

**Martin Gas Inc.**

**P.O. Box 783**

**Hindman, Kentucky 41822**

**RECEIVED**

**NOV 22 2016**

Public Service  
Commission

November 18, 2016

Mr. Jeff Derouen

Executive Director

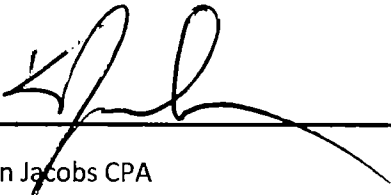
Kentucky Public Service Commission

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.

A handwritten signature in black ink, appearing to read 'Kevin Jacobs', is written over a solid horizontal line that spans the width of the page.

Kevin Jacobs CPA

Martin Gas Inc.

APPENDIX B

Page 1

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed:

December 1, 2016

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Date Rates to Be Effective:

January 1 2017

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Reporting Period is Calendar Quarter Ended:

September 30 2016

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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	4.8274
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.4920
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		4.3354

GCR to be effective for service rendered from January 1 2017 to March 31 2017

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	244472.36
	+ <u>Sales for the 12 months ended</u> 9/30/2016	Mcf	<u>50643</u>
	= Expected Gas Cost (ECG)	\$/Mcf	4.8274
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	(0.0472)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.2888)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.1054)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0506)
	= Actual Adjustment (AA)	\$/Mcf	(0.4920)
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 09-30-16

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	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
	4/30/2016	3144.33	4.7473	14927.18
	5/31/2016	2290.55	4.9558	11351.48
	6/30/2016	1216.02	4.9774	6052.65
	7/31/2016	1520.16	5.0025	7604.53
	8/31/2016	1445.49	5.0004	7228.05
	9/30/2016	795.08	5.0087	3982.30
Totals		50720.92	4.8200	244472.36

Line loss for 12 months ended 09-30-16 is -0.1536% based on purchases of 50720.92 Mcf and sales of 50643.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	244472.36
+ <u>Mcf Purchases (4)</u>	Mcf	<u>50720.92</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	4.8200
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>50720.92</u>
= Total Expected Gas Cost (to Schedule IA)	\$	244472.36

\* 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 June 30 2016

<u>Particulars</u>	<u>Unit</u>	Month 1 4/30/2016	Month 2 5/31/2016	Month 3 6/30/2016
Total Supply Volumes Purchased	Mcf	3144.33	2290.55	1216.02
Total Cost of Volumes Purchased	\$	14927.18	11351.48	6052.65
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3144.33	2290.55	1216.02
<hr/>				
= Unit Cost of Gas	\$/Mcf	4.7473	4.9558	4.9774
- <u>EGC in effect for month</u>	\$/Mcf	5.2207	5.2207	5.2207
= Difference <u>[(over-)/Under-Recovery]</u>	\$/Mcf	-0.4734	-0.26491	-0.24327
<hr/>				
x <u>Actual sales during month</u>	Mcf	<u>3144.33</u>	<u>2290.55</u>	<u>1216.02</u>
= <u>Monthly cost difference</u>	\$	-1488.42	-606.79	-295.83

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-2391.04
+ <u>Sales for 12 months ended</u> 09-30-16	Mcf	50643.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	(0.0472)