

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

IT IS ORDERED that Delta Natural Gas Company, Inc. ("Delta"), shall file with this Commission the following information to supplement its latest gas cost adjustment filing. The information requested herein is due no later than October 21, 1988. If the information cannot be provided by this date, Delta should submit a Motion for an extension of time stating the reason a delay is necessary and include a date by which it will be furnished. Such Motion will be considered by the Commission.

1. Provide cost support for Delgasco's prices to Delta Resources. Show how the prices were calculated. Include any contracts or letter agreements with Delgasco's suppliers.

2. Provide an alternative Schedule VI, page 2 of 3, allocating the very cheapest volumes of Delta Resources' gas to Delta Natural. To the extent that this differs from Delta's actual methodology of allocating prices to Delta Natural, provide a statement supporting the reasonableness of the current allocation method.

3. Provide an alternative Schedule II showing the expected cost of gas from Delta Resources if the very cheapest 263,541 Mcf

of gas available from Delta Resouces were allocated to Delta Natural's customers.

4. Provide detailed support for the price Enpro charges Delta Natural. This support shall include the cost to Enpro of producing this gas, the contract under which the current price was negotiated and any contract or letter agreement executed since then between Delta Natural and Enpro.

5. Provide all contracts or letter agreements between Delta and any subsidiary. Provide all contracts or letter agreements between Delta's subsidiaries. If none exist, provide a statement setting out the terms and conditions under which any good or service is provided.

6. Provide billings or tariff sheets supporting the amount of all take-or-pay charges set out in Schedule II, as well as an explanation of the flow-through methodology used. Identify any differences between the nature of the charges.

Done at Frankfort, Kentucky, this 13th day of October, 1988.

PUBLIC SERVICE COMMISSION


For The Commission

ATTEST:

Executive Director