

WILLIAM R. WEINBERG, LOIS C. WEINBERG, JED WILLIAM WEINBERG AND
ZACHARY COMBS WEINBERG
P. O. BOX 783
HINDMAN, KY 41822
606-785-0761

May 19, 2016

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

RECEIVED

MAY 20 2016

PUBLIC SERVICE
COMMISSION

RE: Case No. 2016-00120
APPLICATION OF WILLIAM R. WEINBERG AND LOIS COMBS
WEINBERG TO TRANSFER SEVENTY-SIX SHARES OF COMMON STOCK
IN MARTIN GAS, INC. TO JED WILLIAM WEINBERG AND ZACHARY
COMBS WEINBERG

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

Dear Mr. Greenwell:

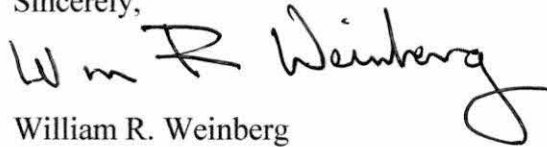
I am attaching a Certification as to the Responsible Witness and Certification by all Parties to the Responses.

The Commission's second Supplemental Request for Additional Information was not filled until May 9, 2016, four days after the initial filing. William Weinberg was gone all of last week traveling and therefore we needed the additional four days to complete our filing. I talked with General Counsel, and it was agreed that we would fax our responses in today so as to comply with the May 19th deadline and would then overnight the responses today. If the Commission deems it necessary, please consider this a motion to extend the time for filing by four days in order to give us a full 14 days to answer the Supplemental Requests for Information.

Appendix C and Appendix D each note questions asked, and the answer to each is in “bold” print and immediately following the question.

I am attaching an original and ten (10) copies of this letter and Appendix C and Appendix D. Please do not hesitate to contact me if additional information is needed.

Sincerely,

A handwritten signature in black ink that reads "W m R Weinberg". The signature is written in a cursive style with a large, stylized "W" and "R".

William R. Weinberg

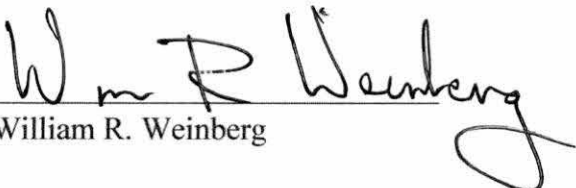
COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION
CASE NO. 2016-00120

In the Matter of:

APPLICATION OF WILLIAM R. WEINBERG AND
LOIS COMBS WEINBERG TO TRANSFER THEIR
SEVENTY-SIX SHARES OF COMMON STOCK IN
MARTIN GAS, INC. TO JED WILLIAM WEINBERG
AND ZACHARY COMBS WEINBERG.

CERTIFICATION

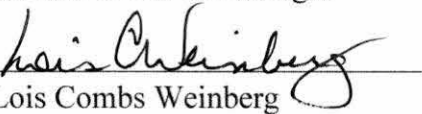
I, William R. Weinberg, this the 19th day of May 2016, do hereby state and affirm that I am the Responsible Witness and state under oath that the responses to the attached APPENDIX C and APPENDIX D are true and factual to the best of my knowledge.



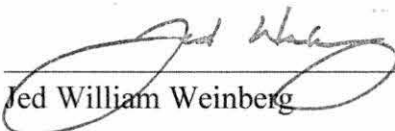
William R. Weinberg

CERTIFICATION

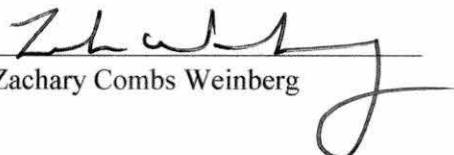
We, Lois Combs Weinberg, Jed William Weinberg and Zachary Combs Weinberg on this the 19th day of May 2016, do hereby state and affirm that we have authorized William R. Weinberg to make responses on our behalf and that the responses so made are true and factual to the best of our knowledge.



Lois Combs Weinberg



Jed William Weinberg



Zachary Combs Weinberg

APPENDIX C

APPENDIX TO COMMISSION STAFF'S SUPPLEMENTAL REQUEST FOR
INFORMATION IN CASE NO. 2016-00120

1. Provide a corrected transfer of capital stock of Martin Gas and a purchase/sale agreement signed by the parties, as referenced in the response to Item 2 of Commission Staff's Initial Request for Information ("Staff's First Request").

{The Transfer of Capital Stock of Martin Gas, Inc. and the Purchase and Sale Agreement are attached to this Appendix C}

2. Refer to response to Staff's First Request, Item 7. Explain whether the proposed majority shareholders, Jed Weinberg and Zachary Weinberg, individually have the financial resources needed to be the main lender in the future on shareholder loans comparable to the loan described in the response.

