

**Martin Gas Inc.
P.O. Box 783
Hindman, KY 41822**

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DEC 1 2014

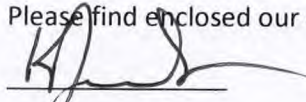
**PUBLIC SERVICE
COMMISSION**

November 19, 2014

Mr. Jeff Derouen
Executive Director
Kentucky Public Service Commission
P.O. Box 615

Dear Mr. Derouen:

Please find enclosed our Quarterly Report of Gas Cost Recovery Rate Calculations and 10 copies.



Kevin Jacobs CPA

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed:

December 1, 2014

Date Rates to Be Effective:

January 1 2015

Reporting Period is Calendar Quarter Ended:

September 30 2014

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.2176
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.0920
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.3096

GCR to be effective for service rendered from January 1 2015 to March 30 2015

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	196459.30
	+ <u>Sales for the 12 months ended</u> 09-30-14	Mcf	37653
	= Expected Gas Cost (ECG)	\$/Mcf	5.2176
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	(0.0115)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0947
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0122
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0034)
	= Actual Adjustment (AA)	\$/Mcf	0.0920
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 09-30-14

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	10/31/2013	2071.75	5.02684	10414.35
	11/30/2013	4923.11	5.09231	25070.02
	12/31/2013	6159.52	5.03663	31023.20
	1/31/2014	7381.76	5.22220	38549.01
	2/28/2014	4725.25	5.26397	24873.57
	3/31/2014	3939.75	5.21218	20534.70
	4/30/2014	1962.72	5.0325	9877.31
	5/31/2014	836.67	5.0000	4183.33
	6/30/2014	1095.86	5.0000	5479.32
	7/31/2014	2222.34	5.0215	11159.52
	8/31/2014	577.76	5.0984	2945.65
	9/30/2014	2469.86	5.0000	12349.32
Totals		38366.35	5.1206	196459.30

Line loss for 12 months ended 09-30-14 is -0.01859 based on purchases of 38366.35 Mcf and sales of 37653.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	196459.30
+ <u>Mcf Purchases (4)</u>	Mcf	<u>38366.35</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.1206
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>38366.35</u>
= Total Expected Gas Cost (to Schedule IA)	\$	196459.30

* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herin.
**Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

For the 3 month period ended **June 30 2014**

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>4/30/2014</u>	<u>5/31/2014</u>	<u>6/30/2014</u>
Total Supply Volumes Purchased	Mcf	1962.72	836.67	1095.86
Total Cost of Volumes Purchased	\$	9877.31	4183.33	5479.32
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	1962.72	836.67	1095.86
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= Unit Cost of Gas	\$/Mcf	5.0325	5.0000	5.0000
- EGC in effect for month	\$/Mcf	5.1278	5.1278	5.1278
= Difference [(over-)/Under-Recovery]	\$/Mcf	-0.0953	-0.12782	-0.12778
<u>x Actual sales during month</u>	Mcf	<u>1962.72</u>	<u>836.67</u>	<u>1095.86</u>
= Monthly cost difference	\$	-187.13	-106.95	-140.03

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-434.10
+ Sales for 12 months ended 09-30-14	Mcf	37653.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	(0.0115)