

RGC RESOURCES INC
 Form 4
 August 21, 2007

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
 Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
D ORAZIO JOHN S

2. Issuer Name and Ticker or Trading Symbol
RGC RESOURCES INC [RGC0]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)
PO BOX 13007

3. Date of Earliest Transaction (Month/Day/Year)
08/17/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
VP & COO Roanoke Gas Co (sub)

(Street)

4. If Amendment, Date Original Filed(Month/Day/Year)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

ROANOKE, VA 24030

(City) (State) (Zip)

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | | (A) or (D) | Price | | |
| Common Stock | 08/17/2007 | | M | A | \$ 20.625 | 5,274.36 ⁽¹⁾ | D |
| Common Stock | 08/17/2007 | | S | D | \$ 27 | 3,574.36 | D |
| Common Stock | 08/20/2007 | | M | A | \$ 20.625 | 4,874.36 | D |
| Common Stock | 08/20/2007 | | S | D | \$ 27 | 3,574.36 | D |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Employee Stock Option | \$ 20.625 | 08/17/2007 | | M | 1,700 | (2) 01/05/2008 | Common Stock | 1,700 |
| Employee Stock Option | \$ 20.625 | 08/20/2007 | | M | 1,300 | (2) 01/05/2008 | Common Stock | 1,300 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| D ORAZIO JOHN S PO BOX 13007 ROANOKE, VA 24030 | | | VP & COO Roanoke Gas Co (sub) | |

Signatures

John S. D'Orazio by Howard T. Lyon, POA dated 04/09/02

08/21/2007

**Signature of Reporting Person

Date

Explanation of Responses:

* If the form is filed by more than one reporting person, see Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) Includes 72,959 shares purchased through dividends reinvested in the Dividend Reinvestment Plan

(2) All options fully exercisable six months after date of grant

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure.

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