

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PURCHASED GAS ADJUSTMENT FILING) CASE NO. 9331-J, K,
OF DELTA NATURAL GAS COMPANY, INC.) L, M, N, O, P, Q,
R, AND S

O R D E R

This matter arising upon separate petitions of Delta Natural Gas Company, Inc. ("Delta") filed pursuant to 807 KAR 5:001, Section 7, in Case No. 9331-J filed on March 16, 1988 and amended February 23, 1989; in Case No. 9331-K filed June 13, 1988 and amended February 23, 1989; on September 28, 1988 and amended February 23, 1989 in Case No. 9331-L; on January 3, 1989 and amended February 23, 1989 in Case No. 9331-M; filed March 31, 1989 in Case No. 9331-N; filed June 29, 1989 in Case No. 9331-O; filed September 22, 1989 in Case No. 9331-P; filed December 28, 1989 in Case No. 9331-Q; filed March 30, 1990 in Case No. 9331-R; and filed June 26, 1990 in Case No. 9331-S; for confidential protection of Schedule VI to Delta's Quarterly Reports of its Gas Cost Recovery Rate Calculation, on the grounds that disclosure of the information is likely to cause competitive injury, and it appearing to this Commission as follows:

The information Delta seeks to protect contains the prices Delta's non-regulated subsidiaries pay for gas from local producers and the prices the non-regulated subsidiaries charge for such gas upon resale to Delta and others. The information is

furnished to the Commission in conjunction with Delta's Gas Cost Recovery Rates which are periodically determined in accordance with the Gas Cost Adjustment Clause set forth in Delta's tariffs.

807 KAR 5:001, Section 7, protects information as confidential when it is established that disclosure is likely to cause substantial competitive harm to the party from whom the information was obtained. In order to satisfy this test, the party claiming confidentiality must demonstrate actual competition and a likelihood of substantial competitive injury if the information is disclosed. Competitive injury occurs when disclosure of the information gives competitors an unfair business advantage.

To protect against cross-subsidization, business information of unregulated subsidiaries of natural gas utilities is subject to Commission inspection pursuant to the provisions of KRS 278.274. Delta's subsidiaries purchase gas from local producers for resale to Delta and to others. In purchasing such gas, Delta's subsidiaries compete with other sellers in the market who are unregulated and, therefore, do not have to make their acquisition costs of sales prices public. Competitors with knowledge of the prices at which Delta's subsidiaries purchase and sell gas would be able to undercut the competitive position of those subsidiaries and cause the subsidiaries to lose sales or purchases. Therefore, disclosure of this information is likely to result in competitive injury to Delta's subsidiaries, and to Delta itself as a customer of Delta Resources, and the information should be protected as confidential.

This Commission being otherwise sufficiently advised,


IT IS ORDERED that:

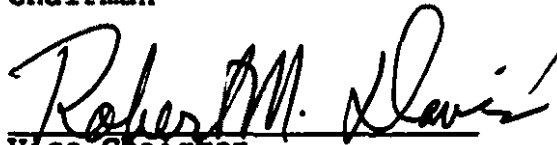
1. The prices Delta's non-regulated subsidiaries pay for gas from local producers and the prices they charge for such gas contained in the Schedule VI's to Delta's Quarterly Report of Gas Recovery Rate Calculations, which Delta has requested be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

2. Delta shall, to the extent it has not previously done so, within 10 days of the date of this Order, file an edited copy of the Schedule VI's with the confidential material obscured for inclusion in the public record, with copies to all parties of record.

Done at Frankfort, Kentucky, this 23rd day of August, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director