

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST)	
ADJUSTMENT FILING OF BELFRY)	CASE NO. 2007-00106
GAS COMPANY, INC.)	

ORDER

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 March 12, 2007, Belfry filed its GCA to be effective April 1, 2007.

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 \$8.6629 per Mcf, which is a decrease of 33.3 cents per Mcf from its prior EGC of \$8.9959.
3. Belfry’s notice sets out no refund adjustment (“RA”). Belfry’s notice sets out no total RA, which is an increase of .06 cent per Mcf from the prior total RA.
4. Belfry’s notice sets out a current quarter actual adjustment (“AA”) of 5.458 cents per Mcf. Belfry incorrectly calculated its monthly cost difference for October 2006.

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

Correcting for this produces a current quarter AA of 4.69 cents per Mcf. Belfry's total AA is 5.09 cents per Mcf, which is an increase of 4.83 cents from its previous total AA.

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

6. Belfry's GCA is \$8.7138 per Mcf, which is a decrease of 28.41 cents per Mcf from its previous rate of \$8.9979.

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 April 1, 2007.

IT IS THEREFORE ORDERED that:

1. Belfry's proposed rates are denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after April 1, 2007.

3. 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 27th day of March, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00106 DATED MARCH 27, 2007

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	\$8.7138	\$ 12.9805
Over 1,000 cubic feet	\$2.7182	\$8.7138	\$ 11.4320