

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

AN ADJUSTMENT OF RATES)
OF EQUITABLE GAS COMPANY) CASE NO. 6602-S

O R D E R

On December 8, 1976, the Commission issued its Order in Case No. 6602, approving certain rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased.

On February 2, 1983, Equitable Gas Company ("Equitable") notified the Commission that its wholesale cost of gas would be decreased by its supplier Kentucky West Virginia Gas Company ("Kentucky West") effective November 1, 1982, and that it had refunds due its customers. Equitable submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with the Commission.

After reviewing the notice filed in this case and being advised, the Commission is of the opinion and finds that:

(1) On October 1, 1982, Equitable increased its rates to its Kentucky retail customers pursuant to an Order of the Commission in Case No. 6602-Q, dated September 24, 1982. Equitable's retail rates at that time were based upon rates filed by its supplier, Kentucky West, in the amount of \$3.0827 per Dth effective October 1, 1982.

(2) Although the Federal Energy Regulatory Commission ("FERC") had accepted Kentucky West's October 1, 1982, filing, it issued an Order on December 2, 1982, directing Kentucky West to file substitute revised tariffs effective October 1, 1982. The rates were issued on December 29, 1982, and amounted to \$1.6013 per Dth excluding a GRI Funding Charge of \$0.0072.

(3) On September 30, 1982, Kentucky West made its semi-annual purchased gas adjustment filing requesting an effective date of November 1, 1982. The rate proposed in this filing amounted to \$3.4673 per Dth excluding a GRI Funding Charge of \$0.0072. FERC then directed Kentucky West to file substitute revised tariff effective November 1, 1982. These rates were issued on January 28, 1983, in place of those filed previously, and amounted to \$1.8989 per Dth, excluding a GRI Funding Charge of \$0.0072.

(4) Equitable has proposed to place the decreased rates into effect on March 1, 1983, said rates being designed to pass on the wholesale decrease in price in the amount of \$1,035,890 or \$1.6980 per Mcf.

(5) Since the \$3.0827 per Dth is reflected in Equitable's present rates and will remain in effect through February 1983, a refund is due Kentucky customers for the period October 1982 through February 1983. Equitable has proposed a refund factor of \$0.2743 per Mcf applicable for the months of October, November and December 1982. Equitable proposed to apply this factor for a period of 12 months at which time an accounting of possible over- or under-refunding should be submitted to the Commission.

(6) The refund factor does not include refunds applicable to the months of January and February 1983 because the data are not available at this time. Equitable proposes to include a refund factor for January and February 1983 in its next semi-annual purchased gas filing around March 31, 1983.

(7) Equitable should refund the amounts reported in its application plus interest at a rate equal to the average of the "3-month Commercial Paper Rate" for the immediately preceding 12-month period less $\frac{1}{2}$ of 1 percent to cover the costs of refunding. These monthly rates are reported in both the Federal Reserve Bulletin and the Federal Reserve Statistical Release.

(8) Equitable's adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 6602 dated December 8, 1976, is fair, just and reasonable, in the public interest and should be effective with gas supplied on and after March 1, 1983.

IT IS THEREFORE ORDERED that the rates in Appendix A be and they hereby are approved, effective for gas supplied on and after March 1, 1983.

IT IS FURTHER ORDERED that for the purpose of the future application of the purchased gas adjustment of Equitable the base rate for purchased gas shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$1.9061/Dth*

*Including \$0.0072 Gas Research Institute Funding Charge


IT IS FURTHER ORDERED that Equitable shall apply a refund factor in the amount of \$0.2743 per thousand cubic feet of gas as a reduction in the approved purchased gas adjustment on and after March 1, 1983, and such refund factor shall remain in effect until such time as necessary so that the total amount refunded will, as nearly as possible, reflect the amount received. The refund factor will terminate when the amount refunded equals the refund herein reported plus interest.


IT IS FURTHER ORDERED that Equitable shall include a refund factor for January and February 1983 in its next semi-annual purchased gas filing.

IT IS FURTHER ORDERED that within 30 days after the date of this Order Equitable shall file with this Commission its revised tariff sheets setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 23rd day of February, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE
COMMISSION IN CASE NO. 6602-S DATED FEBRUARY
23, 1983

The following rates 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 date of this Order.

RATES: Monthly

First	2 Mcf	\$ 4.5155 per Mcf
Next	18 Mcf	2.0728 per Mcf
Next	30 Mcf	2.0178 per Mcf
Next	50 Mcf	1.9678 per Mcf
All Over	100 Mcf	1.9178 per Mcf