

its service application for those customers to ensure that they are aware of the conditions under which they receive gas service.

However, Delta claims that the requirement to establish a separate rate for farm tap customers presents complications that outweigh any benefit that accrues from such requirement. To that end, Delta has requested that the Commission waive the requirement to impose a separate rate for farm tap customers.

Delta has lifted the moratorium on adding new customers to CNR's gathering lines and is contacting those people who sought service but were denied it due to the moratorium. Delta will contact Mr. Gregory, the Complainant in this case, and offer to provide service.

The primary purpose for requiring Delta to establish a separate rate to pass the cost of gas directly on to the customers on CNR's gathering lines is to make Delta financially indifferent to extending service to these customers. In initially implementing the moratorium on new customers on CNR's gathering lines, Delta justified its action by claiming that it was losing money on these customers due to the high price of gas on CNR's lines. The Commission reasoned that if Delta were required to pass the cost of that gas on to the customers on CNR's lines, Delta would experience no loss and would have no reason to deny service to those who apply for service on CNR's gathering lines.

In consideration that Delta is no longer opposed to adding new customers to CNR's gathering lines, and that the higher price of CNR's gas has an insignificant impact on the remainder of Delta's customers, the Commission finds that Delta need not create a separate rate for these customers.

IT IS THEREFORE ORDERED that:

1. The Order entered November 28, 2001 in this case is hereby modified to reflect that Delta is no longer required to establish a separate rate for its farm tap customers.

2. In the event that it implements another moratorium on new farm tap customers, Delta shall notify the Commission of such plans 30 days prior to implementation.

3. Delta's tariff filings received by the Commission addressing the rights of Delta's farm tap customers fully satisfy the requirements of the November 28, 2001 Order.

4. This case is closed and is removed from the Commission's docket.

Done at Frankfort, Kentucky, this 25th day of February, 2002.

By the Commission

ATTEST:


Executive Director