

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DELTA NATURAL GAS COMPANY, INC.)
APPLICATION FOR ADJUSTMENT OF)
RATES UNDER PURCHASED GAS)
ADJUSTMENT CLAUSE) CASE NO. 3256-J

O R D E R

On December 1, 1981, this Commission issued its Order in Case No. 8256, 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 September 20, 1982, Delta notified the Commission that its wholesale cost of gas would be decreased, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) On September 13, 1982, Delta received from one of its suppliers, Columbia Gas Transmission Corporation ("Transmission"), notification of a decrease in its wholesale rates effective September 1, 1982, as reflected on Transmission's Eighty-third Revised Tariff Sheet No. 16.

(2) Delta's subsidiary, Laurel Valley Pipe Line Company, ("Laurel Valley"), experienced effective September 1, 1982, an increase in the wholesale cost of gas it purchases locally from the Weaver-Hamilton partnership under the Contract dated May 20, 1980. The price of gas purchased under this agreement is subject to Section 102 of the Natural Gas Policy Act of 1978. Laurel Valley resells and delivers the gas to Delta at Laurel Valley's wholesale cost.

(3) The estimated annual decrease in revenue as a result of Delta's filing of September 20, 1982, is \$151,384 or 2.66 cents per Mcf.

(4) Due to the retroactive nature of Transmission's decrease, Delta should report to the Commission any excess revenues collected during the period of September 1, 1982, and the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(5) Delta's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8256, dated December 1, 1981, is fair, just and reasonable, in the public interest and should be effective with gas supplied on and after September 1, 1982.

IT IS THEREFORE ORDERED that the rates contained in Appendix A be and they are approved, effective for gas supplied on and after September 1, 1982.

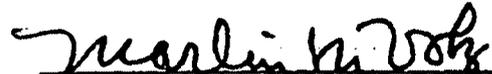
IT IS FURTHER ORDERED that Delta shall report to the Commission any excess revenues collected during the period of

September 1, 1982, and the date the proposed rates are implemented, along with a plan to refund any excess collections.

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

Done at Frankfort, Kentucky, this 8th day of October, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8256-J DATED OCTOBER 8,
1982

The following rates and charges are prescribed for the customers in the areas 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 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:

General Service--

Monthly Customer Charge - \$2.75 per delivery point per month.

1 - 5,000 Mcf . . .	\$5.0200
5,001 - 10,000 Mcf	4.7700
Over 10,000 Mcf	4.5200

Interruptible--

1 - 5,000 Mcf	\$4.7700
5,001 - 10,000 Mcf	4.5200
Over 10,000 Mcf	4.2700

PURCHASED GAS ADJUSTMENT

Delta Natural Gas Company

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 or DTH</u>
Columbia Gas Transmission Corporation	
Rate Schedule CDS	
Demand (DTH)	\$3.17
Commodity (DTH)	4.2330
Rate Schedule SGS (DTH)	4.4414
Columbia LNG Corporation	5.9477*
*Includes Transportation Charge of	\$0.3377
Tennessee Gas Pipeline Company	
Gas Rate (DTH)	\$3.0952
Commodity	0.7332
Graham-Michaelis Corporation	\$2.00
Flat Lick	\$0.35
Evans	0.94
Wiehoff	1.41
Hall-Martin	0.40
Goff	0.40
Weaver	1.85
Martin Energy Company	1.75
Laurel Valley	3.3206
Wiser Oil Company	2.6355
Al J. Keyser	1.50
L P Energy	2.00
Storage	0.8479