

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. 92-326-X

ORDER

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 7, 1999, Equitable filed its GCA to be effective February 1, 1999, through April 30, 1999.

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

1. Equitable s notice of January 7, 1999 proposes revised rates designed to pass on expected increased wholesale gas costs to its customers. Equitable s proposed expected gas cost ( EGC ) is \$4.7074 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. Based on a subsequent decrease in the price of spot gas, Equitable

revised its EGC to \$4.2643. This EGC represents an increase of 20.55 cents per Mcf over the current EGC.

2. Equitable's notice of January 7, 1999 set out a current quarter actual adjustment ( AA ) of (1.54) cents per Mcf to return over-recovered gas cost from August, September, and October 1998. Equitable's total AA of (38.64) cents per Mcf reflects the current over-recovery as well as over- and under-recoveries from previous quarters, and represents a 2.80 cent per Mcf decrease from the previous total AA.

3. Equitable's notice set out a current quarter balancing adjustment ( BA ) of (.24) cents per Mcf. Equitable's total BA is 10.56 cents per Mcf, and represents a 1.88 cent per Mcf increase from the previous total BA.

4. These adjustments produce a revised gas cost recovery ( GCR ) rate of \$3.9835 per Mcf, 19.63 cents per Mcf more than its prior GCR rate of \$3.7872 per Mcf.

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 February 6, 1999. Equitable did not give the 30 days notice required for rates to be effective February 1, 1999.

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 February 6, 1999.

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 4<sup>th</sup> day of February, 1999.

By the Commission

ATTEST:

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Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 92-326-X DATED FEBRUARY 4, 1999

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	
			Gas Cost Recovery	
		<u>Base Rate</u>	<u>Rate</u>	<u>Total Rate</u>
First	2 Mcf	\$1.0399	\$3.9835	\$5.0234
Next	18 Mcf	.8178	3.9835	4.8013
Next	30 Mcf	.7179	3.9835	4.7014
Next	50 Mcf	.6290	3.9835	4.6125
All Over	100 Mcf	.5513	3.9835	4.5348

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.