

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

AN ADJUSTMENT OF RATES OF	)	CASE NO.
DELTA NATURAL GAS COMPANY, INC.	)	90-342

O R D E R

On November 5, 1990, Delta Natural Gas Company, Inc. ("Delta") gave notice pursuant to KRS 278.180 of its intent to file an application to increase its annual base rate revenues by \$2,936,650. The application was deemed filed with the Commission on December 28, 1990; and Delta filed its direct testimony in support of the proposed rate increase on January 11, 1991.

Subsequent to the receipt of this filing, and following a period of discovery, the parties of record, Delta, the Attorney General for the Commonwealth of Kentucky, the cities of Corbin, Barbourville and Berea, and GTE Products Corporation initiated settlement discussions to conclude this proceeding without further litigation. Commission Staff did not participate in any of the negotiations.

On May 7, 1991, the parties submitted a Joint Stipulation and Recommendation which was amended on May 10, 1991 ("Joint Stipulation"). The Joint Stipulation as amended is attached hereto and incorporated herein as Appendix A. The Joint Stipulation expresses the parties' agreement on a mutually satisfactory resolution of all of the issues in this case.

Parties to this proceeding have unanimously endorsed the stipulation and stated that the Joint Stipulation is a result of many hours of diligent negotiations. In addition, the record in this proceeding includes voluminous discovery materials which aided the Commission in reviewing the reasonableness of the agreement. The Commission conducted a hearing on May 14, 1991 to evaluate the reasonableness of the Joint Stipulation.

The Joint Stipulation provides as follows:

1. Delta shall be permitted an annual base rate revenue increase of \$2,050,000 effective for meter readings made on and after June 1, 1991;

2. Delta shall not seek any general base rate increase which, when suspended by the Commission, would result in rates effective prior to January 1, 1993;

3. Delta shall be permitted to modify its General Service rate schedule to increase its monthly customer charges for residential and non-residential customers and adjust its usage charges in its General Service rate schedule. Delta shall also be permitted to implement a monthly customer charge for its interruptible customers and adjust the usage charges for this class as well. Further, Delta shall be permitted to increase its transportation charge for its off-system customers.

Under normal rate-making procedures, the Commission would determine a reasonable rate base, a reasonable capital structure, reasonable operating expenses and taxes, a reasonable cost of capital and a reasonable distribution of the required cost of service. However, in the Joint Stipulation, the parties have

requested the Commission evaluate and consider the agreement in its entirety. Whereas the Commission agrees that a test of overall reasonableness is an important factor in its consideration, it is nevertheless bound by its legislative mandate to undertake a review of the underlying financial analysis in order to replicate the results found in the Joint Stipulation.

The Commission has undertaken such a review of the underlying financial analyses implicit in the Joint Stipulation. Based upon this review, evidence presented by the parties at the hearing in this matter, and all other evidence of record, the Commission finds the Joint Stipulation to be reasonable, subject to one exception noted elsewhere in this Order.

The Commission has reviewed the allocation of the revenue increase as agreed to by the parties, and the resulting rate design and determined that the Joint Stipulation produces fair, just and reasonable rates. The revenue allocation reflected in the Joint Stipulation represents a more gradual shift toward cost-based rates than that originally proposed by Delta through its cost-of-service study.

Among the major considerations in finding the Joint Stipulation to be reasonable is that the adjustment in rates will result in only a 7 percent increase in overall revenues out of a requested 11.6 percent increase. Furthermore, this is the first general base rate increase granted to Delta since 1985, despite the fact that its rate base has increased substantially since that time. In addition Delta will not seek another general base rate revenue increase for which rates would be effective prior to

January 1, 1993. Delta testified at the hearing that, based on its adjusted test year, the revenues agreed to in the settlement should result in a 10.6 percent return on equity. This return is lower than that found reasonable in Delta's last rate case. The Commission finds this to be a reasonable estimate of the return on equity for Delta inherent in the Joint Stipulation.

