

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

RECEIVED

MAR - 3 2014

PUBLIC SERVICE
COMMISSION

February 28, 2014

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.

 CPA

Kevin Jacobs
CPA

RECEIVED

MAR - 3 2014

APPENDIX B
Page 1

PUBLIC SERVICE
COMMISSION

Martin Gas Inc.

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

March 1, 2014

Date Rates to Be Effective:

April 1, 2014

Reporting Period is Calendar Quarter Ended:

December 31, 2013

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

| <u>Componet</u> | <u>Unit</u> | <u>Amount</u> |
|--------------------------------|-------------|---------------|
| Expected Gas Cost (EGC) | \$/Mcf | 5.1278 |
| + Refund Adjustment (RA) | \$/Mcf | |
| + Actual Adjustment (AA) | \$/Mcf | -0.0668 |
| + Balance Adjustment (BA) | \$/Mcf | 0.000000 |
| = Gas Cost Recovery Rate (GCR) | | 5.0610 |

GCR to be effective for service rendered from April 1 2014 to May 31 2014

| A. | <u>EXPECTED GAS COST CALCULATION</u> | <u>Unit</u> | <u>Amount</u> |
|----|---|-------------|---------------|
| | Total Expected Gas Cost (Schedule II) | \$ | 192526.83 |
| | + Sales for the 12 months ended <u>12-31-13</u> | Mcf | <u>37546</u> |
| | = Expected Gas Cost (ECG) | \$/Mcf | 5.1278 |

| 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 | (0.0026) |
| | + Previous Quarter Reported Actual Adjustment | \$/Mcf | (0.0223) |
| | + Second Previous Quarter Reported Actual Adjustment | \$/Mcf | (0.0260) |
| | + <u>Third Previous Quarter Reported Actual Adjustment</u> | \$/Mcf | (0.0159) |
| | = Actual Adjustment (AA) | \$/Mcf | (0.0668) |

| 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 12-31-13

| <u>Supplier</u> | <u>Date</u> | <u>MCF</u> | <u>Rate</u> | <u>Cost</u> |
|-----------------|-------------|------------|-------------|-------------|
| | 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 |
| | 10/31/2013 | 2071.75 | 5.02684 | 10414.35 |
| | 11/30/2013 | 4923.11 | 5.09231 | 25070.02 |
| | 12/31/2013 | 6159.52 | 5.03663 | 31023.20 |
| Totals | | 38343.56 | 5.0211 | 192526.83 |

Line loss for 12 months ended 12-31-13 is -0.02080 based on purchases of 38343.56 Mcf and sales of 37546.00 Mcf.

| | <u>Unit</u> | <u>Amount</u> |
|---|-------------|-----------------|
| Total Expected Cost of Purchases (6) | \$ | 192526.83 |
| + <u>Mcf Purchases (4)</u> | Mcf | <u>38343.56</u> |
| = Average Expected Cost Per Mcf Purchased | \$/Mcf | 5.0211 |
| <u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u> | Mcf | <u>38343.56</u> |
| = Total Expected Gas Cost (to Schedule IA) | \$ | 192526.83 |

* 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 2013

| <u>Particulars</u> | <u>Unit</u> | Month 1 | Month 2 | Month 3 |
|---|-------------|-----------------|-----------------|-----------------|
| | | <u>07-31-13</u> | <u>08-31-13</u> | <u>09-30-13</u> |
| Total Supply Volumes Purchased | Mcf | 1308.95 | 1311.73 | 1393.67 |
| Total Cost of Volumes Purchased | \$ | 6589.46 | 6572.26 | 6980.17 |
| + Total Sales (may not be less than 95% of supply volumes) | Mcf | 1308.95 | 1311.73 | 1393.67 |
| <hr/> | | | | |
| = Unit Cost of Gas | \$/Mcf | 5.0342 | 5.0104 | 5.0085 |
| - EGC in effect for month | \$/Mcf | <u>5.0416</u> | <u>5.0416</u> | <u>5.0416</u> |
| = Difference [(over-)/Under-Recovery] | \$/Mcf | -0.0074 | -0.03122 | -0.03312 |
| <hr/> | | | | |
| <u>x Actual sales during month</u> | Mcf | <u>1308.95</u> | <u>1311.73</u> | <u>1393.67</u> |
| <u>= Monthly cost difference</u> | \$ | -9.74 | -40.96 | -46.16 |

| | Unit | Amount |
|--|--------|----------|
| Total cost difference (Month 1 + Month 2 + Month 3) | \$ | -96.86 |
| + Sales for 12 months ended <u>12-31-13</u> | Mcf | 37546.00 |
| = Actual Adjustment for the Reporting Period (to Schedule C) | \$/Mcf | (0.0026) |