

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST)	
ADJUSTMENT FILING OF BELFRY)	CASE NO. 2008-00072
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.¹

On February 28, 2008, Belfry filed its GCA to be effective April 1, 2008.

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 notice sets out an expected gas cost (“EGC”) of \$10.068 per Mcf. However, Belfry used an incorrect sales number in its calculation. Correcting for this error produces an EGC of \$10.128 per Mcf, which is an increase of \$.8455 per Mcf from its prior EGC of \$9.2825.
3. Belfry’s notice sets out no refund adjustment (“RA”). Belfry’s notice sets out no total RA, which is no change from the prior total RA.

¹ Case No. 1993-00111, Adjustment of Rates of Belfry Gas Company, Incorporated and for Authority to Incur Additional Indebtedness.

4. Belfry's notice sets out a current quarter actual adjustment ("AA") of \$.0046 per Mcf. However, Belfry used an incorrect EGC for the months of October, November and December 2007 and also used an incorrect previous quarter AA. Correcting for these errors produces a current quarter AA of (\$.0160) per Mcf. Belfry's total AA is (\$.1991) per Mcf, which is a decrease of \$.0706 from its previous total AA.

5. Belfry's notice sets out no balance adjustment.

6. Belfry's GCA is \$9.9289 per Mcf, which is an increase of \$.7749 per Mcf from its previous rate of \$9.1540.

7. 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 April 1, 2008.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Belfry are hereby denied.

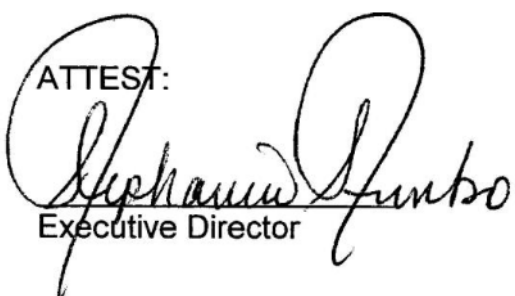
2. The rates in the Appendix, attached hereto and incorporated herein, are approved for billing for service rendered on and after April 1, 2008.

3. Within 20 days of the date of this Order, Belfry shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of March, 2008.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00072 DATED MARCH 20, 2008

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 the 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	\$9.9289	\$ 14.1956
Over 1,000 cubic feet	\$2.7182	\$9.9289	\$ 12.6471