

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

For Small Utilities
Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

Case No. 7006-01504

RECEIVED

NOV 30 2006

Martin Gas, Inc.
Name of Utility

PUBLIC SERVICE
COMMISSION

P.O. Box 783

Hindman, KY 41822
Business Mailing Address

Telephone Number 606 / 785-0761
Area Code Number

I. Basic Information

NAME, TITLE, ADDRESS and Telephone number of the person to whom correspondence or communications concerning this application should be directed:

Name: Craig McNew

Address: P.O. Box 783

Hindman, KY 41822

Telephone Number: 606-785-0761

- | | | | |
|----|---|---|--|
| 1) | Do you have 500 customers or fewer? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2) | Do you have \$300,000 in Gross Annual Revenue or less? | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3) | Has the Utility filed an annual report with this Commission for the past year and the two previous years? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4) | Are the utility's records kept separate from any other commonly-owned enterprise? | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |

NOTICE: To be eligible for consideration of a rate adjustment under this regulation, you must have answered yes to either question 1 or 2 and yes to both questions 3 and 4 above. If you answer no to questions 3 or 4, you must obtain written approval from the Commission prior to filing this Application. If these requirements are not met, you must file under the Commission's procedural rules, 807 KAR 5:001.

II. Increased Cost Information

(1) The most recent Annual Report will be used as the basic test period data in order to determine the reasonableness of the proposed rates. The Annual Report used as the basis for the 12 months ending December 31, 2005.

a. If you have reason to believe some of the items of revenue and expense listed in the Annual Report will increase or decrease, please list each item, the expected increase or decrease and the adjusted amount.

<u>Item Per Annual Report</u>	<u>Amount Per Annual Report</u>	<u>Increase (Decrease)</u>	<u>Adjusted Amount</u>
<u>Revenues:</u>			
	\$	\$	\$
Gas sales	346,137	39,768	385,905
Total Revenues	<u>\$ 346,137</u>	<u>\$ 39,768</u>	<u>\$ 385,905</u>
<u>Expenses:</u>			
Natural gas purchases	222,250	0	222,250
Distribution expenses	28,432	0	28,432
Administrative expenses	130,826	0	130,826
Payroll taxes	11,904	0	11,904
Interest on debt	10,182	0	10,182
Other expenses	714	0	714
Depreciation expenses	30,017	0	30,017
Amortization expenses	(645)	0	(645)
Total Expenses	<u>\$ 433,680</u>	<u>\$ 0</u>	<u>\$ 433,680</u>
Revenues Less Expenses	<u>\$ (87,543)</u>	<u>\$ 39,768</u>	<u>\$ (47,775)</u>

- b. Please describe each item that you adjusted on page 2 and how you know it will change. (Please attach invoices, letters, contracts or receipts which will help in proving the change in cost).

Gas Sales will increase due to the requested rate increase.

- c. Please list your present and proposed rates for each class (i.e., residential, commercial, etc.) of customer and the percentage of increase proposed for each class:

<u>Customer Class</u>	<u>Present Rates</u>	<u>Proposed Rates</u>	<u>Percent Increase</u>
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SEE ATTACHMENT A

III. Other Information

a. Please complete the following questions:

- 1) Please describe any events or occurrences, which may have an effect on this rate review that should be brought to the Commission's attention (e.g., excessive line losses, major repairs, planned construction).

The cost of gas has increased since the purchase of the customers which the rate increase will apply.

2) Total number of Customers
as of the date of filing: 491

3) Total amount of increased
revenue requested: \$ 39,768

4) Please circle Yes or No:

- a) Does the utility have any outstanding indebtedness? Yes No

If yes, attach a copy of any documents such as promissory notes, bond resolutions, mortgage agreements, etc.

- b) Were all revenues and expenses listed in the Annual Report for 2005 incurred and collected from January 1 to December 31 of that year? Yes No

If no, list total revenues and total expenses incurred prior to or subsequent to this period and attach invoices or other analysis which show how amounts were calculated.

- 5) Attach a copy of the utility's depreciation schedule of utility plant in service. Reconcile any differences between total depreciation

shown on the Annual Report for 2005 and the amount shown on this schedule. **ATTACHMENT B**

- 6) If utility is a sewer utility:
 - a) Attach a copy of the latest State and Federal Income Tax Returns.
 - b) How much of the utility plant was recovered through the sale of lots or other contributions _____ \$ or %? (If unknown, state the reason).

- b. Please state the reason or reasons why a rate adjustment is requested. (Attach additional pages if necessary).

In 1999 Martin Gas, Inc. (the company) purchased from the City of Hazard approximately 115 customers. At the time of purchase the company adopted the tariff of the City of Hazard as to those customers. Those rates are materially lower than the rates of the company's other customers as summarized in item 1c. Since 1999 the cost of gas purchases to Martin Gas, Inc. has increased from an average of \$3.00 per mcf to an average of \$5.00 per mcf. The company is requesting this rate adjustment to reflect the increase in the cost of gas since the purchase of the Hazard customers. The company would like to point out that while the cost of gas has increased to historical highs since 1999, we have kept our rates considerably lower than most other utilities.

The company is requesting this rate adjustment to merely bring the Hazard customers in line with the company's other rates, which as we have pointed out are lower than most other utilities.

1,830 Bills
16,268,700 gallons used
1st 2,000 minimum x 1,830 bills = 3,660,000 gallons –
record in Column 4.
Next 3,000 gallons x 1,830 bills = 5,490,000 gallons –
record in Column 5.
Next 10,000 gallons – remainder of water over 3,000
= 7,118,700 gallons – record in Column 6.

Step4: Next 25,000 gallons rate level
650 Bills
15,275,000 gallons used
1st 2,000 minimum x 650 bills = 1,300,000 gallons –
record in Column 4.
Next 3,000 gallons x 650 bills = 1,950,000 gallons –
record in Column 5.
Next 10,000 gallons x 650 bills = 6,500,000 gallons –
record in Column 6.
Next 25,000 gallons – remainder of water over 10,000
= 5,525,000 gallons – record in Column 7.

Step5: Over 40,000 gallons rate level
153 Bills
9,975,600 gallons used
1st 2,000 minimum x 153 bills = 306,000 gallons –
record in Column 4.
Next 3,000 gallons x 153 bills = 459,000 gallons –
record in Column 5.
Next 10,000 gallons x 153 bills = 1,530,000 gallons –
record in Column 6.
Next 25,000 gallons x 153 bills = 3,825,000 gallons –
record in Column 7.
Over 40,000 gallons – remainder of water over 25,000
= 3,855,600 gallons – record in Column 8.

Step6: Total each column for transfer to Revenue Table.

b. Revenue Table (Revenue by Rate Increment)

The Revenue Table is used to determine the revenue produced from the Usage Table. Column No. 1 is the incremental rate steps in the rate schedule for which the analysis is being made. Column No. 2 indicates the total number of bills. Column No. 3 is the number of gallons accumulated in each rate increment (Totals from Columns 4, 5, 6, 7, and 8 of the above usage table). Column No. 4 is the rates to be used in determining revenue. Column No. 5 contains the revenue produced.

SAMPLE

Revenue from Present/Proposed Rates
 Test Period from 01-01-XX to 12-31-XX

USAGE TABLE

Usage by Rate Increment

Class: Residential

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 2,000	(5) Next 3,000	(6) Next 10,000	(7) Next 25,000	(8) Over 40,000	(9) Total
First 2,000 Minimum Bill	432	518,400	518,400					518,400
Next 3,000 Gallons	1,735	4,858,000	3,470,000	1,388,000				4,858,000
Next 10,000 Gallons	1,830	16,268,700	3,660,000	5,490,000	7,118,700			16,268,700
Next 25,000 Gallons	650	15,275,000	1,300,000	1,950,000	6,500,000	5,525,000		15,275,000
Over 40,000 Gallons	153	9,975,600	306,000	459,000	1,530,000	3,825,000	3,855,600	9,975,600
Totals	4,800	46,895,700	9,254,400	9,287,000	15,148,700	9,350,000	3,855,600	46,895,700

REVENUE TABLE

Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 2,000 Minimum Bill	4,800	9,254,400	\$ 5.00 Minimum Bill	\$ 24,000.00
Next 3,000 Gallons		9,287,000	\$ 2.50 per 1,000 Gal.	23,217.50
Next 10,000 Gallons		15,148,700	\$ 2.00 per 1,000 Gal.	30,297.40
Next 25,000 Gallons		9,350,000	\$ 1.25 per 1,000 Gal.	11,687.50
Over 40,000 Gallons		3,855,600	\$ 0.75 per 1,000 Gal.	2,891.70
Totals	4,800	46,895,700		\$ 92,094.10 Total Revenue

Instructions for Completing Revenue Table:

- (1) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (2) Complete Column No. 4 using rates either present or proposed.
- (3) Column No. 5 is completed by first multiplying the bills times the minimum charge.
- (4) Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

V. General Information/Customer Notice

1) Filing Requirements:

a. If the applicant is a corporation, a certified copy of its articles of incorporation must be attached to this application. If the articles and any amendments thereto have already been filed with the Commission in a prior proceeding, it will be sufficient to state that fact in the application and refer to the style and case number of the prior proceeding.

b. An original and 10 copies of the completed application should be sent to:

Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Post Office Box 615
Frankfort, Kentucky 40602

Telephone: 502 / 564 – 3940

c. One Copy of the completed application should also be sent at the same time to:

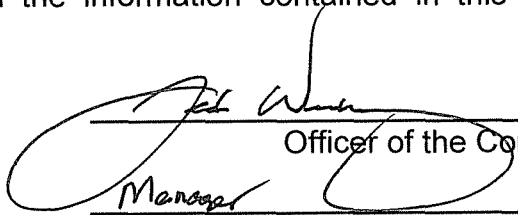
Public Service Litigation Branch
Office of the Attorney General
Post Office Box 2000
Frankfort, Kentucky 40602-2000

2) A copy of the customer notice must be filed with this application. Proper notice must comply with Section 4 of this regulation.

3) Copies of this form and the regulation may be obtained from the Commission's Office of Executive Director; or by calling 502 / 564 – 3940.

4) I have read and completed this application, and to the best of my knowledge all the information contained in this application is true and correct.

Signed



Officer of the Company

Title

Manager

Date

11/27/06

For Area Acquired From City Of Hazard
Attachment A-2
Revenue from Present Rates
Test Period form 01-01-05 to 12-31-05

USAGE TABLE
Usage by Rate Increment

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
	Bills	mcf	First 1 mcf	next 49 mcf	next 50 mcf	next 100 mcf	next 800 mcf	next 9999999 mcf	Total
First 1 mcf	686	686	686						686
next 49 mcf	828	6,241	828	5,413					6,241
next 50 mcf	29	2,362	29	1,421	912				2,362
next 100 mcf	18	2,346	18	882	900	546			2,346
next 800 mcf	13	3,773	13	637	650	1,300	1,173		3,773
next 9999999 mcf									-
TOTAL	1,574	15,408	1,574	8,353	2,462	1,846	1,173	-	15,408

REVENUE TABLE
Revenue by Present Rate Increment

(1)	(2) BILLS	(3) Mcf	(4) Rates	(5) Revenue
First 1 mcf	1574	1574	\$ 9.16 Minimum Bill	\$14,417.84
next 49 mcf		8353	\$ 6.60 next 49 mcf	\$55,129.80
next 50 mcf		2462	\$ 6.54 next 50 mcf	\$16,101.48
next 100 mcf		1846	\$ 6.51 next 100	\$12,017.46
next 800 mcf		1173	\$ 6.47 next 800	\$7,589.31
next 9999999 mcf		0	\$ 6.43 next 9999999	\$0.00
Total	1574	15,408		\$105,255.89

REVENUE TABLE
Revenue by Proposed Rate Increment

(1)	(2) BILLS	(3) Mcf	(4) Rates	(5) Revenue
First 1 mcf	1574	1574	\$ 9.52 Minimum Bill	\$14,984.48
next 49 mcf		8353	\$ 9.40 next 49 mcf	\$78,518.20
next 50 mcf		2462	\$ 9.40 next 50 mcf	\$23,142.80
next 100 mcf		1846	\$ 9.40 next 100	\$17,352.40
next 800 mcf		1173	\$ 9.40 next 800	\$11,026.20
next 9999999 mcf		0	\$ 9.40 next 9999999	\$0.00
Total	1574	15,408		\$145,024.08

Floyd County & Caney Creek
 Attachment A-1
 Revenue from Present Rates
 Test Period from 01-01-05 to 12-31-05

USAGE TABLE
 Usage by Rate Increment

(1)	(2)	(3)	(4)	(5)	(10)
	Bills	mcf	First 1 mcf	over 1 mcf	Total
First 1 mcf	1,820	1,820	1,820		1,820
Over 1 mcf	2,621	23,749	2,621	21,128	23,749
TOTAL	4,441	25,569	4,441	21,128	25,569

REVENUE TABLE
 Revenue by Present Rate Increment

(1)	(2) BILLS	(3) Mcf	(4) Rates	(5) Revenue
First 1 mcf	4441	4441	\$ 9.52 Minimum Bill	\$42,278.32
Over 1 mcf		21128	\$ 9.40 over 1 mcf	\$198,603.20
Total	4441	25,569		\$240,881.52

The request does not affect these rates.

ATTACHMENT A

Martin Gas, Inc.
Present and Proposed Rates

Floyd County & Caney Creek Rates (Attachment A-1)

<u>Present Rates</u>	<u>Proposed Rates</u>	<u>% Increase</u>
9.16	9.16	0.00%
9.40	9.40	0.00%

Area Acquired From City of Hazard Rates (Attachment A-2)

<u>Present Rates</u>	<u>Proposed Rates</u>	<u>% Increase</u>
9.16	9.52	3.93%
6.60	9.40	42.42%
6.54	9.40	43.73%
6.51	9.40	44.39%
6.51	9.40	44.39%
6.47	9.40	45.29%
6.43	9.40	46.19%

ATTACHMENT A-1

FOR Floyd County & Caney Creek Customers
Community, Town or City

P.S.C. KY. NO. 2004-00155

115 SHEET NO. 1

CANCELLING P.S.C. KY. NO. 90-402-AG

114 SHEET NO. 1

Martin Gas, Inc.
(Name of Utility)

RATES AND CHARGES

RATE SCHEDULE:

AVAILABILITY SERVICE: For all residential and commercial purposes.

RATE

FIRST	1 MCF	\$ 9.5162
OVER	1 MCF	\$ 9.3994

DATE OF ISSUE June 25, 2004
Month / Date / Year

DATE EFFECTIVE July 1, 2004
Month / Date / Year

ISSUED BY [Signature]
(Signature of Officer)

TITLE President

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2004-00155 DATED June 25,
2004

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE
7/1/2004
PURSUANT TO 807 KAR 5:011
SECTION 9 (1)

By [Signature]
Executive Director

Form for filing Rate Schedules

For Area Acquired From City of Hazard
Community, Town or City

P.S.C. NO. _____

_____ SHEET NO. _____

CANCELLING P.S.C. NO. _____

_____ SHEET NO. _____

MARTIN GAS, INC.
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

			RATE PER UNIT
<p>RATE SCHEDULE: Applies only to Knott and Perry County customers acquired from the City of Hazard.</p> <p>AVAILABILITY OF SERVICE: For all residential and commercial purposes.</p>			
RATE	FIRST	1 MCF	\$9.16
	NEXT	49 MCF	6.60
	NEXT	50 MCF	6.54
	NEXT	100 MCF	6.51
	NEXT	800 MCF	6.47
	THROUGH	999999999 MCF	6.43
	MINIMUM BILL		9.16

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

NOV 16 1999

PURSUANT TO 807 KAR 5:011,
SECTION 9(1)

BY: Stephan D. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE 12-16-99

DATE EFFECTIVE 11-16-99

ISSUED BY JED W. WEINBERG
Name of Officer

TITLE Manager

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. _____ dated _____.

Book Asset Detail 1/01/05 - 12/31/05

MARTIN MARTIN GAS, INC
 61-0608045
 FYE: 12/31/2005

ATTACHMENT

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: A/C# 374 - LAND AND LAND											
26	LAND	1/01/70	1,528.00	0.00	0.00	0.00	0.00	0.00	1,528.00	Land	0.0
A/C# 374 - LAND AND LAND											
Group: A/C# 376 TRANSMISSION											
1	TRANS & DIST LINES	10/01/83	12,720.00	0.00	0.00	6,673.34	282.67	6,956.01	5,763.99	S/L	45.0
2	TRANS & DIST LINES	10/01/84	4,350.00	0.00	0.00	2,153.34	96.67	2,250.01	2,099.99	S/L	45.0
4	TRANS & DIST LINES	10/01/86	21,012.00	0.00	0.00	9,169.86	466.93	9,636.79	11,375.21	S/L	45.0
6	METERS	6/01/87	50,810.00	0.00	0.00	19,872.22	1,129.11	21,001.33	29,808.67	S/L	45.0
32	TRANS & DIST LINES	7/01/91	252,274.00	0.00	0.00	207,512.54	16,818.27	224,330.81	27,943.19	S/L	15.0
36	TRANS & DIST LINES-HAZ	7/01/99	50,000.00	0.00	0.00	18,336.66	3,333.33	21,669.99	28,330.01	S/L	15.0
37	TRANS & DIST - MART	7/01/99	40,826.00	0.00	0.00	14,972.46	2,721.73	17,694.19	23,131.81	S/L	15.0
38	HOUSING AUTHORITY	1/01/86	21,407.00	0.00	0.00	6,162.70	324.35	6,487.05	14,919.95	S/L	66.0
A/C# 376 TRANSMISSION											
			453,399.00	0.00c	0.00	284,853.12	25,173.06	310,026.18	143,372.82		
Group: A/C# 377											
41	LINE LOCATOR	1/15/04	3,890.86	0.00	0.00	555.84	555.84	1,111.68	2,779.18	S/L	7.0
A/C# 377											
Group: A/C# 380 SERVICES											
39	HOUSING AUTHORITY	1/01/86	13,100.00	0.00	0.00	6,223.00	327.50	6,550.50	6,549.50	S/L	40.0
A/C# 380 SERVICES											
Group: A/C# 381 METERS & ACCT											
3	METERS	10/01/82	900.00	0.00	0.00	900.00	0.00	900.00	0.00	S/L	15.0
5	METERS	10/01/86	6,600.00	0.00	0.00	6,600.00	0.00	6,600.00	0.00	S/L	15.0
27	METERS	7/01/89	2,645.00	0.00	0.00	2,645.00	0.00	2,645.00	0.00	S/L	15.0
29	METERS	12/06/89	15,000.00	0.00	0.00	5,864.00	1,000.00	6,864.00	8,136.00	S/L	15.0
40	HOUSING AUTHORITY	1/01/86	2,709.00	0.00	0.00	1,391.44	73.22	1,464.66	1,244.34	S/L	37.0
42	METERS - MCJUNKIN	8/31/04	18,948.00	0.00	0.00	421.07	1,263.20	1,684.27	17,263.73	S/L	15.0
A/C# 381 METERS & ACCT											
			46,802.00	0.00c	0.00	17,821.51	2,336.42	20,157.93	26,644.07		
Group: A/C# 382 METER INSTALLATI											
7	METER INSTALLATION	6/01/87	28,100.00	0.00	0.00	10,983.88	624.44	11,608.32	16,491.68	S/L	45.0
30	METER INSTALLATION	12/06/89	15,000.00	0.00	0.00	5,864.00	1,000.00	6,864.00	8,136.00	S/L	15.0
A/C# 382 METER INSTALLATI											
			43,100.00	0.00c	0.00	16,847.88	1,624.44	18,472.32	24,627.68		
Group: A/C# 391 - OFFICE FURNITU											
9	CALCULATOR	1/01/75	400.00	0.00	0.00	400.00	0.00	400.00	0.00	S/L	7.0

Book Asset Detail 1/01/05 - 12/31/05

FYE: 12/31/2005

Asset *	Property Description	Date In Service	Book Cost	Book Sec 179 Exp	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Value	Book Method	Book Period
Group: A/C# 391 - OFFICE FURNITU (continued)											
28	OFFICE FURNITURE	9/11/89	2,736.00	0.00	0.00	2,736.00	0.00	2,736.00	0.00	S/L	10.0
31	OFFICE FURNITURE	12/14/89	178.00	0.00	0.00	178.00	0.00	178.00	0.00	S/L	10.0
33	OFFICE FURNITURE	4/27/92	1,267.00	0.00	0.00	1,267.00	0.00	1,267.00	0.00	200DB	7.0
34	COMPUTER	8/28/92	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	200DB	7.0
	A/C# 391 - OFFICE FURNITU		5,581.00	0.00c	0.00	5,581.00	0.00	5,581.00	0.00		
	Grand Total		567,400.86	0.00c	0.00	331,882.35	30,017.26	361,899.61	205,501.25		

Martin Gas, Inc,
Notice to Customers of Proposed Rated Changes

The rates contained in this notice are the rates proposed by Martin Gas, Inc. However, the Public Service Commission may order rates to be charged that are higher or lower than the rates proposed in this notice. Any corporation, association, body politic or person may request leave to intervene by motion within thirty (30) days after notice of the proposed rate changes is given. A motion to intervene shall be in writing, shall be submitted to the Executive Director, Public Service Commission, 211 Sower Booulevard, P.O. Box 615, Frankfort, Kentucky, 40602, and shall set forth the grounds for the motion, including the status and interest of the party movant. Copies of the application may be obtained at no charge from Martin Gas, Inc. at 117 Driftwood Lane, Hindman, Kentucky. Upon request from an intervenor, the applicant shall furnish to the intervenor a copy of the application and supporting documents.

Proposed Rates
For all residential and commercial purposes

First 1 mcf	\$ 9.5162
Over 1 mcf	\$9.3994

Commonwealth of Kentucky

OFFICE OF
SECRETARY OF STATE

DREXELL R. DAVIS
Secretary



FRANKFORT,
KENTUCKY

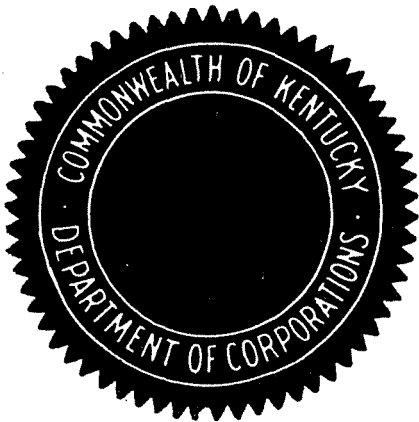
CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION

I, DREXELL R. DAVIS, Secretary of State of the Commonwealth of Kentucky, do hereby certify that Amended Articles of Incorporation of

BUCKS BRANCH GAS COMPANY

CHANGING NAME TO: MARTIN GAS, INC.

amended pursuant to Kentucky Revised Statutes, 271A, (~~273~~) duly signed and verified or acknowledged according to law, have been filed in my office by said corporation, and that all taxes, fees and charges payable upon the filing of said Articles of Amendment have been paid.



