

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

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AUG 21 2017

PUBLIC SERVICE
COMMISSION

August 19, 2017

Mr. Jeff Derouen

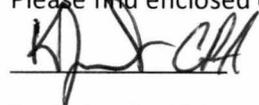
Executive Director

Kentucky Public Service Commission

P.O. Box 615

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

Date Filed: September 1, 2017

Date Rates to Be Effective: October 1 2017

Reporting Period is Calendar Quarter Ended:

June 30 2017

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.2225
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.3335
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.5560

GCR to be effective for service rendered from September 1 2017 to November 30 2017

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	202219.72
	+ <u>Sales for the 12 months ended</u> 6/30/2017	Mcf	<u>38721</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.2225
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	0.2287
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.1412
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0108
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0472)
	= Actual Adjustment (AA)	\$/Mcf	0.3335
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 6-30-17

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	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
	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
Totals		39427.93	5.1288	202219.72

Line loss for 12 months ended 3-31-17 is -1.7930% based on purchases of
39427.93 Mcf and sales of 38721.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	202219.72
+ <u>Mcf Purchases (4)</u>	Mcf	<u>39427.93</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.1288
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>39427.93</u>
= Total Expected Gas Cost (to Schedule IA)	\$	202219.72

* 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 March 31 2017

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		1/31/2017	2/28/2017	3/31/2017
Total Supply Volumes Purchased	Mcf	6126.20	4826.65	4897.78
Total Cost of Volumes Purchased	\$	35222.15	25693.87	24457.07
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	6126.20	4826.65	4897.78
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>5.7494</u>	<u>5.3233</u>	<u>4.9935</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>4.8274</u>	<u>4.8274</u>	<u>4.8274</u>
= Difference <u>[(over-)/Under-Recovery]</u>	<u>\$/Mcf</u>	<u>0.9220</u>	<u>0.49593</u>	<u>0.16610</u>
<u>x Actual sales during month</u>	<u>Mcf</u>	<u>6126.20</u>	<u>4826.65</u>	<u>4897.78</u>
<u>= Monthly cost difference</u>	<u>\$</u>	<u>5648.53</u>	<u>2393.70</u>	<u>813.53</u>

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	8855.76
<u>+ Sales for 12 months ended 6-30-17</u>	Mcf	38721.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	0.2287