

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

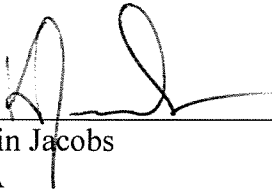
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August 23, 2013

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.



Kevin Jacobs
CPA

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Martin Gas Inc.

APPENDIX B

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Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: September 1, 2013

Date Rates to Be Effective: October 1 2013

Reporting Period is Calendar Quarter Ended:

June 30 2013

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0220
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.0537
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		4.9683

GCR to be effective for service rendered from October 1 2013 to November 30 2013

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	179767.72
	+ <u>Sales for the 12 months ended</u> <u>6-30-13</u>	Mcf	<u>35796</u>
	= Expected Gas Cost (EGC)	\$/Mcf	5.0220

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	-0.0391
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	-0.0417
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0112
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0.0159
	= Actual Adjustment (AA)	\$/Mcf	-0.0537

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 6-30-13

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	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
	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
Totals		35949.82	5.0005	179767.72

Line loss for 12 months ended 6-30-13 is -0.00428 based on purchases of 35949.82 Mcf and sales of 35796.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	179767.72
+ <u>Mcf Purchases (4)</u>	Mcf	<u>35949.82</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.0005
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>35949.82</u>
= Total Expected Gas Cost (to Schedule IA)	\$	179767.72

* 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 2013

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>01-31-13</u>	<u>Month 2</u> <u>02-28-13</u>	<u>Month 3</u> <u>03-31-13</u>
Total Supply Volumes Purchased	Mcf	5680.00	5043.00	5100.00
Total Cost of Volumes Purchased	\$	28350.00	25195.00	25485.00
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	5680.00	5043.00	5100.00
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>4.9912</u>	<u>4.9960</u>	<u>4.9971</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>5.0059</u>	<u>5.0831</u>	<u>5.0831</u>
<u>= Difference</u> <u>[(over-)/Under-Recovery]</u>	<u>\$/Mcf</u>	<u>-0.0919</u>	<u>-0.08707</u>	<u>-0.08604</u>
<u>x Actual sales during month</u>	<u>Mcf</u>	<u>5680.00</u>	<u>5043</u>	<u>5100</u>
<u>= Monthly cost difference</u>	<u>\$</u>	<u>-522.01</u>	<u>-439.07</u>	<u>-438.81</u>

	<u>Unit</u>	<u>Amount</u>
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-1399.89
<u>+ Sales for 12 months ended 06-30-13</u>	Mcf	35796.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	-0.0391