In determining whether or not the results of the Joint Stipulation are in the public interest and are a benefit to the ratepayers, the Commission has taken into consideration the fact that all intervenors to this proceeding are proponents and signatories to the Joint Stipulation. These intervenors represent various customers with a wide range of interests and are familiar with and knowledgeable of the issues involved in the current proceeding. Furthermore, the evidence at the hearing indicates that the Joint Stipulation was a result of arms-length negotiations. The Joint Stipulation has additional benefits for Delta and its customers in that it avoids the lengthy, expensive litigation process which would otherwise be involved in this proceeding. No rehearing or appeal will be taken if the Joint Stipulation is approved by the Commission.

The Joint Stipulation at numerical paragraph 1 provides that the rates agreed to by the parties be effective with meter readings on and after June 1, 1991. While the Commission accepts the rates as agreed to in the Joint Stipulation as fair, just, and reasonable, the Commission finds that, as a matter of regulatory practice, it would be unreasonable to authorize rates agreed to in settlements to be effective for service rendered prior to the date

the Commission adopts the settlement. Therefore, the Commission finds the rates set forth in the Joint Stipulation as amended to be the fair, just, and reasonable rates to be charged by Delta for service rendered on and after the date of this Order.

The Joint Stipulation further provides that if the stipulation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon all or any matters involved therein and in such event the terms of the agreement are not deemed binding upon the parties. The parties are hereby advised that they may withdraw the Joint Stipulation and proceed to hearing on all issues in this case or may accept an effective date for rates as approved herein.

#### SUMMARY

1. The matters contained in the proposed Joint Stipulation are supported by the evidence of record.

2. The proposed Joint Stipulation is in accordance with the law and with the exception noted herein does not violate any regulatory principle.

3. The Joint Stipulation is a product of serious arms-length negotiations among capable, knowledgeable parties.

4. The Joint Stipulation results in fair, just, and reasonable rates for Delta as set out in Appendix B, attached hereto and incorporated herein.

5. The rates approved herein should be effective for service rendered by Delta on and after the date of this Order.

6. The Joint Stipulation will result in annual revenues from gas sales and transportation revenues of \$27,483,670 based upon the Gas Cost Adjustment rates effective May 1, 1991.<sup>1</sup>

7. Based on the evidence as presented, the results of the Joint Stipulation are in the public interest.

IT IS THEREFORE ORDERED THAT:

1. The Joint Stipulation be and it hereby is adopted and approved effective for service rendered on and after the date of this Order unless any party exercises its right to withdraw by notifying the Commission in writing within 10 days of entry of this Order.

2. The Joint Stipulation is incorporated into this Order as if fully set forth herein.

3. The rates set forth in Appendix B to this Order are approved for service rendered on and after the date of this Order.

4. If notification of withdrawal is not received from a party to this proceeding within 10 days of this Order, Delta shall have 30 days from the date of this Order within which to file its revised tariff sheets setting forth the rates set out in Appendix B.


5. Delta shall adhere to and comply with all provisions of the Joint Stipulation.

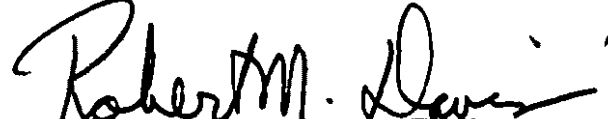
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<sup>1</sup> Case No. 9331-V, Notice of Purchased Gas Adjustment Filing of Delta Natural Gas Company, Inc.

Done at Frankfort, Kentucky, this 23rd day of May, 1991.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 90-342 DATED 5/23/91

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAY 10 1991

PUBLIC SERVICE  
COMMISSION

In the Matter of:

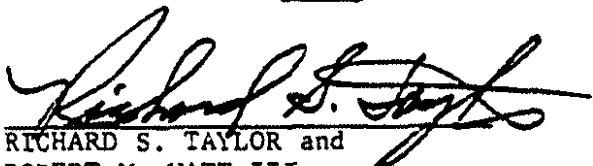
ADJUSTMENT OF RATES OF  
DELTA NATURAL GAS COMPANY, INC.

