

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 90-342-B
NATURAL GAS COMPANY, INC.)	

O R D E R

On May 23, 1991, the Commission issued its Order in Case No. 90-342 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 September 26, 1991, Delta Natural Gas Company, Inc. ("Delta") filed its quarterly GCA, which is to become effective November 1, 1991 and is to remain in effect until February 1, 1992.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta's notice of September 26, 1991 set out certain revisions in rates which Delta proposed to place into effect, said rates being designed to pass on to its customers the wholesale increase in gas costs from its suppliers in the amount of .95 cents per Mcf, excluding take-or-pay billings. Delta's expected gas cost for the quarter beginning November 1, 1991 is \$3.2349 per Mcf.

Delta's notice set out a take-or-pay recovery component of 5.75 cents per Mcf, which increased 1.28 cents per Mcf from its last GCA filing. Delta should be prepared to support the amount of its take-or-pay actual adjustments at the time of its GCA field reviews.

2. Delta's notice set out a total refund adjustment of .90 cents per Mcf. This adjustment is composed of past refund adjustments that are still in effect and a current quarter refund adjustment of .51 cents per Mcf. The over-all effect on the total supplier refund adjustment from last quarter is a .50 cent per Mcf decrease.

3. Delta's notice set out a current quarter actual adjustment in the amount of (11.00) cents per Mcf to compensate for over-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of May, June, and July 1991. The total actual adjustment of (8.51) cents per Mcf, which is designed to correct the current over-collection as well as under- and over-collections from three previous quarters, results in a 6.68 cent per Mcf increase in Delta's retail rates.

4. Delta's notice set out a balance adjustment of (9.95) cents per Mcf, to replace the previous adjustment of 58.43 cents per Mcf. This balance adjustment compensates for over-collections which occurred as a result of previous gas cost, actual, refund, and balance adjustments. The effect on retail rates is a 68.38 cent per Mcf decrease.

5. The combined effect of the above adjustments is Delta's gas cost recovery rate ("GCR") in the amount of \$3.0988 per Mcf, which is a decrease of 59.97 cents per Mcf from its last approved GCR.

6. Delta's adjustment in rates, set out in the Appendix to this Order, pursuant to the GCA provisions approved by the Commission in its Order in Case No. 90-342 dated May 23, 1991, is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after November 1, 1991.

7. In its filing dated September 26, 1991, Delta requested confidentiality for Schedule VI, which contains business information required by the Commission pertaining to Delta's subsidiaries. Delta Resources, Inc. and Delgasco engage in activities that are unregulated and highly competitive. Competitors of these subsidiaries could use business information of these subsidiaries to place themselves in an advantageous position vis-a-vis the subsidiaries and Delta. Thus, disclosure of the information is likely to cause Delta and these subsidiaries competitive injury and should be protected.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after November 1, 1991.

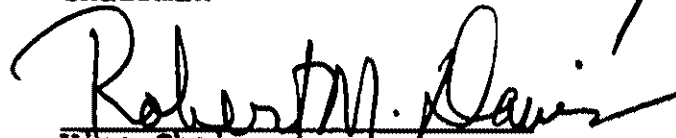
2. Within 30 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

3. Schedule VI, which Delta has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 31st day of October, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 90-342-B DATED 10/31/91

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.

RATES

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total equals</u>
	plus		
General Service			
Monthly Customer Charge			
Residential			\$5.95
Nonresidential			18.36
1 - 1,000 Mcf	\$2.4650	\$3.0988	5.5638 per Mcf
1,001 - 5,000 Mcf	2.0650	3.0988	5.1638 per Mcf
5,001 - 10,000 Mcf	1.6650	3.0988	4.7638 per Mcf
Over 10,000 Mcf	1.2650	3.0988	4.3638 per Mcf
Interruptible (2)			
Monthly Customer Charge			\$185.00
1 - 1,000 Mcf	\$1.7000	\$3.0988	4.7988 per Mcf
1,001 - 5,000 Mcf	1.3000	3.0988	4.3988 per Mcf
5,001 - 10,000 Mcf	.9000	3.0988	3.9988 per Mcf
Over 10,000 Mcf	.5000	3.0988	3.5988 per Mcf
Transportation of Gas for Others			
On-System Utilization			

To the applicable rates and charges in effect for on-system transportation customers shall be added a take-or-pay recovery component of \$.0575 per Mcf.