

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MARTIN GAS, INC., FOR)
AUTHORITY TO ADJUST RATES AND TO EXTEND) CASE NO. 90-402
CURRENT SURCHARGE)

O R D E R

On September 30, 1991, the Commission issued an Order in this matter establishing new rates for Martin Gas, Inc. ("Martin Gas"). Martin Gas has applied for rehearing contending that the authorized rates do not produce the level of operating revenue found reasonable and that the denial of an allowance for income tax expense and an extension of Martin Gas's existing surcharge should be reconsidered.

As to Martin Gas's contention that the authorized rates do not produce the approved level of revenues, the Commission concurs. Due to mathematical error in their calculation, the rates approved in the Commission's Order of September 30, 1991 will not produce the approved level of revenue. Based upon our review, the rates set forth in Martin Gas's petition will not do so either. The Commission finds that the rates set forth in Appendix A, as adjusted to reflect Martin Gas's most recent purchased gas adjustments,¹ will produce the correct level of

¹ Case No. 10204-G, Notice of Purchased Gas Adjustment Filing of Martin Gas, Inc., Order dated March 11, 1991 and Case No. 10204-J, Notice of Purchased Gas Adjustment Filing of Martin Gas, Inc., Order dated October 29, 1991.

revenue, see Appendix B, and should be made effective as of September 30, 1991.

As to the allowance for income tax expense and extension of surcharge, Martin Gas has presented no new evidence nor advanced any new argument to disturb the Commission's earlier findings. Accordingly, the Commission finds that Martin Gas's petition as to these issues should be denied.

IT IS THEREFORE ORDERED, to be entered nunc pro tunc, that the rates in Appendix A are approved for service rendered by Martin Gas on and after September 30, 1991.

IT IS FURTHER ORDERED that:

1. Martin Gas's Petition for Rehearing and Reconsideration is denied.
2. Within 30 days of the date of this Order, Martin Gas shall file with this Commission its revised tariff sheets setting out its approved rates.

Done at Frankfort, Kentucky, this 7th day of November, 1991.


PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman

Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 90-402 DATED 11/07/91

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 authority of this Commission prior to the effective date of this Order.

Rates: Monthly

First 1 Mcf	\$ 7.09
Over 1 Mcf	6.9685 Per Mcf

Minimum Bill

The minimum bill shall be	\$ 7.09
Temporary Surcharge	3.12

The base rate for the future application of the purchased gas adjustment of Martin Gas, Inc. shall be:

	<u>Commodity</u>
Columbia Gas of Kentucky, Inc.	\$ 3.7348 Per Mcf
Southeastern Gas Company	0.140 Per Mcf

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
 COMMISSION IN CASE NO. 90-402 DATED 11/07/91

SUMMARY OF RATE CALCULATION

Using gas cost authorized in Case No. 10204-F, per application in Case No. 90-402, rates should produce allowed revenues of \$267,179.

Check:	\$6.73	x	5,094	=	\$ 34,282.62
	6.6132	x	35,217	=	232,897.06
					<u>\$267,179.68</u>

Above rates adjusted for subsequent purchased gas adjustments:

	\$ 6.73		\$ 6.6132
Case No. 10204-G	+ 0.46		+ 0.4587
	<u>\$ 7.19</u>		<u>\$ 7.0719</u>
Case No. 10204-J	- 0.10		- 0.1034
	<u>\$ 7.09</u>		<u>\$ 6.9685</u>