CASE NO. 90-342

AMENDMENT TO JOINT STIPULATION AND RECOMMENDATION

The parties hereto hereby agree that the pro-forma tariff rate sheets attached hereto as Attachment A shall be substituted for Attachment A to the Joint Stipulation and Recommendation dated May 7, 1991 herein. In all other respects, the Joint Stipulation and Recommendation dated May 7, 1991 is hereby reaffirmed.

AGREED this 10<sup>th</sup> day of May, 1991.

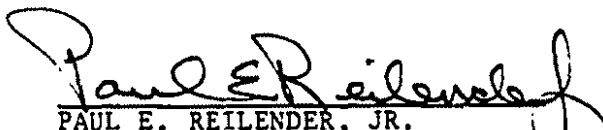


RICHARD S. TAYLOR and  
ROBERT M. WATT III  
On behalf of Delta Natural Gas Company, Inc.

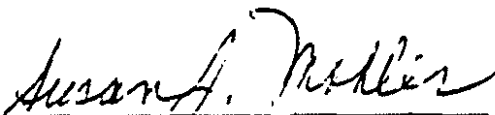
RECEIVED

MAY 10 1991

GENERAL COUNSEL



PAUL E. REILENDER, JR.  
On behalf of the Attorney General  
for the Commonwealth of Kentucky

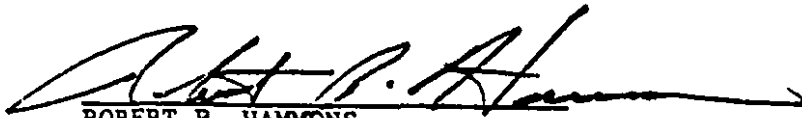


KATHERINE RANDALL  
On behalf of GTE Products Corporation

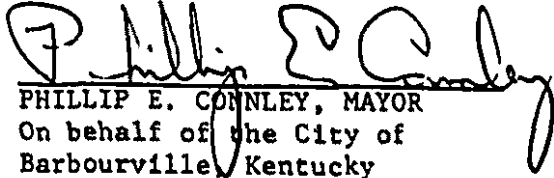


JAMES T. GILBERT  
On behalf of the City of  
Berea, Kentucky





ROBERT P. HAMMONS  
On behalf of the City of  
Corbin, Kentucky



PHILLIP E. CONNLEY, MAYOR  
On behalf of the City of  
Barbourville, Kentucky

DELTA NATURAL GAS COMPANY, INC.

Name of Issuing Corporation

RATES

RATE SCHEDULES

APPLICABILITY:

Applicable within all areas served by Delta.

AVAILABILITY:

Available for general use by residential, commercial, and industrial customers.

CHARACTER OF SERVICE:

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES:

	<u>Base Rate</u> plus	<u>Gas Cost</u> <u>Recovery</u> <u>Rate (GCR) (1)</u> equals	<u>Total Rate</u>	
<b>General Service</b>				
Monthly Customer Charge				
Residential	\$ 5.95		\$ 5.95	I
Non-Residential	\$ 18.36		\$ 18.36	N
1 - 1,000 Mcf	\$ 2.4650	\$3.4362	\$ 5.9012/Mcf	I
1,001 - 5,000 Mcf	\$ 2.0650	\$3.4362	\$ 5.5012/Mcf	I
5,001 - 10,000 Mcf	\$ 1.6650	\$3.4362	\$ 5.1012/Mcf	I
Over 10,000 Mcf	\$ 1.2650	\$3.4362	\$ 4.7012/Mcf	R
<b>Interruptible (2)</b>				
Monthly Customer Charge				
1 - 1,000 Mcf	\$185.00		\$185.00	N
1 - 1,000 Mcf	\$ 1.7000	\$3.4362	\$ 5.1362/Mcf	R
1,001 - 5,000 Mcf	\$ 1.3000	\$3.4362	\$ 4.7362/Mcf	R
5,001 - 10,000 Mcf	\$ .9000	\$3.4362	\$ 4.3362/Mcf	R
Over 10,000 Mcf	\$ .5000	\$3.4362	\$ 3.9362/Mcf	R

(1) The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheet No. 11 and 12 of this tariff.

