

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-EE
GAS COMPANY)

O R D E R

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 Equitable's gas cost adjustment ("GCA") clause.

On October 5, 2000, Equitable filed its GCA to be effective November 1, 2000 through January 31, 2001.

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

1. Equitable's notice of October 5, 2000 proposes revised rates designed to pass on expected increased wholesale gas costs to its customers. Equitable's proposed expected gas cost ("EGC") is \$8.5060 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 an increase of 42.54 cents per Mcf from the current EGC of \$8.0806.

2. Equitable's notice of October 5, 2000 set out a current quarter actual adjustment ("AA") of 21.26 cents per Mcf to collect under-recovered gas cost from May, June and July 2000. Equitable's total AA of 43.76 cents per Mcf reflects the current under-recovery as well as over- and under-recoveries from previous quarters, and represents a 14.25 cent per Mcf increase from the previous total AA.

3. Equitable's notice set out a current quarter balancing adjustment ("BA") of 1.48 cents per Mcf. Equitable's total BA is (1.67) cents per Mcf, and represents a 4.06 cent per Mcf increase from the previous total BA.

4. These adjustments produce a revised gas cost recovery ("GCR") rate of \$8.9269 per Mcf, 60.85 cents per Mcf more than its prior GCR rate of \$8.3184.

5. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, is in the public interest, and should be effective for final meter readings on and after November 4, 2000. Equitable did not provide sufficient notice for the rates to be effective November 1, 2000.

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 4, 2000.

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 31st day of October, 2000.

By the Commission

ATTEST:

Deputy W^m H. Fowler
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 92-326-EE DATED OCTOBER 31, 2000

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

Customer Charge			\$4.45	
			Gas Cost Recovery	
		<u>Base Rate</u>	<u>Rate</u>	<u>Total Rate</u>
First	2 Mcf	\$1.0399	\$8.9269	\$9.9668
Next	18 Mcf	.8178	8.9269	9.7447
Next	30 Mcf	.7179	8.9269	9.6448
Next	50 Mcf	.6290	8.9269	9.5559
All Over	100 Mcf	.5513	8.9269	9.4782

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.