

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

**RECEIVED**  
FEB 17 2015  
PUBLIC SERVICE  
COMMISSION

February 16, 2015

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

Case No. 2015-00054

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:

March 1, 2015

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Date Rates to Be Effective:

April 1 2015

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Reporting Period is Calendar Quarter Ended:

December 31 2014

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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	5.2193
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.0413
+ Balance Adjustment (BA)	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.2606

GCR to be effective for service rendered from April 1 2015 to June 30 2015

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	192520.92
	+ Sales for the 12 months ended <u>12/31/2014</u>	Mcf	36886
	= Expected Gas Cost (ECG)	\$/Mcf	5.2193
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	
	+ Third Previous Quarter Supplier Refund Adjustment	\$/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	(0.0541)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0115)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0947
	+ Third Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0122
	= Actual Adjustment (AA)	\$/Mcf	0.0413
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
	+ Third Previous Quarter Balance Adjustment	\$/Mcf	0
	= Balance Adjustment (BA)	\$/Mcf	0.0000

## SCHEDULE II

## EXPECTED GAS COST

Actual \* MCF Purchases for 12 months ended 12-31-14

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	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
	10/31/2014	3180.44	5.0349	16013.24
	11/30/2014	4852.37	5.0000	24261.83
	12/31/2014	4458.82	5.0000	22294.12
<b>Totals</b>		<b>37703.6</b>	<b>5.1062</b>	<b>192520.92</b>

Line loss for 12 months ended 12-31-14 is -0.02168 based on purchases of  
37703.6 Mcf and sales of 36886.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	192520.92
+ <u>Mcf Purchases (4)</u>	Mcf	<u>37703.6</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.1062
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>37703.60</u>
= Total Expected Gas Cost (to Schedule IA)	\$	192520.92

\* 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 September 30 2014

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>7/31/2014</u>	<u>8/31/2014</u>	<u>9/30/2014</u>
Total Supply Volumes Purchased	Mcf	2222.34	577.76	2469.86
Total Cost of Volumes Purchased	\$	11159.52	2945.65	12349.32
+ Total Sales	Mcf	2222.34	577.76	2469.86
(may not be less than 95% of supply volumes)				
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>5.0215</u>	<u>5.0984</u>	<u>5.0000</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>5.3987</u>	<u>5.3987</u>	<u>5.3987</u>
= Difference	\$/Mcf	-0.3772	-0.30030	-0.39869
<u>[(over-)/Under-Recovery]</u>				
<u>x Actual sales during month</u>	<u>Mcf</u>	<u>2222.34</u>	<u>577.76</u>	<u>2469.86</u>
<u>= Monthly cost difference</u>	<u>\$</u>	<u>-838.23</u>	<u>-173.50</u>	<u>-984.71</u>

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-1996.44
<u>+ Sales for 12 months ended</u> <u>12-31-14</u>	Mcf	36886.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	(0.0541)