

-COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

DELTA NATURAL GAS COMPANY, INC.)	
APPLICATION FOR ADJUSTMENT OF)	CASE NO. 8528-B
RATES UNDER PURCHASED GAS)	
ADJUSTMENT CLAUSE)	

O R D E R

On December 14, 1982, this Commission issued its Order in Case No. 8528, approving certain adjustments in the rates of Delta Natural Gas Company, Inc., ("Delta") and providing under certain conditions for the further adjustment of rates when the wholesale cost of gas is increased or decreased or refunds are received.

On January 11, 1983, 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.

On January 31, 1983, Delta filed an amendment to its January 11, 1983, notice due to the filing of revised rates by one of its suppliers, Tennessee Gas Pipeline Company ("Tennessee").

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

(1) On January 6, 1983, Delta received notification from one of its suppliers, the Wiser Oil Company ("Wiser"), of an increase in the wholesale cost of gas effective February 1, 1983.

(2) On January 24, 1983, Delta received notification from Tennessee of a change in its wholesale rates effective February 1, 1983.

(3) On October 27, 1982, Delta entered into an agreement to purchase natural gas from Welch Bros. Oil & Gas, Inc. ("Welch"). This is the first time the cost of purchased gas from this supplier has been included in Delta's overall gas costs. The Commission makes no finding as to the provisions of the contract between Delta and Welch.

(4) Delta's notices of January 11, 1983, and January 31, 1983, set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its suppliers in the amount of \$2,049,751 or 37.07 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 adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 8528 dated December 14, 1982, is fair, just and reasonable, in the public interest and should be effective with gas supplied on and after February 1, 1983, subject to refund.

IT IS THEREFORE ORDERED that the rates in Appendix A be and they hereby are authorized, effective for gas supplied on and after February 1, 1983, subject to refund.

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 24th day of February, 1983.


PUBLIC SERVICE COMMISSION



Chairman



Vice Chairman



Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 8528-B FEBRUARY 24, 1983

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 the 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 - \$2.90 per delivery point per month.

1 - 5,000 Mcf	\$5.7932 per Mcf
5,001 - 10,000 Mcf	5.5432 per Mcf
Over - 10,000 Mcf	5.2932 per Mcf

Interruptible--

1 - 5,000 Mcf	\$5.5432	per Mcf
5,001 - 10,000 Mcf	5.2932	per Mcf
Over - 10,000 Mcf	5.0432	per Mcf

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)	\$4.33
Commodity (DTH)	4.3758
Rate Schedule SGS (DTH)	4.6605
Columbia LNG Corporation	6.0801*
*Includes Transportation Charge of	\$0.4701
Tennessee Gas Pipeline Company	\$3.4199
Gas Rate (DTH)	0.8365
Graham-Michaelis Corporation	\$2.00
Flat Lick	\$0.35
Evans	0.96
Wisehoff	1.41
Hall-Martin	0.40
Goff	0.40
Weaver	1.87
Martin Energy Company	1.75
Laurel Valley	3.4233
Wiser Oil Company	3.5909
Al J. Keyser	2.6125
L P Energy	2.00
Storage	1.001
CN Operating Company	2.00
Welch Bros.	2.59