

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF MARTIN GAS, INC.)	2022-00308

ORDER

On September 6, 2022, Martin Gas, Inc. (Martin) filed its proposed Gas Cost Recovery (GCR) rate report to be effective October 1, 2022. On September 20, 2022, Martin filed supplemental documentation into the case record. Martin's previous GCR rate was approved in Case No. 2022-00153.¹

LEGAL STANDARD

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.²

¹ Case No. 2022-00153, *Electronic Purchased Gas Adjustment Filing of Martin Gas, Inc.* (Ky. PSC June 24, 2022).

² KRS 278.274(2), KRS 278.274(3)(c), and KRS 278.274(3)(d).

DISCUSSION

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that Martin's report includes revised rates designed to pass on to its customers its expected change in gas costs.

Martin's report sets out an Expected Gas Cost (EGC) of \$6.2660 per Mcf, which is an increase of \$0.0840 per Mcf from its previous EGC of \$6.1820 per Mcf. Martin's report sets out no supplier Refund Adjustment. Martin's report sets out a current quarter Actual Adjustment (AA) of \$0.0515 per Mcf. In calculating the total AA, Martin erroneously included an incorrect amount of \$0.0596 per Mcf for the Third Previous Quarter AA. The Third Previous Quarter AA is \$0.0593 per Mcf as approved by the Commission in Case No. 2021-00449.³ Martin's corrected total AA is \$1.2775 per Mcf, which is an increase of \$0.0342 per Mcf from the previous total AA of \$1.2433 per Mcf. Martin's report sets out a current quarter Balance Adjustment (BA) of (\$0.0051) per Mcf. Martin's total BA is (\$0.0138) per Mcf, which is a decrease of \$0.0030 per Mcf from the previous total BA of (\$0.0108) per Mcf.

Based on the calculations above, the Commission finds that Martin's corrected GCR rate is \$7.5297 per Mcf, which is an increase of \$0.1152 per Mcf from the previous GCR rate of \$7.4145 per Mcf. The Commission further finds that 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 October 6, 2022. Martin did not provide the 30 days' notice required for its rates to be effective October 1, 2022.

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

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. 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 October 6, 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 service 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. 2022-00308 DATED SEP 27 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 Recovery Rate</u>	<u>Total</u>
All Mcf	\$ 4.9946	\$7.5297	\$ 12.5243

*Martin Gas, Inc.
P. O. Box 783
Hindman, KY 41822

*Kevin Jacobs
Martin Gas, Inc.
P. O. Box 783
Hindman, KY 41822

*Zachary Weinberg
Pres.
Martin Gas, Inc.
P. O. Box 783
Hindman, KY 41822