

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

O R D E R

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 October 5, 1990, Delta Natural Gas Company, Inc. ("Delta") filed its amended quarterly GCA, which is to become effective November 1, 1990 and is to remain in effect until February 1, 1991.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's amended notice of October 5, 1990 set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on to its customers the wholesale increase in gas costs from its suppliers in the amount of 36.08 cents per Mcf, excluding take-or-pay billings. Delta's expected gas cost for the quarter beginning November 1, 1990 is \$3.4263 per Mcf.

Delta's notice set out a take-or-pay recovery component of 4.13 cents per Mcf, which decreased 3.70 cents per Mcf from its last GCR filing. Delta should be prepared to support the amount of its take-or-pay actual adjustments at the time of its GCA field reviews.

2. Delta's notice set out a total refund adjustment of 4.61 cents per Mcf. This adjustment is composed of past refund adjustments that are still in effect, with a current quarter refund factor of .01 cents per Mcf. This represents a decrease in the total refund adjustment from the previous to the current GCA filing of .35 cents per Mcf.

3. Delta's notice set out a current quarter actual adjustment in the amount of (17.68) cents per Mcf to compensate for over-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of May, June and July 1990. The total actual adjustment of (1.49) cents per Mcf, which is designed to correct the current over-collection as well as under- and over-collections from three previous quarters, results in a 6.96 cent per Mcf increase in Delta's retail rates.

4. Delta's notice set out a balance adjustment of (.02) cents per Mcf, to replace the previous adjustment of (5.00) cents per Mcf. This balance adjustment compensates for over-collections which occurred as a result of previous gas cost, actual, refund, and balance adjustments. The effect on retail rates is a 4.98 cent per Mcf increase.

5. The combined effect of the above adjustments is Delta's gas cost recovery rate ("GCR"). Delta incorrectly calculated its proposed GCR due to a mathematical error. Correcting for the error results in a GCR in the amount of \$3.4064 per Mcf, which is an increase of 44.67 cents per Mcf from its last approved GCR.

6. In a letter filed October 23, 1990, Delta requested a waiver of the 30-day notice requirement for its amended filing. Pursuant to KRS 278.180, upon Delta's showing of good cause, the effective date should be on and after the date of this Order.

7. Delta's corrected adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 9331 dated December 19, 1985, is fair, just and reasonable, in the public interest, and should be effective with final meter readings on and after the date of this Order.

8. In its filing dated October 5, 1990, Delta requested confidentiality for Schedule VI. Confidentiality should be granted based upon Delta's showing of the likelihood of competitive injury.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Delta be and they hereby are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just and reasonable, and are approved effective with final meter readings on and after the date of this Order.


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.

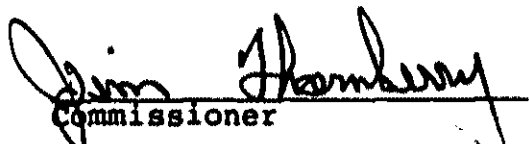
4. Delta's request for confidentiality of Schedule VI is hereby granted.

Done at Frankfort, Kentucky, this 1st day of November, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9331-T DATED 11/01/90

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>	plus	<u>Gas Cost Recovery Rate</u>	<u>Total equals</u>
General Service				
Monthly Customer Charge				\$3.98
1 - 1,000 Mcf	\$2.0379		\$3.4064	5.4443 per Mcf
1,001 - 5,000 Mcf	1.8920		3.4064	5.2984 per Mcf
5,001 - 10,000 Mcf	1.5858		3.4064	4.9922 per Mcf
Over 10,000 Mcf	1.2795		3.4064	4.6859 per Mcf
Interruptible (2)				
1 - 1,000 Mcf	\$1.7826		\$3.4064	\$5.1890 per Mcf
1,001 - 5,000 Mcf	1.6368		3.4064	5.0432 per Mcf
5,001 - 10,000 Mcf	1.3306		3.4064	4.7370 per Mcf
Over 10,000 Mcf	1.0243		3.4064	4.4307 per Mcf
Transportation of Gas for Others				
On-System Utilization				

To the applicable rates and charges in effect for on-system transportation customers shall be added a take-or-pay recovery component of \$.0413 per Mcf.