

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT )      CASE NO.  
FILING OF MARTIN GAS, INC.                    )      2022-00153

ORDER

On May 26, 2022, Martin Gas, Inc. (Martin) filed its proposed Gas Cost Recovery (GCR) rate report to be effective July 1, 2022. Martin's previous GCR rate was approved in Case No. 2022-00059.<sup>1</sup>

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.<sup>2</sup>

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

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<sup>1</sup> Case No. 2022-00059, *Electronic Purchased Gas Adjustment Filing of Martin Gas, Inc.* (Ky. PSC Mar. 30, 2022).

<sup>2</sup> KRS 278.274(2), KRS 278.274(3)(c); and KRS 278.274(3)(d).

1. Martin's report includes revised rates designed to pass on to its customers its expected change in gas costs.

2. Martin's report sets out an Expected Gas Cost (EGC) of \$6.1820 per Mcf, which is an increase of \$0.6042 per Mcf from its previous EGC of \$5.5778 per Mcf.

3. Martin's report sets out no supplier Refund Adjustment.

4. Martin's report sets out a current quarter Actual Adjustment (AA) of \$0.6212 per Mcf. In calculating its current quarter AA, Martin erroneously included an incorrect amount for the EGC in effect for the months of January, February, and March 2022. The EGC in effect for those months is \$5.0654 per Mcf as approved by the Commission in Case No. 2021-00449.<sup>3</sup> Martin's corrected current quarter AA is \$0.6635 per Mcf. This produces a total AA of \$1.2433 per Mcf, which is an increase of \$0.6335 per Mcf from the previous total AA of \$0.6098 per Mcf.

5. Martin's report sets out a current quarter Balance Adjustment (BA) of (\$0.0045) per Mcf. Martin did not include the reconciliation of the expired (\$0.0030) per Mcf quarter BA previously approved in Case No. 2021-00099<sup>4</sup> in the calculation of its current quarter BA. Correcting this produces a corrected current quarter BA of \$0.0024 per Mcf. Martin's total BA is (\$0.0108) per Mcf, which is an increase of \$0.0046 per Mcf from its previous total BA of (\$0.0154) per Mcf.

6. Martin's corrected GCR rate is \$7.4145 per Mcf, which is an increase of \$1.2423 per Mcf from the previous GCR rate of \$6.1722 per Mcf.

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<sup>3</sup> Case No. 2021-00449, *Electronic Purchased Gas Adjustment Filing of Martin Gas, Inc.* (Ky. PSC Dec. 16, 2021).

<sup>4</sup> Case No. 2021-00099, *Electronic Purchased Gas Adjustment Filing of Martin Gas, Inc.* (Ky. PSC Mar. 31, 2021).

7. The rates set forth in the Appendix to this Order are fair, just and reasonable and are approved for service rendered by Martin on and after July 1, 2022.

8. For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Martin shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.

9. Should Martin purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Martin are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered on and after July 1, 2022.
3. Martin shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.
4. Within 20 days of the date of entry of this Order, Martin shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.
5. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
\_\_\_\_\_  
Chairman

\_\_\_\_\_  
Vice Chairman

\_\_\_\_\_  
Commissioner



ATTEST:

  
\_\_\_\_\_  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2022-00153 DATED JUN 24 2022

The following rates and charges are prescribed for the customers in the area served by Martin Gas, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of this Commission prior to the effective date of this Order.

Retail Rates

|         | <u>Base Rate</u> | <u>Gas Cost<br/>Recovery<br/>Rate</u> | <u>Total</u> |
|---------|------------------|---------------------------------------|--------------|
| All Mcf | \$ 4.9946        | \$7.4145                              | \$ 12.4091   |

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