

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

RECEIVED

NOV 25 2013

PUBLIC SERVICE  
COMMISSION

November 20, 2013

RECEIVED


NOV 25 2013

PUBLIC SERVICE  
COMMISSION

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

Dear Mr. Derouen:

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

  
Kevin Jacobs  
CPA

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed:

December 1, 2013

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Date Rates to Be Effective:

January 1 2014

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Reporting Period is Calendar Quarter Ended:

September 30 2013

## SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0214
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.1024
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		4.9190

GCR to be effective for service rendered from January 1 2014 to February 28 2014

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	179449.26
	+ <u>Sales for the 12 months ended</u> <u>9-30-13</u>	Mcf	<u>35737</u>
	= Expected Gas Cost (EGC)	\$/Mcf	5.0214
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	-0.0104
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.0391
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.0417
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	-0.0112
	= Actual Adjustment (AA)	\$/Mcf	-0.1024
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 9-30-13

Supplier	Date	MCF	Rate	Cost
	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
	1/31/2013	5680.00	4.99120	28350.00
	2/28/2013	5043.00	4.99603	25195.00
	3/31/2013	5100.00	4.99706	25485.00
	4/30/2013	3152.00	5.00000	15760.00
	5/31/2013	1303.00	5.00000	6515.00
	6/30/2013	905.00	5.11050	4625.00
	7/31/2013	1308.95	5.03416	6589.46
	8/31/2013	1311.73	5.01038	6572.26
	9/30/2013	1385.50	5.00003	6927.54
Totals		35875.18	5.0020	179449.26

Line loss for 12 months ended 9-30-13 is -0.00385 based on purchases of 35875.18 Mcf and sales of 35737.00 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	179449.26
+ Mcf Purchases (4)	Mcf	<u>35875.18</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.0020
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>35875.18</u>
= Total Expected Gas Cost (to Schedule IA)	\$	179449.26

\* 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 June 30 2013

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>04-30-13</u>	<u>05-31-13</u>	<u>06-30-13</u>
Total Supply Volumes Purchased	Mcf	3152.00	1303.00	905.00
Total Cost of Volumes Purchased	\$	15760.00	6515.00	4625.00
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3152.00	1303.00	905.00
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>5.0000</u>	<u>5.0000</u>	<u>5.1105</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>5.0878</u>	<u>5.0878</u>	<u>5.0878</u>
= Difference <u>[(over-)/Under-Recovery]</u>	<u>\$/Mcf</u>	<u>-0.0878</u>	<u>-0.08780</u>	<u>0.02270</u>
<u>x Actual sales during month</u>	<u>Mcf</u>	<u>3152.00</u>	<u>1303</u>	<u>905</u>
<u>= Monthly cost difference</u>	<u>\$</u>	<u>-276.75</u>	<u>-114.40</u>	<u>20.54</u>

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-370.61
<u>+ Sales for 12 months ended</u> <u>09-30-13</u>	Mcf	35737.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	-0.0104