{Jed Weinberg and Zachary Weinberg have the financial resources necessary to be main lenders on shareholder loans comparable or bigger than the loan referenced in Staff's First Request, Item 7. Both have been the sole guarantors on loans significantly more than \$24,000. For example, both were sole guarantors on a loan to their company, JZT Production, LLC, from 1st Trust Bank in Hazard in 2013 in an amount well in excess of \$100,000.00}

TRANSFER OF CAPITAL STOCK
OF
MARTIN GAS, INC.

For One Dollar (\$1.00), the receipt of which is hereby acknowledged, and the love we have for our sons Jed William Weinberg and Zachary Combs Weinberg, we hereby sell, assign, transfer and set over unto Jed William Weinberg and Zachary Combs Weinberg, the THIRTY-SIX(36) shares of capital stock held by Lois Combs Weinberg and the FORTY (40) shares of capital stock held by William R. Weinberg and direct that the stock be transferred on the corporate books of Martin Gas, Inc.; THIRTY-EIGHT(38) shares to Jed William Weinberg and THIRTY-EIGHT (38) shares to Zachary Combs Weinberg. This conveyance is contingent upon the approval of the Commonwealth of Kentucky's Public Service Commission pursuant to KRS 278,020(5)and (6).

Dated: 4/15/16

Wm R Weinberg
William R. Weinberg
Lois Combs Weinberg
Lois Combs Weinberg

PURCHASE AND SALE AGREEMENT

This Purchase and Sale Agreement, the "Agreement" is made and entered into this the 15th day of April, 2016 by and between William R. Weinberg and Lois Combs Weinberg, P. O. Box 783, Hindman, Kentucky 41822, hereinafter referred to as the "Seller" and Jed William Weinberg and Zachary Combs Weinberg, P. O. Box 783, Hindman, Kentucky 41822, hereinafter referred to as the "Buyer".

"Seller", named above, for One Dollar (\$1.00), cash in hand paid, and the love and affection we have for our two sons names herein, and other good and valuable considerations, the receipt and sufficiency of which is acknowledged, do hereby sell and transfer to "Buyer", the THIRTY-SIX (36) shares of capital stock of Martin Gas, Inc. held by Lois Combs Weinberg and the FORTY (40) shares of capital stock of Martin Gas, Inc. held by William R. Weinberg. Said stock to be divided and re-issued as follows: THIRTY-EIGHT (38) shares to Jed William Weinberg and THIRTY-EIGHT (38) shares to Zachary Combs Weinberg.

SELLERS

Lois Combs Weinberg
Lois Combs Weinberg
William R. Weinberg
William R. Weinberg

BUYERS

Jed William Weinberg
Jed William Weinberg
Zachary Combs Weinberg
Zachary Combs Weinberg

APPENDIX D

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

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.

{Jed and Zachary Weinberg understand the meaning of KRS 278.272 and KRS 278.274.}

- 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.

{Jed and Zachary Weinberg intend to operate Martin Gas, Inc. in a manner that complies with all applicable statutes and have done so in the past.}

The amount paid for natural gas over the years to companies in which the Weinbergs have an interest has been extremely fair to consumers and much cheaper than most wholesale gas available. For example, the following figures show the spot price of natural gas from June 2003 until June 2010, demonstrating that the Weinberg's purchasing contracts (\$5.00) saved consumers a considerable amount of money. (June was the month when the annual contracts were either renewed or could be terminated. June 2010 was the last full year of the contract with Clean Gas.)

June 2003 - \$5.82

June 2004 - \$6.27

June 2005 - \$7.18

June 2006 - \$6.21

June 2007 - \$7.35

June 2008 - \$12.69

June 2009 - \$3.80

June 2010 - \$4.80

Moreover, the main available source for natural gas other than the Weinberg's companies is Equitable Gas, whose prices were always higher than \$5.00 until October

2015. The figures below show EQT's price for natural gas at the meter used by Martin in Floyd County. (EQT'S historical prices are not readily available so we have relied upon invoices Martin has received since 2013. The gaps in the months exist because Martin didn't purchase gas from EQT in the months omitted.)

June 2013 - \$7.35*
September 2013 - \$6.31
October 2013 - \$6.28
November 2013 - \$6.30
December 2013 - \$6.62

January 2014 - \$7.28
February 2014 - \$9.17
March 2014 - \$8.23
May 2014 - \$7.95
June 2014 - \$7.76
July 2014 - \$7.41
October 2014 - \$6.91

January 2015 - \$5.73
February 2015 - \$5.23
March 2015 - \$5.36
November 2015 - \$4.07
December 2015 - \$4.30

In October 2015 EQT for the first time in years was selling natural gas for less than \$5.00. In November 2015, Martin began buying more gas from EQT. For the years 2003-2008 EQT's prices would have been nearly twice \$5.00 for most of those years, given the significantly higher spot prices for natural gas.

***EQT invoices in decatherms so all months have been converted to mcf's by multiplying times 1.2.}**