

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

RECEIVED

May 27, 2016

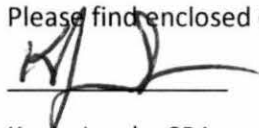
MAY 31 2016

Public Service
Commission

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:

June 1 ,2016

Date Rates to Be Effective:

July 1 2016

Reporting Period is Calendar Quarter Ended:

March 31 2016

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	4.8531
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.2364
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		4.6167

GCR to be effective for service rendered from July 1 2016 to September 30 2016

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	247253.56
	+ <u>Sales for the 12 months ended</u> 3/31/2016	Mcf	50948
	= Expected Gas Cost (ECG)	\$/Mcf	4.8531
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	(0.1054)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0506)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0278)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0526)
	= Actual Adjustment (AA)	\$/Mcf	(0.2364)
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 03-31-16

Supplier	Date	MCF	Rate	Cost
	4/30/2015	1810.12	4.9999	9050.46
	5/31/2015	1245.93	5.0000	6229.67
	6/30/2015	1355.73	5.0000	6778.63
	7/31/2015	1613.35	5.0000	8066.76
	8/31/2015	2308.25	5.0000	11541.27
	9/30/2015	2452.12	5.0000	12260.60
	10/31/2015	2960.06	4.9980	14794.33
	11/30/2015	3299.85	4.9288	16264.46
	12/31/2015	6459.89	4.8013	31015.59
	1/31/2016	8078.26	4.8964	39554.16
	2/28/2016	12430.67	4.7282	58774.62
	3/31/2016	7080.56	4.6498	32923.01

Totals 51094.79 4.8391 247253.56

Line loss for 12 months ended 03-31-16 is -0.2873% based on purchases of 51094.79 Mcf and sales of 50948.00 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	247253.56
+ Mcf Purchases (4)	Mcf	51094.79
= Average Expected Cost Per Mcf Purchased	\$/Mcf	4.8391
X Allowable Mcf Purchases (must not exceed Mcf sales + .95	Mcf	51094.79
= Total Expected Gas Cost (to Schedule IA)	\$	247253.56

* 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 2015**

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		10/31/2015	11/30/2015	12/31/2015
Total Supply Volumes Purchased	Mcf	2960.06	3299.85	6459.89
Total Cost of Volumes Purchased	\$	14794.33	16264.46	31015.59
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	2960.06	3299.85	6459.89
<hr/>				
= Unit Cost of Gas	\$/Mcf	4.9980	4.9288	4.8013
- EGC in effect for month	\$/Mcf	5.3022	5.3022	5.3022
= Difference [(over-)/Under-Recovery]	\$/Mcf	-0.3042	-0.37335	-0.50094
<hr/>				
x Actual sales during month	Mcf	2960.06	3299.85	6459.89
= Monthly cost difference	\$	-900.50	-1232.00	-3236.04

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-5368.54
+ Sales for 12 months ended 03-31-16	Mcf	50948.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	(0.1054)

Gas Sold

Martin 1 Martin2

4/30/2015	1017	867	1884
5/31/2015	710	636	1346
6/30/2015	858	747	1605
7/31/2015	671	942	1613
8/31/2015	1110	1198	2308
9/30/2015	1190	1262	2452
10/31/2015	1200	1760	2960
11/30/2015	1293	1960	3253
12/31/2015	3597	2863	6460
1/31/2016	3597	2863	6460
2/28/2016	9029	3566	12595
3/31/2016	5174	2838	8012
	29446	21502	50948