

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-FF
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 Equitable's gas cost adjustment ("GCA") clause.

On January 9, 2001, Equitable filed its GCA to be effective February 1, 2001 through April 30, 2001.

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

1. Equitable's notice of January 9, 2001 proposes revised rates designed to pass on expected increased wholesale gas costs to its customers. Equitable's proposed expected gas cost ("EGC") is \$10.5648 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. This EGC represents an increase of \$2.0588 per Mcf from the current EGC of \$8.5060.

2. Equitable's notice of January 9, 2001 set out a current quarter actual adjustment ("AA") of (8.29) cents per Mcf to return over-recovered gas cost from August, September and October 2000. Equitable's total AA of 33.15 cents per Mcf reflects the current over-recovery as well as over- and under-recoveries from previous quarters, and represents a 10.61 cent per Mcf decrease from the previous total AA.

3. Equitable's notice set out a current quarter balancing adjustment ("BA") of .09 cent per Mcf. Equitable's total BA is (1.28) cents per Mcf, and represents a .39 cent per Mcf increase from the previous total BA.

4. These adjustments produce a revised gas cost recovery ("GCR") rate of \$10.8835 per Mcf, \$1.9566 per Mcf more than its prior GCR rate of \$8.9269.

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 8, 2001. Equitable did not provide sufficient notice for the rates to be effective February 1, 2001.

IT IS THEREFORE ORDERED that:

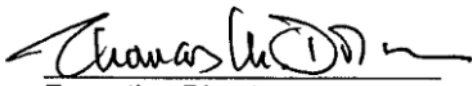
1. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for final meter readings on and after February 8, 2001.

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 8th day of February, 2001.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Charles McQuinn", written over a horizontal line.

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-326-FF DATED FEBRUARY 8, 2001

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	\$10.8835	\$11.9234
Next	18 Mcf	.8178	10.8835	11.7013
Next	30 Mcf	.7179	10.8835	11.6014
Next	50 Mcf	.6290	10.8835	11.5125
All Over	100 Mcf	.5513	10.8835	11.4348

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.