

FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

June 22, 2006

In Reply Refer To:
Ohio Valley Hub, LLC
Docket No. PR06-10-000

McGuireWoods, LLP
77 West Wacker Drive, Suite 4400
Chicago, IL 60601

Attention: William L. Kuhn
An Attorney for Ohio Valley Hub, LLC

Reference: Cost and Throughput Study

Dear Mr. Kuhn:

1. On January 31, 2006, Ohio Valley Hub, LLC (Ohio Valley) filed updated cost and throughput data to comply with an August 30, 2002 Order¹ which issued a blanket certificate to provide interstate transportation services pursuant to section 284.224 of the Commission's Regulations in Docket No. CP02-161-000, and approved Ohio Valley's firm and interruptible transportation rates and storage rates pursuant to sections 284.224 and 284.123 of the Commission's Regulations² in Docket No. PR02-15-000. Ohio Valley requests that the existing rates remain in effect.³ We accept the January 31, 2006 filing as being in satisfactory compliance with the Commission's August 30, 2002 Order and will permit the continuation of Ohio Valley's currently effective maximum rates, subject to the conditions of this order.

¹ *Ohio Valley Hub, LLC*, 100 FERC ¶ 61,238 at P 14 (2002) (August 30, 2002 Order).

² 18 C.F.R. § 284.224 (2005) and 18 C.F.R. § 284.123 (2005).

³ The maximum firm transportation daily demand charge is \$0.0813/MMBtu and the commodity charge is \$0.1341/MMBtu. The maximum firm storage demand charge is \$0.0397/MMBtu and the commodity charge is \$0.0292/MMBtu. The maximum interruptible transportation commodity charge is \$0.2154/MMBtu and the maximum interruptible storage service commodity charge is \$0.0689/MMBtu.

2. In the August 30, 2002 Order, the Commission directed Ohio Valley to file, within three years of the date of the order, cost and throughput data and other information sufficient to allow the Commission to determine whether any change in Ohio Valley's rates should be ordered pursuant to section 5 of the Natural Gas Act (NGA). On August 30, 2005 and November 30, 2005, Ohio Valley filed motions for extensions of time of three months and two months, respectively, to file its triennial rate information. The Commission issued notices on September 2, 2005 and December 9, 2005, respectively, granting the extension of time requests. On January 31, 2006, Ohio Valley Hub, LLC (Ohio Valley) filed cost and throughput data it had provided to the Indiana Office of Utility Counselor, in accordance with the order of the Indiana Utility Regulatory Commission that approved Ohio Valley's rates for firm storage and transportation service. On May 10, 2006, in response to staff's March 29, 2006 data request, Ohio Valley filed cost, revenue and throughput data in the form prescribed by section 154.313 of the Commission's regulations,⁴ based on Ohio Valley's cost-of-service for the twelve months ending December 31, 2004.

3. Notice of Ohio Valley's compliance filing was issued on March 7, 2006. Interventions and protests were due as provided in section 154.210 of the Commission's regulations (18 C.F.R. § 154.210 (2005)). Pursuant to Rule 214 of the Commission's Rules of Practice and Procedure (18 C.F.R. § 385.214 (2005)), all timely filed motions to intervene and any motions to intervene out-of-time filed before the issuance date of this order are granted. No protests or adverse comments were filed.

4. Based on our review of the cost and throughput data, as supplemented by Ohio Valley's May 10, 2006 data response, we find that Ohio Valley has justified the continuation of its current maximum rates. Statement A of the data response shows a total cost-of-service for the twelve months ending December 31, 2004, of \$4,426,013. When this total cost-of-service figure is compared to total revenues of \$2,956,088 that Ohio Valley reported for the same period,⁵ the result is a revenue deficiency for that period of \$1,469,925. Accordingly, we will not exercise our authority under section 5 of the NGA to modify Ohio Valley's existing maximum rates and will permit Ohio Valley's existing maximum rates to remain in effect. Ohio Valley shall be at risk for any underrecovery of its cost-of-service under the approved rates. On or before August 30, 2008, Ohio Valley must file cost, throughput, revenue, and other data, in the form specified in section 154.313 of the Commission's regulations, to allow the Commission to determine whether any change in Ohio Valley's interstate transportation and storage

⁴ 18 C.F.R. § 154.313 (2005).

⁵ See Statement G of Ohio Valley's May 10, 2006 data response.

rates should be ordered pursuant to section 5 of the NGA. Of course, Ohio Valley may file a petition for rate approval under section 284.123(b)(2) of the Commission's regulations to establish new maximum rates at any time. This letter order does not relieve Ohio Valley of its obligation to file the required reports under Part 284 of the Commission's regulations.

By direction of the Commission.

Magalie R. Salas,
Secretary.