

Martin Gas Inc.

APPENDIX B

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Quarterly Report of Gas Cost
Recovery Rate Calculation

RECEIVED

AUG 23 2011

**PUBLIC SERVICE
COMMISSION**

Date Filed: SEPTEMBER 1, 2011

Date Rates to Be Effective: OCTOBER 1 2011

Reporting Period is Calendar Quarter Ended:

JUNE 30 2011

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0000
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.0074
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		5.0074

GCR to be effective for service rendered from OCTOBER 1 2011 to NOVEMBER 30 2011

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	205341.54
	+ <u>Sales for the 12 months ended</u> <u>06-30-11</u>	Mcf	<u>40850.11</u>
	= Expected Gas Cost (EGC)	\$/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	-0.0033
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0079
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0007
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0.0021
	= Actual Adjustment (AA)	\$/Mcf	0.0074
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 06-30-11

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	07/31/2010	1209.27	5.00891	6057.12
	08/31/2010	1167.08	5.01186	5849.24
	09/30/2010	1435.27	5.34525	7671.87
	10/31/2010	1666.00	5.14046	8564.00
	11/30/2010	3975.47	5.02260	19967.20
	12/31/2010	6909.00	5.00000	34545.00
	01/31/2011	8170.17	5.08757	41566.35
	02/28/2011	5978.71	5.05570	30226.57
	03/31/2011	4860.24	4.75654	23117.93
	04/30/2011	2613.12	5.08028	13275.38
	05/31/2011	1607.27	5.07050	8149.66
	06/30/2011	1258.51	5.04662	6351.22
Totals		40850.11	5.027	205341.54

Line loss for 12 months ended 06-30-11 is -0.00522 based on purchases of 40850.11 Mcf and sales of 40637.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	205341.54
+ <u>Mcf Purchases (4)</u>	Mcf	<u>40850.11</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.027
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>40850.11</u>
= Total Expected Gas Cost (to Schedule IA)	\$	205341.54

* 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 MARCH 31 2011

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>1-31-11</u>	<u>2-28-11</u>	<u>3-31-11</u>
Total Supply Volumes Purchased	Mcf	8170.17	5978.71	4860.24
Total Cost of Volumes Purchased	\$	41566.35	30226.57	23117.93
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	8170.17	5978.71	4860.24
<hr/>				
= Unit Cost of Gas	\$/Mcf	5.09	5.06	4.76
- EGC in effect for month	\$/Mcf	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.088	0.056	-0.243
<u>x Actual sales during month</u>	Mcf	<u>8170.17</u>	<u>5978.71</u>	<u>4860.24</u>
<u>= Monthly cost difference</u>	\$	715.50	333.02	-1183.27
Total cost difference (Month 1 + Month 2 + Month 3)	Unit			Amount
	\$			-134.75
<u>+ Sales for 12 months ended 06-31-11</u>	Mcf			40637.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf			-0.0033159

FOR Area acquired from City of Hazard
Community, Town or City

P.S.C. KY. NO. **2011-**_____

_____ SHEET NO. _____

Martin Gas Inc.
(Name of Utility)

CANCELLING P.S.C. KY. NO. **2011-187**

_____ SHEET NO. _____

CLASSIFICATION OF SERVICE

Rate Schedule;

Availability of Service : For all Residential and Commercial Purposes.

Rate

	Base Rate	Gas Cost Recovery	Total
First 1 MCF	4.3976	5.0074	9.4050
Over 1 MCF	4.2808	5.0074	9.2882

Minimum Bill 9.4050

DATE OF ISSUE September 1, 2011
Month / Date / Year

DATE EFFECTIVE October 1, 2011
Month / Date / Year

ISSUED BY Jed W. Weinberg
(Signature of Officer)

TITLE Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. _____ DATED 9-1-11