

Martin Gas Inc.

APPENDIX B

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Quarterly Report of Gas Cost
Recovery Rate Calculation

2009-00473

Date Filed:

December 1, 2009

Date Rates to Be Effective:

January 1 2010

Reporting Period is Calendar Quarter Ended:

September 30 2009

SCHEDULE I

GAS COST RECOVERY RATE SUMMARY

<u>Component</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.0000
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	0.0217
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	
= Gas Cost Recovery Rate (GCR)		5.0217

GCR to be effective for service rendered from January 1 2010 to March 31 2009

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	210831.93
	+ <u>Sales for the 12 months ended</u> <u>09-30-09</u>	Mcf	<u>41604.57</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.0000

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	0.0005
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0110
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	0.0138
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	-0.0036
	= Actual Adjustment (AA)	\$/Mcf	0.0217

C.	<u>BALANCE ADJUSTMENT CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Balance Adjustment for the Reporting Period (Schedule V)	\$/Mcf	
	+ Previous Quarter Reported Balance Adjustment	\$/Mcf	
	+ Second Previous Quarter Balance Adjustment	\$/Mcf	
	+ <u>Third Previous Quarter Balance Adjustment</u>	\$/Mcf	
	= Balance Adjustment (BA)	\$/Mcf	

SCHEDULE II

EXPECTED GAS COST

Actual * MCF Purchases for 12 months ended 9-30-09

<u>Supplier</u>	<u>Date</u>	<u>MCF</u>	<u>Rate</u>	<u>Cost</u>
	10/31/2008	1742.08	5.01865	8742.89
	11/30/2008	4700.94	5.13222	24126.28
	12/31/2008	5617.00	5.00000	28085.00
	1/31/2009	8084.14	5.21293	42142.06
	2/28/2009	6877.86	5.06482	34835.09
	3/31/2009	5390.73	5.03368	27135.21
	4/31/2009	3426.71	4.95632	16983.87
	5/31/2009	1575.59	4.95415	7805.71
	6/30/2009	969.27	5.00892	4855.00
	7/31/2009	877.98	5.02099	4408.33
	8/31/2009	1054.00	5.00000	5270.00
	9/30/2009	1288.27	5.00088	6442.49
Totals		41604.57	5.068	210831.93

Line loss for 12 months ended 09-30-09 is -0.00790 based on purchases of 41604.57 Mcf and sales of 41276.00 Mcf.

	<u>Unit</u>	<u>Amount</u>
Total Expected Cost of Purchases (6)	\$	210831.93
+ <u>Mcf Purchases (4)</u>	Mcf	<u>41604.57</u>
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.068
<u>X Allowable Mcf Purchases (must not exceed Mcf sales + .95</u>	Mcf	<u>41604.57</u>
= Total Expected Gas Cost (to Schedule IA)	\$	210831.93

* 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 June 30 2009

<u>Particulars</u>	<u>Unit</u>	<u>Month 1</u> <u>04-31-09</u>	<u>Month 2</u> <u>05-31-09</u>	<u>Month 3</u> <u>06-30-09</u>
Total Supply Volumes Purchased	Mcf	3426.71	1575.59	969.27
Total Cost of Volumes Purchased	\$	17212.42	7903.66	4850.98
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3426.71	1575.59	969.27
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= Unit Cost of Gas	\$/Mcf	5.02	5.02	5.00
<u>- EGC in effect for month</u>	\$/Mcf	<u>5.00</u>	<u>5.00</u>	<u>5.00</u>
= Difference [(over-)/Under-Recovery]	\$/Mcf	0.023	0.016	0.005
<hr/>				
<u>x Actual sales during month</u>	Mcf	<u>3426.71</u>	<u>1575.59</u>	<u>969.27</u>
<u>= Monthly cost difference</u>	\$	78.87	25.71	4.63

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	109.21
<u>+ Sales for 12 months ended</u> <u>09-30-09</u>	Mcf	210831.93
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	0.0005180