

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF DELTA) CASE NO. 90-342-H
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 March 30, 1993, Delta Natural Gas Company, Inc. ("Delta") filed its quarterly GCA, which is to become effective May 1, 1993 and is to remain in effect until August 1, 1993.

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

1. Delta's notice of March 30, 1993 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 decrease in gas costs from its suppliers. Delta's computation of its expected gas cost has been adjusted to price all volumes purchased from Tennessee Gas Pipeline at its summer GS-2 commodity rate. Delta's corrected expected gas cost for the quarter beginning May 1, 1993 is \$2.7779 per Mcf, a decrease of 33.07 cents per Mcf excluding take-or-pay billings.

Delta's notice set out a take-or-pay recovery component of (.13) cents per Mcf, which decreased .37 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 contained a refund adjustment of .2 cents per Mcf to return to its customers supplier refunds in the amount of \$7,515, including interest.

3. Delta's notice set out a current quarter actual adjustment in the amount of 29.83 cents per Mcf to compensate for under-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of November and December 1992 and January 1993. The total actual adjustment of 22.3 cents per Mcf is designed to correct the current under-collection as well as under- and over-collections from three previous quarters.

4. Delta's notice set out a balance adjustment of (2.77) cents per Mcf, to replace the previous adjustment of 3.22 cents per Mcf. This balance adjustment compensates for over-collections which occurred as a result of previous gas cost, actual, refund, and balance adjustments.

5. The combined effect of the above adjustments is Delta's corrected gas cost recovery rate ("GCR") in the amount of \$2.9699 per Mcf, which is a decrease of 2.01 cents per Mcf from its last approved GCR. The decrease is the result of the supplier decrease combined with the changes in other adjustments.

6. Delta's corrected 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 May 1, 1993.

7. In its filing dated March 30, 1993, 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 proposed by Delta be and they hereby are denied.

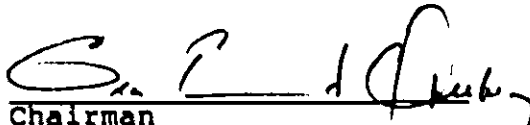
2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after May 1, 1993.

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.

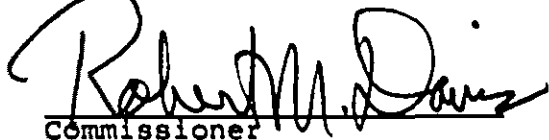
4. Schedule VI, which Delta has petitioned to be withheld from public disclosure, shall be held and retained by this Commission as confidential and shall not be open for public inspection.

Done at Frankfort, Kentucky, this 22nd day of April, 1993.

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-H DATED APRIL 22, 1993

The following rates and charges are prescribed for the customers in the area 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.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total</u>
General Service					
Monthly Customer Charge					
Residential					\$5.95
Nonresidential					18.36
1 - 1,000 Mcf	\$2.4650		\$2.9699		5.4349 per Mcf
1,001 - 5,000 Mcf	2.0650		2.9699		5.0349 per Mcf
5,001 - 10,000 Mcf	1.6650		2.9699		4.6349 per Mcf
Over 10,000 Mcf	1.2650		2.9699		4.2349 per Mcf
Interruptible (2)					
Monthly Customer Charge					\$185.00
1 - 1,000 Mcf	\$1.7000		\$2.9699		4.6699 per Mcf
1,001 - 5,000 Mcf	1.3000		2.9699		4.2699 per Mcf
5,001 - 10,000 Mcf	.9000		2.9699		3.8699 per Mcf
Over 10,000 Mcf	.5000		2.9699		3.4699 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 (\$.0013) per Mcf.