

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA) CASE NO. 8528-L
NATURAL GAS COMPANY, INC.)

O R D E R

On December 14, 1982, the Commission issued its Order in Case No. 8528 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received. On September 23, 1983, the Commission issued its Order in Case No. 8866 providing for the further adjustment of these rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment Clause set forth therein.

On September 25, 1984, Delta Natural Gas Company, Inc., ("Delta") filed its quarterly gas cost adjustment which is to become effective November 1, 1984, and is to remain in effect until February 1, 1985.

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

(1) Delta's notice of September 25, 1984, set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on the overall

wholesale increase in gas costs from its suppliers in the amount of 11.92 cents per Mcf.

(2) Delta has received a total of \$90,965 in refunds from its suppliers, Columbia Gas Transmission Corporation, Columbia LNG Corporation, and Tennessee Gas Pipeline. Delta proposes to refund this amount by applying a refund factor of 1.87 cents per Mcf to its customers' bills. This factor includes interest at a rate equal to the average of the "3-Month Commercial Paper Rate" for the immediately preceding 12-month period less 1/2 of 1 percent to cover the costs of refunding.

(3) Delta's notice set out a current quarter actual adjustment in the amount of (10.59) cents per Mcf to compensate for previous over-recovery of gas cost by the company through the operation of its gas cost recovery procedure.

(4) Due to a computational error in Delta's proposed gas cost recovery rate, the rate should be \$4.2948 per Mcf rather than \$4.2949 as proposed. This is a decrease of \$0.0054 per Mcf from that rate previously in effect. This decrease represents the combined effect of the supplier increase, refund and actual adjustments.

(5) Delta's adjustment in rates contained in the Appendix to this Order under the gas cost adjustment provisions approved by the Commission in its Order in Case No. 8528 dated December 14, 1982, and Case No. 8866 dated September 23, 1983, is fair, just and reasonable and in the

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 8528-L DATED 10/12/84

The following rates and charges are prescribed for the customers 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.

RATES SCHEDULES

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total Rate</u>
General Service					
Monthly Customer Charge					\$2.90
1 - 5,000 Mcf	\$1.7311		\$4.2948		\$6.0259 per Mcf
5,001 - 10,000 Mcf	1.4811		4.2948		5.7759 per Mcf
Over 10,000 Mcf	1.2311		4.2948		5.5259 per Mcf
Interruptible (2)					
1 - 5,000 Mcf	\$1.4811		\$4.2948		\$5.7759 per Mcf
5,001 - 10,000 Mcf	1.2311		4.2948		5.5259 per Mcf
Over 10,000 Mcf	0.9811		4.2948		5.2759 per Mcf

public interest and should be effective with final meter readings on and after November 1, 1984.

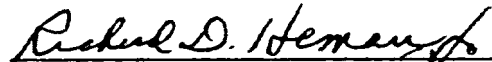
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective for final meter readings on and after November 1, 1984.

IT IS FURTHER ORDERED that the gas cost recovery rate shall be \$4.2948 per Mcf effective for final meter readings on and after November 1, 1984.

IT IS FURTHER ORDERED that within 30 days of 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 12th day of October, 1984.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary