COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT) ADJUSTMENT FILING OF BELFRY) GAS COMPANY, INC.)

CASE NO. 2005-00488

On October 11, 1993, in Case No. 1993-00111, 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.¹

On December 1, 2005, Belfry filed its GCA to be effective January 1, 2006.

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 \$17.5335 per Mcf, which is an increase of \$7.8832 per Mcf from its prior EGC of \$9.6503.

3. Belfry's notice sets out a refund adjustment ("RA"). Belfry's notice sets out no total RA which is an increase of .06 cent per Mcf from its prior total RA.

4. Belfry's notice sets out a current quarter actual adjustment ("AA") of (.56) cent per Mcf. Belfry's total AA is (12.64) cents per Mcf, which is a decrease of .85 cent from its previous total AA.

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

5. Belfry's notice sets out no balance adjustment.

6. Belfry's GCA is \$17.4071 per Mcf, which is an increase of \$7.8753 per Mcf from its previous rate of \$9.5318.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Belfry on and after January 1, 2006.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after January 1, 2006.

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

Done at Frankfort, Kentucky, this 21st day of December, 2005.

By the Commission

ATTEST:

Executive Director

Case No. 2005-00488

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2005-00488 DATED December 21, 2005

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 this Commission prior to the effective date of this Order.

RETAIL RATES:

Monthly usage

	Base Rate	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
First 1,000 cubic feet (Minimum Bill)	\$4.2667	\$17.4071	\$ 21.6738
Over 1,000 cubic feet	\$2.7182	\$17.4071	\$ 20.1253