

Martin Gas Inc.

APPENDIX B
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PUBLIC SERVICE
COMMISSION

Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: MARCH 1 ,2011

Date Rates to Be Effective: APRIL 1 2011

Reporting Period is Calendar Quarter Ended:

DECEMBER 31 2010

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0000
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.0917
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		5.0917

GCR to be effective for service rendered from APRIL 1 2011 to MAY 31 2011

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	214873.82
	+ <u>Sales for the 12 months ended</u> <u>12-31-10</u>	Mcf	<u>42241.65</u>
	= Expected Gas Cost (EGC)	\$/Mcf	5.0000
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	0.0007
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0021
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0701
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0.0188
	= Actual Adjustment (AA)	\$/Mcf	0.0917
C.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Second Previous Quarter Balance Adjustment	\$/Mcf	
	+ <u>Third Previous Quarter Balance Adjustment</u>	\$/Mcf	
	= Balance Adjustment (BA)	\$/Mcf	

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended 12-31-10

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	1/31/2010	7709.71	5.15872	39772.25
	02/28/2010	6954.24	5.12983	35674.09
	03/31/2010	4577.69	5.13410	23502.30
	04/30/2010	4094.12	5.01342	20525.56
	05/31/2010	1377.80	5.01901	6915.19
	06/30/2010	1166.00	5.00000	5830.00
	07/31/2010	1209.27	5.00891	6057.12
	08/31/2010	1167.08	5.01186	5849.24
	09/30/2010	1435.27	5.34525	7671.87
	10/31/2010	1666.00	5.14046	8564.00
	11/30/2010	3975.47	5.02260	19967.20
	12/31/2010	6909.00	5.00000	34545.00
Totals		42241.65	5.087	214873.82

Line loss for 12 months ended 12-31-10 is -0.01557 based on purchases of 42241.65 Mcf and sales of 41584.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	214873.82
+ Mcf Purchases (4)	Mcf	<u>42241.65</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.087
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>42241.65</u>
= Total Expected Gas Cost (to Schedule IA)	\$	214873.82

* 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 2010

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		<u>07-31-10</u>	<u>08-31-10</u>	<u>09-30-10</u>
Total Supply Volumes Purchased	Mcf	1209.27	1167.08	1533.27
Total Cost of Volumes Purchased	\$	6057.12	5849.24	7671.87
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	1209.27	1167.08	1533.27
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= Unit Cost of Gas	\$/Mcf	5.01	5.01	5.00
- EGC in effect for month	\$/Mcf	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.009	0.012	0.004
<u>x Actual sales during month</u>	Mcf	<u>1209.27</u>	<u>1167.08</u>	<u>1533.27</u>
<u>= Monthly cost difference</u>	\$	10.77	13.84	5.52

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	30.13
<u>+ Sales for 12 months ended 12-31-10</u>	Mcf	41584.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	0.0007246