

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

* * * * *

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF BELFRY) CASE NO. 7341-0
GAS, INC.)

O R D E R

On July 19, 1979, the Commission issued its Order in Case No. 7341 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 2, 1985, Belfry Gas, Inc., ("Belfry") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective November 1, 1984, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

After reviewing the record in this case and being advised, the Commission is of the opinion and finds that:

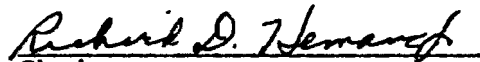
(1) Belfry's notice of October 2, 1985, set out certain revisions in rates which Belfry proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier.


(2) The Commission is investigating Belfry's failure to comply with the provisions of its purchased gas adjustment clause currently in effect, and does not intend at this time to approve any purchased gas adjustments with an effective date prior to September 1, 1985. Therefore, the rates proposed in Belfry's application in this case will not be placed into effect and will not be used as the basis for calculating the wholesale increase or decrease in price in Belfry's next purchased gas adjustment filing, Case No. 7341-P.

IT IS THEREFORE ORDERED that within 30 days of the date of this Order Belfry shall provide the Commission with the information requested in the Appendix to this Order.

Done at Frankfort, Kentucky, this 18th day of October, 1985.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 7341-O DATED OCTOBER 18, 1985

(1) Provide actual gas purchases and sales, in dollars and Mcf, monthly for the 19 months beginning March 1, 1984, and ending September 30, 1985; show amount of sales, in dollars and Mcf, in each rate level (under and over 1,000 Mcf).

(2) Transmission filed an application with FERC to supersede its tariff sheet 92 on which Belfry's current rates, effective March 1, 1984, are based; the rates Transmission actually placed into effect March 1, 1984, were lower than the superseded rates. Because Belfry did not apply to supersede its own rates, the Commission must ask that Belfry provide the rates charged its customers in March, April, May, June, July and August of 1984.

(3) Transmission filed an application with FERC for decreased rates effective November 1, 1984. Because Belfry did not file a timely purchased gas adjustment to pass on that decrease to its customers, the Commission must request that Belfry provide the rates charged to its customers in November and December of 1984 and January and February of 1985.

(5) Transmission filed an application with FERC for increased rates effective March 1, 1985. Because Belfry did not file a purchased gas adjustment to pass on that increase to its customers, the Commission must request that Belfry provide the rates charged to its customers in March, April, May and June of 1985.

(6) Transmission filed an application with FERC for decreased rates effective July 1, 1985. Because Belfry did not file a purchased gas adjustment to pass on that decrease to its customers, the Commission must request that Belfry provide the rates charged to its customers in July and August of 1985.

(7) Belfry received a refund from Transmission dated December 28, 1984. Because Belfry did not file a purchased gas adjustment to pass on that refund to its customers, the Commission must request that Belfry provide the refund plan used.