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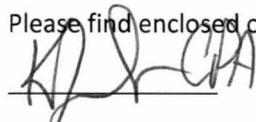
Martin Gas Inc.
P.O. Box 783
Hindman, KY 41822

August 24, 2018

Mrs. Gwen R. Pinson
Executive Director
Kentucky Public Service Commission
P.O. Box 615
Frankfort KY 40602-0615

Mrs. Pinson:

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



Kevin Jacobs CPA

Martin Gas Inc.

APPENDIX B

Page 1

Quarterly Report of Gas Cost
Recovery Rate Calculation

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Date Filed: September 1, 2018

Date Rates to Be Effective: October 1 2018

Reporting Period is Calendar Quarter Ended:

June 30 2018

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.1724
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.2957
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		4.8767

GCR to be effective for service rendered from October 1 2018 to December 31 2018

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	197716.77
	+ <u>Sales for the 12 months ended</u> 6/30/2018	Mcf	<u>38225</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.1724
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	(0.1212)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0869)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0217)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0659)
	= Actual Adjustment (AA)	\$/Mcf	(0.2957)
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 6-30-18

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	7/31/2017	1227.02	5.1365	6302.56
	8/31/2017	1848.00	5.0657	9361.40
	9/30/2017	1482.00	5.2348	7757.96
	10/31/2017	2109.06	5.1940	10954.38
	11/30/2017	3190.16	5.0620	16148.71
	12/31/2017	5990.59	5.2128	31227.45
	1/31/2018	6529.14	5.0088	32702.90
	2/28/2018	3935.02	5.1834	20396.66
	3/31/2018	4004.14	4.9161	19684.63
	4/30/2018	5989.24	5.0828	30442.38
	5/31/2018	1357.11	5.1372	6971.81
	6/30/2018	1171.22	4.9230	5765.93
Totals		38832.7	5.0915	197716.77

Line loss for 12 months ended 6/30/2018 -1.5649% based on purchases of
38832.7 Mcf and sales of 38225.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	197716.77
<u>+ Mcf Purchases (4)</u>	Mcf	<u>38832.7</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.0915
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>38832.70</u>
= Total Expected Gas Cost (to Schedule IA)	\$	197716.77

* 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 2018

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		1/31/2018	2/28/2018	3/31/2018
Total Supply Volumes Purchased	Mcf	6529.14	3935.02	4004.14
Total Cost of Volumes Purchased	\$	32702.90	20396.66	19684.63
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	6529.14	3935.02	4004.14
= Unit Cost of Gas	\$/Mcf	5.0088	5.1834	4.9161
- EGC in effect for month	\$/Mcf	5.3509	5.3509	5.3509
= Difference [(over-)/Under-Recovery]	\$/Mcf	-0.3421	-0.16753	-0.43483
x Actual sales during month	Mcf	<u>6529.14</u>	<u>3935.02</u>	<u>4004.14</u>
= Monthly cost difference	\$	-2233.88	-659.24	-1741.12
		Unit	Amount	
Total cost difference (Month 1 + Month 2 + Month 3)		\$	-4634.24	
+ Sales for 12 months ended 6/30/2018		Mcf	38225.00	
= Actual Adjustment for the Reporting Period (to Schedule C)		\$/Mcf	(0.1212)	