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PUBLIC SERVICE
COMMISSION

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

February 28, 2019

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 "KJ CPA", is 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

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Date Filed:

March 1, 2019

PUBLIC SERVICE
COMMISSION

Date Rates to Be Effective:

April 1 2019

Reporting Period is Calendar Quarter Ended:

December 31 2018

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.1629
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.2798
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		4.8831

GCR to be effective for service rendered from April 1 2019 to June 30 2019

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	199469.65
	+ <u>Sales for the 12 months ended</u> 12/31/2018	Mcf	<u>38635</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.1629
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	(0.0385)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0332)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.1212)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	(0.0869)
	= Actual Adjustment (AA)	\$/Mcf	(0.2798)
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 12-31-18

Supplier	Date	MCF	Rate	Cost
	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
	10/31/2018	2599.64	4.6929	12199.95
	11/30/2018	5269.98	5.2316	27570.58
	12/31/2018	4885.83	5.0531	24688.37
Totals		39781.92	5.0141	199469.65

Line loss for 12 months ended 12/31/2018 -2.8830% based on purchases of
39781.92 Mcf and sales of 38635.00 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	199469.65
+ Mcf Purchases (4)	Mcf	<u>39781.92</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.0141
X Allowable Mcf Purchases (must not exceed Mcf sales + .95	Mcf	<u>39781.92</u>
= Total Expected Gas Cost (to Schedule IA)	\$	199469.65

* 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 September 30 2018

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		7/31/2018	8/31/2018	9/30/2018
Total Supply Volumes Purchased	Mcf	1362.24	1251.67	1426.69
Total Cost of Volumes Purchased	\$	6456.31	5851.69	6738.44
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	1362.24	1251.67	1426.69
<u>= Unit Cost of Gas</u>	<u>\$/Mcf</u>	<u>4.7395</u>	<u>4.6751</u>	<u>4.7231</u>
<u>- EGC in effect for month</u>	<u>\$/Mcf</u>	<u>5.0817</u>	<u>5.0817</u>	<u>5.0817</u>
= Difference [(over-)/Under-Recovery]	\$/Mcf	-0.3422	-0.40659	-0.35857
<u>x Actual sales during month</u>	Mcf	<u>1362.24</u>	<u>1251.67</u>	<u>1426.69</u>
<u>= Monthly cost difference</u>	\$	<u>-466.19</u>	<u>-508.92</u>	<u>-511.57</u>
		Unit	Amount	
Total cost difference (Month 1 + Month 2 + Month 3)		\$	-1486.68	
<u>+ Sales for 12 months ended 12/31/2018</u>		Mcf	38635.00	
= Actual Adjustment for the Reporting Period (to Schedule C)		\$/Mcf	(0.0385)	