

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

RECEIVED

JUN 27 2013

PUBLIC SERVICE  
COMMISSION

June 21, 2013

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.

  
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Kevin Jacobs  
CPA

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed:

MARCH 1, 2013

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Date Rates to Be Effective:

JULY 1 2013

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Reporting Period is Calendar Quarter Ended:

MARCH 31 2013

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## SCHEDULE I

**GAS COST RECOVERY RATE SUMMARY**

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0302
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.0373
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.0674

GCR to be effective for service rendered from JULY 1 2013 to AUGUST 31 2013

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	179682.34
	+ <u>Sales for the 12 months ended</u> <u>3-31-13</u>	Mcf	<u>35721</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.0302
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	-0.0158
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0112
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0159
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0.0260
	= Actual Adjustment (AA)	\$/Mcf	0.0373
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 3-31-13

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	4/30/2012	2361.27	4.99245	11788.52
	5/31/2012	1850.16	4.99746	9246.10
	6/30/2012	1156.00	5.00000	5780.00
	7/31/2012	1311.88	4.99893	6558.00
	8/31/2012	1612.31	5.00342	8067.06
	9/30/2012	1156.63	4.99958	5782.66
	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
<b>Totals</b>		<b>35957.25</b>	<b>4.9971</b>	<b>179682.34</b>

Line loss for 12 months ended 3-31-13 is -0.00657 based on purchases of 35957.25 Mcf and sales of 35721.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	179682.34
+ <u>Mcf Purchases (4)</u>	Mcf	<u>35957.25</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	4.9971
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>35957.25</u>
= Total Expected Gas Cost (to Schedule IA)	\$	179682.34

\* 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 **DECEMBER 31 2013**

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>10-31-12</u>	<u>11-31-12</u>	<u>12-30-12</u>
Total Supply Volumes Purchased	Mcf	1311.88	1612.31	1156.63
Total Cost of Volumes Purchased	\$	6558	8067.06	5782.66
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	1311.88	1612.31	1156.63
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= Unit Cost of Gas	\$/Mcf	4.9989	5.0034	4.9996
- EGC in effect for month	\$/Mcf	5.0059	5.1394	5.1394
= Difference [(over-)/Under-Recovery]	\$/Mcf	-0.1405	-0.13598	-0.13982
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x Actual sales during month	Mcf	1311.88	1612.31	1156.63
= Monthly cost difference	\$	-184.28	-219.25	-161.72

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-565.25
+ Sales for 12 months ended <u>03-31-13</u>	Mcf	35721.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	-0.0158