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September 25, 2008

Stephen G. Jenkins
Manager
Belfry Gas, Inc.
P. O. Box 504
Allen, KY 41601-0155

CERTIFICATE OF SERVICE

RE: Case No. 2008-00372
Belfry Gas, Inc.

I, Stephanie Stumbo, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on September 25, 2008.

Executive Director

SS/rs
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|-----------------------------|---|---------------------|
| NOTICE OF GAS COST |) | |
| ADJUSTMENT FILING OF BELFRY |) | CASE NO. 2008-00372 |
| GAS COMPANY, INC. |) | |

ORDER

On October 11, 1993, in Case No. 1993-00111,¹ the Commission approved rates for Belfry Gas Company, Inc. ("Belfry") and provided for their further adjustment in accordance with Belfry's Gas Cost Adjustment ("GCA") clause.

On September 8, 2008, Belfry filed its GCA to be effective October 1, 2008. The GCA clause in Belfry's tariff states that it shall file a gas cost recovery rate with the Commission at least 30 days prior to the first day of each calendar quarter. Since Belfry only gave the Commission 22 days' notice, its effective date will have to be October 8, 2008, rather than the requested October 1, 2008 effective date, in order to comply with the tariff provision.

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

1. Belfry's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Belfry's notice sets out an Expected Gas Cost ("EGC") of \$11.6984 per Mcf, which is a decrease of \$2.6074 per Mcf from its prior EGC of \$14.3058.

¹ Case No. 1993-00111, Adjustment of Rates of Belfry Gas Company, Incorporated and for Authority to Incur Additional Indebtedness.

3. Belfry's notice sets out no Refund Adjustment ("RA") for the current quarter. Belfry's notice sets out a total RA of (\$.0008) per Mcf, which is no change from the prior total RA.

4. Belfry's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0084) per Mcf. Belfry's notice sets out a total AA of (\$.0775) per Mcf, which is an increase of \$.0022 per Mcf from its previous total AA.

5. Belfry's notice sets out no Balance Adjustment.

6. Belfry's GCA is \$11.6201 per Mcf, which is a decrease of \$2.6052 per Mcf from its previous rate of \$14.2253.

7. The rates in Appendix A to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Belfry on and after October 8, 2008.

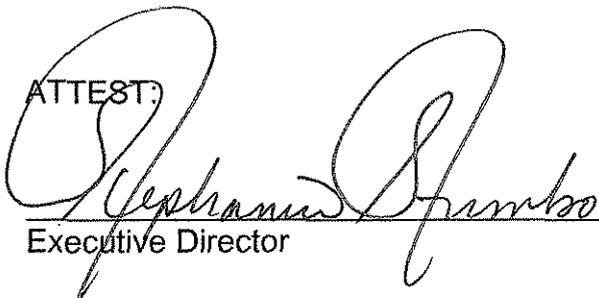
IT IS THEREFORE ORDERED that:

1. The rates in Appendix A, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 8, 2008.

2. Within 20 days of the date of this Order, Belfry shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 25th day of September, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00372 DATED SEPTEMBER 25, 2008

The following rates and charges are prescribed for the customers served by Belfry Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RETAIL RATES:

Monthly usage

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|--|------------------|---------------------------------------|--------------|
| First 1,000 cubic feet (Minimum Bill) | \$4.2667 | \$11.6201 | \$15.8868 |
| Over 1,000 cubic feet | \$2.7182 | \$11.6201 | \$14.3383 |