

Martin Gas Inc.

APPENDIX B

Page 1

Quarterly Report of Gas Cost
Recovery Rate Calculation

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DEC 02 2010

PUBLIC SERVICE
COMMISSION

Date Filed:

DECEMBER 1, 2010

Date Rates to Be Effective:

JANUARY 1 2011

Reporting Period is Calendar Quarter Ended:

SEPTEMBER 30 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0000
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.0915
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		5.0915

GCR to be effective for service rendered from January 1 2011 to February 28 2011

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	201141.63
	+ <u>Sales for the 12 months ended</u> <u>09-30-10</u>	Mcf	<u>40660.84</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.0000

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	0.0021
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0701
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0188
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0.0005
	= Actual Adjustment (AA)	\$/Mcf	0.0915

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 09-30-10

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	10/31/2009	2025.88	5.04208	10214.64
	11/30/2009	3646.94	5.05091	18420.36
	12/31/2009	5296.84	5.08711	26945.61
	1/31/2010	7709.71	5.15872	39772.25
	02/28/2010	6954.24	5.12983	35674.09
	03/31/2010	4577.69	5.13410	23502.30
	04/30/2010	4094.12	5.01342	20525.56
	05/31/2010	1377.80	5.01901	6915.19
	06/30/2010	1166.00	5.00000	5830.00
	07/31/2010	1209.27	5.00891	6057.12
	08/31/2010	1167.08	5.01186	5849.24
	09/30/2010	1435.27	1.00000	1435.27
Totals		40660.84	4.947	201141.63

Line loss for 12 months ended 09-30-10 is -0.02680 based on purchases of 40660.84 Mcf and sales of 39571.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	201141.63
+ Mcf Purchases (4)	Mcf	<u>40660.84</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	4.947
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>40660.84</u>
= Total Expected Gas Cost (to Schedule IA)	\$	201141.63

* 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 2010

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>04-30-10</u>	<u>05-31-10</u>	<u>06-30-10</u>
Total Supply Volumes Purchased	Mcf	4094.12	1377.8	1166
Total Cost of Volumes Purchased	\$	20525.56	6915.19	5830.00
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	4094.12	1377.8	1166
<hr/>				
= Unit Cost of Gas	\$/Mcf	5.01	5.02	5.00
- EGC in effect for month	\$/Mcf	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.013	0.019	0.000
<u>x Actual sales during month</u>	Mcf	<u>4094.12</u>	<u>1377.8</u>	<u>1166</u>
<u>= Monthly cost difference</u>	\$	54.96	26.19	0.00

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	81.15
<u>+ Sales for 12 months ended 09-30-10</u>	Mcf	39571.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	0.0020507

Gas Sold
Martin 1 Martin2

10/31/2009	908	1064	1972
11/30/2009	1916	1664	3580
12/31/2009	3263	1882	5145
1/31/2010	4224	3240	7464
2/28/2010	3815	2927	6742
3/31/2010	2386	2539	4925
4/30/2010	2100	1446	3546
5/31/2010	661	707	1368
6/30/2010	440	726	1166
7/31/2010	387	816	1203
8/31/2010	411	752	1163
9/30/2010	605	692	1297

39571

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month 3
0.00