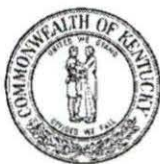


Matthew G. Bevin
Governor

Charles G. Snavely
Secretary
Energy and Environment Cabinet



Commonwealth of Kentucky
Public Service Commission
211 Sower Blvd.
P.O. Box 615
Frankfort, Kentucky 40602-0615
Telephone: (502) 564-3940
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psc.ky.gov

Michael J. Schmitt
Chairman

Robert Cicero
Vice Chairman

Talina R. Mathews
Commissioner

August 22, 2017

PARTIES OF RECORD

Re: Case No. 2017-00214

Attached is a copy of a memorandum which is being filed in the record of the above-referenced case. If you have any comments you would like to make regarding the contents of the memorandum please do so within five days of receipt of this letter.

If you have any questions, please contact Jennifer Fell, Commission Staff Attorney, at 502-782-2581.

Sincerely,

A handwritten signature in blue ink, appearing to read "John S. Lyons".

John S. Lyons
Acting Executive Director

JLF/ph

Attachments

INTRA-AGENCY MEMORANDUM
KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File No. 2017-00214
FROM: Jennifer L. Fell, Staff Attorney *JLF*
DATE: August 18, 2017
RE: Informal Conference of August 17, 2017

Pursuant to Commission Staff's August 4, 2017 Order, an informal telephonic conference ("IC") was held in this matter on August 17, 2017, at the Commission's office in Frankfort, Kentucky. A list of attendees is attached hereto.

At the IC, Martin Gas, Inc. ("Martin Gas") again acknowledged in good faith the violations that are the subject of this action, including KRS 278.300(1), for failure to obtain Commission approval for financing, and KRS 278.160 for failure to timely implement the rates approved by the Commission in previous Purchased Gas Adjustment ("PGA") cases in 2015 and 2016. Martin Gas admitted that it should have had procedures in place to prevent such violations, and detailed the remedial actions that have been taken as a result of the violations. Martin Gas has provided its board members with a copy of the applicable statutes, so they are aware of the requirements and potential penalties therein. Martin Gas' certified public accountant performs the calculations for rates, and submits the requests for any adjustments in rates to the Commission. When Commission approval for rates are received, Martin Gas' data entry personnel enters the new rate and effective date into its system, and signs off that this has been performed. A copy of this, as well as a sample invoice including the new rates, are placed into a notebook that will be reviewed by Martin Gas regularly. Martin Gas has also begun refunds to its customers for its past over-collection of the PGA pursuant to the Commission's final Order in Case No. 2016-00332.

Martin Gas also requested that, based on its admissions of violations and the corrective and preventive procedures it has implemented, the hearing scheduled in this matter be cancelled, and proposed a settlement for the subject violations of this case. Commission Staff will present the same to the Commission for its consideration.

Finding that no party had any further questions the conference was adjourned.

Attachment

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

MARTIN GAS, INC.

ALLEGED FAILURE TO COMPLY WITH KRS
278.300(1) AND KRS 278.160

)
) CASE NO.
) 2017-00214
)
)
)

SIGN IN

August 17, 2017

PERSON

REPRESENTING

Jennifer Fell

Matthew Buer

PSC - Legal

PSC - FA

Nancy Vinzel

PSC - Legal

Leah Faulkner

PSC

Jolysa Stonaker

Cross Sanford

Zach Weinberg

Martin Gas

John Pinson

Martin Gas

Kevin Jacobs

Martin Gas

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