

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF CHESAPEAKE)	
APPALACHIA, LLC, PURSUANT TO KRS)	CASE NO.
278.485 AND 807 KAR 5:026, FOR)	2010-00357
ADJUSTMENT OF RATES FOR GAS SERVICE)	
PROVIDED BY ITS FARM TAP SYSTEM)	

O R D E R

On September 7, 2010, the Commission received Chesapeake Appalachia, LLC's ("Chesapeake") application for an adjustment of rates pursuant to 807 KAR 5:026, Section 9. On September 14, 2010, the filing was rejected for two filing deficiencies pursuant to: (1) 807 KAR 5:026, Section 9(1)(a), as the Commission had not been given 60 days' notice; and (2) 807 KAR 5:026, Section 9(1)(b), as the cost data provided to support the proposed increase was not current within 90 days of the date the proposed tariff was filed. Chesapeake was informed that the statutory time period in which the Commission must process this case would not commence until the above information was filed.

Chesapeake operates a gathering system in Boyd, Floyd, Knott, Letcher, Magoffin, Perry and Pike counties in eastern Kentucky. 807 KAR 5:026, Section 9, provides that a gas company which is providing gas service to customers pursuant to KRS 278.485 may seek an adjustment in its rates for those customers who request service under the statute. The statute-required service is commonly referred to as a

“farm tap system.” Chesapeake states in its application that it has 515 farm tap customers.

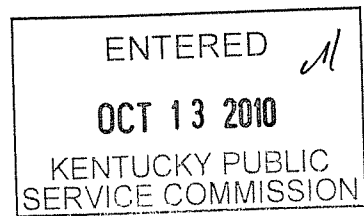
On September 23, 2010, Chesapeake filed a motion to accept as timely its filed cost data that is current as of May 2010 and requested a deviation pursuant to 807 KAR 5:026, Section 10. Also on September 23, 2010, Chesapeake filed a tariff with a revised effective date in order to give 60 days’ notice. On September 27, 2010, Chesapeake filed a motion for an informal conference to be scheduled pursuant to 807 KAR 5:001, Section 4(4).

The Commission finds that Chesapeake has shown good cause for granting the deviation to use the May 2010 cost data as filed with its application and finds that the tariff filed on September 23, 2010 gives the Commission the required 60 days’ notice. The Commission finds that Chesapeake’s September 27, 2010 motion for an informal conference is premature at this time but may be reconsidered at a later date.

IT IS HEREBY ORDERED that:

1. The motion for a deviation from 807 KAR 5:026, Section 9(b), is granted.
2. The tariff filed on September 23, 2010 meets the requirements of 807 KAR 5:026, Section 9(1)(a), and cures the filing deficiency.
3. The motion for an informal conference is denied as premature.
4. Chesapeake’s application is considered filed as of the date of this Order.
5. Nothing contained herein shall prevent the Commission from entering further Orders in this matter.

By the Commission



ATTEST:

A handwritten signature in black ink, appearing to be "John Doe", written over a horizontal line.

Executive Director

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