

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF BELFRY)	CASE NO. 7341-P
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 would be decreased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective September 1, 1985, 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) Belfry's revised rates are based on an application for decreased rates that Transmission filed with the Federal Energy Regulatory Commission ("FERC") to become effective September 1, 1985. The Commission notes, however, that Transmission subsequently filed with FERC an application for a greater decrease in rates that superseded the previous application and that was to become effective on the same date, September 1, 1985. The wholesale decrease in price from Transmission, based on its superseding tariff sheet effective September 1, 1985, is in the amount of \$40,694 or 45 cents per Mcf. This decrease was calculated by taking the difference between the rates currently in effect, which were approved March 16, 1984, and rates under Transmission's latest tariff sheet; Belfry incorrectly calculated the decrease by using the difference between the rates requested in Case No. 7341-0 to become effective November 1, 1984, and the rates requested in 7341-P which were based on Transmission's superseded tariff sheet.

(3) Belfry should report to the Commission any excess revenues collected during the period from September 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections to its customers.

(4) Belfry's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 7341 dated July 19, 1979, is fair, just and reasonable and in the public interest and should be effective with gas supplied on and after September 1, 1985.

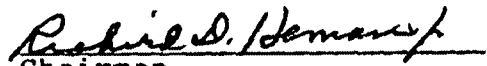
IT IS THEREFORE ORDERED that the rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after September 1, 1985.

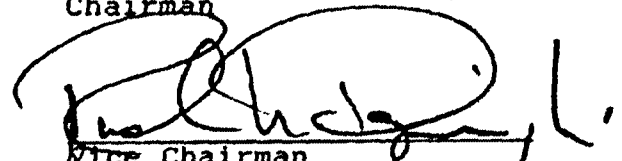
IT IS FURTHER ORDERED that within 30 days of this Order Belfrey shall report to the Commission any excess revenues collected during the period from September 1, 1985, to the date the proposed rates are implemented, along with a plan to refund any excess collections.

IT IS FURTHER ORDERED that within 30 days of the date of this Order Belfry shall file with this Commission its revised tariffs setting out the rates authorized herein.

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-P DATED 10/18/85

The following rates are prescribed for the customers served by Belfry Gas, 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 date of this Order.

RATES: Monthly

First 1,000 cu. ft.	\$8.09 Minimum Bill
Over 1,000 cu. ft.	5.58 per 1,000 cu. ft.

The base rate for the future application of the purchased gas adjustment clause of Belfry Gas, Inc., shall be:

Commodity

Columbia Gas Transmission Corporation	\$4.4117 per Mcf
Schedule SGS	