

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA) CASE NO. 90-342-X
NATURAL GAS COMPANY, INC.)

O R D E R

On May 23, 1991, in Case No. 90-342, the Commission approved certain adjusted rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On March 28, 1997, Delta filed its GCA to be effective from May 1, 1997 to August 1, 1997.

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

1. Delta's notice proposed revised rates designed to pass on its expected increased wholesale gas costs to its customers. Delta's proposed expected gas cost ("EGC") is \$3.5779 per Mcf, excluding take-or-pay billings.

Delta's notice set out a take-or-pay recovery component of 0 cent per Mcf for this quarter.

2. Delta's notice set out no current quarter refund adjustment. The total refund adjustment of .93 cent per Mcf reflects previous quarter adjustments.

3. Delta's notice set out a current quarter actual adjustment of \$1.0540 per Mcf to collect under-recovered gas cost from November and December 1996 and January 1997. The proposed total actual adjustment of \$1.3064 per Mcf reflects the current under-collection as well as under-collections from three previous quarters.

4. Delta's notice set out a balance adjustment of (18.16) cents per Mcf. This balance adjustment compensates for net over-collections which occurred as a result of previous adjustments.

5. These adjustments produce a gas cost recovery rate ("GCR") of \$4.6934 per Mcf, 24.08 cents per Mcf less than its previous GCR.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved for final meter readings on and after May 1, 1997.

7. Delta requested confidentiality for Schedule VI, which contains business information required by the Commission pertaining to Delta's subsidiaries. Delta Resources, Inc. and Delgasco engage in unregulated, competitive activities. Competitors of these subsidiaries could use business information of these subsidiaries to place themselves in an advantageous position vis-a-vis the subsidiaries and Delta. Thus, disclosure of the information is likely to cause Delta and these subsidiaries competitive injury and should be protected.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for final meter readings on and after May 1, 1997.

2. Within 30 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

3. Schedule VI, which Delta has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 29th day of April, 1997.

PUBLIC SERVICE COMMISSION

Linda K. Breathitt
Chairman

Elen J. Holmes
Vice Chairman

B. J. Helton
Commissioner

ATTEST:

Don Mills
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-342-X DATED APRIL 29, 1997.

The following rates and charges are prescribed for the customers in the area 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.

RATE SCHEDULES

AVAILABILITY

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

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total</u>
General Service					
Monthly Customer Charge					
Residential					\$ 5.95
Nonresidential					18.36
1 - 1,000 Mcf	\$2.4650		\$4.6934		7.1584 per Mcf
1,001 - 5,000 Mcf	2.0650		4.6934		6.7584 per Mcf
5,001 - 10,000 Mcf	1.6650		4.6934		6.3584 per Mcf
Over 10,000 Mcf	1.2650		4.6934		5.9584 per Mcf
Interruptible (2)					
Monthly Customer Charge					\$185.00
1 - 1,000 Mcf	\$1.7000		\$4.6934		6.3934 per Mcf
1,001 - 5,000 Mcf	1.3000		4.6934		5.9934 per Mcf
5,001 - 10,000 Mcf	.9000		4.6934		5.5934 per Mcf
Over 10,000 Mcf	.5000		4.6934		5.1934 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 \$.0 per Mcf.