

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS	)	
ADJUSTMENT FILING OF EQUITABLE	)	CASE NO. 2004-00512
GAS COMPANY	)	

O R D E R

On April 29, 2004, in Case No. 2003-00411, the Commission approved 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.<sup>1</sup>

On December 20, 2004, Equitable filed its proposed GCA to be effective February 1, 2005.

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

1. Equitable's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Equitable's expected gas cost ("EGC") is \$9.6823 per Mcf, which is a decrease of 4.7 cents per Mcf from its previous EGC of \$9.7293.
3. Equitable's notice sets out a current quarter actual adjustment ("AA") of (2.33) cents per Mcf. Equitable used an incorrect EGC in its calculation. Correcting for

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<sup>1</sup> Case No. 2003-00411, Application of Equitable Gas Company to Increase Rates Pursuant to KRS 278.485.

this error produces a current quarter AA of (2.62) cents per Mcf. Equitable's total AA is 79.03 cents per Mcf, which is 17.84 cents per Mcf more than the previous total AA.

4. Equitable's notice sets out a current quarter balancing adjustment ("BA") of .66 cent per Mcf. Equitable's total BA is 36.78 cents per Mcf, which is 2.55 cents per Mcf more than the previous total BA.

5. Equitable's GCA is \$10.8404 per Mcf, which is 15.69 cents per Mcf more than its previous rate of \$10.6835.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Equitable on and after February 1, 2005.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for final meter readings on and after February 1, 2005.

2. Within 20 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 28<sup>th</sup> day of January, 2005.

By the Commission

ATTEST:

  
Executive Director

Case No. 2004-00512

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2004-00512 DATED January 28, 2005

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 effective date of this Order.

RATES: Monthly

Customer Charge		\$7.50	
	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total Rate</u>
All Mcf	\$2.1322	\$10.8404	\$12.9726

The minimum bill shall be \$7.50