

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT) CASE NO. 2010-00220
FILING OF MARTIN GAS, INC.)

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 June 3, 2010, Martin filed a GCA for rates to be effective July 1, 2010. 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.
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.

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).

4. Martin's notice sets out a current quarter Actual Adjustment ("AA") of \$.0037 per Mcf. Martin miscalculated its current AA by dividing its Total Cost Difference of \$732.31 from Schedule IV by its Total Expected Gas of \$200,294.65 instead of dividing by the 12 months' sales volume of 38,939 Mcf. Correcting this error produces a current AA of \$.0188 per Mcf. Martin also miscalculated its total AA by failing to include the Previous Quarter Reported AA of \$.0005 in its calculation and using \$.0001 instead, and by failing to include the Third Previous Quarter Reported AA of \$.0532 per Mcf and using \$.0110 instead. Correcting for this produces a total AA of \$.0730 per Mcf, representing an increase of \$.0050 per Mcf from the previous quarter total AA of \$.0680 per Mcf.

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

6. Martin's GCA is \$5.0730 per Mcf, which is an increase of \$.0050 per Mcf from its previous rate of \$5.0680 per Mcf.

7. 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 July 3, 2010. Martin did not give the 30 days' notice required for its increase in rates to be effective July 1, 2010.

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 July 3, 2010.

3. Within 20 days of the date of this Order, Martin shall file its revised tariff sheets with the Commission setting out the rates authorized herein and reflecting that they were approved pursuant to this Order.

By the Commission

ENTERED *ew*
JUN 25 2010
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00220 DATED **JUN 25 2010**

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	\$5.0730	\$9.4706
Over 1 Mcf	\$4.2808	\$5.0730	\$9.3538
Minimum Bill	\$9.4706		

Jed Weinberg
Manager
Martin Gas, Inc.
P. O. Box 783
Hindman, KY 41822