

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS)	CASE NO.
ADJUSTMENT FILING OF MARTIN GAS, INC.)	2021-00449

ORDER

On December 1, 2021, Martin Gas, Inc. (Martin) filed its proposed Gas Cost Recovery (GCR) rate report to be effective January 1, 2022. Martin's previous GCR rate was approved in Case No. 2021-00348.¹

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

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

¹ Case No. 2021-00348, *Electronic Purchased Gas Adjustment Filing of Martin Gas, Inc.* (Ky. PSC Sept. 22, 2021).

² KRS 278.274(2); KRS 278.274(3)(c), and KRS 278.274(3)(d).

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 \$5.0654 per Mcf, which is an increase of \$0.0576 per Mcf from its previous EGC of \$5.0078 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 \$0.0593 per Mcf. Martin's total AA is \$0.0992 per Mcf, which is an increase of \$0.1163 per Mcf from their previous total AA of (\$0.0171) per Mcf.

5. Martin's report sets out a current quarter Balance Adjustment (BA) of (\$0.0134) per Mcf. In calculating the total BA, Martin erroneously included an incorrect amount of (\$0.0220) per Mcf for the Previous Quarter BA. The correct Previous Quarter BA is (\$0.0021) per Mcf as approved in Case No. 2021-00348.³ Correcting this produces a total BA of (\$0.0207) per Mcf, which is a decrease of \$0.0134 per Mcf from its previous total BA of (\$0.0073) per Mcf.

6. Martin's corrected GCR rate is \$5.1439 per Mcf, which is an increase of \$0.1605 per Mcf from the previous GCR rate of \$4.9834 per Mcf.

7. The rates set forth in the Appendix to this Order are fair, just and reasonable and should be approved for service rendered by Martin on and after January 1, 2022.

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.

³ Case No. 2021-00348, *Electronic Purchased Gas Adjustment Filing of Martin Gas, Inc.* (Ky. PSC Sept. 22, 2021).

IT IS THEREFORE ORDERED that:

1. The rates proposed by Martin are denied.
2. The rates set forth in the Appendix to this Order are approved for service rendered on and after January 1, 2022.
3. 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 rate approved herein and reflecting that it was approved pursuant to this Order.
4. This case is closed and removed from the Commission's docket.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

By the Commission

ENTERED
DEC 16 2021
rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2021-00449

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2021-00449 DATED DEC 16 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	\$5.1439	\$10.1385

*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