

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

May 15, 2015

Mr. Jeff Derouen

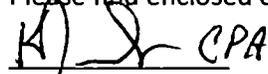
Executive Director

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.

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

Kevin Jacobs CPA

**RECEIVED**  
MAY 29 2015  
PUBLIC SERVICE  
COMMISSION

Martin Gas Inc.

APPENDIX B

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Quarterly Report of Gas Cost  
Recovery Rate Calculation

**RECEIVED**

**MAY 29 2015**

**PUBLIC SERVICE  
COMMISSION**

Date Filed:

June 1, 2015

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Date Rates to Be Effective:

July 1 2015

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Reporting Period is Calendar Quarter Ended:

March 31 2015

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## SCHEDULE I

**GAS COST RECOVERY RATE SUMMARY**

<u>Componet</u>	<u>Unit</u>	<u>Amount</u>
Expected Gas Cost (EGC)	\$/Mcf	5.2842
+ Refund Adjustment (RA)	\$/Mcf	
+ Actual Adjustment (AA)	\$/Mcf	-0.0861
+ <u>Balance Adjustment (BA)</u>	\$/Mcf	0.000000
= Gas Cost Recovery Rate (GCR)		5.1981

GCR to be effective for service rendered from July 1 2015 to September 30 2015

A.	<u>EXPECTED GAS COST CALCULATION</u>	<u>Unit</u>	<u>Amount</u>
	Total Expected Gas Cost (Schedule II)	\$	179620.78
	+ <u>Sales for the 12 months ended</u> 3/31/2015	Mcf	<u>33992</u>
	= Expected Gas Cost (ECG)	\$/Mcf	5.2842
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	(0.1164)
	+ Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0529)
	+ Second Previous Quarter Reported Actual Adjustment	\$/Mcf	(0.0115)
	+ <u>Third Previous Quarter Reported Actual Adjustment</u>	\$/Mcf	0.0947
	= Actual Adjustment (AA)	\$/Mcf	(0.0861)
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 03-31-15

Supplier	Date	MCF	Rate	Cost
	4/30/2014	1962.72	5.0325	9877.31
	5/31/2014	836.67	5.0000	4183.33
	6/30/2014	1095.86	5.0000	5479.32
	7/31/2014	2222.34	5.0215	11159.52
	8/31/2014	577.76	5.0984	2945.65
	9/30/2014	2469.86	5.0000	12349.32
	10/31/2014	3180.44	5.0349	16013.24
	11/30/2014	4852.37	5.0000	24261.83
	12/31/2014	4458.82	5.0000	22294.12
	1/31/2015	7478.48	5.0998	38138.73
	2/28/2015	2878.27	5.0000	14391.33
	3/31/2015	3608.37	5.1345	18527.08
Totals		35621.96	5.0424	179620.78

Line loss for 12 months ended 03-31-15 is -0.04576 based on purchases of 35621.96 Mcf and sales of 33992.00 Mcf.

	Unit	Amount
Total Expected Cost of Purchases (6)	\$	179620.78
+ Mcf Purchases (4)	Mcf	35621.96
= Average Expected Cost Per Mcf Purchased	\$/Mcf	5.0424
X Allowable Mcf Purchases (must not exceed Mcf sales + .95	Mcf	35621.96
= Total Expected Gas Cost (to Schedule IA)	\$	179620.78

\* 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 **December 31 2014**

<u>Particulars</u>	<u>Unit</u>	Month 1	Month 2	Month 3
		10/31/2014	11/30/2014	12/31/2014
Total Supply Volumes Purchased	Mcf	3180.44	4852.37	4458.82
Total Cost of Volumes Purchased	\$	16013.24	24261.83	22294.12
+ Total Sales (may not be less than 95% of supply volumes)	Mcf	3180.44	4852.37	4458.82
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= Unit Cost of Gas	\$/Mcf	5.0349	5.0000	5.0000
- EGC in effect for month	\$/Mcf	5.3256	5.3256	5.3256
= Difference [(over-)/Under-Recovery]	\$/Mcf	-0.2907	-0.32560	-0.32560
<u>x Actual sales during month</u>	Mcf	<u>3180.44</u>	<u>4852.37</u>	<u>4458.82</u>
= Monthly cost difference	\$	-924.51	-1579.95	-1451.77

	Unit	Amount
Total cost difference (Month 1 + Month 2 + Month 3)	\$	-3956.23
+ Sales for 12 months ended <b>03-31-15</b>	Mcf	33992.00
= Actual Adjustment for the Reporting Period (to Schedule C)	\$/Mcf	(0.1164)