

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WILLIAM R. WEINBERG AND	)	
LOIS COMBS WEINBERG TO TRANSFER THEIR	)	CASE NO.
SEVENTY-SIX (76) SHARES OF COMMON STOCK IN	)	2016-00120
MARTIN GAS, INC. TO JED WILLIAM WEINBERG	)	
AND ZACHARY COMBS WEINBERG	)	

COMMISSION STAFF'S SECOND SUPPLEMENTAL REQUEST FOR INFORMATION  
TO WILLIAM WEINBERG, LOIS WEINBERG, JED WEINBERG, AND ZACHERY  
WEINBERG

William Weinberg, Lois Weinberg, Jed Weinberg, and Zachary Weinberg (collectively "Weinbergs"), pursuant to 807 KAR 5:001, are to file with the Commission the original and ten copies of the following information. The information requested herein is due no later than May 19, 2016. 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 the 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.

The Weinbergs shall make timely amendment to any prior response if they obtain 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 the Weinbergs fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention shall 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 filing a paper containing personal information, the Weinbergs shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the response to Commission Staff's Initial Request for Information, Item 6, and to the Appendix to this request.

a. Explain whether the prospective majority owners, Jed and Zachary Weinberg, understand the meaning of the statutes, KRS 278.272 and KRS 278.274, which are included in the Appendix to this request.

b. Explain whether the prospective majority owners, Jed and Zachary Weinberg, intend to operate Martin Gas in a manner that complies with the statutes in the Appendix to this request.

  
Aaron D. Greenwell  
Acting Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED     **MAY 09 2016**    

cc: Parties of Record

APPENDIX

APPENDIX TO COMMISSION STAFF'S SECOND SUPPLEMENTAL REQUEST  
FOR INFORMATION IN CASE NO. 2016-00120 DATED **MAY 09 2016**

**278.272 Consideration of natural gas purchasing transactions in determining just and reasonable rates – Limitation of authorized rate of return for natural gas operations.**

In determining just and reasonable rates, the commission shall investigate and review natural gas purchasing transactions of a utility, whose rates for retail sales of natural gas are regulated by the commission, from an affiliate. The commission shall limit the authorized rate of return of the utility for its natural gas operations to a level which, when considered with the level of profit or return the affiliate earns on natural gas transactions to such utility, is just and reasonable.

**Effective:** July 13, 1984

**History:** Created 1984 Ky. Acts ch. 38, sec. 1, effective July 13, 1984.

**278.274 Review of natural gas utility's purchasing practices in determining reasonableness of proposed rates – Reduction of rates by commission.**

- (1) In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.
- (2) When proposing new rates, the utility shall be required to prove that the proposal is just and reasonable in accordance with the requirements of this section.
- (3) It shall be presumed that natural gas purchases from affiliated companies are not conducted at arm's length.
  - (a) For purposes of this subsection, affiliated companies shall be defined as those in which one (1) or more of the owners control or have the right to control the business affairs of all affected companies.
  - (b) In instances in which a utility purchases natural gas from an intrastate affiliate, the commission shall assume jurisdiction of the affiliated company as though it were a utility as defined in KRS 278.010. The commission's jurisdiction shall extend to that extent necessary to ensure that the rates charged the utility and ultimately to the consumer are just and reasonable.
  - (c) If the commission determines that the rates charged by the utility are not just and reasonable in that the cost of natural gas purchased from the affiliated company is unjust or unreasonable, the commission may reduce the purchased gas component of the utility's rates by the amount deemed to be unjust or unreasonable.
  - (d) The commission may also reduce the rate charged by the affiliated company by the same amount.

**Effective:** July 13, 1984

**History:** Created 1984 Ky. Acts ch. 40, sec. 1, effective July 13, 1984.

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