

Martin Gas Inc.

APPENDIX B
Page 1

RECEIVED

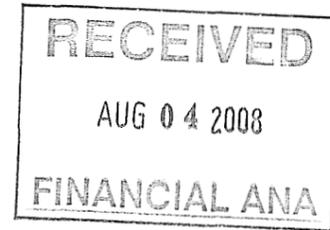
AUG - 4 2008

PUBLIC SERVICE
COMMISSION

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

August 1 2008



2008-312

Date Rates to Be Effective:

October 1 2007

Reporting Period is Calendar Quarter Ended:

December 31 2007

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.965
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.00146667
+ Balance Adjustment (BA)	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		4.9638

GCR to be effective for service rendered from October 1 2007 to December 31 2007

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	197575.24
	+ Sales for the 12 months ended <u>2-28-07</u>	Mcf	<u>39791.28</u>
	= Expected Gas Cost (ECG)	\$/Mcf	4.965

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	-0.00146667
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0
	= Actual Adjustment (AA)	\$/Mcf	-0.00146667

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

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended 2-28-07

Supplier	Date	MCF	Rate	Cost
	3/31/2006	2788.13	5.000	13940.65
	4/30/2006	1865.38	5.000	9326.90
	5/31/2006	1226.60	5.000	6133.00
	6/30/2006	2485.44	5.289	13145.49
	7/31/2006	2937.91	5.314	15612.05
	8/31/2006	1647.69	5.163	8507.02
	9/30/2006	1250.00	5.220	6525.00
	10/31/2006	2050.00	5.378	11024.90
	11/31/2006	5447.00	5.228	28476.92
	12/31/2006	5728.68	5.220	29903.71
	1/31/2007	5739.86	5.331	30599.19
	2/28/2007	6624.59	5.250	34779.10
Totals		39791.28	5.227	207973.94

Line loss for 12 months ended 2-28-07 is -0.00013 based on purchases of 39791.28 Mcf and sales of 39786.00 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	207973.94
+ Mcf Purchases (4)	Mcf	<u>39791.28</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.227
X Allowable Mcf Purchases (must not exceed Mcf sales + .95	Mcf	<u>37801.72</u>
= Total Expected Gas Cost (to Schedule IA)	\$	197575.24

* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

**Supplier's tariff sheets or notices are attached.

SCHEDULE III
SUPPLIER REFUND ADJUSTMENT

Details for the 3 months ended _____ (reporting period) |

<u>Particulars</u>	<u>Unit</u>	<u>Amount</u>
Total supplier refunds received	\$	
+ Interest	\$	_____
= Refund Adjustment including interest	\$	
+ Sales for 12 months ended	Mcf	_____
= Supplier Refund Adjustment for the Reporting Period (to Schedule IB.)	\$/Mcf	

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended May 31 2007

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>3-31-07</u>	<u>4-31-07</u>	<u>5-31-07</u>
Total Supply Volumes Purchased	Mcf	3200	3056	1492.42
Total Cost of Volumes Purchased	\$	17520	16832.45	7803.86418
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3200	3056	1492.42
= Unit Cost of Gas	\$/Mcf	5.48	5.51	5.23
- EGC in effect for month	\$/Mcf	5.48	5.48	5.48
= Difference [(over-)/Under-Recovery]	\$/Mcf	-0.005	0.028	-0.251
x Actual sales during month	Mcf	3200	3056	1492.42
= Monthly cost difference	\$	-16.00	85.57	-374.60

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-305.03
+ Sales for 12 months ended <u>2-28-07</u>	Mcf	207973.94
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	-0.0014667

SCHEDULE V
BALANCE ADJUSTMENT

For the 3 month period ended _____ (reporting period) _____

Particulars	Unit	Amount
(1) Total Cost Difference used to compute AA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
Less: Dollar amount resulting from the AA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the AA was in effect.	\$	
Equals: Balance Adjustment for the AA.	\$	_____
(2) Total Supplier Refund Adjustment including interest used to compute RA of the GCR effective four quarters prior to the effective date of the currently effective GCR.		
Less: Dollar amount resulting from the RA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the RA was in effect.	\$	
Equals: Balance Adjustment for the RA	\$	_____
(3) Total Balance Adjustment used to compute BA of the GCR effective four quarters prior to the effective date of the currently effective GCR	\$	
Less: Dollar amount resulting from the BA of _____ \$/Mcf as used to compute the GCR in effect four quarters prior to the effective date of the currently effective GCR times the sales of _____ Mcf during the 12-month period the BA was in effect.	\$	
Equals: Balance Adjustment for the BA.	\$	_____
Total Balance Adjustment Amount (1) + (2) + (3)	\$	_____
÷ Sales for 12 months ended _____	Mcf	_____
= Balance Adjustment for the Reporting Period (to Schedule ID.)	\$/Mcf	