

**Goss
Samford**

ATTORNEYS AT LAW | PLLC

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RECEIVED

February 10, 2017

FEB 10 2017

PUBLIC SERVICE
COMMISSION

Via Hand-Delivery

Ms. Talina Mathews, Ph.D.
Executive Director
Kentucky Public Service Commission
P.O. Box 615
211 Sower Boulevard
Frankfort, KY 40602

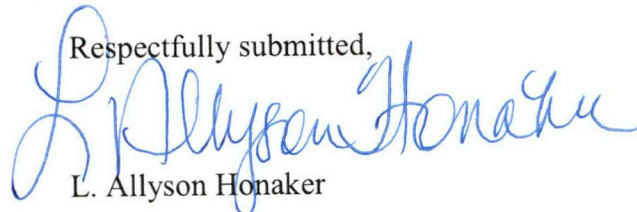
Re: *In the Matter of: The Application of Martin Gas, Inc., for Rate Adjustment for Small Utilities Pursuant to 807 KAR 5:076 - Case No. 2016-00332*

Dear Ms. Mathews:

Enclosed please find for filing with the Commission in the above-referenced case an original and eight (8) copies of Martin Gas, Inc.'s Responses to Data Requests from the January 27, 2017 Informal Conference. Please return a file-stamped copy to me.

Please do not hesitate to contact me if you have any questions.

Respectfully submitted,



L. Allyson Honaker

Enclosures

RECEIVED

FEB 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)
PURSUANT TO 807 KAR 5:076)**

CASE NO. 2016-00332

**RESPONSES TO DATA REQUESTS TO MARTIN GAS, INC.
REQUESTED DURING THE INFORMAL CONFERENCE HELD ON
JANUARY 27, 2017**

MARTIN GAS, INC.
PSC CASE NO. 2016-00332
RESPONSE TO DATA REQUEST

IC DATA REQUEST DATED 1/27/17

REQUEST 1

RESPONSIBLE PARTIES: John Pinson and Kevin Jacobs

Request 1. PSC Staff requested Martin to provide a calculation of the over-recovery amounts Martin collected as a result of failing to charge the tariffed rates to customers based on Martin's approved GCA rates each quarter. PSC Staff also requested that Martin provide proposals on how to refund the over-recovery to customers. (This response is also a supplemental response to PSC Staff's Supplemental Request No. 25 d and e).

Response 1. Attached to this Response is a chart detailing the over-recovery collected by Martin from April 2015 through December 2016. Martin's calculations show a customer billing overcharge in the amount of \$15,600.66 for this period.

Martin has listed below several proposals on how to refund the over-recovery to customers. The proposals are listed in Martin's order of preference. Method A would decrease the amount of time and expense involved in determining which current customers were overbilled and for what amount, as well as the time and expense to locate customers who were over billed that are no longer Martin customers. Method A would also have the least impact on Martin's financial condition.

Credit Method A

Martin will divide the overcharged amount, \$15,600.66, by twelve (12) months, which is \$1,300.05 per month, and credit Martin's existing customers \$1,300.05 each month for twelve (12) months. Based on 431 customers, each customer would be given a credit \$3.01 per month.

The credit will be given in the form of a reduced invoice billing via a credit towards the customer's current month's billing amount.

As another option under Credit Method A, Martin could utilize a nine (9) month refunding plan.

Credit Method B

Martin will determine the customers who are still within the Martin billing system that were over billed during the time frame noted above. Martin will determine how much each of those customers was overbilled. Martin will calculate how much to credit each of that customer's account each month for a six (6) period so that at the end of the six (6) month period the customer will have been given full credit for his/her overcharged amount. The credit will be given in the form of a reduced invoice billing via a credit towards the current month's billing amount.

Credit Method C

Martin could refund/credit each customer's account for their overcharge in a single month. However, given Martin's current financial position, this would be the least favorable method of refunding/crediting each customer's account.

