

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF EQUITABLE)	CASE NO. 2006-00560
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 December 21, 2006, Equitable filed its proposed GCA to be effective February 1, 2007. On January 10, 2007, Equitable revised its filing to update its Expected Gas Cost ("EGC") estimate.

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 EGC is \$10.5974 per Mcf, which is a decrease of 78.9 cents per Mcf from its previous EGC of \$11.3864.

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

3. Equitable's notice sets out a current quarter actual adjustment ("AA") of (22.17) cents per Mcf. Equitable's total AA is (83.75) cents per Mcf, which is 63.51 cents per Mcf less than the previous total AA.

4. Equitable's notice sets out a current quarter balancing adjustment ("BA") of (3.57) cents per Mcf. Equitable's total BA is 11.49 cents per Mcf, which is 5.23 cents per Mcf less than the previous total BA.

5. Equitable's GCA is \$9.8748 per Mcf, which is \$1.4764 per Mcf less than its previous rate of \$11.3512.

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, 2007.

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, 2007.

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 23rd day of January, 2007.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2006-00560 DATED January 23, 2007.

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	\$9.8748	\$12.0070

The minimum bill shall be \$7.50