

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)	CASE NO.
MARTIN GAS, INC.)	2014-00068

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 March 3, 2014, Martin filed a GCA for rates to be effective April 1, 2014.

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 \$5.1278 per Mcf, which represents an increase of \$.1064 from its prior EGC of \$5.0214 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.

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).

4. Martin's notice sets out a current quarter Actual Adjustment ("AA") of (\$.0026) per Mcf. In calculating its current quarter AA, Martin failed to use the correct EGC in effect for the months of July, August and September. Martin also miscalculated its unit cost of gas by using incorrect supply volumes purchased and sales volumes for the month of September. Correcting this produces a current quarter AA of (\$.0034) per Mcf. Martin miscalculated its total AA by including its previous quarterly AAs as (\$.0260) instead of (\$.0391), and (\$.0159) instead of (\$.0147). Correcting this produces a total AA of (\$.0795) per Mcf, which represents an increase of \$.0348 per Mcf from the previous total AA of (\$.1143) per Mcf.

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

6. Martin's GCA is \$5.0483 per Mcf, which is an increase of \$.1412 per Mcf from its previous rate of \$4.9071 per Mcf.

7. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Martin on and after April 2, 2014. Martin did not provide 30 days' notice for its increase in rates to become effective April 1, 2014.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Martin is denied.

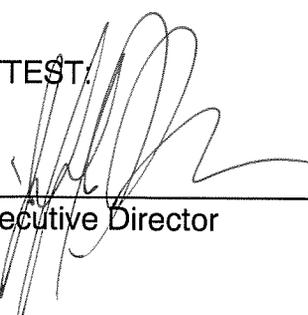
2. The rate in the Appendix attached hereto and incorporated herein is approved for service rendered on and after April 2, 2014.

3. Within 20 days of the date of this Order, Martin shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED
MAR 18 2014
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2014-00068

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2014-00068 DATED **MAR 18 2014**

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	\$5.0483	\$9.4459
Over 1 Mcf	\$4.2808	\$5.0483	\$9.3291
Minimum Bill	\$9.4459		

Kevin Jacobs
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