

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA) CASE NO. 9331-A
NATURAL GAS COMPANY, INC.)

ORDER

On December 19, 1985, the Commission issued its Order in Case No. 9331 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On December 30, 1985, Delta Natural Gas Company, Inc., ("Delta") filed its quarterly gas cost adjustment which is to become effective February 1, 1986, and is to remain in effect until May 1, 1986.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Delta's notice of December 30, 1985, set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in gas costs from its suppliers in the amount of 17.66 cents per Mcf.

(2) Delta's notice set out a total refund adjustment of 5.71 cents per Mcf, replacing the previous adjustment of 2.32 cents per Mcf. This adjustment includes a current quarter supplier refund of \$157,284 plus interest which is due Delta's customers.

(3) Delta's notice set out a current quarter actual adjustment in the amount of 11.26 cents per Mcf to compensate for previous over-recovery of gas cost by the company through the operation of its gas cost recovery procedure.

(4) Delta's notice set out a balance adjustment of (4.19) cents per Mcf to compensate for over- and under-collections which occurred as a result of previous gas cost, refund and balance adjustments.

(5) Delta proposed a gas cost recovery rate in the amount of \$3.5633 per Mcf. This is a decrease of \$0.2108 per Mcf from the rate previously in effect. The decrease represents the combined effect of the supplier decrease, refund, actual and balance adjustments.

(6) Delta's adjustment in rates contained in the Appendix to this Order under the gas cost adjustment provisions approved by the Commission in its Order in Case No. 9331 dated December 19, 1985, should be effective with final meter readings on and after February 1, 1986.

(7) Delta should submit copies of each gas purchase contract and all other agreements, options or similar such documents, and all amendments and modifications thereof related to the procurement of purchased gas. Any changes in the documents, including price escalations, or any new agreements entered into after the initial submission, shall be submitted at the time they are entered into. Where gas is purchased from utility-owned or controlled sources, or the contract contains a price escalation clause, those facts should be noted and Delta should explain and justify them in writing.

(8) Delta should provide in all future GCA filings a listing of Delta Resources' suppliers, volumes purchased and prices for the three-month period included in the actual adjustment calculation in the filing.

As this information is to be used to evaluate the reasonableness of Delta's gas costs, Delta should also provide a statement showing the effect on its gas cost of purchasing available supplies of lower cost gas for Delta Resources' customers rather than for its own supplies.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with final meter readings on and after February 1, 1986.

(2) The gas cost recovery rate shall be \$3.5633 per Mcf effective with final meter readings on and after February 1, 1986.


(3) Within 30 days of the date of this Order Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

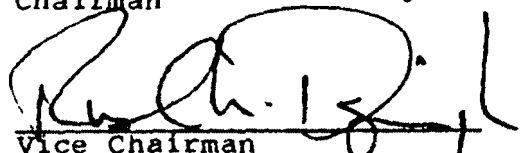
(4) Within 20 days of the date of this Order Delta shall provide the information requested herein concerning its supplier contracts and comply with all provisions of that request in the future.

(5) In all future GCA filings Delta shall provide the information requested herein concerning Delta Resources.

Done at Frankfort, Kentucky, this 17th day of January, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner Williams did
not participate in this case.
Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE

COMMISSION IN CASE NO. 9331-A DATED 1/17/86

The following rates and charges are prescribed for the customers 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 date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers who purchase their entire natural gas requirements from Delta.

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
	plus		equals
General Service			
Monthly Customer Charge			\$3.96
1 - 1,000 Mcf	\$2.0763	\$3.5633	\$5.6396 per Mcf
1,001 - 5,000 Mcf	1.9312	3.5633	5.4945 per Mcf
5,001 - 10,000 Mcf	1.6265	3.5633	5.1898 per Mcf
Over 10,000 Mcf	1.3218	3.5633	4.8851 per Mcf
Interruptible (2)			
1 - 1,000 Mcf	\$1.8223	\$3.5633	\$5.3856 per Mcf
1,001 - 5,000 Mcf	1.6773	3.5633	5.2406 per Mcf
5,001 - 10,000 Mcf	1.3725	3.5633	4.9358 per Mcf
Over 10,000 Mcf	1.0678	3.5633	4.6311 per Mcf