



January 7, 2011

Jeff R. Derouen, Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602

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PUBLIC SERVICE
COMMISSION

Re: Request for Waiver of Odorization Testing

Dear Mr. Derouen,

Under Kentucky PSC regulations rules 807KAR 5022, Section 13(17), every gas utility is required to maintain odorization of gas so that it is detectable at 1/5 of LEL.

The section requires the utility to sample gases in each separately odorized system at the approximate furthest point from injection of the odorant. These rules are similar to US DOT regulations in 49 CFR Part 192. Kentucky specifies testing intervals of roughly every Quarter for 10 or fewer customers at (g)(3), and every week for systems with more than 10 customers (g)(4).

Kentucky Frontier Gas has acquired numerous tiny gas companies in eastern Kentucky starting in December 2008. Some of those systems had complied with weekly odorization testing, but most has not. Frontier has attempted to strictly comply, using an Odorator-type air mixing device to verify 1/5 LEL. With many tiny systems, we find this to be heavily time consuming with negligible safety benefit.

Frontier currently operates 14 separate gas distribution systems with about 2500 customers, mostly in Floyd and Pike counties. All but a couple of these have more than 10 customers. Frontier also operates about 1000 farm tap customers off several producers' pipelines not subject to this regulation.

All of these systems are supplied with locally produced gas, which is dehydrated but mostly unprocessed to remove hydrocarbons. The gas distinctly "smells like gas", and all of our Odorator tests confirm that the odor falls within Kentucky requirements. The gas characteristics are stable over time, since many of the producing wells have flowed for decades. The test show little variation from week to week or year to year.

Kentucky Frontier Gas, LLC

We are familiar with supplemental odorization since we operate odorizers on other gas utilities outside of Kentucky; but we haven't found that any of our systems really need additional odor.

The PSC apparently recognizes these characteristics of local eastern Kentucky gas, since it has granted waivers of Weekly testing to various utilities (for example, Case 97-265 for Jefferson Gas). Cow Creek Gas submitted a petition for waiver in Case 2009-00031, but later withdrew that petition for some reason.

Frontier respectfully requests a waiver of the weekly odorization tests and suggests the following testing regimen:

Monthly testing for:

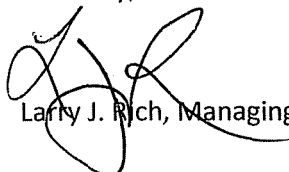
Auxier Road Gas	475 meters
Belfry Gas at Belfry	480 meters
Cow Creek/ Sigma	600 meters
East Ky at Allen-Dwale	250 meters
East Ky at Wayland-Garrett	250 meters
Mike Little at Melvin	100 meters

Quarterly Testing for :

Belfry Gas at Price	12 meters
Cow Creek original	50 meters
Dema Gas	10 meters
East Ky at Middle Creek	40 meters
East Ky at Minnie	50 meters
Mike Little at Goble Roberts	60 meters
Mike Little at Langley	50 meters
People's Gas at Phelps	80 meters

In support of this request, we offer our odorization testing records for the various systems at our offices in Prestonsburg.

Sincerely,



Larry J. Rich, Managing Member

Cc: Robert Oxford
Steve Shute

Kentucky Frontier Gas, LLC