

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

ORDER

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 June 29, 1999, Delta filed its GCA to be effective from August 1, 1999 to October 31, 1999.

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

1. Delta s notice proposes revised rates designed to pass on its expected increased wholesale gas costs to its customers. Delta s proposed expected gas cost ( EGC ) is \$4.0424 per Mcf, excluding take-or-pay billings. This EGC is 43.51 cents per Mcf higher than the previous EGC.

Delta s notice indicates that Columbia Natural Resources ( CNR ) is now one of its sources of supply. Delta s next GCA filing should include a copy of the contract with CNR.

2. Delta's notice sets out no current quarter refund adjustment. The total refund adjustment of (1.04) cents per Mcf reflects a previous quarter adjustment, and represents no change from the previous RA.

3. Delta's notice sets out a current quarter actual adjustment ( AA ) of (45.41) cents per Mcf to return over-recovered gas cost from February, March, and April 1999. The proposed total AA of (7.16) cents per Mcf reflects the current over-collection as well as under- and over-collections from three previous quarters, and represents an increase of 2.81 cents per Mcf from the previous total AA.

4. Delta's notice sets out a balance adjustment ( BA ) of (1.59) cents per Mcf, which returns net over-collections which occurred as a result of previous adjustments. This BA is 28.93 cents per Mcf lower than the previous BA.

5. These adjustments produce a gas cost recovery rate ( GCR ) of \$3.9445 per Mcf, 17.39 cents per Mcf more than the previous GCR of \$3.7706 per Mcf.

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 August 1, 1999.

7. Delta requests 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-à-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 proposed by Delta are approved.
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for final meter readings on and after August 1, 1999.
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 is granted.

Done at Frankfort, Kentucky, this 30<sup>th</sup> day of July, 1999.

By the Commission

ATTEST:

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Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 97-066-G DATED JULY 30, 1999

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	\$2.7212		\$3.9445		\$ 6.6657
200.1 -- 1,000 Mcf	2.5000		3.9445		6.4445
1,000.1 5,000 Mcf	2.1000		3.9445		6.0445
5,000.1 10,000 Mcf	1.5000		3.9445		5.4445
Over 10,000 Mcf	1.1000		3.9445		5.0445
Interruptible					
Monthly Customer Charge					\$200.00
.1 1,000 Mcf	\$1.7000		\$3.9445		\$ 5.6445
1,000.1 5,000 Mcf	1.3000		3.9445		5.2445
5,000.1 -10,000 Mcf	.9000		3.9445		4.8445
Over 10,000 Mcf	.5000		3.9445		4.4445