(2) Special Conditions:  
All customers having a connected load in excess of 2,500,000 Btu input per hour may be required to enter into an Interruptible Sales Agreement. Determination of those customers required to sign said contract shall be based on peak day use as well as annual volume and shall be at the sole discretion of the Company.

Any customer required to enter into an Interruptible Sales Agreement shall be permitted to purchase gas under the Interruptible Rate Schedule above. Gas requirements, minimum charges, and other specific information shall be set forth in the Agreement.

DATE OF ISSUE May 1, 1991

DATE EFFECTIVE June 1, 1991 (Final Meter Reads)

ISSUED BY Glenn R. Jennings

TITLE President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in

CASE NO.

DATED

DELTA NATURAL GAS COMPANY, INC.  
Name of Issuing Corporation

FCR All Service Areas  
PSC NO. 6  
First Revised SHEET NO. 6  
CANCELLING PSC NO. 6  
Original SHEET NO. 6

RATES

TRANSPORTATION OF GAS FOR OTHERS  
OFF SYSTEM UTILIZATION

Applicability:

Applicable within all areas served by Delta. See Tariff Sheet No. 13.

Availability:

Available to any person whose facilities connect or can be made to connect with Delta's facilities or who can cause their natural gas to be delivered to Delta's facilities and who desires gas to be transported by Delta to a place of utilization not connected to Delta's facilities. Further, the person or persons desiring such transportation shall have executed a contract with Delta as set forth under the terms and conditions of this tariff.

Rate:

The charge for service under this tariff shall be twenty-six (\$0.26) per 1000 cu. ft. of gas transported, or, in the case of measurement based upon heating value, shall be twenty-six cents (\$0.26) per dekatherm. Any additions or modifications of the facilities required to perform this service shall be at the sole expense of the customer. I

Terms and Conditions:

1. Specific details relating to volumes, delivery points and other matters shall be covered by a separate contract.
2. Delta shall reserve the right to purchase all or part of the gas to be transported at the same price the transporter would have received at the delivery point.
3. Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.
4. All gas volumes delivered hereunder shall shrink by 2% to cover line loss and measurement differences when no compression is being used in

DATE OF ISSUE May 1, 1991

DATE EFFECTIVE June 1, 1991 (Final Meter Reads)

ISSUED BY Glenn R. Jennings

TITLE President & CEO

Issued by authority of an Order of the Public Service Commission of Kentucky in

CASE NO. \_\_\_\_\_

DATED \_\_\_\_\_

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAY 7 1991

PUBLIC SERVICE  
COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF  
DELTA NATURAL GAS COMPANY, INC.

CASE NO. 90-342

MOTION

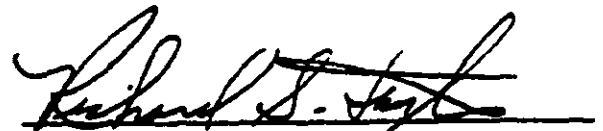
Comes now the Applicant, Delta Natural Gas Company, Inc., and moves the Commission to approve the Joint Stipulation and Recommendation, attached hereto and made a part hereof, which settles all issues in the above case. All parties that have intervened have executed and entered into the Joint Stipulation and Recommendation.

The Applicant further moves the Commission to conduct a fair, just and reasonable hearing on May 14, 1991, at 10:00 A.M., the same being the time that the Commission scheduled the public hearing in this proceeding. As grounds for this Motion, the Applicant states that it has heretofore advertised that the Commission would conduct a public hearing at said time and date.

This 7th day of May, 1991.

Robert M. Watt, III  
STOLL, KEENON & PARK  
1000 First Security Plaza  
Lexington, Kentucky 40507-1380

Richard S. Taylor  
HAZELRIGG AND COX  
Post Office Box 676  
Frankfort, Kentucky 40602



Counsel for Delta Natural Gas Company, Inc.

