

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-G

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 Delta's gas cost adjustment ("GCA") clause.

On March 30, 2001, Delta filed its GCA to be effective from May 1, 2001 to May 31, 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 \$6.8169 per Mcf, excluding take-or-pay billings. The EGC is 5.28 cents per Mcf more than the previous EGC of \$6.7641.

2. Delta's notice sets out a current quarter refund adjustment ("RA") of .56 cent per Mcf. The total RA of 1.49 cents per Mcf includes refund adjustments from prior quarters.

3. Delta's notice sets out a current quarter actual adjustment ("AA") of \$2.1865 per Mcf. Delta included interest cost of \$547,726, based on a rate of 6.05625 percent, in its calculation of the current quarter AA. Delta's tariff does not include the recovery of interest through its GCA mechanism nor has the Commission authorized recovery of interest on under recovered gas costs. Removing the interest cost produces an AA of \$2.0616 per Mcf. Delta proposed a total AA of \$1.9090 per Mcf. Correcting for the current quarter AA produces a total AA of \$1.7841 per Mcf. The total AA reflects over and under-collections from previous quarters.

4. Delta's notice sets out a balance adjustment ("BA") of (57.21) cents per Mcf to return \$232,464 of net over-collections which occurred as a result of previous adjustments.

5. These adjustments produce a gas cost recovery rate ("GCR") of \$8.0140 per Mcf, \$1.0741 per Mcf more than the previous GCR of \$6.9399.

6. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, is in the public interest, and should be approved for final meter readings on and after May 1, 2001.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Delta are denied.
2. 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, 2001.
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.

Done at Frankfort, Kentucky, this 30<sup>th</sup> day of April, 2001.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-176-G DATED APRIL 30, 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>
<b>Residential</b>					
Monthly Service Charge	\$ 8.00				
All Mcf	\$3.6224		\$8.0140		\$ 11.6364
<b>Small Non-Residential</b>					
Monthly Service Charge	\$ 17.00				
First 200 Mcf	3.6224		8.0140		\$ 11.6364
Next 800 Mcf	2.4000		8.0140		10.4140
Over 1,000 Mcf	2.0495		8.0140		10.0635
<b>Large Non-Residential</b>					
Monthly Service Charge	\$ 50.00				
First 200 Mcf	\$ 3.6224		\$ 8.0140		\$ 11.6364
Next 800 Mcf	2.0063		8.0140		10.0203
Next 4,000 Mcf	1.3190		8.0140		9.3330
Next 5,000 Mcf	.9190		8.0140		8.9330
Over 10,000 Mcf	.7190		8.0140		8.7330

Interruptible

Monthly Service Charge		\$ 250.00		
First 1,000	Mcf	\$ 1.6000	\$8.0140	\$9.6140
Next 4,000	Mcf	1.2000	8.0140	9.2140
Next 5,000	Mcf	.8000	8.0140	8.8140