

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF BELFRY) CASE NO. 7341-S
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 August 5, 1986, 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 March 1, 1986, 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 August 5, 1986, 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 in the amount of \$2,658 or 3 cents per Mcf.

(2) Transmission applied with the Federal Energy Regulatory Commission for a decrease to become effective March 1, 1986.

(3) Belfry's notice contained billing information showing that it has been billing its customers the rates proposed in this filing since March 1, 1986, although it had not applied for those rates nor had them approved. Because Belfry's customers have been billed correctly, no refund will be required for the period March 1, 1986, to the date the proposed rates are implemented. Belfry should make timely filings in the future.

(4) Belfry's notice contained a summary statement reconciling the amount refunded pursuant to Case No. 7341-0 to the amount actually owed its customers. Belfry's statement showed that it had over-refunded \$3,713. Belfry should be allowed to recover this amount by retaining any refunds it receives from Transmission rather than passing them through to its customers. With each future refund it receives from Transmission, Belfry should report to the Commission the amount of the refund and the amount remaining to be recovered.

(5) 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 March 1, 1986.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after March 1, 1986.

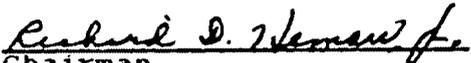
(2) Within 30 days of the date of this Order Belfry should file with this Commission its revised tariffs setting out the rates authorized herein.

(3) Belfry shall retain any future refunds received from Transmission until such time as the amount of refunds retained equals as nearly as possible the amount Belfry over-refunded in Case No. 7341-0.

(4) Belfry shall submit to the Commission a statement showing each refund received from Transmission, as it is received, that is applied to the balance to be recovered, as well as the amount remaining to be recovered.

Done at Frankfort, Kentucky, this 21st day of August, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 7341-S DATED 8/21/86

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.	\$8.07 Minimum Bill
Over 1,000 cu. ft.	5.56 per 1,000 cu. ft.

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

	<u>Commodity</u>
Columbia Gas Transmission Corporation Schedule SGS	\$4.3993 per Mcf