CERTIFICATE OF SERVICE

I hereby certify that the original and fifteen copies of the foregoing Motion and attached Joint Stipulation and Recommendation were filed with the Kentucky Public Service Commission this 7th day of May, 1991, and that a true copy thereof was mailed, postage prepaid, to the following:

Mr. Paul E. Reilender, Jr.  
Office of the Attorney General  
209 St. Clair Street  
Frankfort, Kentucky 40601

Mr. Robert P. Hammons  
Leick, Hammons & Brittain  
First National Bank Building  
Corbin, Kentucky 40702

Mr. James T. Gilbert  
212 North Second Street  
Richmond, Kentucky 40475

Mr. Samuel E. Davies  
142 Black Street  
Barbourville, Kentucky 40906

Ms. Katherine Randall  
Brown, Todd & Heyburn  
2700 Lexington Financial Center  
Lexington, Kentucky 40507

  
Richard S. Taylor

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ADJUSTMENT OF RATES OF  
DELTA NATURAL GAS COMPANY, INC.

CASE NO. 90-342

JOINT STIPULATION AND RECOMMENDATION

It is the intent and purpose of the parties to this proceeding, namely: Delta Natural Gas Company, Inc. (Delta), the Attorney General for the Commonwealth of Kentucky (Attorney General), GTE Products Corporation (GTE), the City of Barbourville, Kentucky (Barbourville), the City of Berea, Kentucky (Berea), and the City of Corbin, Kentucky (Corbin), to express their agreement on a mutually satisfactory resolution of all of the issues in the instant case.

It is understood by all parties hereto that this Stipulation and Recommendation is not binding upon the Commission, nor does it represent agreement on any specific theory supporting the appropriateness of any stipulated and recommended adjustments to Delta's rates. The parties have spent hours in order to reach the agreements which form the basis of this Stipulation and Recommendation. The Attorney General and his expert witnesses have investigated the reasonableness of this proposed Stipulation and Recommendation and have discussed the results of the investigation with all parties to this proceeding. As a result of the discussions, as well as their own investigations, all of the parties, which represent diverse interests and divergent viewpoints, agree that this Stipulation and Recommendation, viewed in its entirety, is a reasonable resolution of all issues in the proceeding.

Furthermore, the adoption of this Stipulation and Recommendation will eliminate the need for the Commission and the parties to expend further resources in litigation of this proceeding, and eliminate the possibility of, and any need for, rehearing or any appeals of the Commission's final order herein. It is the position of the parties hereto that this Stipulation and Recommendation is supported by sufficient and adequate data and information, and is entitled to serious consideration by the Commission. Based upon the parties' participation in settlement conferences and the materials on file with the Commission, and upon the belief that these materials adequately support this Stipulation and Recommendation, the parties hereby stipulate and recommend the following:

1. Delta should be permitted to adjust its rates in order to permit it to recover approximately \$2,050,000 in additional annual revenue, with such rates to be effective with meter readings on and after June 1, 1991. The pro-forma tariff rate sheets, Attachment A hereto, are recommended as reflecting the new rates to be effective on the aforementioned date. That pro-forma tariff sheet further reflects rates that are designed to permit Delta the opportunity to recover the additional revenues from its various service classes in accordance with its tariff both currently existing and as supplemented and amended by this Stipulation and Agreement.

2. Delta agrees that it will not seek any general base rate increase that would be effective prior to January 1, 1993. This agreement is understood to permit Delta to file a general base rate increase case prior to that time which states an earlier effective date, but which when suspended by the Commission, shall result in rates effective no earlier than January 1, 1993. It is further understood that Delta shall continue to file its gas cost recovery (GCR) cases, and that total rates may fluctuate from time to time as a result

of such GCR adjustments. Additionally, should the Commission establish generic or company-specific special purpose proceedings to adjust rates, for example, to reflect changes in federal income tax law or regulations or the imposition of special energy taxes, Delta is not precluded from participation in such proceedings and rates may be reduced or increased as a result of such proceedings during the June 1, 1991, through January 1, 1993, time period.

