

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-P
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 January 6, 1997, Equitable filed its GCA to be effective February 1, 1997 through April 30, 1997.

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

1. Equitable's notice of January 6, 1997 proposed revised rates designed to pass on expected increased wholesale gas costs to its customers. Equitable's proposed expected gas cost ("EGC") is \$7.3565 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. Subsequent to this filing, Equitable informed the Commission that the Appalachian Index price of gas had decreased from \$4.23 per dth to \$3.06 per dth.

Based on this decrease, Equitable's EGC should be revised to \$5.7877.

2. Equitable's notice of January 6, 1997 set out a current quarter actual adjustment ("AA") of (5.92) cents per Mcf to return over-recovered gas cost from August, September, and October 1996. Equitable's total AA of 31.10 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 .19 cent per Mcf. Equitable's total BA is 5.12 cents per Mcf.

4. These adjustments produce a revised gas cost recovery ("GCR") rate of \$6.1499 per Mcf, \$1.4928 per Mcf more 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 the date of this Order. Equitable did not give the 30 days notice necessary to implement an increase in rates on and after February 1, 1997.

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 the date of this Order.

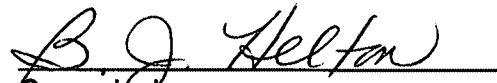
2. Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 5th day of February, 1997.

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-P DATED FEBRUARY 5, 1997

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	\$6.1499	\$7.1898 per Mcf
Next	18 Mcf	.8178	6.1499	6.9677 per Mcf
Next	30 Mcf	.7179	6.1499	6.8678 per Mcf
Next	50 Mcf	.6290	6.1499	6.7789 per Mcf
All Over	100 Mcf	.5513	6.1499	6.7012 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.