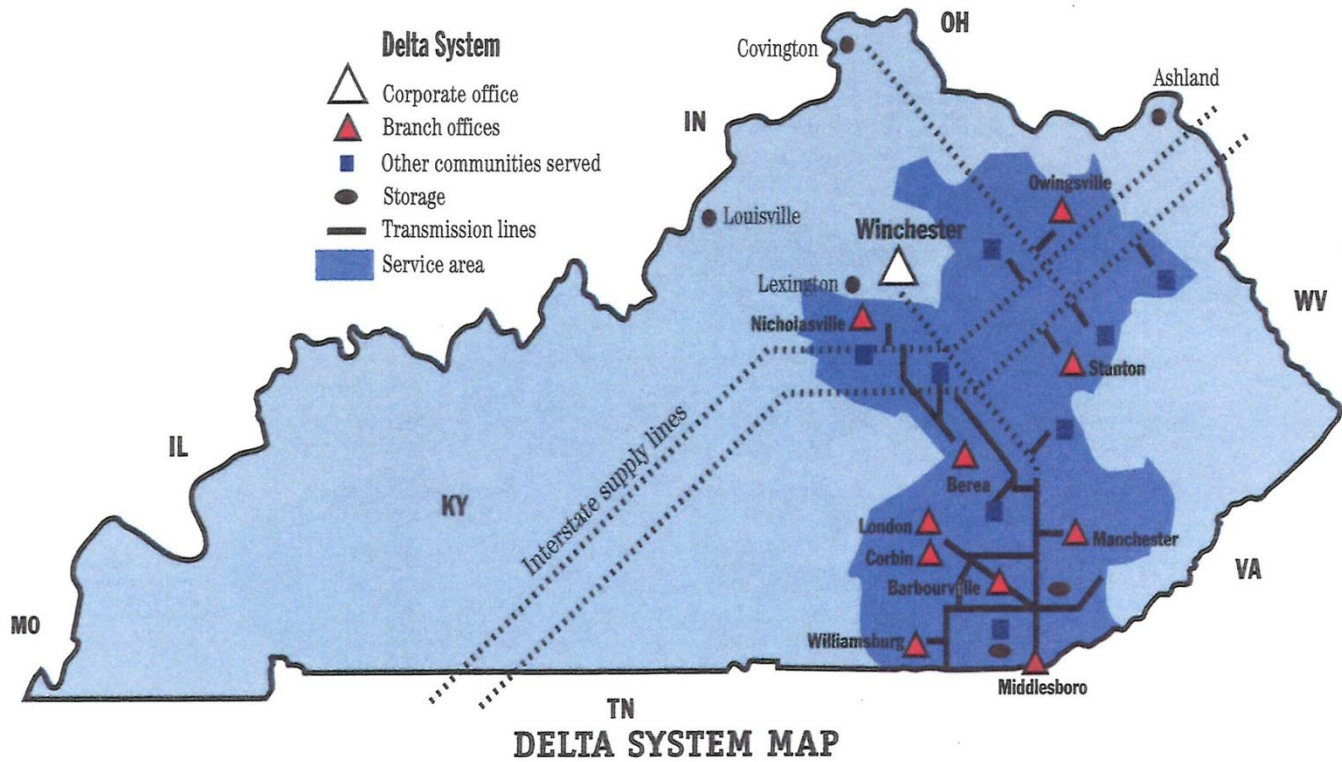
US 25 North
Corbin, KY
40701

Corbin Warehouse

91 Old US 421
Manchester, KY
40962



Manchester Branch Office

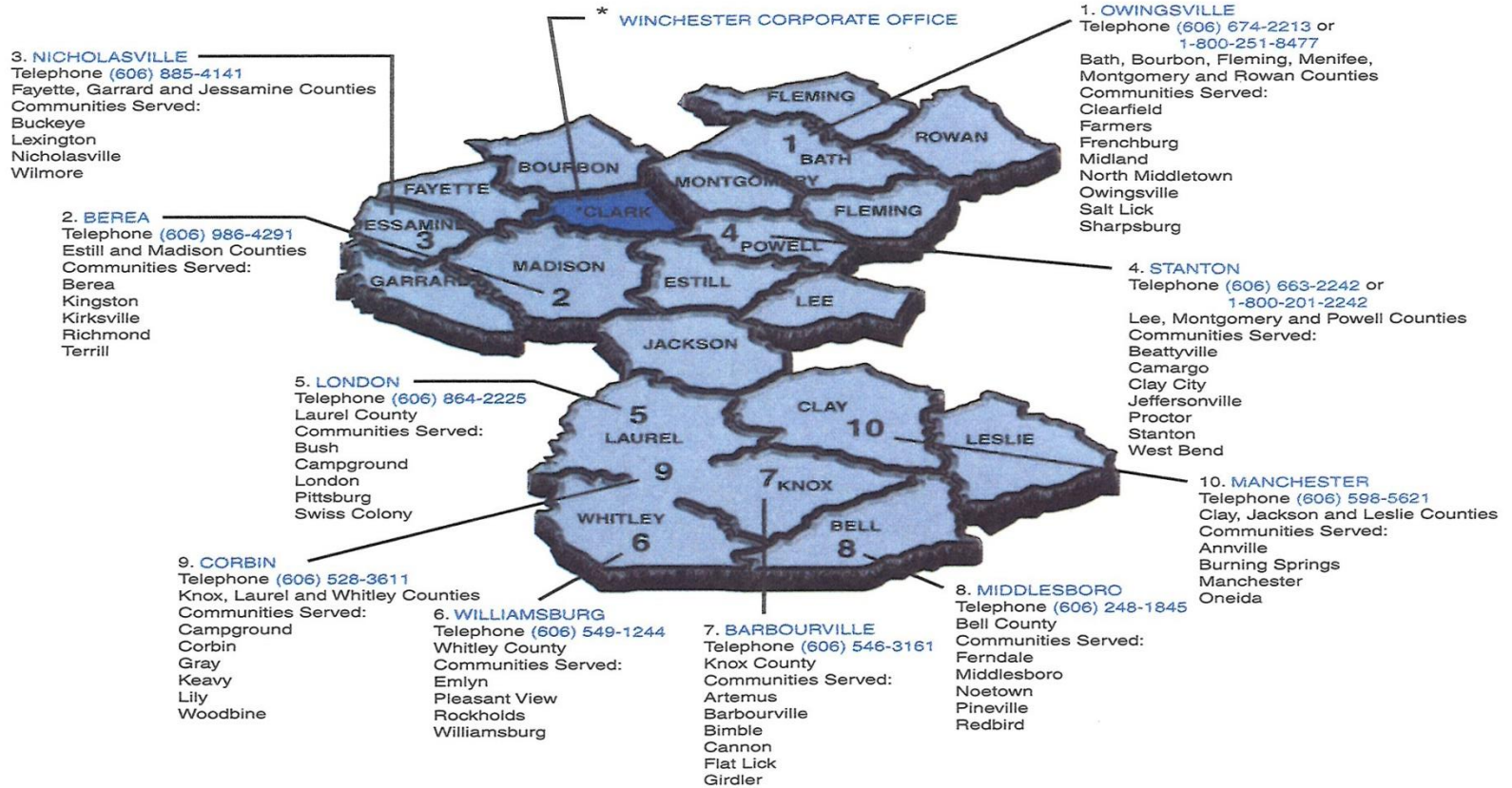


This map displays Delta's service area. The map is an outline of the state of Kentucky with symbols indicating the location of Delta's corporate office, branch offices, communities served, storage facilities and transmission lines. The map also indicates the location of interstate supply lines from which Delta receives a portion of its supply.

Delta Natural Gas Company, Inc.

Kentucky Counties/Communities Served • Telephone 606-744-6171 • Fax: 606-744-3623

After Hours Telephone 1-800-262-2012 • Internet: www.deltagas.com



**Delta Natural Gas Company, Inc.
and Subsidiary Companies**

3617 Lexington Road
Winchester, KY 40391-9797

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Fax 1-606-744-3623

Internet: www.deltagas.com