

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF) CASE NO. 6602-HH
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 June 6, 1988, Equitable Gas Company ("Equitable") notified the Commission that its wholesale cost of gas had been increased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective May 1, 1988, and submitted with its notice certain information in compliance with its purchased gas adjustment ("PGA") 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 June 6, 1988 set out certain revisions in rates which Equitable proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier in the amount of \$173,928 or 31.00 cents per Mcf. Equitable's proposed rates also include the elimination of a refund factor amounting to .57 cents per Mcf.

(2) Kentucky West filed an application for increased rates to become effective May 1, 1988 with the Federal Energy Regulatory Commission. These rates are subject to refund.

(3) A legislative change in KRS Chapter 278, effective July 15, 1986, requires 30-days' notice of a change in rates with the Commission having the discretion to shorten the required period to 20 days upon showing of good cause. Reduction in rates will, as always, be made effective with the date of the supplier decrease. Increases in rates will be effective with 20-days' notice providing that: 1) the effective date from the supplier is not more than 20 days in the future, in which case the actual effective date will be used, and 2) the company has included in its filing a specific request that a tariff sheet or some other notification from the supplier be considered a showing of good cause for 20-days' notice. Equitable included no request for a showing of good cause for 20-days' notice. The effective date will, therefore, be 30 days after Equitable's notice, or July 6, 1988.

(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 July 6, 1988.

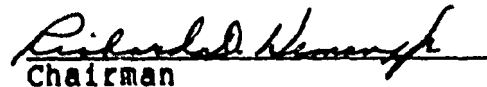
IT IS THEREFORE ORDERED that:

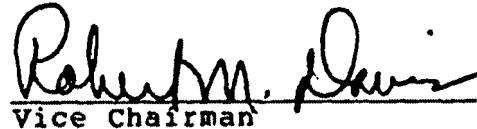
(1) The rates in the Appendix to this Order be and they hereby are authorized effective with gas supplied on and after July 6, 1988, subject to refund.

(2) 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 17th day of June, 1988.

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-HH DATED 6/17/88

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	\$3.4107 per Mcf
Next	18 Mcf	3.2257 per Mcf
Next	30 Mcf	3.1707 per Mcf
Next	50 Mcf	3.1207 per Mcf
All Over	100 Mcf	3.0707 per Mcf

The minimum bill shall be \$1.80.

The above rates include the following adjustments:

A surcharge of \$0.2278 per Mcf to reconcile undercollections occurring from 4/1/83 to 6/30/87 will be added to the above rates to be effective for 60 months beginning October 6, 1987.

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

Commodity

Kentucky West Virginia Gas Company \$2.6002/dth*

*Includes \$0.0152 Gas Research Institute Funding Charge.