

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

November 23, 2015

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

**RECEIVED**  
NOV 30 2015  
PUBLIC SERVICE  
COMMISSION

Dear Mr. Derouen:

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

  
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Kevin Jacobs CPA

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed: December 1, 2015

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Date Rates to Be Effective: January 1, 2016

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Reporting Period is Calendar Quarter Ended:

September 30, 2015

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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	5.3904
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.2558
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.1346

GCR to be effective for service rendered from January 1 2016 to March 31 2016

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	187553.72
	+ <u>Sales for the 12 months ended</u> 9/30/2015	Mcf	<u>34794</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.3904
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	(0.0278)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0587)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.1164)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0529)
	= Actual Adjustment (AA)	\$/Mcf	(0.2558)
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 09-30-15

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	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
	1/31/2015	7478.48	5.0998	38138.73
	2/28/2015	2878.27	5.0000	14391.33
	3/31/2015	3608.37	5.1345	18527.08
	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
Totals		37242.25	5.0360	187553.72

Line loss for 12 months ended 09-30-15 is -0.06574 based on purchases of  
37242.25 Mcf and sales of 34794.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	187553.72
+ Mcf Purchases (4)	Mcf	<u>37242.25</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.0360
X Allowable Mcf Purchases (must not exceed Mcf sales + .95	Mcf	<u>37242.25</u>
= Total Expected Gas Cost (to Schedule IA)	\$	187553.72

\* 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 2015

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		4/30/2015	5/31/2015	6/30/2015
Total Supply Volumes Purchased	Mcf	1810.12	1245.93	1355.73
Total Cost of Volumes Purchased	\$	9050.46	6229.67	6778.63
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	1810.12	1245.93	1355.73
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= Unit Cost of Gas	\$/Mcf	4.9999	5.0000	5.0000
- EGC in effect for month	\$/Mcf	5.2193	5.2193	5.2193
= Difference [(over-)/Under-Recovery]	\$/Mcf	-0.2194	-0.21928	-0.21931
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x Actual sales during month	Mcf	<u>1810.12</u>	<u>1245.93</u>	<u>1355.73</u>
= Monthly cost difference	\$	-397.10	-273.21	-297.33

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-967.64
+ Sales for 12 months ended 09-30-15	Mcf	34794.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	(0.0278)