

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF) CASE NO. 6602-FF
EQUITABLE GAS COMPANY)

O R D E R

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

On October 28, 1986, Equitable Gas Company ("Equitable") notified the Commission that its wholesale cost of gas had been decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective November 1, 1986, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

(1) Equitable's notice of October 28, 1986, set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on the wholesale decrease in price from its supplier in the amount of \$30,130 or 6.08 cents per Mcf.

(2) Kentucky West filed an application for decreased rates to become effective November 1, 1986, with the Federal Energy Regulatory Commission.

(3) Equitable included in its application of October 28, 1986, overcollections plus interest in the amount of \$3,101 for the month of June 1986. Equitable should refund the overcollections by incorporating into its rates a refund factor of .57 cents per Mcf beginning with meter readings taken on November 1, 1986. The refund factor should remain in effect until such time as the full amount has been returned to Equitable's customers.

(4) 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 and in the public interest and should be effective with gas supplied on and after November 1, 1986.

IT IS THEREFORE ORDERED that:

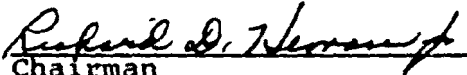
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after November 1, 1986.

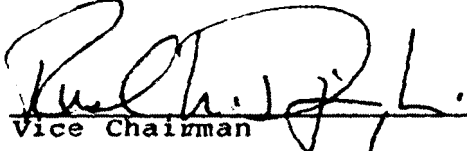
(2) Equitable shall apply a refund factor of .57 cents per Mcf beginning with meter readings taken on November 1, 1986, and this refund factor shall remain in effect until such time as the full amount has been returned to its customers.

(3) Within 30 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 14th day of November, 1986.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 6602-FF DATED 11/14/86

The following rates and charges are prescribed for the customers 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 date of this Order.

RATES: Monthly

First	2 Mcf	\$2.9729 per Mcf
Next	18 Mcf	2.7879 per Mcf
Next	30 Mcf	2.7329 per Mcf
Next	50 Mcf	2.6829 per Mcf
All Over	100 Mcf	2.6329 per Mcf

The minimum bill shall be \$1.80.

The above rates include the following refund factor:

1. \$0.0704 per Mcf to discharge remaining refund obligation from refund effective May 1, 1984, and to return excess revenues to customers in compliance with the Order in Case No. 6602-AA.
2. \$0.0060 per Mcf to discharge refund from Order in Case No. 6602-CC.
3. \$0.0057 per Mcf reflecting overcollections for the month of June 1986 per letter to Public Service Commission of Kentucky dated July 30, 1986.

The base rate for the future application of the purchased gas adjustment clause of Equitable Gas Company shall be:

	<u>Commodity</u>
Kentucky West Virginia Gas Company	\$2.5612/dth*

*Includes \$0.0135 Gas Research Institute Funding Charge.