

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST)	
ADJUSTMENT FILING OF BELFRY)	CASE NO. 2006-00503
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 November 30, 2006, Belfry filed its GCA to be effective January 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 \$8.9959 per Mcf, which is an increase of 19.78 cents per Mcf from its prior EGC of \$8.7981.
3. Belfry's notice sets out no refund adjustment ("RA"). Belfry's notice sets out a total RA of (.06) cent per Mcf, which is no change from the prior total RA.
4. Belfry's notice sets out a current quarter actual adjustment ("AA") of .0005 cent per Mcf. Belfry incorrectly calculated its total cost difference. Correcting for this

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

produces a current quarter AA of 1.09 cent per Mcf. Belfry's total AA is .26 cent per Mcf, which is an increase of 1.65 cent from its previous total AA.

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

6. Belfry's GCA is \$8.9979 per Mcf, which is an increase of 21.43 cents per Mcf from its previous rate of \$8.7836.

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, 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 January 1, 2007.

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 20th day of December, 2006.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2006-00503 DATED DECEMBER 20, 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	\$8.9979	\$ 13.2646
Over 1,000 cubic feet	\$2.7182	\$8.9979	\$ 11.7161