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December 21, 2007

CERTIFICATE OF SERVICE

RE: Case No. 2007-00495
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 December 21, 2007.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/tw
Enclosure

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST)	
ADJUSTMENT FILING OF BELFRY)	CASE NO. 2007-00495
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, 2007, Belfry filed its GCA to be effective January 1, 2008.

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 \$9.2825 per Mcf, which is an increase of \$1.4614 per Mcf from its prior EGC of \$7.8211.
3. Belfry's notice sets out no refund adjustment ("RA"). Belfry's notice sets out no total RA, which is no change from the prior total RA.
4. Belfry's notice sets out a current quarter actual adjustment ("AA") of \$.0079 per Mcf. Belfry used its originally proposed EGC for the months of July, August and September 2007, rather than the corrected EGC that the Commission authorized in

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

Case No. 2007-00210.² Correcting for this error produces a current quarter AA of \$.0018 per Mcf. Belfry's total AA is (\$.1285) per Mcf, which is a decrease of \$.0091 from its previous total AA.

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

6. Belfry's GCA is \$9.1540 per Mcf, which is an increase of \$1.4523 per Mcf from its previous rate of \$7.7017.

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, 2008.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Belfry 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, 2008.

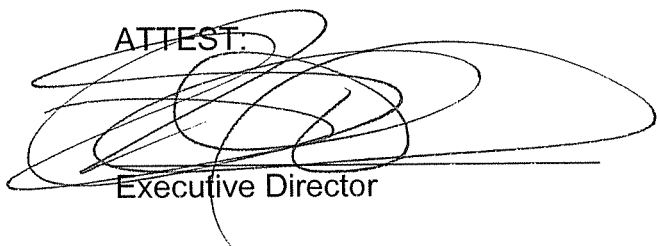
3. Within 20 days of the date of this Order, Belfry shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

² Case No. 2007-00210, Notice of Gas Cost Adjustment Filing of Belfry Gas Company, Inc., Order dated June 28, 2007.

Done at Frankfort, Kentucky, this 21st day of December, 2007.

By the Commission

ATTEST:

A large, complex, handwritten signature in black ink, consisting of multiple overlapping loops and lines, covering the text 'ATTEST:' and extending over the text 'Executive Director'.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2007-00495 DATED December 21, 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	\$9.1540	\$ 13.4207
Over 1,000 cubic feet	\$2.7182	\$9.1540	\$ 11.8722