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PUBLIC SERVICE
COMMISSION

Martin Gas Inc.
P.O. Box 783
Hindman, Kentucky 41844


February 28, 2013

Mr Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort, KY 40602-0615

Dear Mr. Derouen:

2013-00080

Please find enclosed our Quarterly Report of Gas Cost Recovery Rate Calculation and 10 copies.



Kevin Jacobs
CPA

Martin Gas Inc.

APPENDIX B

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Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

MARCH 1, 2013

Date Rates to Be Effective:

APRIL 1 2013

Reporting Period is Calendar Quarter Ended:

DECEMBER 31 2012

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0878
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.0519
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.0360

GCR to be effective for service rendered from APRIL 1 2013 to MAY 31 2013

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	172325.47
	+ <u>Sales for the 12 months ended</u> <u>12-31-12</u>	Mcf	<u>33870</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.0878

B.	<u>REFUND ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Supplier Refund Adjustment for Reporting Period (SHC. III)	\$/Mcf	
	+ Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ Second Previous Quarter Supplier Refund Adjustment	\$/Mcf	
	+ <u>Third Previous Quarter Supplier Refund Adjustment</u>	\$/Mcf	
	= Refund Adjustment (RA)	\$/Mcf	

C.	<u>ACTUAL ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Actual Adjustment for the Reporting Period (Schedule IV)	\$/Mcf	-0.0112
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.0159
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.0260
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0.0012
	= Actual Adjustment (AA)	\$/Mcf	-0.0519

C.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	0.0000
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	0
	+ Second Previous Quarter Balance Adjustment	\$/Mcf	0
	+ <u>Third Previous Quarter Balance Adjustment</u>	\$/Mcf	0
	= Balance Adjustment (BA)	\$/Mcf	0.0000

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended 12-31-12

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	1/31/2012	5401.67	5.02326	27133.97
	2/29/2012	6067.31	5.00587	30372.17
	3/31/2012	2834.10	4.99876	14166.99
	4/30/2012	2361.27	4.99245	11788.52
	5/31/2012	1850.16	4.99746	9246.10
	6/30/2012	1156.00	5.00000	5780.00
	7/31/2012	1311.88	4.99893	6558.00
	8/31/2012	1612.31	5.00342	8067.06
	9/30/2012	1156.63	4.99958	5782.66
	10/31/2012	2647.00	5.00000	13235.00
	11/30/2012	3774.00	5.00000	18870.00
	12/31/2012	4265.00	5.00000	21325.00
Totals		34437.33	5.0040	172325.47

Line loss for 12 months ended 12-31-12 is -0.01647 based on purchases of 34437.33 Mcf and sales of 33870.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	172325.47
+ <u>Mcf Purchases (4)</u>	Mcf	<u>34437.33</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.0040
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>34437.33</u>
= Total Expected Gas Cost (to Schedule IA)	\$	172325.47

* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.
**Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended SEPTEMBER 30 2012

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>7-31-12</u>	<u>8-31-12</u>	<u>9-30-12</u>
Total Supply Volumes Purchased	Mcf	1311.88	1612.31	1156.63
Total Cost of Volumes Purchased	\$	6558	8067.06	5782.66
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	1311.88	1612.31	1156.63
<hr/>				
= Unit Cost of Gas	\$/Mcf	4.9989	5.0034	4.9996
- <u>EGC in effect for month</u>	\$/Mcf	5.0059	<u>5.0938</u>	<u>5.0938</u>
= Difference <u>[(over-)/Under-Recovery]</u>	\$/Mcf	-0.0949	-0.09038	-0.09422
<u>x Actual sales during month</u>	Mcf	<u>1311.88</u>	<u>1612.31</u>	<u>1156.63</u>
<u>= Monthly cost difference</u>	\$	-124.45	-145.72	-108.98

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-379.16
+ <u>Sales for 12 months ended 12-31-12</u>	Mcf	33870.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	-0.0112