

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

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

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 March 7, 1990, 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 February 1, 1990, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") clause on file with this Commission. On March 19, 1990, Equitable applied to modify its filing by correcting a mathematical error in the calculation of its retail rates proposed in the March 7, 1990 filing.

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

(1) Equitable's notice of March 19, 1990 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 \$344,864 or 61.43 cents per Mcf.

(2) Kentucky West applied with the Federal Energy Regulatory Commission for decreased rates to become effective February 1, 1990. The effective date for the decrease in Equitable's rates should be on and after February 1, 1990. Kentucky West's rates are subject to refund; hence, Equitable's rates should be subject to refund.

(3) The adjustment in Equitable's 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, in the public interest, and should be effective with gas supplied on and after February 1, 1990, subject to refund.

(4) Equitable should file with this Commission the amount of any overcollections received from February 1, 1990 to the date the proposed rates are implemented, along with a refund plan.

IT IS THEREFORE ORDERED that:

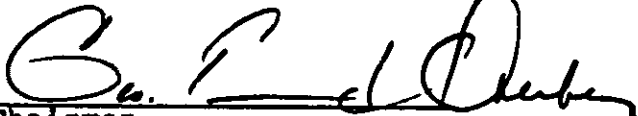
(1) The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after February 1, 1990, subject to refund.

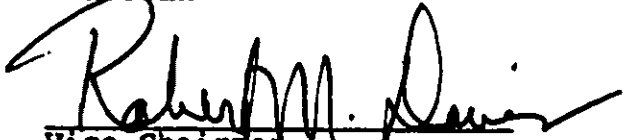
(2) Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

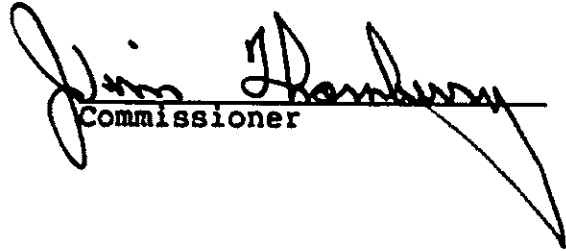
(3) Within 30 days of the date of this Order, Equitable shall file the amount of any excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 30th day of March, 1990.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 6602-QQ DATED 3/30/90

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 | \$4.3695 per Mcf |
| Next | 18 Mcf | 4.1845 per Mcf |
| Next | 30 Mcf | 4.1295 per Mcf |
| Next | 50 Mcf | 4.0795 per Mcf |
| All Over | 100 Mcf | 4.0295 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 \$3.2483/Dth*

*Includes \$0.0126 Gas Research Institute Funding Charge and an Annual Charge Adjustment of \$0.0017.