SECRETARY OF STATE

Given under my hand and seal of Office as Secretary of State, at Frankfort, Kentucky, this 28th
day of MARCH, 1977.

Drexell R. Davis
SECRETARY OF STATE

ASSISTANT SECRETARY OF STATE

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

BUCKS BRANCH GAS COMPANY
(Name changed herein to Martin Gas, Inc.)

ORIGINAL COPY
FILED
SECRETARY OF STATE OF KENTUCKY
FRANKFORT, KENTUCKY

MAR 28 1977

Dwight Davis
SECRETARY OF STATE
met

Pursuant to the provisions of KRS 271A.290, et seq.,
BUCKS BRANCH GAS COMPANY, a Kentucky corporation, adopts the
following Articles of Amendment to its Articles of Incorporation:

1. The name of the Corporation is Bucks Branch Gas
Company (name changed herein to Martin Gas, Inc.), hereinafter
called the "Corporation".

2. The following amendments of the Articles of Incorporation were unanimously adopted by the shareholders pursuant to KRS 271A.665 by consent in writing of all of the shareholders dated MARCH 9, 1977, to-wit:

A. Article I of the Articles of Incorporation is amended so as to provided in its entirety:

The name of the Corporation is MARTIN GAS, INC.

B. Article II of the Articles of Incorporation is amended so as to provide in its entirety:

The Registered Office of the Corporation shall be at the Allen-Weddington Building, Court Street and Arnold Avenue, Prestonsburg, Floyd County, Kentucky, and the name of its Registered Agent at such address is David D. Allen.

C. Article VIII of the Articles of Incorporation is amended so as to provide in its entirety:

The business and affairs of the Corporation shall be conducted by two (2) Directors to be elected at the

annual meeting of the shareholders who shall hold office for the term for which they are elected and until their successors have been elected and have qualified, whichever is later.

The Board of Directors shall elect as officers of the Corporation a President, Vice President, Secretary and Treasurer, any two (2) or more of which offices, except for the offices of President and Secretary, may be held by the same person, which officers shall serve for the terms to which they are elected and until their successors have been elected and have qualified, whichever occurs last.

The Board of Directors shall have power to adopt such by-laws to regulate the business of the Corporation as will not be inconsistent with the provisions of these Articles of Incorporation, or the laws of the Commonwealth of Kentucky.

D. Articles IX and X of the Articles of Incorporation are hereby revoked and deleted in their entirety.

This 9th day of March 1977.

BUCKS BRANCH GAS COMPANY

By: Clyde Allen
President

By: Claude L. Allen
Secretary

STATE OF KENTUCKY

COUNTY OF Boyd

I, John Allen, a Notary Public in and for the State and County aforesaid, do hereby certify that on this 9th day of March, 1977, personally appeared before me Claude L. Allen, who, being by me first duly sworn, declared that he is the President of Bucks Branch Gas Company, a Kentucky corporation, that he signed the foregoing Articles of Amendment to the Articles of Incorporation of Bucks Branch Gas Company as President of said Corporation, and that the statements contained therein are true.

My commission expires: June 14, 1978

This instrument was prepared by Richard W. Iler
of Jarrant, Combs & Bullitt, Attorneys
26th Floor, Citizens Plaza
Louisville, Kentucky 40202

Richard W. Iler
Signature

John Allen
Notary Public
Boyd County, Kentucky



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PUBLIC SERVICE
COMMISSION

CLEAN GAS, INC.
P.O. Box 783
HINDMAN, KY 41822

to: Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602