COMMONWEALTH OF KENTUCKY BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF TACKETT & SONS DRILLING)
CONTRACTORS, INC. FOR INITIAL RULES,) CASE NO
REGULATIONS AND RATES FOR FURNISHING) 2010-00403
GAS SERVICE PURSUANT TO KRS 278,485)

ORDER

On October 13, 2010, Tackett & Sons Drilling Contractors, Inc. ("Tackett & Sons"), filed an application to establish initial retail rates, rules, and regulations pursuant to KRS 278.485 and 807 KAR 5:026, the statute and regulation governing gathering systems that provide service to retail customers who tap on to such systems ("farm tap customers"). There are no intervenors in this case.

BACKGROUND

KRS 278.485 requires every gas pipeline company obtaining gas from producing wells to provide service, upon request, to customers whose property is located within one-half air-mile of the company's producing gas well or gas gathering pipeline. Tackett & Sons anticipates serving 34 such farm tap customers located along its gathering lines in Magoffin and Morgan counties.

Tackett & Sons' proposed tariff includes a minimum bill of \$9.25 for usage of 0 to 1 Mcf and a rate of \$5.46 per Mcf for all additional Mcf. It also proposed to establish a charge of \$25.00 to reconnect customers who have been disconnected for non-payment.

On December 15, 2010, Commission Staff issued a data request to Tackett & Sons which, among other things, asked for cost justification for the proposed rates. The requested information was filed February 7, 2011.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, finds that the rates proposed by Tackett & Sons and included in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered on and after the date of this Order.

IT IS THEREFORE ORDERED that:

- 1. Tackett & Sons' proposed tariff and rates are approved.
- 2. The rates in the Appendix attached hereto and incorporated herein are approved for service rendered on and after the date of this Order.
- 3. Within 20 days of the date of this Order, Tackett & Sons shall file its revised tariff with this Commission showing the effective date, the date of issue, and stating that it is issued pursuant to this Order.

By the Commission

ENTERED (M)

MAR 0 4 2011

KENTUCKY PUBLIC SERVICE COMMISSION

ATTEST:

Casa D. Greenwell for Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2010-00403 DATED MAR 0 4 2011

The following rates and charges are prescribed for the customers served by Tackett & Sons Drilling Contractors, Inc. 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 effective date of this Order.

Minimum Bill (0 – 1 Mcf) \$9.25 All additional Mcf \$5.46

Reconnect charge following disconnection for non-payment: \$25.00.

David B Tackett President Tackett & Sons Drilling Contractors, 264 Twin Lick Road Salyersville, KENTUCKY 41465