

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. 99-176-D

ORDER

On December 27, 1999, in Case No. 99-176, 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 September 27, 2000, Delta filed its GCA to be effective from November 1, 2000 to January 31, 2001. On October 9, 2000, Delta amended its filing to recalculate the expected gas cost ("EGC") used in its GCA filed on September 27, 2000.

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

Delta's notice proposes revised rates designed to pass on its expected increased wholesale gas costs to its customers. Delta's originally proposed expected gas cost ("EGC") is \$6.1765 per Mcf, excluding take-or-pay billings. Delta's amended filing proposed an EGC of \$5.5675. Delta's recalculation of its EGC lowered the EGC by accelerating the inclusion of future savings Delta expects to achieve by purchasing from Delta Resources some of its volume that was historically purchased from Wiser Oil (now

Columbia Natural Resources). In addition, Delta also reduced its expected purchased gas cost by the amount of savings it expects to achieve from use of gas in storage. The amended EGC is 52.68 cents per Mcf more than the previous EGC of \$5.0407.

2. Delta's notice sets out no current quarter refund adjustment. The total refund adjustment of .49 cent per Mcf includes refund adjustments from prior quarters.

3. Delta's notice sets out a current quarter actual adjustment ("AA") of (1.93) cent per Mcf to return over-recovered gas cost from May, June and July 2000. The total AA of 44.95 cents per Mcf reflects the current over-recovery, as well as under- and over-collections from three previous quarters, and represents a decrease of 6.05 cents per Mcf from the previous total AA.

4. Delta's notice sets out a balance adjustment ("BA") of (.78) cent per Mcf to return \$10,989 of net over-collections which occurred as a result of previous adjustments. This BA is .81 cent per Mcf less than the previous BA.

5. These adjustments produce a gas cost recovery rate ("GCR") of \$6.0043 per Mcf, 45.82 cents per Mcf more than the previous GCR of \$5.5461.

6. The 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 November 1, 2000.

7. Delta requests 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-à-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 November 1, 2000.
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. Delta's request for confidentiality is granted.

Done at Frankfort, Kentucky, this 1<sup>st</sup> day of November, 2000.

By the Commission

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 99-176-D DATED NOVEMBER 1, 2000

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 Rate</u>
<b>Residential</b>					
Monthly Service Charge	\$ 8.00				
All Mcf	\$3.6224		\$6.0043		\$9.6267
<b>Small Non-Residential</b>					
Monthly Service Charge	\$ 17.00				
First 200 Mcf	3.6224		6.0043		\$9.6267
Next 800 Mcf	2.4000		6.0043		8.4043
Over 1,000 Mcf	2.0495		6.0043		8.0538
<b>Large Non-Residential</b>					
Monthly Service Charge	\$ 50.00				
First 200 Mcf	\$ 3.6224		\$ 6.0043		\$ 9.6267
Next 800 Mcf	2.0063		6.0043		8.0106
Next 4,000 Mcf	1.3190		6.0043		7.3233
Next 5,000 Mcf	.9190		6.0043		6.9233
Over 10,000 Mcf	.7190		6.0043		6.7233

Interruptible

Monthly Service Charge		\$ 250.00		
First 1,000 Mcf		\$ 1.6000	\$6.0043	\$7.6043
Next 4,000 Mcf		1.2000	6.0043	7.2043
Next 5,000 Mcf		.8000	6.0043	6.8043
Over 10,000 Mcf		.6000	6.0043	6.6043