

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF EQUITABLE)
GAS COMPANY) CASE NO. 89-286-G

O R D E R

On June 27, 1990, the Commission issued its Order in Case No. 89-286 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates on a quarterly basis in accordance with the provisions of the gas cost adjustment ("GCA") clause set forth therein.

On January 6, 1992, Equitable Gas Company, a division of Equitable Resources, Inc. ("Equitable"), filed its quarterly GCA, which is to become effective February 1, 1992 and is to remain in effect until April 30, 1992.

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

1. Equitable's notice of January 6, 1992 set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on to its customers the expected wholesale decrease in gas costs from its supplier in the amount of 1.16 cents per Mcf. Equitable's expected gas cost ("EGC") for the quarter beginning February 1, 1992, is \$4.2121 per Mcf, which includes a surcharge component of 80.54 cents per Mcf relating to

the settlement of Kentucky West Virginia Gas Company Docket No. TQ 89-1-46-000, et al. before the Federal Energy Regulatory Commission.

2. Equitable's notice set out a current quarter actual adjustment in the amount of (1.66) cents per Mcf to compensate for over-recovery of gas cost by the company through the operation of its gas cost recovery procedure during the months of August, September, and October 1991. Equitable's total actual adjustment is (26.21) cents per Mcf, which is composed of the current over-recovery plus remaining over- and under-recoveries from previous quarters.

3. Equitable's notice contained a proposed balance adjustment ("BA") in the amount of (.01) cents per Mcf. Equitable should wait to file its BA until it has 12 months of actual sales figures to use in the calculation. The proposed BA should be denied.

4. The combined effect of the above adjustments is Equitable's gas cost recovery ("GCR") rate in the amount of \$3.9500 per Mcf, a decrease of 2.64 cents per Mcf from its last approved GCR rate. The decrease represents the combined effect of the supplier increase and actual adjustments.

5. Equitable requested a waiver of the 30-day filing requirement. Pursuant to KRS 278.180, upon Equitable's showing of good cause, Equitable's request should be granted. The effective date for Equitable's decrease should be on and after February 1, 1992.

6. Equitable's corrected adjustment in rates pursuant to the GCA provisions approved by the Commission in its Order in Case No. 89-286, dated June 27, 1990, is fair, just, and reasonable, in the public interest, and should be effective with final meter readings on and after February 1, 1992.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Equitable are hereby denied.

2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with final meter readings on and after February 1, 1992.

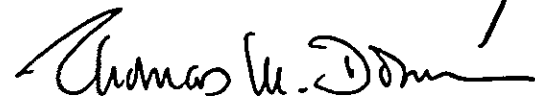
3. The GCR rate shall be \$3.9500 per Mcf effective with final meter readings on and after February 1, 1992.

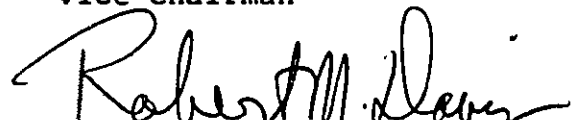
4. Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 31st day of January, 1992.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 89-286-G DATED JANUARY 31, 1992

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 | \$4.6153 per Mcf |
| Next | 18 Mcf | 4.4153 per Mcf |
| Next | 30 Mcf | 4.3253 per Mcf |
| Next | 50 Mcf | 4.2453 per Mcf |
| All Over | 100 Mcf | 4.1753 per Mcf |

The minimum bill shall be \$4.00.

The above rates include recovery of a Kentucky West Virginia Gas Company surcharge of 61.4 cents per Dth pursuant to the settlement of Docket No. TQ89-1-46, et. al. before the Federal Energy Regulatory Commission.

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.

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 \$2.7028/Dth*

*Includes \$0.0147 Gas Research Institute Funding Charge and an Annual Charge Adjustment of \$0.0024.