

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	CASE NO.
ADJUSTMENT FILING OF MARTIN GAS, INC.)	2021-00099

ORDER

On February 23, 2021, Martin Gas, Inc. (Martin) filed its proposed Gas Cost Recovery (GCR) rate report to be effective April 1, 2021. On March 25, 2021, Martin filed supplemental information to its GCR rate report. Martin's previous GCR rate was approved in Case No. 2020-00388.¹

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

1. Martin's report includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Martin's report sets out an Expected Gas Cost (EGC) of \$4.9629 per Mcf, which is an increase of \$.0377 per Mcf from its previous EGC of \$4.9252 per Mcf.
3. Martin's report sets out no supplier Refund Adjustment.
4. Martin's report sets out a current quarter Actual Adjustment (AA) of (\$.0234) per Mcf. Included in the GCR rate report is a table labeled as Gas Sold for each month of 2020. The total from the table matches the 12-month sales ended December 31, 2020, of 26,008 Mcf but does not match with the monthly total sales and actual sales listed in

¹ Case No. 2020-00388, *Electronic Purchased Gas Adjustment Filing of Martin Gas, Inc.* (Ky. PSC Dec. 21, 2020).

the current quarter AA for July, August, and September 2020. The AA calculation methodology includes a 5 percent limiter on line loss between the amount of natural gas purchased and sold for each month under reconciliation. When using the amounts from the Gas Sold table the line loss limiter and actual sales for each month produces a more accurate cost of natural gas. The Commission finds that the Gas Sold information provided in this report should be included in future GCR rate reports and that the monthly sales information in future quarter AA calculations should match the gas sold amounts for each month.

In this and in prior GCR rate reports Martin's quarter AA have been three months off from the reporting period used in the EGC. Due to the three month rolling calculation methodology of the GCR this lag in the AA reconciliation period does not result in an over or under collection of the actual gas cost but can result in a lag in the collection of the gas cost from ratepayers. In order to rectify this lag the current quarter AA has been modified to include the months of October, November, and December 2020 in addition to the months of July, August, and September 2020. Using the Gas Sold table, the natural gas purchased, and total monthly cost from the EGC Martin's corrected current quarter AA is (\$.0074) per Mcf. This produces a total AA of (\$.3709) per Mcf, which is an increase of \$.0242 per Mcf from its previous total AA of (\$.3951) per Mcf. Martin's next GCR rate report for the July 2021 billing cycle should include in the quarter AA calculation the reconciliation for the months of January, February, and March 2021, and the reporting period for 12-month sales ended March 31, 2021.

5. Martin's report sets out a current quarter Balance Adjustment (BA) of (\$.00005) per Mcf. Martin's Gas Cost Adjustment Clause Tariff allows the BA to be

included in the calculation of its GCR rates. Martin did not use the correct 12-month sales ended December 31, 2020, amount of 26,008 Mcf in the calculation of its current quarter BA. Martin's corrected current quarter BA and total BA is (\$.0030) per Mcf, which is a decrease of \$.0030 per Mcf from its previous total BA of \$.0000 per Mcf.

6. Martin's corrected GCR rate is \$4.5890 per Mcf, which is an increase of \$.0589 per Mcf from the previous GCR rate of \$4.5301 per Mcf.

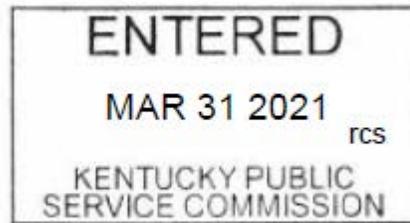
7. The rates set forth in Appendix to this Order are fair, just and reasonable and should be approved for service rendered by Martin on and after April 1, 2021.

8. 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 Appendix to this Order are approved for service rendered on and after April 1, 2021.
3. Martin's future GCR reports shall include the gas sold information for each month of the 12-month reporting period.
4. Within 20 days of the date of entry of this Order, Martin shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.
5. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00099 DATED MAR 31 2021

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	\$4.5890	\$9.5836

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

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

*Zachary Weindery
Clean Gas
P. O. Box 783
Hindman, KY 41822