

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | |
|--------------------------------|---------------------|
| NOTICE OF GAS COST ADJUSTMENT) | |
| ADJUSTMENT FILING OF BELFRY) | CASE NO. 2003-00344 |
| GAS COMPANY, INC.) | |

ORDER

On October 11, 1993, in Case No. 1993-00111, the Commission approved rates for Belfry Gas Company, Inc. (Belfry) and provided for their further adjustment in accordance with Belfry s gas cost adjustment (GCA) clause.

On September 10, 2003, Belfry filed its GCA to be effective October 11, 2003. Belfry filed after the first of the month and requested an effective date that is in compliance with KRS 278.180, which requires 30 days notice of a rate change.

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

1. Belfry s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Belfry s proposed expected gas cost (EGC) is \$6.0593 per Mcf, which is a decrease of 71.17 cents per Mcf from the previous EGC of \$6.7710.
3. Belfry s notice sets out no refund adjustment.
4. Belfry s notice sets out a current quarter actual adjustment (AA) of .56 cent per Mcf. Belfry s notice sets out a total AA of (.41) cent per Mcf, which is a decrease of .13 cent from the previous total AA.
5. Belfry s notice sets out no balance adjustment.

6. Belfry's GCA is \$6.0552 per Mcf, which is 71.3 cents per Mcf less than the previous rate of \$6.7682.

7. This filing results in a rate decrease, therefore, the notice requirements set out in KRS 278.180(1) are not applicable. KRS 278.180(2) allows a rate decrease to be implemented within a lesser period of time. Therefore, the effective date should be October 1, 2003.

8. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Belfry on and after October 1, 2003.

IT IS THEREFORE ORDERED that:

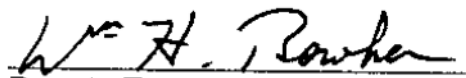
1. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after October 1, 2003.

2. Within 20 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 25th day of September, 2003.

By the Commission

ATTEST:


Deputy Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2003-00344 DATED September 25, 2003

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 | \$6.0552 | \$10.3219 |
| Over 1,000 cubic feet | \$2.7182 | \$6.0552 | \$ 8.7734 |