	Approved Rates		Rates Charged		Over (under) Charges per mcf		Total MCF Sold	Over or (under) charges
	1st mcf	over 1 mcf	1st mcf	over 1 mcf	1st mcf	over 1 mcf		
Apr-15	9.6594	9.5426	9.71	9.59	0.0506	0.0474	1884.00	95.33
May-15	9.6594	9.5426	9.71	9.59	0.0506	0.0474	1345.93	68.10
Jun-15	9.6594	9.5426	9.71	9.59	0.0506	0.0474	1605.73	81.25
Jul-15	9.5957	9.4789	9.66	9.54	0.0643	0.0611	1613.35	103.74
Aug-15	9.5957	9.4789	9.66	9.54	0.0643	0.0611	2308.25	148.42
Sep-15	9.5957	9.4789	9.66	9.54	0.0643	0.0611	2452.12	157.67
Oct-15	9.4664	9.3496	9.6	9.48	0.1336	0.1304	2960.06	395.46
Nov-15	9.4664	9.3496	9.6	9.48	0.1336	0.1304	3252.89	434.59
Dec-15	9.4664	9.3496	9.6	9.48	0.1336	0.1304	6759.89	903.12
Jan-16	9.449	9.3322	9.6	9.48	0.151	0.1478	6459.88	975.44
Feb-16	9.449	9.3322	9.6	9.48	0.151	0.1478	12594.20	1,901.72
Mar-16	9.449	9.3322	9.6	9.48	0.151	0.1478	8011.21	1,209.69
Apr-16	9.3709	9.2541	9.45	9.33	0.0791	0.0759	2944.71	232.93
May-16	9.3709	9.2541	9.45	9.33	0.0791	0.0759	2386.82	188.80
Jun-16	9.3709	9.2541	9.45	9.33	0.0791	0.0759	1314.11	103.95
Jul-16	9.0143	8.8975	9.37	9.25	0.3557	0.3525	1058.65	376.56
Aug-16	9.0143	8.8975	9.37	9.25	0.3557	0.3525	1387.13	493.40
Sep-16	9.0143	8.8975	9.37	9.25	0.3557	0.3525	2111.38	751.02
Oct-16	8.8831	8.7663	9.37	9.25	0.4869	0.4837	3492.45	1,700.47
Nov-16	8.8831	8.7663	9.37	9.25	0.4869	0.4837	3851.70	1,875.39
Dec-16	8.8831	8.7663	9.37	9.25	0.4869	0.4837	6990.35	3,403.60
Total due Customers							15,600.66	

MARTIN GAS, INC.
PSC CASE NO. 2016-00332
RESPONSE TO DATA REQUEST

IC DATA REQUEST DATED 1/27/17

REQUEST 2

RESPONSIBLE PARTIES: Kevin Jacobs and John Pinson

Request 2. PSC Staff requested information regarding the number of Mcf used by customers only receiving the minimum bill for calendar year 2015. (This is also a supplemental response to PSC Staff's Supplemental Request No. 19b and 19c).

Response 2. See the attached chart.

	Used 1 mcf	Used 0 mcf
Jan-15	10	13
Feb-15	9	11
Mar-15	2	9
Apr-15	30	17
May-15	104	24
Jun-15	210	36
Jul-15	5	292
Aug-15	130	54
Sep-15	130	78
Oct-15	38	29
Nov-15	45	22
Dec-15	38	23

Totals 751 608

MARTIN GAS, INC.
PSC CASE NO. 2016-00332
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IC DATA REQUEST DATED 1/27/17

REQUEST 3

RESPONSIBLE PARTIES: Kevin Jacobs and John Pinson

Request 3. Commission Staff requested Martin to determine the return check fee charged by Martin's bank as well as to provide any documentation Martin may have on any other non-recurring charge that Martin should have charged over the past year that Martin failed to charge its customers.

