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March 22, 2006

CERTIFICATE OF SERVICE

RE: Case No. 2006-00104  
Belfry Gas, Inc.

I, Beth O'Donnell, 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 March 22, 2006.

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Executive Director

BOD/sh  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST )  
ADJUSTMENT FILING OF BELFRY ) CASE NO. 2006-00104  
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.<sup>1</sup>

On March 8, 2006, Belfry filed its GCA to be effective April 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 \$10.5742 per Mcf, which is a decrease of \$6.9593 per Mcf from its prior EGC of \$17.5335.
3. Belfry's notice sets out a refund adjustment ("RA") of .06 cent per Mcf. The refund factor should be a negative value rather than a positive value. Correcting for this produces a RA of (.06) cent per Mcf and a total RA of (.06) cent per Mcf, which is a decrease of .06 cent per Mcf from its prior total RA.

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<sup>1</sup> Case No. 1993-00111, Adjustment of Rates of Belfry Gas Company, Incorporated and for Authority to Incur Additional Indebtedness, Order dated October 11, 1993.

4. Belfry's notice sets out a current quarter actual adjustment ("AA") of (.14) cent per Mcf. Belfry's total AA is (11.02) cents per Mcf, which is an increase of 1.62 cent from its previous total AA.

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

6. Belfry's GCA is \$10.4634 per Mcf, which is a decrease of \$6.9437 per Mcf from its previous rate of \$17.4071.

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, 2006.

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, 2006.
3. 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 22nd day of March, 2006.

By the Commission

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2006-00104 DATED March 22, 2006.

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

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cubic feet (Minimum Bill)	\$4.2667	\$10.4634	\$ 14.7301
Over 1,000 cubic feet	\$2.7182	\$10.4634	\$ 13.1816