

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF EQUITABLE) CASE NO. 92-326-W
GAS COMPANY)

ORDER

On April 12, 1993, in Case No. 92-326, the Commission approved certain adjusted 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 its gas cost adjustment ("GCA") clause.

On October 8, 1998, Equitable filed its GCA to be effective November 1, 1998, through January 31, 1999.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Equitable's notice of October 8, 1998 proposes revised rates designed to pass on expected decreased wholesale gas costs to its customers. Equitable's proposed expected gas cost ("EGC") is \$4.0588 per Mcf, which includes a surcharge component of 80.54 cents per Mcf relating to the settlement of Kentucky West Virginia Gas Company Docket No. TQ 89-1-46-000, et al, before the Federal Energy Regulatory Commission. This EGC represents a decrease of 52.33 cents per Mcf from the current EGC.

2. Equitable's notice of October 8, 1998 set out a current quarter actual adjustment ("AA") of (3.43) cents per Mcf to return over-recovered gas cost from May, June, and July 1998. Equitable's total AA of (35.84) cents per Mcf reflects the current over-recovery as well as over- and under-recoveries from previous quarters, and represents a 7.42 cents per Mcf decrease from the previous total AA.

3. Equitable's notice set out a current quarter balancing adjustment ("BA") of (1.93) cents per Mcf. Equitable's total BA is 8.68 cents per Mcf, and represents a 5.83 cents per Mcf increase from the previous total BA.

4. These adjustments produce a revised gas cost recovery ("GCR") rate of \$3.7872 per Mcf, 53.92 cents per Mcf less than its prior GCR rate of \$4.3264 per Mcf.

5. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, in the public interest, and should be effective for final meter readings on and after November 7, 1998.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are fair, just, and reasonable and are effective for final meter readings on and after November 7, 1998.

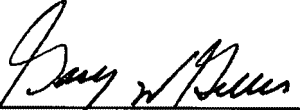
2. Within 30 days of the date of this Order, Equitable shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 5th day of November, 1998.

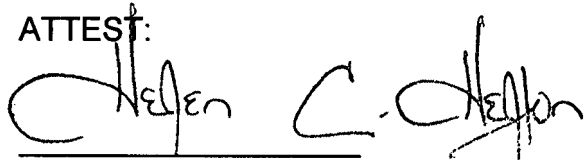
PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 92-326-W DATED NOVEMBER 5, 1998

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 this Commission prior to the date of this Order.

RATES: Monthly

			Gas Cost Recovery	
Customer Charge			Rate	Total Rate
		<u>Base Rate</u>	<u>Rate</u>	<u>Total Rate</u>
First	2 Mcf	\$1.0399	\$3.7872	\$4.8271
Next	18 Mcf	.8178	3.7872	4.6050
Next	30 Mcf	.7179	3.7872	4.5051
Next	50 Mcf	.6290	3.7872	4.4162
All Over	100 Mcf	.5513	3.7872	4.3385

The minimum bill shall be \$4.45

The above rates include recovery of a Kentucky West Virginia Gas Company surcharge of 61.4 cents per Dth pursuant to the settlement of Docket No. TQ 89-1-46, et. al. before the Federal Energy Regulatory Commission.