

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF BELFRY) CASE NO. 7341-Y
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 July 2, 1987, Belfry Gas, Inc., ("Belfry") notified the Commission that its wholesale cost of gas was increased by its supplier, Columbia Gas Transmission Corporation ("Transmission"), effective May 11, 1987, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") 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 July 2, 1987, set out certain revisions in rates which Belfry proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$14,303 or 19 cents per

Mcf. Belfry calculated its proposed rates using the change in rates of 19 cents plus the rates proposed in its last PGA case instead of the rates actually allowed in its last case.

(2) Transmission applied with the Federal Energy Regulatory Commission for an increase to become effective May 11, 1987; this increase is subject to refund.

(3) Belfry proposed an effective date of May 11, 1987, for its increase. However, since 30 days' notice is required, unless good cause is shown for earlier implementation, the effective date should be June 10, 1987.

(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 June 10, 1987, subject to refund.

IT IS THEREFORE ORDERED that:

(1) The corrected rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after June 10, 1987, in place of the rates proposed by Belfry. These rates are subject to refund because Transmission's rates are subject to refund.

(2) 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 21st day of July, 1987.

PUBLIC SERVICE COMMISSION

Handwritten signature of Richard D. W. ...
Chairman

Handwritten signature of ...
Vice Chairman

Handwritten signature of ...
Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION
IN CASE NO. 7341-Y DATED 7/21/87

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.	\$7.61 Minimum Bill
Over 1,000 cu. ft.	5.10 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	\$3.8801 per Mcf