

RECEIVED

JAN 10 2017

PUBLIC SERVICE
COMMISSION

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE 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 RESPONSE TO MARTIN GAS INC'S MOTION AND
WAIVER**

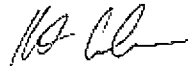
Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his office of Rate Intervention, and submits his Response to Martin Gas, Inc's Motion and Waiver pursuant to 807 KAR 5:001 Section 5 (2). In addition to Martin Gas, Inc., the Attorney General does not believe at this time that a hearing is necessary in this matter. Rather, the Attorney General further agrees with Martin Gas, Inc. that an informal conference with Commission staff may be beneficial to all parties involved. Should the Commission grant Martin Gas, Inc.'s Motion to Schedule an Informal Conference, the Attorney General would be interesting in discussing with Martin Gas and Commission staff the following issues;

- Legal fees in non-rate case litigation
- Non-recurring charges
- Advertising and related expenses
- Loans and lines of credit
- Gas purchase obligations
- Over/Under recovery of gas costs
- Damaged Pipeline repair costs
- Employee health insurance
- Payment and budget plans
- Implementation of rate increases gradually

WHEREFORE, the Attorney General supports Martin Gas, Inc's request for an informal conference with Commission staff on the date proposed and at this time does not believe a formal hearing is required.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



KENT A. CHANDLER
ASSISTANT ATTORNEY GENERAL
Capitol Building, Suite 118
700 Capitol Avenue
FRANKFORT KY 40601-8204
(502) 696-5456
FAX: (502) 573-1005
Kent.Chandler@ky.gov

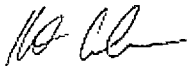
Certificate of Service and Filing

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 10th day of January, 2017



Assistant Attorney General