

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT )	CASE NO.
FILING OF MARTIN GAS, INC. )	2023-00287

ORDER

On August 29, 2023, Martin Gas, Inc. (Martin) filed its proposed Gas Cost Recovery (GCR) rate report to be effective October 1, 2023. Martin's previous GCR rate was approved in Case No. 2023-00190.<sup>1</sup>

LEGAL STANDARD

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.<sup>2</sup>

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<sup>1</sup> Case No. 2023-00190, *Electronic Purchased Gas Adjustment Filing of Martin Gas, Inc.* (Ky. PSC June 30, 2023).

<sup>2</sup> KRS 278.274(2), KRS 278.274(3)(c), and KRS 278.274(3)(d).

## DISCUSSION

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that Martin's report includes revised rates designed to pass on to its customers its expected change in gas costs. Martin's report sets out an Expected Gas Cost (EGC) of \$6.1123 per Mcf, which is a decrease of \$0.0426 per Mcf from its previous EGC of \$6.1549 per Mcf. Martin's report sets out no supplier Refund Adjustment. Martin's report sets out a current quarter Actual Adjustment (AA) of (\$0.0595) per Mcf. Martin's total ACA is (\$0.1602) per Mcf, which is a decrease of \$0.1110 per Mcf from the previous total AA of (\$0.0492) per Mcf. Martin's report sets out a current quarter Balance Adjustment (BA) of \$0.0293 per Mcf. Martin's total BA is (\$0.0585) per Mcf, which is an increase of \$0.0344 per Mcf from the previous total BA of (\$0.0929) per Mcf.

Martin's report sets out a GCR rate of \$5.8937 per Mcf. Due to a spreadsheet rounding error, Martin erroneously set out an incorrect GCR rate. Based on the calculations above, the Commission finds that Martin's corrected GCR rate is \$5.8936 per Mcf, which is a decrease of \$0.1192 per Mcf from the previous GCR rate of \$6.0128 per Mcf. The Commission further finds that the rates set forth in the Appendix to this Order are fair, just and reasonable and are approved for service rendered by Martin on and after October 1, 2023.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Martin should submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports. 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 rate proposed by Martin is denied.
2. The rate set forth in the Appendix to this Order is approved for service rendered on and after October 1, 2023.
3. Martin shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.
4. Within 20 days of the date of service 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.
5. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner



ATTEST:

  
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2023-00287 DATED SEP 22 2023

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	\$5.8936	\$ 10.8882

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

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

\*Zachary Weinberg  
Pres.  
Martin Gas, Inc.  
P. O. Box 783  
Hindman, KY 41822