

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)
FILING OF BELFRY GAS COMPANY, INC.) CASE NO. 93-111-C

ORDER

On October 11, 1993, the Commission issued its Order in Case No. 93-111 approving certain adjustments to the rates of Belfry Gas Company, Inc. ("Belfry") and providing under certain conditions for the further adjustment of such rates in accordance with the provisions of Belfry's gas cost adjustment ("GCA") clause.

On December 4, 2000, Belfry filed its GCA to be effective January 1, 2001. Belfry's tariffs contain a GCA clause that provide for filings on an as needed basis. The filing also contained a request for a waiver of the 30-day notice requirement. Belfry had not filed a GCA since November 1993.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Belfry's notice proposed revised rates to pass on its expected increase in gas costs to its customers. Belfry's proposed expected gas cost ("EGC") is \$5.81 per Mcf. Belfry incorrectly calculated the average expected cost per Mcf on Schedule I. Correcting for this error produces an EGC of \$5.8494, an increase of \$1.7088 per Mcf from the prior EGC of \$4.1406.

2. Belfry's notice set out no refund adjustment.
3. Belfry's notice set out no actual adjustment.
4. Belfry's notice set out no balance adjustment.
5. These combined adjustments produce a corrected gas cost adjustment of \$5.8494 per Mcf, \$1.7088 per Mcf more than the prior rate of \$4.1406.

6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after January 1, 2001. Belfry requested a waiver of the 30-day notice requirement stating that it had employed a CPA, who was not familiar with GCA filings, to prepare the application. This prevented Belfry from being able to give the Commission 30 days' notice. The grounds cited by Belfry constitute good cause to shorten the notice period pursuant to KRS 278.180(1).

IT IS THEREFORE ORDERED that:

1. Belfry's proposed rates are denied.
2. The rates in the Appendix to this Order are fair, just, and reasonable, and are effective for service rendered on and after January 1, 2001.
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 20th day of December, 2000.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 93-111-C DATED

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

RETAIL RATES:

Monthly usage

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First 1,000 cubic feet (Minimum Bill)	\$4.2667	\$5.8494	\$10.1161
Over 1,000 cubic feet	\$2.7182	\$5.8494	\$ 8.5676

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Belfry Gas Company, Inc.

Case No.: 93-111-C
Filing Date: December 4, 2000
Proposed Effective Date: January 1, 2001
Approved Effective Date: January 1, 2001

Wholesale Cost: Increased \$1.7088 per Mcf
Retail Rate: Increased \$1.7088 per Mcf

Gas Supplier: Kinhag Development Company

Gas Cost Adjustment Components:

Expected Gas Cost	\$5.8494
Refund Adjustment	-----
Actual Adjustment	-----
Balancing Adjustment	-----
Gas Cost Adjustment	\$5.8494

Prepared by: Dawn McGee

Date: December 12, 2000