

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * *

In the Matter of:

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

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 adjustments of rates when the wholesale cost of gas is increased or decreased or refunds are received.

On March 10, 1983, Delta notified the Commission that its wholesale cost of gas would be increased by four 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 record filed in this case and being advised, the Commission is of the opinion and finds that:

(1) On April 26, 1982, Delta entered into a Gas Purchase Agreement with Global Petroleum, Inc., for the purchase of natural gas in Whitley County, Kentucky. Initial delivery of gas under this agreement was in January 1983.

(2) On February 17, 1983, Delta received notification from one of its suppliers, Graham-Michaelis Corporation, of an increase in the wholesale cost of gas effective April 1, 1983.

(3) Delta previously filed, in Case No. 8528-B, a copy of the Gas Purchase Agreement dated October 27, 1982, with Welch Bros. Oil and Gas Inc. ("Welch Bros."). Delta's requested wholesale rate provided for in this agreement of \$3.00 per Mcf was reduced to \$2.59 per Mcf by the Commission's Order because Welch Bros. had not completed the necessary well pricing determination filing requirements. Delta has submitted a copy of the Welch Bros. application for a Natural Gas Policy Act ("NGPA") Section 103 classification for the well covered by the above-referenced agreement, and has requested approval of the wholesale rate of \$3.00 per Mcf.

(4) Effective April 1, 1983, Delta will experience an increase in the cost of gas purchased from Weaver Oil & Gas Corporation in Bell County, Kentucky.

(5) Delta's subsidiary, Laurel Valley Pipe Line Company, will experience, effective April 1, 1983, an increase in the wholesale cost of gas it purchases locally from the Weaver-Hamilton partnership. The price of gas purchased under this agreement is subject to Section 102 of the NGPA.

(6) During the 12 months ending January 1, 1983, Delta purchased the majority of its gas from local producers. As a result of this mix in purchased gas, Delta's average wholesale cost of gas has decreased in the amount of \$88,540 or 1.73 cents per Mcf.


(7) 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 and in the public interest and should be effective with gas supplied on and after April 1, 1983.

IT IS THEREFORE ORDERED that the rates in Appendix A be and they hereby are approved, effective for gas supplied on and after April 1, 1983.

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

Done at Frankfort, Kentucky, this 29th day of March, 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-D DATED MARCH 29, 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, 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	\$5.8301 per Mcf
5,001	-	10,000 Mcf	5.5801 per Mcf
Over	-	10,000 Mcf	5.3301 per Mcf

Interruptible--

1 - 5,000 Mcf	\$5.5801 per Mcf
5,0001 - 10,000 Mcf	\$5.3301 per Mcf
Over - 10,000 Mcf	\$5.0801 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)	\$4.74
Commodity (DTH)	4.5788
Rate Schedule SGS (DTH)	4.8905
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	\$2.25
Global Petroleum, Inc.	2.55
Flat Lick	0.35
Evans	0.96
Wisehoff	1.41
Hall-Martin	0.40
Goff	0.40
Weaver	1.88
Martin Energy Company	1.75
Laurel Valley	3.4939
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.	3.00