

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF DELTA NATURAL) CASE NO. 2013-00245
GAS COMPANY, INC)

ORDER

On October 21, 2010, in Case No. 2010-00116,¹ the Commission approved rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment in accordance with Delta's Gas Cost Recovery ("GCR") clause.

On June 26, 2013, Delta filed its proposed GCR rate to be effective July 29, 2013.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Delta's notice sets out an Expected Gas Cost ("EGC") of \$6.4064 per Mcf, which is a decrease of \$.2287 per Mcf from the previous EGC of \$6.6351 per Mcf.
3. Delta's notice sets out a current quarter Refund Adjustment ("RA") of (\$.0400) per Mcf. Delta's total RA is (\$.0400) per Mcf, which is an increase of \$.0385 per Mcf from the previous quarter total RA of (\$.0785) per Mcf.

¹ Case No. 2010-00116, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates (Ky. PSC Oct. 21, 2010).

4. Delta's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0381) per Mcf. Delta's total AA is \$1.9612 per Mcf, which is an increase of \$.5890 per Mcf from the previous total AA of \$1.3722 per Mcf.

5. The Commission's Order in Delta's last GCR proceeding, Case No. 2013-00114,² required Delta to indicate in its next GCR application whether it has decided to change its method of Balance Adjustment ("BA") recovery, and what factors it considered in making its decision. Delta's notice in the instant application included a request to change its BA methodology so that it reconciles over/under-recoveries of gas cost through the BA over four quarters rather than through its traditional BA methodology, which involves reconciliation over one calendar quarter. Delta stated that this change would reduce the impact of the BA on the GCR rate during non-heating months. This change in BA methodology appears reasonable and is not precluded by the provisions of Delta's GCR tariff, which is silent as to the time period over which any under/over-recovery of gas cost through the BA should occur. Using its revised methodology, Delta's notice sets out a current quarter BA of (\$.0540) per Mcf, which represents a decrease of \$.3774 per Mcf from the previous BA of \$.3234 per Mcf.

6. Delta's GCR rate is \$8.2736 per Mcf, which is an increase of \$.0214 per Mcf from the previous GCR rate of \$8.2522 per Mcf.

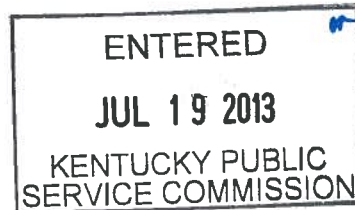
7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after July 29, 2013.

² Case No. 2013-00114, Purchased Gas Adjustment Filing of Delta Natural Gas Company, Inc. (Ky. PSC Apr. 26, 2013).

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after July 29, 2013.
2. Delta's change in BA methodology is approved.
3. Within 20 days of the date of this Order, Delta shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00245 DATED **JUL 19 2013**

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

| | <u>Base Rate</u> | plus | <u>Gas Cost Recovery Rate</u> | equals | <u>Total Rate</u> |
|------------------------|------------------|------|---------------------------------------|--------|-------------------|
| Residential | | | | | |
| Monthly Service Charge | \$ 20.70 | | | | |
| All Ccf | \$.43185 | | \$.82736 | | \$ 1.25921 |

Residential rates are also subject to the Conservation/Efficiency Program Cost Recovery Component (CEPRC) of \$.01173 per Ccf.

Small Non-Residential

| | | | | | |
|------------------------|-----------|--|-----------|--|------------|
| Monthly Service Charge | \$ 31.20 | | | | |
| All Ccf | \$.43185 | | \$.82736 | | \$ 1.25921 |

Large Non-Residential

| | | | | | |
|------------------------|-----------|--|-----------|--|------------|
| Monthly Service Charge | \$ 131.00 | | | | |
| 1 – 2,000 Ccf | \$.43185 | | \$.82736 | | \$ 1.25921 |
| 2001 – 10,000 Ccf | .26696 | | .82736 | | 1.09432 |
| 10,001 – 50,000 Ccf | .18735 | | .82736 | | 1.01471 |
| 50,001 – 100,000 Ccf | .14735 | | .82736 | | .97471 |
| Over 100,000 Ccf | .12735 | | .82736 | | .95471 |

Interruptible

| | | | |
|------------------------|-----------|-----------|-----------|
| Monthly Service Charge | \$ 250.00 | | |
| 1 - 10,000 Ccf | \$.16000 | \$.82736 | \$.98736 |
| 10,001 - 50,000 Ccf | .12000 | .82736 | .94736 |
| 50,001 - 100,000 Ccf | .08000 | .82736 | .90736 |
| Over 100,000 Ccf | .06000 | .82736 | .88736 |

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