

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF EQUITABLE) CASE NO. 92-326-O
GAS COMPANY)

O R D E R

On April 12, 1993, in Case No. 92-326, the Commission approved certain adjusted rates for Equitable Gas Company, a division of Equitable Resources, Inc. ("Equitable"), and provided for their further adjustment on a quarterly basis in accordance with its gas cost adjustment ("GCA") clause.

On October 2, 1996, Equitable filed its GCA to be effective November 1, 1996 through January 31, 1997.

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

1. Equitable's notice of October 2, 1996 proposed revised rates designed to pass on expected decreased wholesale gas costs to its customers. Equitable's proposed expected gas cost ("EGC") is \$4.2725 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 of October 2, 1996 set out a current quarter actual adjustment ("AA") of (12.15) cents per Mcf to return over-recovered gas cost from May, June, and July 1996. Equitable's total AA of 33.53 cents per Mcf reflects the current over-recovery as well as over- and under-recoveries from previous quarters.

3. Equitable's notice set out a current quarter balancing adjustment ("BA") of 1.63 cents per Mcf. Equitable's total BA is 4.93 cents per Mcf.

4. These adjustments produce a gas cost recovery ("GCR") rate of \$4.6571 per Mcf, 90.68 cents per Mcf less than its prior GCR rate.

5. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective for final meter readings on and after November 1, 1996.

IT IS THEREFORE ORDERED that:

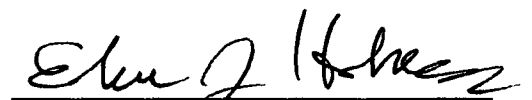
1. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for final meter readings on and after November 1, 1996.

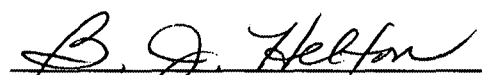
2. Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 30th day of October, 1996.

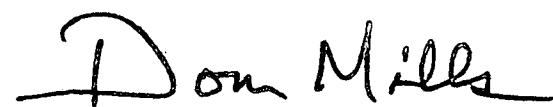
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-326-O DATED OCTOBER 30, 1996

The following rates and charges are prescribed for the customers in the area 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

Customer Charge				\$4.45
		<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
First	2 Mcf	\$1.0399	\$4.6571	\$5.6970 per Mcf
Next	18 Mcf	.8178	4.6571	5.4749 per Mcf
Next	30 Mcf	.7179	4.6571	5.3750 per Mcf
Next	50 Mcf	.6290	4.6571	5.2861 per Mcf
All Over	100 Mcf	.5513	4.6571	5.2084 per Mcf

The minimum bill shall be \$4.45.

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. TQ 89-1-46, et. al. before the Federal Energy Regulatory Commission.