

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA)
NATURAL GAS COMPANY, INC.) CASE NO. 99-176-E

ORDER

On December 27, 1999, in Case No. 99-176, 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 December 28, 2000, Delta filed its GCA to be effective from February 1, 2001 to April 30, 2001.

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 \$5.5707 per Mcf, excluding take-or-pay billings. The EGC is .32 cents per Mcf more than the previous EGC of \$5.5675.

2. Delta's notice sets out a current quarter refund adjustment ("RA") of .93 cent per Mcf. The total RA of .96 cent per Mcf includes refund adjustments from prior quarters and represents a decrease of .47 from the prior RA in effect.

3. Delta's notice sets out a current quarter actual adjustment ("AA") of 14.89 cents per Mcf to collect under-recovered gas cost from August, September and October 2000. The total AA of 18.72 cents per Mcf reflects the current under-recovery, as well as under- and over-collections from three previous quarters, and represents a decrease of 26.23 cents per Mcf from the previous total AA.

4. Delta's notice sets out a balance adjustment ("BA") of (.18) cent per Mcf to return \$3,175 of net over-collections which occurred as a result of previous adjustments. This BA is .6 cent per Mcf more than the previous BA.

5. These adjustments produce a gas cost recovery rate ("GCR") of \$5.7465 per Mcf, 25.78 cents per Mcf less than the previous GCR of \$6.0043.

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 February 1, 2001.

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 in the Appendix to this Order are fair, just, and reasonable, and are effective for final meter readings on and after February 1, 2001.

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. Delta's request for confidentiality is granted.

4. Delta shall inform the Commission in writing at any time when any of the material granted confidentiality herein becomes publicly available or no longer warrants confidential treatment.

Done at Frankfort, Kentucky, this 23rd day of January, 2001.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-176-E DATED JANUARY 23, 2001

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 Rate</u>
Residential					
Monthly Service Charge	\$ 8.00				
All Mcf	\$3.6224		\$5.7465		\$9.3689
Small Non-Residential					
Monthly Service Charge	\$ 17.00				
First 200 Mcf	3.6224		5.7465		\$9.3689
Next 800 Mcf	2.4000		5.7465		8.1465
Over 1,000 Mcf	2.0495		5.7465		7.7960
Large Non-Residential					
Monthly Service Charge	\$ 50.00				
First 200 Mcf	\$ 3.6224		\$ 5.7465		\$ 9.3689
Next 800 Mcf	2.0063		5.7465		7.7528
Next 4,000 Mcf	1.3190		5.7465		7.0655
Next 5,000 Mcf	.9190		5.7465		6.6655
Over 10,000 Mcf	.7190		5.7465		6.4655

Interruptible

Monthly Service Charge	\$	250.00		
First 1,000 Mcf	\$	1.6000	\$5.7465	\$7.3465
Next 4,000 Mcf		1.2000	5.7465	6.9465
Next 5,000 Mcf		.8000	5.7465	6.5465
Over 10,000 Mcf		.6000	5.7465	6.3465