Response 3a. See the attached letter regarding the return check fee charged to Martin by the Bank of Hindman. This is the only non-recurring charge that Martin invoices customers for. There is no documentation regarding the number of non-recurring charges Martin could have charged for over the past year. Martin will immediately begin to charge the non-recurring charges contained in its current tariff on file with the Commission, and Martin plans on requesting Commission approval to revise its non-recurring charges contained in its tariff within in the next few months.

MARTIN GAS, INC.
P. O. Box 783
Hindman, KY 41822
606-785-0761

February 7, 2017

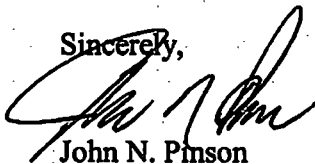
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

RE: Martin Gas, Inc. Returned Check Fee

Dear Commission:

Martin Gas, Inc. maintains its general checking account at the Bank of Hindman, Hindman, KY. The Bank of Hindman charges Martin Gas, Inc. a fee of Ten Dollars (\$10.00) for each check that is returned and charged against Martin's checking account.

Sincerely,



John N. Pinson

**MARTIN GAS, INC.
PSC CASE NO. 2016-00332
RESPONSE TO DATA REQUEST**

IC DATA REQUEST DATED 1/27/17

REQUEST 4

RESPONSIBLE PARTIES: Kevin Jacobs and John Pinson

Request 4. Commission Staff requested Martin to file the invoices received for both the leak survey and the regulator survey that were performed in 2016.

Response 4a. See attached invoices.



2371 Irvine Road, Richmond, KY 40475
 (TEL.) 859-623-0112 (FAX.) 859-626-0822
 A MEASURE OF EXCELLENCE IN UTILITY PROFESSIONAL SERVICES

Invoice # 1693

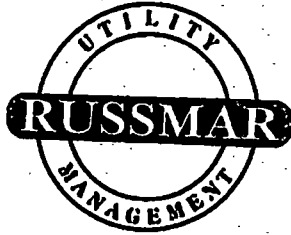
DATE
31-Dec-16

BILL TO:
Martin Gas, Inc. PO Box 783 Hindman, KY 41822
ATTENTION: John N. Pinson

Job Number
200-16

DESCRIPTION	QTY	RATE	TOTAL
Regulator Inspection December 22, 2016 Inspected Regulators at the following Stations: 1. Station #76 2. Bason Energy- Finance Hollow 3. Harpo Castle 4. Martin Gas #74 5. William Miller 6. Margaret Richey 7. Johnny Miller 8. Parrish #1 9. McIntosh	LS		\$1,500.00

TOTAL **\$1,500.00**



2371 Irvine Road, Richmond, KY 40475
 (TEL.) 859-623-0112 (FAX.) 859-626-0822
 A MEASURE OF EXCELLENCE IN UTILITY PROFESSIONAL SERVICES

BILL TO:
 Martin Gas, Inc.
 PO Box 783
 Hindman, KY 41822
 ATTENTION: John N. Pinson
 msexton@cleangasinc.com

Invoice # 1696

DATE
 31-Dec-16

Job Number
 200-16

DESCRIPTION	QTY	RATE	TOTAL
Leak Survey November 28 to December 2, December 28, 2016			
Leak Survey	6	595	\$3,570.00
See Attached Documentation			

DUE UPON RECEIPT

TOTAL **\$3,570.00**

MARTIN GAS, INC.
PSC CASE NO. 2016-00332
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IC DATA REQUEST DATED 1/27/17

REQUEST 5

RESPONSIBLE PARTY: John Pinson

Request 5. Commission Staff requested Martin to update the current rate case expense. (This is also a supplemental response to Commission Staff's Supplemental Request 15b).

Response 5a. Current fees related to this case through January billing are as follows:

Publishing Costs	\$ 3,509.00
Copies, Mileage, Binding supplies, etc.	\$ 848.33
<u>Legal fees</u>	<u>\$16,840.88</u>
Total	\$21,198.21