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Commonwealth of Kentucky  
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October 31, 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. 2006-00421  
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 October 31, 2006.

A handwritten signature in black ink, appearing to read "Beth O'Donnell", written over a horizontal line.

Executive Director

BOD/jc  
Enclosure

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. 2006-00421

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 September 25, 2006, Equitable filed its proposed GCA to be effective November 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 \$11.3864 per Mcf, which is an increase of \$1.1721 per Mcf from its previous EGC of \$10.2143.
3. Equitable's notice sets out a current quarter actual adjustment ("AA") of 8.26 cents per Mcf. Equitable's total AA is (20.24) cents per Mcf, which is 32.49 cents per Mcf more than the previous total AA.

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<sup>1</sup> 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 5.14 cents per Mcf. Equitable's total BA is 16.72 cents per Mcf, which is 1.79 cent per Mcf more than the previous total BA.

5. Equitable's GCA is \$11.3512 per Mcf, which is \$1.5149 per Mcf more than its previous rate of \$9.8363.

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 November 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 November 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 31st day of October, 2006.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2006-00421 DATED October 31, 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	\$11.3512	\$13.4834

The minimum bill shall be \$7.50