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April 24, 2006

Robert M. Narkevic
Manager, Rates
Equitable Gas Company A Div. of Equitable Resources, Inc.
225 North Shore Drive
Pittsburgh, PA 15212-5861

CERTIFICATE OF SERVICE

RE: Case No. 2006-00127
Equitable Gas Company A Div. of Equitable Resources, Inc.

I, Beth O'Donnell, Executive Director of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the addressee by U.S. Mail on April 24, 2006.

Executive Director

BOD/sh
Enclosure

Robert M. Narkevic
Manager, Rates
Equitable Gas Company
A Div. of Equitable Resources, Inc.
225 North Shore Drive
Pittsburgh, PA 15212-5861

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF EQUITABLE) CASE NO. 2006-00127
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.¹

On March 27, 2006, Equitable filed its proposed GCA to be effective May 1, 2006.

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 \$10.9280 per Mcf, which is a decrease of \$3.5147 per Mcf from its previous EGC of \$14.4427.
3. Equitable's notice sets out a current quarter actual adjustment ("AA") of (63.09) cents per Mcf. Equitable's total AA is (2.99) cents per Mcf, which is \$1.2624 per Mcf less than the previous total AA.

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

4. Equitable's notice sets out a current quarter balancing adjustment ("BA") of (.44) cent per Mcf. Equitable's total BA is 21.87 cents per Mcf, which is 5.81 cents per Mcf more than the previous total BA.

5. Equitable's GCA is \$11.1168 per Mcf, which is \$4.7190 per Mcf less than its previous rate of \$15.8358.

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 May 1, 2006.

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 May 1, 2006.

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 24th day of April, 2006.

By the Commission

ATTEST



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00127 DATED April 24, 2006.

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 | \$11.1168 | \$13.2490 |

The minimum bill shall be \$7.50