3. Each party hereto waives all cross-examination of the witnesses of the other parties hereto unless the Commission disapproves this Joint Stipulation, and further stipulates and recommends that the Notice of Intent, the Notice and Application filed in the proceedings, the prefiled testimony and the data request and answers thereto be admitted into the record.

4. This Stipulation and Recommendation is submitted for purposes of this case only and is not deemed binding upon the parties hereto in any other proceeding, nor is it to be offered or relied upon in any other proceeding involving Delta or any other utility.

5. If the Commission issues an order adopting this Stipulation and Recommendation in its entirety, each of the parties hereto agrees that it shall file neither an application for rehearing with the Commission, nor an appeal to the Franklin County Circuit Court from such order.

6. If this Stipulation and Recommendation is not adopted in its entirety, each party reserves the right to withdraw from it and require that hearings go forward upon all or any matters involved herein, and that in such event the terms of this agreement shall not be deemed binding upon the parties hereto, nor shall such agreement be admitted into evidence or referred to or relied on in any manner by any party hereto, the Commission or its staff in any such hearing.




7. All of the parties hereto agree that the foregoing Stipulation and Recommendation is reasonable and in the best interest of all concerned, and urge that the Commission adopt this agreement in its entirety.

AGREED, this 2<sup>nd</sup> day of May, 1991.



RICHARD S. TAYLOR  
and ROBERT M. WATT, III  
On behalf of Delta Natural Gas Company, Inc.



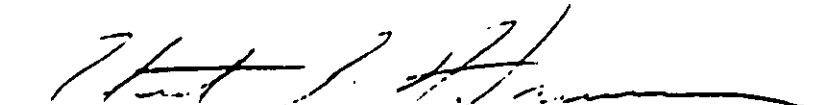
PAUL E. REILENDER, JR.  
On behalf of the Attorney General  
for the Commonwealth of Kentucky



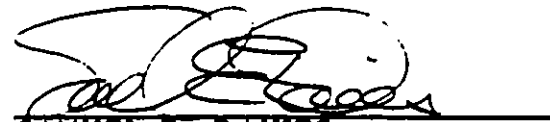
KATHERINE RANDALL  
On behalf of GTE Products Corporation



JAMES T. GILBERT  
On behalf of the City of  
Berea, Kentucky



ROBERT P. HAMMONS  
On behalf of the City of  
Corbin, Kentucky



SAMUEL E. DAVIES  
On behalf of the City of  
Barbourville, Kentucky

DELTA NATURAL GAS COMPANY, INC.  
Name of Issuing Corporation

FCR All Service Areas  
PSC NO. 6  
Fourteenth Revised SHEET NO. 2  
CANCELLING PSC NO. 6  
Twelfth Revised SHEET NO. 2

RULES AND REGULATIONS

RATE SCHEDULES

APPLICABILITY:

Applicable within all areas served by Delta.

AVAILABILITY:

Available for general use by residential, commercial, and industrial customers.

CHARACTER OF SERVICE:

Firm - within the reasonable limits of the Company's capability to provide such service.

RATES:

	<u>Base Rate</u> plus	<u>Gas Cost Recovery Rate (GCR) (1)</u> equals	<u>Total Rate</u>	
General Service				
Monthly Customer Charge				
Residential	\$ 5.95		\$ 5.95	I
Non-Residential	\$ 20.00		\$ 20.00	N
1 - 1,000 Mcf	\$ 2.4650	\$3.4362	\$ 5.9012/Mcf	I
1,001 - 5,000 Mcf	\$ 2.0650	\$3.4362	\$ 5.5012/Mcf	
5,001 - 10,000 Mcf	\$ 1.6650	\$3.4362	\$ 5.1012/Mcf	
Over 10,000 Mcf	\$ 1.2650	\$3.4362	\$ 4.7012/Mcf	R
Interruptible (2)				
Monthly Customer Charge	\$185.00		\$185.00	N
1 - 1,000 Mcf	\$ 1.7000	\$3.4362	\$ 5.1362/Mcf	R
1,001 - 5,000 Mcf	\$ 1.3000	\$3.4362	\$ 4.7362/Mcf	
5,001 - 10,000 Mcf	\$ .9000	\$3.4362	\$ 4.3362/Mcf	
Over 10,000 Mcf	\$ .5000	\$3.4362	\$ 3.9362/Mcf	

(1) The "Gas Cost Recovery Rate (GCR)" as shown above, is an adjustment per Mcf determined in accordance with the "Gas Cost Adjustment Clause" as set forth on Sheet No. 11 and 12 of this tariff.

