

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

NOTICE OF PURCHASED GAS            )  
ADJUSTMENT FILING OF            )     CASE NO. 6602-NN  
EQUITABLE GAS COMPANY            )

O R D E R

On December 8, 1976, the Commission issued its Order in Case No. 6602, 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 August 7, 1989, Equitable Gas Company ("Equitable") notified the Commission that its wholesale cost of gas was decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective August 1, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission. In compliance with the Order in Case No. 6602-MM, Equitable also included a refund plan to return remaining refunds and over-collections to its customers.

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

(1) Equitable's notice of August 7, 1989 set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$137,643 or 24.89 cents per Mcf.

(2) Kentucky West filed an application for decreased rates to become effective August 1, 1989 with the Federal Energy Regulatory Commission.

(3) Equitable's notice of August 7, 1989 set out a refund factor of 8.97 cents per Mcf to return remaining net refunds of \$576 and overcollections of \$49,058 to its customers.

(4) The refund should begin August 1, 1989 and should remain in effect for 12 months or until such time as the full amount plus interest has been returned to Equitable's customers.

(5) Equitable should refund the amount reported in its notice plus interest at a rate equal to the average of the "3-Month Commercial Paper Rate" less 1/2 of 1 percent to cover the cost of refunding. These monthly rates are reported in the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

(6) Equitable should report to the Commission the amount of any excess revenues collected from August 1, 1989 to the date the proposed rates are implemented, along with a refund plan.

(7) Equitable's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in

Case No. 6602 dated December 8, 1976 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after August 1, 1989.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after August 1, 1989.

(2) Equitable shall apply an 8.97 cent per Mcf refund factor to the approved rates beginning August 1, 1989, which shall remain in effect for 12 months or until the total amount of the refund plus interest is returned to Equitable's customers.

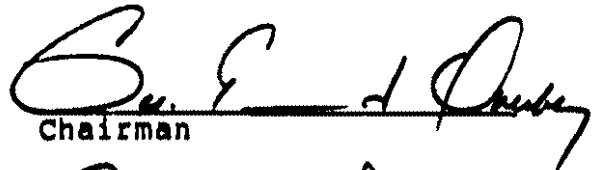
(3) Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates and refund factor authorized herein.

(4) Within 30 days of the date the refund is terminated, Equitable shall file with this Commission a summary statement showing a reconciliation of customer billings and the amount refunded.

(5) Within 30 days of the date of this Order, Equitable shall file any excess revenues collected since August 1, 1989, along with a refund plan.

Done at Frankfort, Kentucky, this 28th day of August, 1989.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

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Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 6602-NN DATED 8/28/89

The following rates and charges are prescribed for the customers served by Equitable Gas Company. 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	2 Mcf	\$3.1184 per Mcf
Next	18 Mcf	2.9334 per Mcf
Next	30 Mcf	2.8784 per Mcf
Next	50 Mcf	2.8284 per Mcf
All Over	100 Mcf	2.7784 per Mcf

The minimum bill shall be \$1.80.

The following adjustments will be made to the above rates:

A surcharge of \$0.2278 per Mcf to reconcile undercollections occurring from 4/1/83 to 6/30/87 will be added to the above rates to be effective for 60 months beginning with the date of the Commission Order in Case No. 6602-GG or until the undercollection is recovered.

A refund of \$.0897 per Mcf to reconcile overcollections occurring from February 1989 through June 1989 to remain in effect for 12 months.

The base rate for the future application of the purchased gas adjustment clause of Equitable Gas Company shall be:

Commodity

Kentucky West Virginia Gas Company \$2.3664/Dth\*

\*Includes \$0.0151 Gas Research Institute Funding Charge and an Annual Charge Adjustment of \$0.0018.