

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF BELFRY) CASE NO. 7341-CC
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 December 18, 1987, 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 January 1, 1988, 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 December 18, 1987, 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 \$718 or .99 cents per Mcf.

(2) Transmission applied with the Federal Energy Regulatory Commission for a decrease to become effective January 1, 1988.

(3) In setting out its rates, Belfry incorrectly used the rates it proposed in its previous purchased gas adjustment filing instead of the approved rates. In future filings, Belfry should use the approved rates when setting out the rates to be put into effect.

(4) Belfry's corrected 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 January 1, 1988.

IT IS THEREFORE ORDERED that:

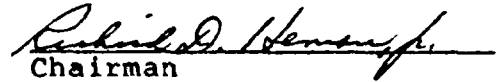
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after January 1, 1988.

(2) In future purchased gas adjustment filings, Belfry shall use the approved rates from the previous filing in setting out the rates to be put into effect.

(3) 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 12th day of January, 1988.

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-CC DATED JANUARY 12, 1988

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.	\$7.08 Minimum Bill
Over 1,000 cu. ft.	4.57 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	\$3.3293 per Mcf