

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

COMMISSION STAFF'S FIRST INFORMATION REQUEST
TO CHESAPEAKE APPALACHIA, LLC

Chesapeake Appalachia, LLC ("Chesapeake"), pursuant to 807 KAR 5:001, is to file with the Commission the original and 10 copies of the following information, with a copy to all parties of record. The information requested herein is due no later than 10 days from the date of this request. Responses to requests for information shall be appropriately bound, tabbed and indexed. Each response shall include the name of the witness responsible for responding to the questions related to the information provided.

Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Chesapeake shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which

Chesapeake fails or refuses to furnish all or part of the requested information, Chesapeake shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations.

1. Explain how the 1.2468 Btu conversion rate on page 4 of Chesapeake's application was derived and provide a gas analysis for the wells serving Chesapeake's farm tap customers.

2. The NYMEX gas price information provided in Exhibit I of Chesapeake's application is dated July 9, 2010. Provide the most current 12-month NYMEX strip available.

3. Provide the number of farm tap customers and the number of free gas customers for each month set out in Exhibit L, along with the monthly sales for each group.

4. Besides the current rate of \$4.3292 per Mcf, is Chesapeake assessing any other charge such as a late payment penalty, reconnect fee, cash deposit, returned check charge, or collection fee? If yes, provide the amounts of the charges.

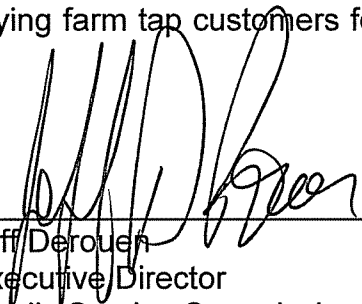
5. Refer to Exhibit K of the application. The table in Exhibit K shows the monthly service charges from Columbia Gas of Kentucky, Inc. ("Columbia") for the period June 2008 through May 2010.

a. Provide the monthly service charge amounts from Columbia for the period June 2010 through August 2010.

b. Provide a written description of the method Columbia uses to calculate the monthly service charge to Chesapeake, including an explanation of why charges are significantly higher in the winter months.

c. Provide copies of the monthly invoices from Columbia for June 2009 through August 2010.

6. Refer to Exhibit L of the application. The table in Exhibit L shows the monthly farm tap volumes for the period June 2008 through May 2010. Provide the monthly volumes and number of free gas and paying farm tap customers for the period June 2010 through August 2010.



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

DATED: OCT 12 2010

cc: Parties of Record

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