

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA)
NATURAL GAS COMPANY, INC.) CASE NO. 9331-B

O R D E R

On December 19, 1985, the Commission issued its Order in Case No. 9331 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the Gas Cost Adjustment ("GCA") Clause set forth therein.

On April 1, 1986, Delta Natural Gas Company, Inc., ("Delta") filed its quarterly gas cost adjustment which is to become effective May 1, 1986, and is to remain in effect until August 1, 1986.

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

(1) Delta's notice of April 1, 1986, set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on the overall wholesale decrease in gas costs from its suppliers in the amount of 14.47 cents per Mcf.

(2) Delta's notice set out a total refund adjustment of 8.71 cents per Mcf, replacing the previous adjustment of 5.71 cents per Mcf. This adjustment includes a current quarter supplier refund of \$167,916 plus interest which is due Delta's customers.

(3) Delta's notice set out a current quarter actual adjustment in the amount of 31.03 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) Delta's notice set out a balance adjustment of 13.32 cents per Mcf to compensate for under-collections which occurred as a result of previous gas cost, refund and balance adjustments.

(5) Delta proposed a gas cost recovery rate in the amount of \$3.3660 per Mcf. This is a decrease of \$0.1973 per Mcf from the rate previously in effect. The decrease represents the combined effect of the supplier decrease, refund, actual and balance adjustments.

(6) 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. 9331 dated December 19, 1985, should be effective with final meter readings on and after May 1, 1986.

(7) The Commission remains concerned about the possible effects of Delta Resources' purchasing practices on the regulated activities of Delta. The Commission is currently examining Delta's response to the data request of April 16, 1986; it will continue its investigation of Delta Resources until it has determined whether price adjustments or refunds will be necessary.

IT IS THEREFORE ORDERED that:

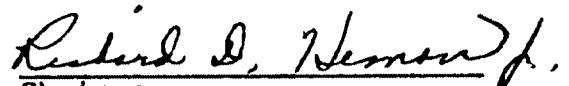
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with final meter readings on and after May 1, 1986.

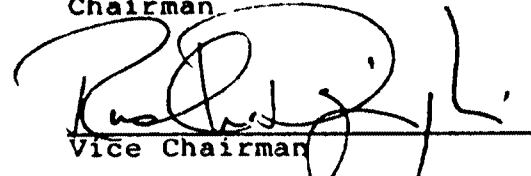
(2) The gas cost recovery rate shall be \$3.3660 per Mcf effective with final meter readings on and after May 1, 1986.

(3) 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 2nd day of May, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 9331-B DATED MAY 2, 1986

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 date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers who purchase their entire natural gas requirements from Delta.

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
	plus		equals
General Service			
Monthly Customer Charge			\$3.98
1 - 1,000 Mcf	\$2.1096	\$3.3660	\$5.4756 per Mcf
1,001 - 5,000 Mcf	1.9637	3.3660	5.3297 per Mcf
5,001 - 10,000 Mcf	1.6575	3.3660	5.0235 per Mcf
Over 10,000 Mcf	1.3512	3.3660	4.7172 per Mcf
Interruptible (2)			
1 - 1,000 Mcf	\$1.8543	\$3.3660	\$5.2203 per Mcf
1,001 - 5,000 Mcf	1.7085	3.3660	5.0745 per Mcf
5,001 - 10,000 Mcf	1.4023	3.3660	4.7683 per Mcf
Over 10,000 Mcf	1.096	3.3660	4.462 per Mcf