

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

Q R D E R

On May 23, 1991, in Case No. 90-342, the Commission approved certain adjusted rates for Delta Natural Gas Company, Inc. ("Delta") and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On March 27, 1995, Delta filed its GCA to be effective from May 1, 1995 to August 1, 1995.

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

1. Delta's notice proposed revised rates designed to pass on its expected increased wholesale gas costs to its customers. Delta's proposed expected gas cost is \$2.9791 per Mcf, excluding take-or-pay billings.

Delta's notice set out a take-or-pay recovery component of .08 cent per Mcf. Delta should be prepared to support its take-or-pay actual adjustments at the time of its GCA field reviews.

2. Delta's notice set out a current quarter refund adjustment of .01 cent per Mcf to return \$328 in supplier refunds, including interest, to its customers. The total refund adjustment of 9.09 cents per Mcf reflects the current and previous quarter adjustments.

3. Delta's notice set out a current quarter actual adjustment of 5.39 cents per Mcf to recoup under-recovered gas cost from November and December 1994 and January 1995. The proposed total actual adjustment of (12.26) cents per Mcf reflects 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 14.28 cents per Mcf. This balance adjustment compensates for net under-collections which occurred as a result of previous adjustments.

5. These adjustments produce a gas cost recovery rate ("GCR") of \$2.9092 per Mcf, 29.22 cents per Mcf less than its previous GCR.

6. Delta's rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be approved for final meter readings on and after May 1, 1995.

7. 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 unregulated, competitive activities. 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 to this Order are fair, just, and reasonable, and are effective for final meter readings on and after May 1, 1995.

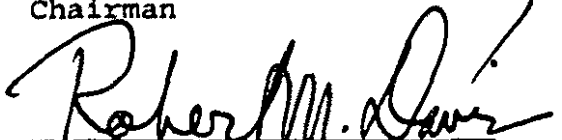
2. Within 30 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.


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 1st day of May, 1995.

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-P DATED MAY 1, 1995

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		\$2.9092		5.3742 per Mcf
1,001 - 5,000 Mcf	2.0650		2.9092		4.9742 per Mcf
5,001 - 10,000 Mcf	1.6650		2.9092		4.5742 per Mcf
Over 10,000 Mcf	1.2650		2.9092		4.1742 per Mcf
Interruptible (2)					
Monthly Customer Charge					\$185.00
1 - 1,000 Mcf	\$1.7000		\$2.9092		4.6092 per Mcf
1,001 - 5,000 Mcf	1.3000		2.9092		4.2092 per Mcf
5,001 - 10,000 Mcf	.9000		2.9092		3.8092 per Mcf
Over 10,000 Mcf	.5000		2.9092		3.4092 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 \$.0008 per Mcf.