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

May 21, 2018

Mr. Jeff Derouen

Executive Director

Kentucky Public Service Commission

P.O. Box 615

Frankfort KY 40602-0615

Mr. Derouen:

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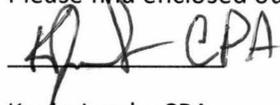
Kevin Jacobs CPA

Martin Gas Inc.

APPENDIX B
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Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: June 1 ,2018

Date Rates to Be Effective: July 1 2018

Reporting Period is Calendar Quarter Ended:

March 31 2018

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

Componet	Unit	Amount
Expected Gas Cost (EGC)	$/Mcf	5.0817
+ Refund Adjustment (RA)	$/Mcf	
+ Actual Adjustment (AA)	$/Mcf	0.0542
+ Balance Adjustment (BA)	$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.1359

GCR to be effective for service rendered from June 1 2018 to August 31 2018

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A. EXPECTED GAS COST CALCULATION	Unit	Amount
Total Expected Gas Cost (Schedule II)	$	174365.00
+ Sales for the 12 months ended 3/31/2018	Mcf	34312
= Expected Gas Cost (ECG)	$/Mcf	5.0817

B. REFUND ADJUSTMENT CALCULATION	Unit	Amount
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. ACTUAL ADJUSTMENT CALCULATION	Unit	Amount
Actual Adjustment for the Reporting Period (Schedule IV)	$/Mcf	(0.0869)
+ Previous Quarter Reported Actual Adjustment	$/Mcf	(0.0217)
+ Second Previous Quarter Reported Actual Adjustment	$/Mcf	(0.0659)
+ Third Previous Quarter Reported Actual Adjustment	$/Mcf	0.2287
= Actual Adjustment (AA)	$/Mcf	0.0542

C. BALANCE ADJUSTMENT CALCULATION	Unit	Amount
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   3-31-18

Supplier	Date	MCF	Rate	Cost
	4/30/2017	2288.72	4.5425	10396.58
	5/31/2017	1032.87	4.0470	4180.05
	6/30/2017	1143.98	4.5907	5251.72
	7/31/2017	1227.02	5.1365	6302.56
	8/31/2017	1848.00	5.0657	9361.40
	9/30/2017	1482.00	5.2348	7757.96
	10/31/2017	2109.06	5.1940	10954.38
	11/30/2017	3190.16	5.0620	16148.71
	12/31/2017	5990.59	5.2128	31227.45
	1/31/2018	6529.14	5.0088	32702.90
	2/28/2018	3935.02	5.1834	20396.66
	3/31/2018	4004.14	4.9161	19684.63
Totals		34780.7	5.0133	174365.00

Line loss for 12 months ended   3/31/2018   -1.3476% based on purchases of
   34780.7 Mcf and sales of   34312.00 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	$	174365.00
+ Mcf Purchases (4)	Mcf	34780.7
= Average Expected Cost Per Mcf Purchased	$/Mcf	5.0133
X Allowable Mcf Purchases (must not exceed Mcf sales + .95	Mcf	34780.70
= Total Expected Gas Cost (to Schedule IA)	$	174365.00

* 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   December 31 2018

Particulars	Unit	Month 1 10/31/2017	Month 2 11/30/2017	Month 3 12/31/2017
Total Supply Volumes Purchased	Mcf	2092.73	3190.16	5990.59
Total Cost of Volumes Purchased	$	10191.29	15273.21	30428.95
+ Total Sales	Mcf	2092.73	3190.16	5990.59
(may not be less than 95% of supply volumes)				
= Unit Cost of Gas	$/Mcf	4.8699	4.7876	5.0795
- EGC in effect for month	$/Mcf	5.2225	5.2225	5.2225
= Difference	$/Mcf	-0.3526	-0.43490	-0.14304
[(over-)/Under-Recovery]				
x Actual sales during month	Mcf	2092.73	3190.16	5990.59
= Monthly cost difference	$	-737.99	-1387.40	-856.91

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	$	-2982.30
+ Sales for 12 months ended 3/31/2018	Mcf	34312.00
= Actual Adjustment for the Reporting Period (to Schedule C)	$/Mcf	(0.0869)