

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO. 2012-00391
FILING OF MARTIN GAS, INC.)

ORDER

On September 30, 1991, in Case No. 1990-00402, the Commission approved certain adjusted rates for Martin Gas, Inc. (“Martin”).¹ In November 2004, Martin proposed, and the Commission approved, changes to its tariff that included, among other items, changes to its Gas Cost Adjustment (“GCA”) clause. Those changes updated the methodology of calculating the components of the GCA.

On August 30, 2012, Martin filed a GCA for rates to be effective October 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Martin’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Martin’s notice sets out an Expected Gas Cost (“EGC”) of \$5.1394 per Mcf, which represents an increase of \$.0456 from its prior EGC of \$5.0938 per Mcf.
3. Martin’s notice sets out no Refund Adjustment (“RA”) for the current quarter and no total RA, which is no change from the prior total RA.
4. Martin’s notice sets out a current quarter Actual Adjustment (“AA”) of \$.0046 per Mcf. Martin did not use the EGC in effect for month of \$5.0744 that was in

¹ Case No. 1990-00402, In the Matter of Application of Martin Gas, Inc. for Authority to Adjust Rates and to Extend Current Surcharge (Ky. PSC Sept. 30, 1991).

effect during the months of January, February, and March 2012 in its AA calculation. Correcting this results in a (\$.0260) per Mcf current AA. Martin's total AA is (\$.0151) per Mcf, representing a decrease of \$.0227 per Mcf from the previous quarter total AA of \$.0076 per Mcf.

5. Martin's notice sets out no Balance Adjustment.

6. Martin's GCA is \$5.1243 per Mcf, which is an increase of \$.0229 per Mcf from its previous rate of \$5.1014 per Mcf.

7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered on and after October 1, 2012.

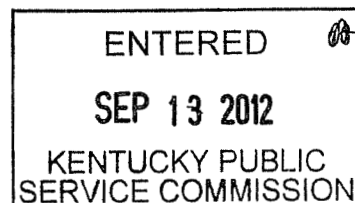
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix, attached hereto and incorporated herein, are approved for service rendered on and after October 1, 2012.

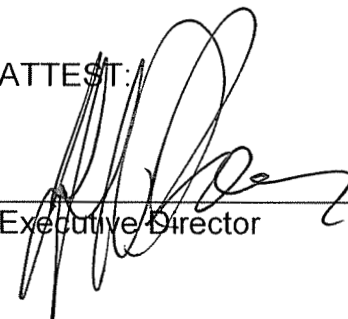
2. Within 20 days from the date of this Order, Martin shall file its revised tariff sheets with the Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.



ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00391 DATED ~~SEP 13 2012~~

The following rates and charges are prescribed for the customers served by Martin Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RETAIL RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf	\$4.3976	\$5.1243	\$9.5219
Over 1 Mcf	\$4.2808	\$5.1243	\$9.4051
Minimum Bill	\$9.5219		

SUMMARY OF PURCHASED GAS ADJUSTMENT FILING
for Martin Gas, Inc.

Case No.: 2012-00391
Filing Date: August 30, 2012
Proposed Effective Date: October 1, 2012
Approved Effective Date: October 1, 2012

Wholesale Cost: Increased: \$.0456
Retail Rate: Increased: \$.0229

Gas Supplier: Clean Gas

Gas Cost Adjustment Components:

Expected Gas Cost	\$ 5.1394
Refund Adjustment	
Actual Adjustment	(.0151)
<u>Balancing Adjustment</u>	<u>-----</u>
Gas Cost Adjustment	\$ 5.1243

Prepared by: Leah Faulkner

Date: September 11, 2012

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