

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

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May 22, 2017

MAY 26 2017

Mr. Jeff Derouen

Public Service
Commission

Executive Director

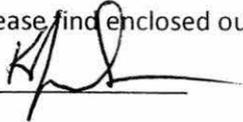
Kentucky Public Service Commission

P.O. Box 615

Case No. 2017-00219

Dear Mr. Derouen:

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



Kevin Jacobs CPA

Martin Gas Inc.

APPENDIX I

Page 1

Quarterly Report of Gas Cost
Recovery Rate Calculation

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MAY 26 2017

PUBLIC SERVICE
COMMISSION

Date Filed: June 1, 2017

Date Rates to Be Effective: July 1 2017

Reporting Period is Calendar Quarter Ended:

March 31 2017

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.2732
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.2693
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.0039

GCR to be effective for service rendered from June 1 2017 to August 31 2017

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	214722.68
	+ <u>Sales for the 12 months ended</u> 3/31/2017	Mcf	<u>40720</u>
	= Expected Gas Cost (EGC)	\$/Mcf	5.2732
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	0.0559
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0108
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0472)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.2888)
	= Actual Adjustment (AA)	\$/Mcf	(0.2693)
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 3-31-17

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	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
	10/31/2016	4809.00	5.0041	24064.67
	11/30/2016	3852.00	5.0158	19320.83
	12/31/2016	6690.00	5.2045	34817.90
	1/31/2017	6126.20	5.7494	35222.15
	2/28/2017	4826.65	5.3233	25693.87
	3/31/2017	4897.78	4.9935	24457.07
Totals		41613.26	5.1600	214722.68

Line loss for 12 months ended 12-31-16 is -2.1466% based on purchases of
41613.26 Mcf and sales of 40720.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	214722.68
+ MCF Purchases (4)	Mcf	<u>41613.26</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.1600
X Allowable Mcf Purchases (must not exceed Mcf sales + .95	Mcf	<u>41613.26</u>
= Total Expected Gas Cost (to Schedule IA)	\$	214722.68

* 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 December 31 2016

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		10/31/2016	11/30/2016	12/31/2016
Total Supply Volumes Purchased	Mcf	6110.85	4087.11	9514.59
Total Cost of Volumes Purchased	\$	30574.22	20497.66	48941.38
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	6110.85	4087.11	9514.59
<hr/>				
= Unit Cost of Gas	\$/Mcf	5.0033	5.0152	5.1438
- <u>EGC in effect for month</u>	\$/Mcf	4.9581	4.9581	4.9581
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.0452	0.05710	0.18572
<u>x Actual sales during month</u>	Mcf	<u>6110.85</u>	<u>4087.11</u>	<u>9514.59</u>
= <u>Monthly cost difference</u>	\$	276.01	233.36	1767.09

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	2276.47
+ <u>Sales for 12 months ended</u> 3-31-17	Mcf	40720.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	0.0559