

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF) CASE NO. 6602-KK
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 March 13, 1989, Equitable Gas Company ("Equitable") notified the Commission that its wholesale cost of gas was decreased by its supplier, Kentucky West Virginia Gas Company ("Kentucky West"), effective March 1, 1989, 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 March 13, 1989 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 \$165,380 or 28.84 cents per Mcf.

(2) Kentucky West filed an application for decreased rates to become effective March 1, 1989 with the Federal Energy Regulatory Commission.

(3) Equitable should report to the Commission the amount of excess revenues collected from March 1, 1989 to the date the proposed rates are implemented, along with a refund plan.

(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 March 1, 1989.

IT IS THEREFORE ORDERED that:

(1) The rates in the Appendix to this Order, attached and incorporated hereto, are fair, just, and reasonable and are approved effective with gas supplied on and after March 1, 1989.

(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.

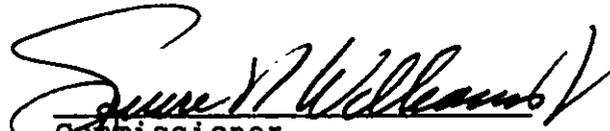
(3) Within 30 days of the date of this Order, Equitable shall report the amount of excess revenues collected, along with a refund plan.

Done at Frankfort, Kentucky, this 21st day of March, 1989.

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-KK DATED 3/21/89

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	\$3.4923 per Mcf
Next	18 Mcf	3.3073 per Mcf
Next	30 Mcf	3.2523 per Mcf
Next	50 Mcf	3.2023 per Mcf
All Over	100 Mcf	3.1523 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 with the date of the Commission Order in Case No. 6602-GG or until the undercollection is recovered.

A refund factor of \$0.0820 per Mcf shall be applied to the above rates from the effective date of the Order in Case No. 6602-JJ until the overcollections from November 2, 1988 through December 31, 1988 are refunded.

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 \$2.6655/Dth*

*Includes \$0.0151 Gas Research Institute Funding Charge and an Annual Charge Adjustment of \$0.0018.