

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

APPLICATION OF MARTIN GAS, INC. FOR)
RATE ADJUSTMENT FOR SMALL UTILITIES) CASE NO.
PURSUANT TO 807 KAR 5:076) 2016-00332

ATTORNEY GENERAL'S SUPPLEMENTAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Supplemental Data Requests to Martin Gas Inc., [hereinafter "Martin Gas" or "Company"] to be answered by the date specified in the Commission's Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for the companies with an electronic version of these questions, upon request.
- (4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.
- (5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, be accompanied by a signed certification of the preparer or

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.

(6) If you believe any request appears confusing, please request clarification directly from undersigned Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual

reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



KENT CHANDLER
ASSISTANT ATTORNEY GENERAL
1024 CAPITAL CENTER DRIVE,
SUITE 200
FRANKFORT KY 40601-8204
(502) 696-5456
FAX: (502) 573-1005
Kent.Chandler@ky.gov

Certificate of Service and Filing

Counsel certifies that an original and eight photocopies of the foregoing were served and filed by hand delivery to Dr. Talina Mathews, Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

L. Allyson Honaker
Goss Samford, PLLC
2365 Harrodsburg Road
Suite B325
Lexington, KY 40504

Martin Gas, Inc.
P.O. Box 783
Hindman, KY 41822

This 9th day of December, 2016



Assistant Attorney General

1. Refer to the Company's response to the Attorney General's Initial Request for Information, Item 4c, wherein the Mr. Jacob states, "Martin Gas believes that by providing safety information and benefit information to the public will help to maintain its current customer base as well as bring additional customers to Martin Gas and to help lower repair expenses for damaged pipeline."
 - a. How many incidents to Martin Gas lines due to damaged pipelines occur each year, for the last 5 years?
 - b. Provide the annual expense for pipeline damage repair for the last 5 years.
 - c. Confirm that Martin Gas collects from parties who damage company pipelines.
 - d. How much of the total annual expense due to pipelines damage has Martin Gas recovered for the last 5 years?
 - e. How many incidents noted in the response to a, above, were caused by individuals who previously called 811?

2. Refer to the Company's response to the AG's Initial Request 4e.
 - a. Does the Company intend on requesting employee contributions to health insurance plans going forward?
 - b. Knowing that a rate increase to customers would be requested, why didn't the Company implement employee contributions to health insurance to reduce the amount requested in this case?
 - c. Does the Company know of any other investor owned gas LDC that does not require employee contributions to health insurance?
 - i. If so, provide the names of the investor owned gas LDCs who do not require employee contributions to health insurance.

3. Refer to the Company's response to the AG's Initial Request 4f.

- a. Provide documentation of the actual amount Martin Gas states the Company should have been paying for automobile insurance, totaling \$4,140.

4. Refer to the Company's response to the AG's Initial Request 4h and 4i.
 - a. Has Martin Gas anticipated any other costs associated with the one part-time employee other than the hourly wage? If so, what amounts and where are these amounts reflected?

5. Refer to the Company's response to the AG's Initial Request 4j.
 - a. Martin Gas did not provide the number of customers the Company had during the pendency of the 2006 rate case and has now. Provide the number of customers then and now as originally requested.

6. Refer to the Company's response to the AG's Initial Request 4k.
 - a. What is the basis for the \$12,000 estimate and why does the company believe that the amount is not only reasonable, but is enough to cover the cost of the annual legal fees?

7. Refer to the Company's response to the AG's Initial Request 4l, additional responses and the Application generally.
 - a. After reducing the estimated full amount of Legal Fees for this Application, although continuing to assume a 3 year amortization of rate case expense, in addition to all other changes made to the filing pursuant to the Company's responses to data requests, what is the revised revenue request proposed by the Company?
 - b. What percentage increase to the average customer bill does the revenue increase represent?

8. Refer to the Company's response to the Staff's First Request 15b.

- a. What are the terms of the \$12,200 loan?
 - b. Since the loan is originally from William and Lois Weinberg, who are no longer shareholders, does Martin Gas believe they should have documents or a note evidencing the terms of the debt?

9. Does Martin Gas believe that the customers it currently serves can afford to pay for service under the proposed rates?
 - a. What allowance for non-payment does the Company anticipate due to customers not being able to pay the new rate?
 - b. Has the Company received any feedback from customers after becoming aware of the rate increase request?

10. If ordered, would Martin Gas commit to implementing the rate increase gradually, so as to reduce the impact on customers?
 - a. Did Martin Gas consider implementing the rate increase gradually in preparation of filing this case? If so, please provide the rationale for not doing so.
 - b. If the Company did not consider increasing the rates gradually, provide the rationale for not doing so, and whether or not the Company believes customers will be affected by the sharp rise in costs.

11. Refer to the Company's response to the AG's Initial Request 4c.
 - a. Does Martin Gas believe that advertising and/or expense of issuing notices regarding "call before you dig", carbon monoxide and the benefits of heating homes with natural gas are all recoverable according to Commission regulations and Kentucky Statutes?

- b. Does Martin Gas believe that advertising and/or expense of issuing notices regarding “call before you dig” and the awareness of carbon monoxide is an efficient use of customer’s funds in hopes of obtaining more customers?
- c. How many additional customers does Martin Gas project will come into the system based upon the estimated amount of annual advertising?