

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MARTIN) CASE NO. 10204-C
GAS, INC.)

O R D E R

On September 16, 1988, the Commission issued its Order in Case No. 10204 approving certain adjustments in rates and providing under certain conditions for the further adjustment of such rates when the wholesale cost of gas is increased or decreased or a refund is received.

On October 18, 1989, the court-appointed receiver of Martin Gas, Inc. ("Martin") notified the Commission that its wholesale cost of gas will be increased by its supplier, Columbia Gas of Kentucky, Inc. ("Columbia"), effective October 6, 1989, and submitted with its notice certain information in compliance with its purchased gas adjustment clause on file with this Commission.

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

1. Martin's notice of October 18, 1989 set out certain revisions in rates which Martin proposed to place into effect, said rates being designed to pass on the wholesale increase in price from its supplier.

2. Martin incorrectly calculated its proposed adjustment using a base rate for Columbia purchases of \$3.7512 per Mcf.

Columbia's base rate for calculating Martin's adjustment should be \$3.7515.¹ Martin also calculated its adjustment using a noncurrent period of gas purchases. Pursuant to a request by Commission Staff in Case No. 10204-A,² Martin provided information on gas purchases for the 12-month period ending December 31, 1988. The 1988 gas purchase volumes, as the most current available, should be used in calculating Martin's adjustment.

3. The rates in the Appendix to this Order are designed to pass on the wholesale increase in price in the amount of \$995 or 2.18 cents per Mcf. Martin's proposed effective date of October 6, 1989 does not fulfill the statutory 30-day notice requirement. Hence, the effective date should be 30 days from the filing date or November 17, 1989.

4. Martin's corrected adjustment in rates under the purchased gas adjustment provisions approved by the Commission in its Order in Case No. 10204 dated September 16, 1988 is fair, just, and reasonable and in the public interest and should be effective with gas supplied on and after November 17, 1989.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Martin in its notice of adjustment are denied.

¹ Case No. 10204-B, Notice of Purchased Gas Adjustment Filing of Martin Gas, Inc., Order dated September 8, 1989.

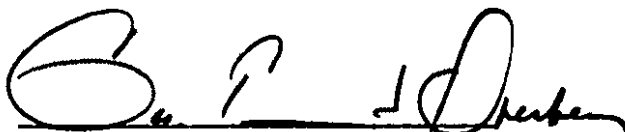
² Case No. 10204-A, Notice of Purchased Gas Adjustment Filing of Martin Gas, Inc., Order dated February 24, 1989.


2. The rates in the Appendix, attached hereto and incorporated herein, are fair, just, and reasonable and are approved effective with gas supplied on and after November 17, 1989.

3. Within 30 days of the date of this Order, Martin shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 20th day of November, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 10204-C DATED November 20, 1989.

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 this Commission prior to the effective date of this Order.

RATES: Monthly

First 1 Mcf	\$6.65	Per Mcf
Over 1 Mcf	\$6.5310	Per Mcf

Minimum Bill

The minimum bill shall be	\$6.65
Temporary Surcharge	\$3.12

The base rate for the future application of the purchased gas adjustment clause of Martin Gas, Inc. shall be:

Commodity

Columbia Gas of Kentucky, Inc.	\$3.7776	Per Mcf
Southeastern Gas Company	\$0.140	Per Mcf