

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS )  
ADJUSTMENT FILING OF DELTA ) CASE NO. 97-066-B  
NATURAL GAS COMPANY, INC. )

O R D E R

On December 8, 1997, in Case No. 97-066, 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 31, 1998, Delta filed its GCA to be effective from May 1, 1998 to August 1, 1998.

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 decreased wholesale gas costs to its customers. Delta's proposed expected gas cost ("EGC") is \$3.8455 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 13.71 cents per Mcf reflects previous quarter adjustments.

3. Delta's notice set out a current quarter actual adjustment of (.44) cent per Mcf to return over-recovered gas cost from November and December 1997 and January 1998.

The proposed total actual adjustment of (31.52) cents per Mcf reflects the current over-collection as well as under- and over-collections from three previous quarters.

4. Delta's notice set out a balance adjustment of 12.20 cents per Mcf. This balance adjustment compensates for net under-collections which occurred as a result of previous adjustments.

5. These adjustments produce a gas cost recovery rate ("GCR") of \$3.5152 per Mcf, \$1.0601 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, 1998.

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:

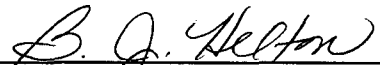
1. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for final meter readings on and after May 1, 1998.

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 24th day of April, 1998.

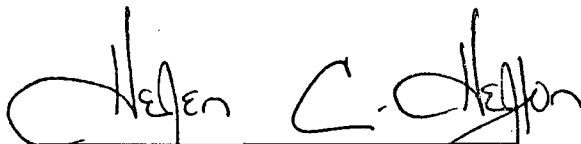
PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-066-B DATED APRIL 24, 1998

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					\$ 8.00
Small Commercial					18.36
All Others					25.00
.1 - 200 Mcf	\$2.6909		\$3.5152		6.2061 per Mcf
200.1 - 1,000 Mcf	2.5000		3.5152		6.0152 per Mcf
1,000.1 - 5,000 Mcf	2.1000		3.5152		5.6152 per Mcf
5,000.1 - 10,000 Mcf	1.5000		3.5152		5.0152 per Mcf
Over 10,000 Mcf	1.1000		3.5152		4.6152 per Mcf
Interruptible					
Monthly Customer Charge					\$200.00
.1 - 1,000 Mcf	\$1.7000		\$3.5152		5.2152 per Mcf
1,000.1 - 5,000 Mcf	1.3000		3.5152		4.8152 per Mcf
5,000.1 - 10,000 Mcf	.9000		3.5152		4.4152 per Mcf
Over 10,000 Mcf	.5000		3.5152		4.0152 per Mcf