

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT OF EQUITABLE GAS) CASE NO. 2008-00548

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 22, 2008, Equitable filed its proposed GCA to be effective February 1, 2009.

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 \$10.0355 per Mcf, which is a decrease of \$3.5998 per Mcf from its previous EGC of \$13.6353.
3. Equitable's notice sets out a current quarter Actual Adjustment ("AA") of \$.1236 per Mcf. Equitable's total AA is \$1.5637 per Mcf, which is \$.2635 per Mcf more than the previous total AA of \$1.3002.

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 \$.0023 per Mcf. Equitable's total BA is (\$.0368) per Mcf, which is \$.0016 per Mcf more than the previous total BA of (\$.0384).

5. Equitable's Gas Cost Recovery Rate is \$11.5624 per Mcf, which is \$3.3347 per Mcf less than its previous rate of \$14.8971.

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, 2009.

IT IS THEREFORE ORDERED that:

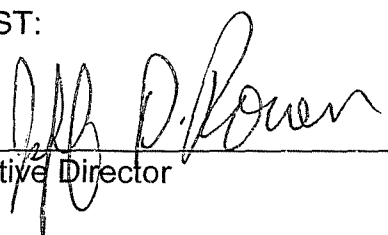
1. The rates in the Appendix to this Order, attached hereto and incorporated herein, are approved for final meter readings on and after February 1, 2009.

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 26th day of January, 2009.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2008-00548 DATED JANUARY 26, 2009

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 the 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	\$11.5624	\$13.6946

The minimum bill shall be \$7.50

Robert M Narkevic
Manager, Rates
Equitable Gas Company A Div. of Equitable
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