

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

DELTA NATURAL GAS COMPANY, INC.)
APPLICATION FOR ADJUSTMENT OF) CASE NO. 7202-N
RATES UNDER PURCHASED GAS)
ADJUSTMENT CLAUSE)

O R D E R

On June 29, 1979, this Commission issued its Final Order in Case No. 7202, approving certain adjustments in the rates of Delta Natural Gas Company, Inc. (Delta) and providing under certain conditions for further adjustments of rates when the wholesale cost of gas is increased, decreased or refunds are received.

On October 13, 1980, Delta and its subsidiaries, hereinafter called the Applicant, notified the Commission that it had received from two of its suppliers a wholesale gas increase to become effective January 1, 1981.

On December 3, 1980, Applicant received from one of its suppliers, Tennessee Gas Pipeline Company (Tennessee) notification of a rate increase effective January 1, 1981.

On January 1, 1981 Applicant shall experience an increase in the cost of gas purchased from Weaver Oil and Gas Corporation (Weaver) in Bell County, Kentucky in accordance with the escalator clause in the Contract of August 16, 1978, a copy of which is on file with the Commission.

The estimated annual net increase in revenue as a result of the Applicant's filing of December 11, 1980, is \$440,491 or \$0.11 per MCF.

The Applicant, in compliance with its tariff and previous Orders of this Commission, submitted with its Notice certain information including verification of the rates and charges of its supplier.

After reviewing this evidence of record and being advised, the Commission is of the opinion and finds:

(1) That Applicant received from one of its suppliers, Tennessee Gas Pipeline Company (Tennessee) notification of a rate increase effective January 1, 1981, as reflected on Tennessee's Thirty-First Revised Tariff Sheet No. 12A.

(2) That effective January 1, 1981, Applicant shall experience an increase of .01 per MCF in the cost of gas purchased from Weaver Oil and Gas Corporation (Weaver) in Bell County, Kentucky in accordance with the escalator clause in the Contract of August 16, 1978, a copy of which is on file with the Kentucky Energy Regulatory Commission.

(3) That the Applicant proposes to apply to its customers effective January 1, 1981, the revised rates as set forth herein.

(4) That the Applicant's adjustment in rates under the Purchased Gas Adjustment provisions approved by the Commission in its Order in Case No. 7202, dated June 29, 1979, is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after the date the increased cost of wholesale gas becomes effective.

IT IS THEREFORE ORDERED that the Purchased Gas Adjustment sought by the Applicant as set out in Appendix "A" attached hereto and made a part hereof, be and the same, is hereby approved to be effective with gas supplied on and after the date the increased cost of wholesale gas becomes effective.

IT IS FURTHER ORDERED that within thirty (30) days after the date of this Order, Applicant shall file with this Commission its revised tariff sheets setting out the rates approved herein.

IT IS FURTHER ORDERED that the information furnished this Commission by Applicant on December 11, 1980, constitutes full compliance with the Commission's requirements and Order in Case No. 7202, and any other information ordinarily required to be filed under this Commission's regulations is hereby waived.

Done at Frankfort, Kentucky this 14th day of January, 1981.

ENERGY REGULATORY COMMISSION

ATTEST:


By the Commission

Secretary

APPENDIX "A"

APPENDIX TO AN ORDER OF THE ENERGY REGULATORY
COMMISSION IN CASE NO. 7202-N DATED JANUARY 14, 1981.

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

RATE SCHEDULE G-GENERAL SERVICE

APPLICABILITY:

Applicable within all service areas served by Delta namely: Owingsville, Sharpsburg, Bath County, Camargo, Montgomery County, Frenchburg, Menifee County, Kingston-Terrill, Madison County Stanton, Clay City, Powell County, Garrard County, Berea, Salt Lick, Midland, Nicholasville, Wilmore, Jessamine County, Jeffersonville, Clearfield, Farmers, Rowan County, Middlesboro, Pineville, Bell County, Barbourville, Knox County, Williamsburg, Whitley County, London, Laurel County, and environs of each.

AVAILABILITY:

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

CHARACTER OF SERVICE:

Firm- with the reasonable limits of the company's capability to provide such service.

RATES:

Monthly Customer Charge: \$2.50 per delivery point per Month

Rate to be applied January 1, 1981. \$3.73 per MCF/Month

PURCHASED GAS ADJUSTMENT

Delta Natural Gas Company, Inc.

Applicable to all rate schedules

The base rate for purchased gas for the future application of this Purchased Gas Adjustment Clause is:

| <u>Supplier</u> | <u>Rate/MCF</u> |
|---------------------------------------|-----------------|
| Columbia Gas Transmission Corporation | |
| Rate Schedule CDS | |
| Demand | \$2.12 |
| Commodity | 2.4027 |
| Rate Schedule SGS | 2.5421 |
| Columbia LNG Corporation | 5.0129* |

*Includes Transportation Charge of \$0.2229

| <u>Supplier</u> | <u>Rate/MCF</u> |
|--|-----------------|
| Tennessee Gas Pipeline Company Rate Schedule GS-2 | \$ 2.6654 |
| Graham-Michaelis Corporation | \$ 1.50 |
| Flat Lick | \$ 0.35 |
| LVPL - Production | 0.90 |
| Evans | 0.92 |
| Wiehoff | 1.37 |
| Newman | 0.60 |
| Hall-Martin | 0.40 |
| Moser | 0.92 |
| Goff | 0.40 |
| Weaver | 1.79 |
| Robert Martin | 1.75 |
| Wiser Oil Company | \$ 1.858 |
| John Owens | \$ 1.8288 |