

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF BELFRY) CASE NO. 7341-EE
GAS, INC.)

O R D E R

On July 19, 1979, the Commission issued its Order in Case No. 7341 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On May 9, 1988, Belfry Gas, Inc. ("Belfry"), notified the Commission that its wholesale cost of gas would be increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective June 1, 1988, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

(1) Belfry's notice of May 9, 1988 set out certain revisions in rates which were based on differences between the new rates effective June 1, 1988 and the rates effective March 1, 1988 in Case No. 7341-DD. However, the rates effective March 1, 1988 were not placed into effect because they have been superseded by the rates effective June 1, 1988. The revisions in rates should be

based on rates in effect January 1, 1988 in Case No. 7341-CC, which reflect a wholesale increase in price from Belfry's supplier in the amount of \$32,247 or 42.90 cents per Mcf.

(2) Transmission applied with the Federal Energy Regulatory Commission for revised rates to become effective June 1, 1988. These rates are subject to refund.

(3) A legislative change in KRS Chapter 278, effective July 15, 1986, requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the required period to 20 days upon showing of good cause. Reduction in rates will, as always, be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice providing that: 1) the effective date from the supplier is not more than 20 days in the future, in which case the actual effective date will be used, and 2) the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause for 20-days' notice. Belfry included no request for a showing of good cause for 20-days' notice. The effective date will, therefore, be 30 days after Belfry's notice, or June 8, 1988.

(4) Belfry's corrected adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7341, dated July 19, 1979, is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after June 8, 1988. Belfry's rates

should be subject to refund because Transmission's rates are subject to refund.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after June 8, 1988 subject to refund.

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

Done at Frankfort, Kentucky, this 26th day of May, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 7341-EE DATED 5/26/88

The following rates and charges are prescribed for the customers in the area served by Belfry Gas, 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.

RATES: Monthly

First 1,000 cu. ft.	\$7.51 Minimum Bill
Over 1,000 cu. ft.	5.00 per 1,000 cu. ft.

The base rate for the future application of the purchased gas adjustment clause of Belfry Gas, Inc., shall be:

	<u>Commodity</u>
Columbia Gas Transmission Corporation	\$3.7379 per Mcf