(2) Special Conditions:  
All customers having a connected load in excess of 2,500,000 Btu input per hour may be required to enter into an Interruptible Sales Agreement. Determination of those customers required to sign said contract shall be based on peak day use as well as annual volume and shall be at the sole discretion of the Company.

Any customer required to enter into an Interruptible Sales Agreement shall be permitted to purchase gas under the Interruptible Rate Schedule above. Gas requirements, minimum charges, and other specific information shall be set forth in the Agreement.

DATE OF ISSUE May 1, 1991

DATE EFFECTIVE June 1, 1991 (Final Meter Reads)

ISSUED BY Glenn R. Jennings

TITLE President & CEO

Issued by authority of an Order of the Public Service Commi:

ATTACHMENT A

DELTA NATURAL GAS COMPANY, INC.

Name of Issuing Corporation

RULES AND REGULATIONSTRANSPORTATION OF GAS FOR OTHERS  
OFF SYSTEM UTILIZATIONApplicability:

Applicable within all areas served by Delta. See Tariff Sheet No. 13.

Availability:

Available to any person whose facilities connect or can be made to connect with Delta's facilities or who can cause their natural gas to be delivered to Delta's facilities and who desires gas to be transported by Delta to a place of utilization not connected to Delta's facilities. Further, the person or persons desiring such transportation shall have executed a contract with Delta as set forth under the terms and conditions of this tariff.

Rate:

The charge for service under this tariff shall be twenty-six (\$0.26) per 1000 cu. ft. of gas transported, or, in the case of measurement based upon heating value, shall be twenty-six cents (\$0.26) per dekatherm. Any additions or modifications of the facilities required to perform this service shall be at the sole expense of the customer.

I

Terms and Conditions:

1. Specific details relating to volumes, delivery points and other matters shall be covered by a separate contract.
2. Delta shall reserve the right to purchase all or part of the gas to be transported at the same price the transporter would have received at the delivery point.
3. Delivery of gas transported hereunder will be effected as nearly as practicable on the same day as the receipt thereof. Delta will not be obligated to utilize underground storage capacity in performance of the service provided herein.
4. All gas volumes delivered hereunder shall shrink by 2% to cover line loss and measurement differences when no compression is being used in

DATE OF ISSUE May 1, 1991DATE EFFECTIVE June 1, 1991 (Final Meter)ISSUED BY Glenn R. JenningsTITLE President & CEO

Reat

Issued by authority of an Order of the Public Service Commis:

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 90-342 DATED 5/23/91

The following base rates 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 effective date of this Order.

	<u>Base Rate</u> <u>Charge \$</u>
General Service	
Monthly Customer Charge	
Residential	5.95
Non-Residential	18.36
1-1,000 Mcf	2.4650 per Mcf
1,001-5,000 Mcf	2.0650 per Mcf
5,001-10,000 Mcf	1.6650 per Mcf
Over 10,000 Mcf	1.2650 per Mcf
Interruptible	
Monthly Customer Charge	185.00
1-1,000 Mcf	1.7000 per Mcf
1,001-5,000 Mcf	1.3000 per Mcf
5,001-10,000 Mcf	.9000 per Mcf
Over 10,000 Mcf	.5000 per Mcf
Transportation of Gas for Others	
Off System Utilization	

The charge for service under this tariff shall be twenty-six cents (\$0.26) per 1,000 cu. ft. of gas transported, or, in the case of measurement based upon heating value, shall be twenty-six cents (\$0.26) per dekatherm.