

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF MARTIN GAS, INC.) CASE NO. 2009-00372

ORDER

On September 30, 1991, in Case No. 1990-00402, the Commission approved certain adjusted rates for Martin Gas, Inc. ("Martin").¹ In November 2004, Martin proposed, and the Commission approved, changes to its tariff that included, among other items, changes to its Gas Cost Adjustment ("GCA") clause. Those changes updated the methodology of calculating the components of the GCA.

On September 15, 2009, Martin filed a GCA for rates to be effective October 1, 2009. Martin did not give the required 30-day notice for an increase in rates to take effect on October 1. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Martin's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.
2. Martin's notice sets out an Expected Gas Cost ("EGC") of \$5.0000 per Mcf, which represents no change from its prior EGC.

¹ Case No. 1990-00402, Application of Martin Gas, Inc. for Authority to Adjust Rates and to Extend Current Surcharge (Ky. PSC Sept. 30, 1991).

3. Martin's notice sets out no Refund Adjustment ("RA") for the current quarter and no total RA, which is no change from the prior total RA.

4. Martin's notice sets out a current quarter Actual Adjustment ("AA") of \$.0110 per Mcf. Martin calculated its AA using an incorrect "EGC in effect for month" for January, February, and March 2009. Staff recalculated the current quarter AA by using the EGC of \$.0064 per Mcf that was actually in effect for these months and dividing the "Total cost difference" by the 12 months of sales of 41,695 Mcf instead of by 213351.69 as Martin had done. Martin's corrected current AA is \$.0532 per Mcf. Martin's total AA is \$.0635 per Mcf, representing an increase of \$.0532 per Mcf from the previous quarter total AA of \$.0103 per Mcf.

5. Martin's notice sets out no Balance Adjustment.

6. Martin's GCA is \$.0635 per Mcf, which is an increase of \$.0532 per Mcf from its previous rate of \$.0103 per Mcf.

7. Martin's proposed effective date of October 1, 2009 should be denied.

8. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for billing for service rendered by Martin on and after October 15, 2009.

IT IS THEREFORE ORDERED that:

1. Martin's proposed rates are denied.

2. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after October 15, 2009.

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.

By the Commission

ENTERED *M*
SEP 25 2009
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2009-00372 DATED **SEP 25 2009**

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 the Commission prior to the effective date of this Order.

RETAIL RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
First Mcf	\$4.3976	\$5.0635	\$9.4611
Over 1 Mcf	\$4.2808	\$5.0635	\$9.3443
Minimum Bill	\$9.4611		

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