

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILINGS OF BELFRY) CASE NO. 7341-O
GAS, INC.)

O R D E R

On October 2, 1985, Belfry Gas, Inc., ("Belfry") filed two purchased gas adjustments ("PGAs"), 7341-O to be effective November 1, 1984, and 7341-P to be effective September 1, 1985. Belfry's last PGA, 7341-N, had been filed March 2, 1984. In Case No. 7341-O the Commission ordered Belfry to supply certain information concerning its gas sales and the prices it had been charging its customers for the period from March 1, 1984, to September 1, 1985. On December 18, 1985, Belfry filed its response to the Commission's Order in 7341-O.

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

(1) The amount Belfry over-collected during the months of March through November of 1984 was negligible and was partially off-set by under-collections in September and October of 1984. From December 1984 to February 1985, Belfry charged rates which were consistent with the rates it was being charged by Columbia.

During the months of March through August 1985, however, Belfry collected materially higher rates than it should have; excess revenues equalled approximately \$5,330. The derivation of this amount is in the Appendix to this Order.

(2) Belfry should refund the over-collections in the amount of \$5,330 plus interest at a rate equal to the average of the "3-Month Commercial Paper Rates" less 1/2 of 1 percent to cover the costs of refunding. The average for the relevant period is 7.8 percent; therefore, the interest rate that should be used is 7.3 percent.

(3) Belfry should submit to this Commission a refund plan to return the over-collections to its customers.

IT IS THEREFORE ORDERED that:

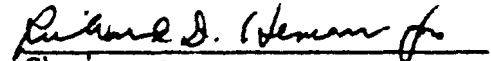
(1) Belfry shall refund to its customers \$5,330 in excess revenues plus interest at the rate of 7.3 percent.


(2) Within 30 days of the date of this Order Belfry shall submit to this Commission a refund plan to return the excess revenues plus interest to its customers.

(3) Within 30 days of the date the refund is completed Belfry shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

Done at Frankfort, Kentucky, this 17th day of January, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX
DATED 1/17/86

	¹ Columbia's Rate Per MCF	² Amount Increase (Decrease)	⁵ Belfry Rates	³ Correct Belfry Rates	Difference x	⁵ MCF Sold =	Excess Revenues
2/85	\$4.7853	N/A	\$8.48 \$5.97	\$8.48 \$5.97	\$0		
3/85	\$4.7491	(\$.03801)	\$8.48 \$5.97	\$8.46 ⁴ \$5.95	\$.02	8,180	\$ 164
4/85	\$4.2741	(\$.49875)	\$8.48 \$5.97	\$8.19 ⁴ \$5.70	\$.29	6,497	\$1,884
5/85	Same Rate		\$8.48 \$5.97	\$7.94 \$5.43	\$.54	1,887	\$1,019
6/85	Same Rate		\$8.48 \$5.97	\$7.94 \$5.43	\$.54	1,588	\$ 858
7/85	Same Rate		\$8.48 \$5.97	\$7.94 \$5.43	\$.54	1,293	\$ 698
8/85	Same Rate		\$8.48 \$5.97	\$7.94 \$5.43	\$.54	1,317	<u>\$ 711</u>
TOTAL EXCESS REVENUES							\$5,334

¹Columbia's rate per MCF equals its rate per Dth multiplied by the average of its conversion factors to Belfry for the 12 preceding months.

²Includes an allowance for 5 percent line loss.

³Calculated based on changes in Columbia's rates.

⁴Adjusted for split month.

⁵Data filed in data response of December 18, 1985.