

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

DELTA NATURAL GAS COMPANY, INC.)	
APPLICATION FOR ADJUSTMENT OF)	CASE NO. 8256-L
RATES UNDER PURCHASED GAS)	
ADJUSTMENT CLAUSE)	

O R D E R

On December 1, 1981, this Commission issued its Order in Case No. 8256, approving certain adjustments in the rates of Delta Natural Gas Company, Inc., ("Delta") and providing under certain conditions for the further adjustments of rates when the wholesale cost of gas is increased, decreased or refunds are received.

On October 12, 1982, Delta notified the Commission that its wholesale cost of gas would be increased by two of its suppliers, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with the Commission.

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

(1) Effective October 1, 1982, Delta experienced an increase in the wholesale cost of gas purchased from the Weaver Oil and Gas Corporation ("Weaver") in Bell County, Kentucky, in accordance with the escalator clause in the contract dated August 16, 1978, a copy of which is on file with the Commission.

(2) On November 1, 1982, Delta shall experience an increase of \$0.02 per Mcf in the wholesale cost of gas purchased from the Evans Exploration Company ("Evans") in accordance with the escalator clause in the contract dated May 22, 1975, a copy of which is on file with the Commission.

(3) On July 30, 1982, Delta entered into an agreement to purchase natural gas from CN Operating Company ("CN") produced in Clay County, Kentucky.

(4) Delta's notice of October 12, 1982, set out certain revisions in rates which Delta proposed to place in effect, said rates being designed to pass on the wholesale increase in cost from its suppliers in the amount of \$23,153 or 0.41 cents per Mcf.

(5) The proposed rates will allow Delta to recover only the increased cost of wholesale gas and will not permit it to make any profit in doing so. The magnitude of this filing exposes Delta to substantial under-recovery of its gas costs if the rates are not implemented in a timely manner.

(6) Delta's notice of October 12, 1982, does not provide the Commission with the 20 day notice as required by statute, therefore, the proposed rates should become effective on and after November 2, 1982.

(7) Delta's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8256 dated December 1, 1981, is fair, just and reasonable,

in the public interest and should be effective with gas supplied on and after November 2, 1982.

IT IS THEREFORE ORDERED that the rates contained in Appendix A be and they are authorized, effective for gas supplied on and after November 2, 1982.

IT IS FURTHER ORDERED that within 30 days after the date of this Order, Delta shall file with this Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 8th day of November, 1982.

PUBLIC SERVICE COMMISSION


By the Commission

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8256-L DATED
NOVEMBER 8, 1982

The following rates and charges are prescribed for the customers in the areas 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 the Commission prior to the date of this Order.

RATE SCHEDULE G - GENERAL SERVICE

APPLICABILITY:

Applicable within all service areas served by Delta, namely: Owingsville, Sharpsburg, Bath County, Camargo, Montgomery County, Frenchburg, Menifee County, Kingston-Terrill, Madison County, Stanton, Clay City, Powell County, Garrard County, Berea, Salt Lick, Midland, Nicholasville, Wilmore, Jessamine County, Jeffersonville, Clearfield, Farmers, Rowan County, Middlesboro, Pineville, Bell County, Barbourville, Knox County, Williamsburg, Whitley County, London, Laurel County, and environs of each.

AVAILABILITY:

Available for general use by residential, commercial and industrial customers.

CHARACTER OF SERVICE:

Firm--with the reasonable limits of the company's capability to provide such service.

RATES:

General Service--

Monthly Customer Charge - \$2.75 per delivery point per month.

1 - 5,000 Mcf	\$5.0383
5,001 - 10,000 Mcf	4.7883
Over - 10,000 Mcf	4.5383

Interruptible--

1 - 5,000 Mcf	\$4.7883
5,001 - 10,000 Mcf	4.5383
Over - 10,000 Mcf	4.2883

PURCHASED GAS ADJUSTMENT

Delta Natural Gas Company

Applicable to all rate schedules

The base rate for purchased gas for the future application of this Purchased Gas Adjustment Clause is:

<u>Supplier</u>	<u>Rate/Mcf or DTH</u>
Columbia Gas Transmission Corporation	
Rate Schedule CDS	
Demand (DTH)	\$3.43
Commodity (DTH)	4.2682
Rate Schedule SGS (DTH)	4.4937
Columbia LNG Corporation	5.9477*
*Includes Transportation Charge of	\$0.3377
Tennessee Gas Pipeline Company	\$3.0952
Gas Rate (DTH)	0.7332
Graham-Michaelis Corporation	\$2.00
Flat Lick	\$0.35
Evans	0.96
Wisehoff	1.41
Hall-Martin	0.40
Goff	0.40
Weaver	1.86
Martin Energy Company	1.75
Laurel Valley	3.3455
Wiser Oil Company	2.6355
Al J. Keyser	1.50
L P Energy	2.00
Storage	0.8479
CN Operating Company	2.00