

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

**RECEIVED**

**AUG 22 2016**

Public Service  
Commission

August 22, 2016

Mr. Jeff Derouen

Executive Director

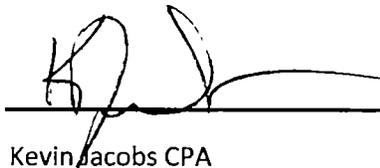
Kentucky Public Service Commission

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.



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Kevin Jacobs CPA

Quarterly Report of Gas Cost  
Recovery Rate Calculation

Date Filed: September 1, 2016

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Date Rates to Be Effective: October 1 2016

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Reporting Period is Calendar Quarter Ended:

June 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	4.9581
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.4726
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		4.4854

GCR to be effective for service rendered from October 1 2016 to December 31 2016

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	257526.11
	+ <u>Sales for the 12 months ended</u> 6/30/2016	Mcf	<u>51941</u>
	= Expected Gas Cost (ECG)	\$/Mcf	4.9581
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	(0.2888)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.1054)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0506)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0278)
	= Actual Adjustment (AA)	\$/Mcf	(0.4726)
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 06-30-16

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	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
	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
<b>Totals</b>		<b>53333.91</b>	<b>4.8286</b>	<b>257526.11</b>

Line loss for 12 months ended 06-30-16 is -2.6117% based on purchases of  
53333.91 Mcf and sales of 51941.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	257526.11
+ <u>Mcf Purchases (4)</u>	Mcf	<u>53333.91</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	4.8286
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>53333.91</u>
= Total Expected Gas Cost (to Schedule IA)	\$	257526.11

\* Or adjusted pursuant to Gas Cost Adjustment Clause and explained herein.

\*\*Supplier's tariff sheets or notices are attached.

SCHEDULE IV

ACTUAL ADJUSTMENT

Month period ended March 31 2016

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		1/31/2016	2/28/2016	3/31/2016
Supply Volumes Purchased	Mcf	8078.26	12430.67	7080.56
Cost of Volumes Purchased	\$	39554.16	58774.62	32923.01
Gas	Mcf	8078.26	12430.67	7080.56
Gas to be less than 95% of supply				
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Cost of Gas	\$/Mcf	4.8964	4.7282	4.6498
Effect for month	\$/Mcf	5.3011	5.3011	5.3011
Change	\$/Mcf	-0.4047	-0.57291	-0.65133
<u>Under-Recovery]</u>				
<u>Gas used during month</u>	Mcf	<u>8078.26</u>	<u>12430.67</u>	<u>7080.56</u>
<u>Cost difference</u>	\$	-3269.50	-7121.60	-4611.75

	Unit	Amount
Cost difference (Month 1 + Month 2 + Month 3)	\$	-15002.86
<u>12 months ended</u> 06-30-16	Mcf	51941.00
Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	(0.2888)