

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

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**PUBLIC SERVICE
COMMISSION**

November 19, 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.

A handwritten signature in black ink, appearing to read "Kevin Jacobs CPA", written over a horizontal line.

Kevin Jacobs CPA

Martin Gas Inc.

APPENDIX B

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Quarterly Report of Gas Cost
Recovery Rate Calculation

Date Filed: December 1 ,2018

Date Rates to Be Effective: January 1 2019

Reporting Period is Calendar Quarter Ended:

September 30 2018

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.1578
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.2630
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		4.8948

GCR to be effective for service rendered from January 1 2019 to March 31 2019

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	193341.29
	+ <u>Sales for the 12 months ended</u> 9/30/2018	Mcf	<u>37485</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.1578
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	(0.0332)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.1212)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0869)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0217)
	= Actual Adjustment (AA)	\$/Mcf	(0.2630)
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 9-30-18

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	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
	7/31/2018	1362.24	4.7395	6456.31
	8/31/2018	1251.67	4.6751	5851.69
	9/30/2018	1426.69	4.7231	6738.44

Totals		38316.28	5.0459	193341.29
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Line loss for 12 months ended 9/30/2018 -2.1695% based on purchases of
38316.28 Mcf and sales of 37485.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	193341.29
+ Mcf Purchases (4)	Mcf	<u>38316.28</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.0459
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>38316.28</u>
= Total Expected Gas Cost (to Schedule IA)	\$	193341.29

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

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

