

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

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

O R D E R

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

On June 11, 1981, Delta and its subsidiaries notified the Commission that it had received from three of its suppliers wholesale gas rate revisions.

On June 1, 1981, Delta received notification from Tennessee Gas Pipeline Company ("Tennessee") of a rate increase effective July 1, 1981, as reflected on Tennessee's First Revised Tariff Sheet No. 20 and First Revised Tariff Sheet No. 21.

On April 23, 1981, Delta received from one of its suppliers, Columbia Gas Transmission Corporation ("Columbia") notification of a slight rate decrease effective April 1, 1981, as reflected on Columbia's Substitute Seventieth Revised Tariff Sheet No. 16 and Substitute Eighteenth Revised Tariff Sheet No. 16A.

Due to the retroactive nature of the Columbia decrease, Delta requests that the new rate be made effective July 1, 1981. Delta should report to this Commission any excess revenues collected during the period April 1, 1981, through July 1, 1981, along with a plan to

refund any excess collections.

On July 1, 1981, Delta shall experience an increase in the cost per Mcf 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.

Delta has requested an effective date of July 1, 1981, on the revised rates as set forth herein.

The estimated annual net increase in revenue as a result of Delta's filing of June 11, 1981, is \$301,266 or \$0.08 per MCF.

Delta, 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 that:

(1) Delta received from one of its suppliers, Columbia, notification of a rate decrease effective April 1, 1981, as reflected on Columbia's Substitute Seventieth Revised Tariff Sheet No. 16.

(2) Delta shall report to the Commission any excess revenues collected during the period of April 1, 1981, through July 1, 1981, along with a plan to refund any excess collections to its customers.

(3) Effective July 1, 1981, Delta shall experience an increase in the cost of gas purchased from Tennessee as reflected on Tennessee's First Revised Tariff Sheet No. 20 and First Revised Sheet No. 21.

(4) Effective July 1, 1981, Delta shall experience an increase of \$0.01 per Mcf in the cost of gas from its supplier Weaver.

(5) Delta proposed to apply to its customers, effective July 1, 1981, the revised rates as set forth herein.

(6) Delta'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, in the public interest and should be effective with gas supplied on and after July 1, 1981, subject to approval by the Federal Energy Regulatory Commission ("FERC").

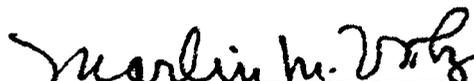
IT IS THEREFORE ORDERED that the purchased gas adjustment sought by Delta as set out in Appendix A attached hereto and made a part hereof, be and the same, is hereby approved to be effective with gas supplied on and after July 1, 1980, subject to approval by FERC.

IT IS FURTHER ORDERED that within 30 days after the date of this Order, Delta 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 Delta on June 11, 1981, constitutes full compliance with the Commission's requirement 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 1st day of July, 1981.

PUBLIC SERVICE COMMISSION



For the Commission

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 7202-Q DATED JULY 1, 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 requested effective May 1, 1981: \$4.02 per MCF/Month
Rate to be applied July 1, 1981: \$4.02 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	\$2.43
Commodity	2.7263
Rate Schedule SGS	2.8861
Columbia LNG Corporation	5.0643*
*Includes Transportation Charge of \$0.2743	
Tennessee Gas Pipeline Company	
Gas Rate (Dth)	\$2.3526
Commodity	.4915
Graham-Michaelis Corporation	\$1.75
Flat Lick	\$0.35
Evans	0.92
Wiehoff	1.37
Hall-Martin	0.40
Moser	0.92
Goff	0.40
Weaver	1.81
Robert Martin	1.75
Wiser Oil Company	\$2.17
John Owens	\$1.8288