

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE EFFECTS OF THE FEDERAL TAX)
REFORM ACT OF 1986 ON THE RATES) CASE NO. 9785
OF DELTA NATURAL GAS COMPANY, INC.)

O R D E R

On January 7, 1987, Delta Natural Gas Company, Inc., ("Delta") filed a motion with the Commission requesting a period of time to and including June 30, 1987, within which to supply the information ordered to be filed in the Commission's Order entered December 11, 1987. Delta stated as its reasons that its fiscal year for tax purposes ends on June 30, that there would be both positive and negative effects on Delta's operations as a result of the Tax Reform Act ("TRA") and that it intended to perform a cost of service study and assess whether or not it needed a rate case by the end of June, 1987.

The Commission recognizes that Delta's fiscal year for tax purposes ends on June 30 but neither that nor the other arguments proposed by Delta is sufficient reason to grant Delta's motion.

In addition to the information required in the Commission's Order, Delta has the right, and will be afforded the opportunity, to present any factual, financial or legal matters in written or oral comments during the course of this proceeding. However, because of the breadth of this investigation and the number of parties involved, it is necessary to categorize some information

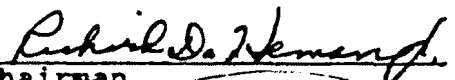
into a consistent and well-defined scope. That scope is explained in the December 11, 1986, Order. The information as it relates to the specific changes occasioned by the TRA should be filed as the December 11 Order requires. The expected effects of those changes on rates should be filed as well. Simply because the Commission deems certain information necessary to be filed in a particular format does not mean that other information Delta believes pertinent is precluded.

For these reasons the Commission ORDERS that:

1. Delta's motion be and it hereby is denied.
2. Delta may file any additional information it deems relevant.
3. Delta may file alternative proposals for the resolution of this investigation.

Done at Frankfort, Kentucky, this 15th day of January, 1987.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director