

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF DELTA NATURAL)
GAS COMPANY, INC) CASE NO. 2011-00516

O R D E R

On October 21, 2010, in Case No. 2010-00116,¹ the Commission approved rates for Delta Natural Gas Company, Inc. (“Delta”) and provided for their further adjustment in accordance with Delta’s Gas Cost Adjustment (“GCA”) clause.

On December 27, 2011, Delta filed its proposed GCA to be effective January 23, 2012. On January 10, 2012, Delta filed a request for a waiver of the 30-day notice requirement so that its proposed rates could be effective with the first billing cycle of February 2012, which is January 23, 2012. Delta mailed its current filing on December 20, 2011 requesting an effective date for the first billing cycle of February 2012 which includes meters read on and after January 23, 2012. Although this filing was mailed on December 20, 2011, due to the Christmas holidays, it was not received until December 27, 2011 by the PSC.

Delta’s application included its Annual Conservation/Efficiency Program (“CEP”) rate filing and its proposed CEP rate with a proposed effective date of January 23, 2012. On January 11, 2012, Delta filed a request for a waiver of the effective date of

¹ Case No. 2010-00116, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates (Ky. PSC Oct. 21, 2010).

February 1 as stated in its Conservation/Efficiency Program Cost Recovery Applicable to Residential Rate Schedule, so that its rates could become effective with the first billing cycle of February. This would be consistent with its GCR filing effective with the first billing cycle of February, which is January 23rd. Delta also requests a waiver of the 30-day notice as required by KRS 278.180.

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

1. Delta's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Delta's notice sets out an Expected Gas Cost ("EGC") of \$4.7636 per Mcf, which is a decrease of \$.4454 per Mcf from the previous EGC of \$5.2090 per Mcf.

3. Delta's notice sets out a current quarter Refund Adjustment ("RA") of (\$.0152) per Mcf. Delta's total RA is (\$.0604) per Mcf, which is a decrease of \$.0080 per Mcf from the previous quarter total RA of (\$.0524) per Mcf.

4. Delta's notice sets out a current quarter Actual Adjustment ("AA") of \$1.3028 per Mcf. Delta's total AA is \$1.5667 per Mcf, which is an increase of \$.7362 per Mcf from the previous total AA of \$.8305 per Mcf.

5. Delta's notice sets out a Balance Adjustment ("BA") of (\$.0711) per Mcf, which represents a decrease of \$.0239 per Mcf from the previous BA of (\$.0472) per Mcf.

6. Delta's GCA is \$6.1988 per Mcf, which is an increase of \$.2589 per Mcf from the previous GCA of \$5.9399 per Mcf.

7. The GCA rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after January 23, 2012, pursuant to Delta's showing of good cause for its December 27, 2011 filing date.

8. Delta's notice set out a CEP rate of \$.1173 per Mcf, which is an increase of \$.0160 per Mcf from the previous CEP rate of \$.1013 per Mcf. The CEP rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for final meter readings by Delta on and after January 23, 2012, pursuant to Delta's showing of good cause.

IT IS THEREFORE ORDERED that:

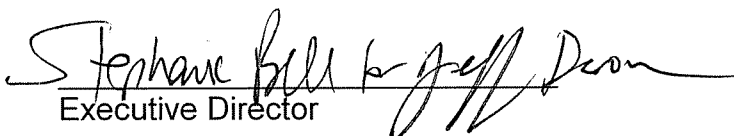
1. The rates in the Appendix to this Order are approved for final meter readings on and after January 23, 2012.

2. Within 20 days of the date of this Order, Delta shall file its revised tariffs with this Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED
JAN 20 2012
KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2011-00516 DATED ~~JAN 20 2012~~

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	\$ 20.70				
All Ccf	\$.43185		\$.61988		\$ 1.05173

Residential rates are also subject to the Conservation/Efficiency Program Cost Recovery Component (CEPRC) of \$.01173 per Ccf.

Small Non-Residential

Monthly Service Charge	\$ 31.20				
All Ccf	\$.43185		\$.61988		\$ 1.05173

Large Non-Residential

Monthly Service Charge	\$ 131.00				
1 – 2,000 Ccf	\$.43185		\$.61988		\$ 1.05173
2,001 – 10,000 Ccf	.26696		.61988		.88684
10,001 – 50,000 Ccf	.18735		.61988		.80723
50,001 – 100,000 Ccf	.14735		.61988		.76723
Over 100,000 Ccf	.12735		.61988		.74723

Interruptible

Monthly Service Charge	\$ 250.00		
1 - 10,000 Ccf	\$.16000	\$.61988	\$.77988
10,001 – 50,000 Ccf	.12000	.61988	.73988
50,001 – 100,000 Ccf	.08000	.61988	.69988
Over 100,000 Ccf	.06000	.61988	.67988

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