

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE NOTICE OF PURCHASED GAS)
ADJUSTMENT FILING OF MARTIN) CASE NO. 2004-00155
GAS, INC.)

ORDER

On September 30, 1991, in Case No. 1990-00402, the Commission approved certain adjusted rates for Martin Gas, Inc. (“Martin”) and provided for their further adjustment when Martin’s wholesale cost of gas changes or a refund is received.¹

On April 30, 2004, Martin filed its Gas Cost Adjustment (“GCA”) after a Commission Staff auditor reported that Martin had not revised its rates to reflect the addition of two gas suppliers and revisions in the rates of its existing gas suppliers. The auditor recommended that Martin submit a GCA based upon its current gas costs.² Martin has requested a waiver from implementing its GCA because the new GCA will increase rates by \$1.108 per Mcf.³

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

¹ Case No. 1990-00402, Application of Martin Gas, Inc. for Authority to Adjust Rates and to Extend Current Surcharge, Order dated September 30, 1991.

² Daniel Hinton, Martin Gas, Inc.: Report of Examination (March 18, 2004) at 3-4.

³ Letter of April 28, 2004 from William R. Wienburg, Vice President, Martin Gas, Inc., to Thomas M. Dorman, Executive Director, Public Service Commission, at 1.

1. Martin's notice proposed rates designed to pass on to its customers revised rates from Clean Gas, Clean Gas Agent, and Equitable.

2. Rates for Clean Gas and Clean Gas Agent are \$5.00 per Mcf, an increase of \$1.50 per Mcf from the rate reflected in Martin's current GCA. Equitable's rate is currently \$7.5712 per Mcf, a decrease of \$6.9988 per Mcf from the rate reflected in the current GCA.

3. The proposed GCA will not result in an increase in customer rates. In calculating the level of gas costs approved in its previous GCA,⁴ Martin used 29,766 Mcf instead of 37,283 Mcf. Correcting for this error results in a net decrease in the total rate for Martin of \$1.3743 per Mcf.

4. As the basis for Martin's request for waiver no longer exists, the request should be denied.

5. The rate adjustment in the Appendix to this Order is fair, just, and reasonable, and should be effective with gas supplied on and after July 1, 2004.

IT IS THEREFORE ORDERED that:

1. Martin's proposed rates and its request for a waiver are denied.

2. The rates in the Appendix to this Order are fair, just, and reasonable and are approved effective for gas supplied on and after July 1, 2004.

3. Within 20 days of the date of this Order, Martin shall file with the Commission its revised tariff sheets setting out the rates authorized herein.

⁴ Case No. 90-402-AG, The Notice of Purchase Gas Adjustment Filing of Martin Gas, Inc. (Ky.PSC Feb.15, 2001)

4. Within 20 days of the date of this Order, Martin shall file any new or modified gas supply contract provisions with the Commission.

Done at Frankfort, Kentucky, this 25th day of June, 2004.

By the Commission

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2004-00155 DATED JUNE 25, 2004

The following rates and charges are prescribed for the customers 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

The minimum bill shall be	\$9.5162
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All Over 1 Mcf	\$9.3994
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The base rate for the future application of the purchased gas adjustment clause of Martin Gas, Inc. shall be:

Commodity

Clean Gas	\$5.50
Clean Gas, Agent	\$5.50
Equitable Energy	\$7.5712