

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

THE REQUEST OF DELTA NATURAL)
GAS COMPANY, INC. FOR A) CASE NO. 7680
DEVIATION FROM 807 KAR 50:015 (11))

O R D E R

On March 14, 1979, Ms. Jane W. Hylton, Executive Vice-President, Delta Natural Gas Company, Inc., ("Delta") filed a letter with the Commission requesting an exemption from the requirements of the budget billing plan included in 807 KAR 50:015 (11). In support of the request, the letter states that immediate implementation of a budget plan would materially impair or damage the credit and operations of the Company.

The Commission decided to treat this letter as an application to deviate from the provisions of Commission Regulation 807 KAR 50:015 (11); therefore, the matter was set for hearing on the 20th day of April, 1979, at the Commission's office in Frankfort, Kentucky. At the hearing, at which there appeared no party of interest other than the Applicant, the Company asked that the request for an exemption also be considered on behalf of Gas Service Company, Inc., ("Gas Service"), a wholly-owned subsidiary of Delta.

By Order dated June 26, 1979, in Case No. 7417 Delta Natural Gas Company and its wholly-owned subsidiary, Gas Service Company, Inc., (collectively "the Company") were granted an exemption for six (6) months or until December 26, 1979, in order to make arrangements, either in house or with another firm, to implement a budget billing plan.

Thereafter, on December 7, 1979, the Company notified the Commission that it would be unable to implement a budget billing plan by December 26, 1979. The Company further requested an additional one year exemption. The Commission decided to treat this letter as a new application to deviate from the provisions of Commission Regulation 807 KAR 50:015 (11), and by Order dated February 8, 1980, granted the Applicant an additional five (5) months extension or until June 1, 1980 to implement its budget billing plan.

By letter dated March 27, 1980, Delta informed the Commission that it had now decided to acquire its own computer system rather than to continue utilizing the Computing Center of Western Kentucky Gas Company as a service bureau. Delta contended that due to delivery dates for equipment and the timing requirements for software development, it could not implement a computerized budget payment plan by June, 1980.

The Commission, having considered the application, having reviewed the record in both Case No. 7417 and Case No. 7680 and being otherwise advised is of the opinion and FINDS that:

(1) The Applicant has already been given two extensions of time to comply with Commission Regulation 807 KAR 50:015 (11).

(2) If the Commission were to grant the Applicant's request, the implementation date would be extended into the 1980-81 heating season.

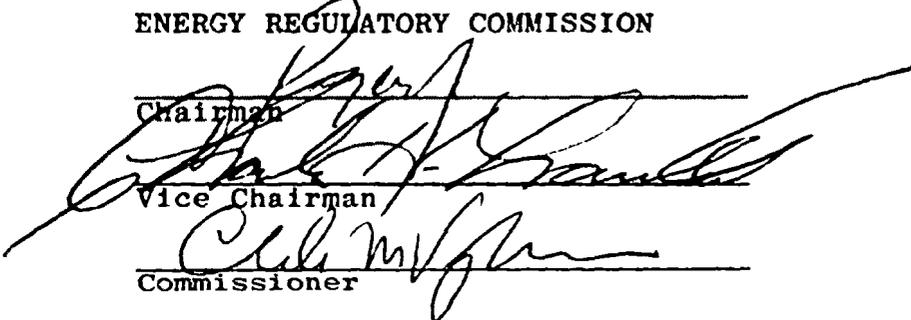
(3) The Company has had ample time to determine the methods and procedures of a budget billing plan and must take immediate action to have such a plan available to its customers for the upcoming heating season.

IT IS THEREFORE ORDERED, that the Applicant is hereby denied a further extension of time to implement its budget billing plan.

IT IS FURTHER ORDERED, that the Applicant shall file with this Commission and place in full operation, no later than August 1, 1980, its detailed plan for budget billing in compliance with 807 KAR 50:015 (11).

Done at Frankfort, Kentucky this the 24th day of June, 1980.

ENERGY REGULATORY COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary