

January 12, 2012

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**JAN 13 2012**

**PUBLIC SERVICE  
COMMISSION**

**VIA FEDERAL EXPRESS**

Public Service Commission  
Attn: Linda Faulkner  
211 Sower Blvd.  
Frankfort, Kentucky 40602-0615

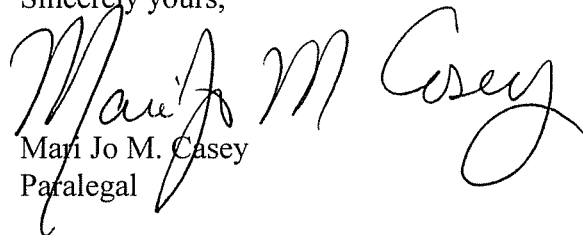
**RE: Notice of Filing Gas Cost Recovery Rate Summary**

Dear Ms. Faulkner:

Enclosed please find an original and eleven (11) copies of Navitas KY NG, LLC's Gas Cost Recovery Rate Summary for filing. We have enclosed a pre-paid FedEx mailer for you to return one copy of the Notice of Filing that has been stamped filed for our records.

Please contact me if you have any questions.

Sincerely yours,

  
Mari Jo M. Casey  
Paralegal

MMC/jar

Enclosures

cc: Klint W. Alexander, Esq.  
Kathy Kunc, Esq.

60117321.1

**Quarterly Report**  
Gas cost recovery rate calculation

Navitas KY NG, LLC

Period	Filing date (on or about)	Reporting Months	Effective date (& 1st forecast month)
	31-Mar	November December January	1-May
	30-Jun	February March April	1-Aug
	30-Sep	May June July	1-Nov
<b>X</b>	31-Dec	August September October	1-Feb

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**Schedule I**  
**Gas Cost Recovery Rate Summary**

**Navitas KY NG, LLC**

Component		
Expected Gas Cost (EGC)	8.1426	per MCF
+ Refund Adjustment (RA) - not used	-	
+ Actual Adjustment (AA)	0.9065	
+ Balance Adjustment(BA)	-	
= Gas Cost Recovery Rate	\$ 9.0491	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 244,492.56	
/ Twelve months sales	30,026	MCF
EGC	\$ 8.1426	per MCF

**B. Refund Adjustment Calculation**

Not Used

**C. Actual Adjustment Calculation**

Actual Adjustment for reporting period	0.9903	
+ Previous quarter AA	-	
+ Second previous quarter AA	(0.0838)	
+ Third previous quarter AA	-	
+ Other cost adjustments		
= Actual Adjustment	\$ 0.9065	

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period		
+ Previous quarter BA		
+ Second previous quarter BA		
+ Third previous quarter BA		
= Balance Adjustment	\$ -	

**Schedule II**  
Expected Gas Cost

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2011 - 2012	Known prior year sales in MCF	MCF/MMBtu (from supplier)	Prior year purchases in MMBtu	Forecasted price per MMBtu	Converted price per MCF	Subtotal forecasted purchases
EDF	November	1726	1.0350	1,786	5.65	5.85	10,093.22
EDF	December	5564	1.0350	5,759	5.65	5.85	32,536.88
EDF	January	5820	1.0350	6,024	5.65	5.85	34,033.91
EDF	February	6407	1.0350	6,631	5.65	5.85	37,466.53
EDF	March	2727	1.0350	2,822	5.65	5.85	15,946.23
EDF	April	1673	1.0350	1,732	5.65	5.85	9,783.87
EDF	May	1301	1.0350	1,346	5.65	5.85	7,606.17
EDF	June	1129	1.0350	1,168	5.65	5.85	6,600.94
EDF	July	739	1.0350	765	5.65	5.85	4,323.83
EDF	August	877	1.0350	908	5.65	5.85	5,129.06
EDF	September	810	1.0350	838	5.65	5.85	4,736.68
EDF	October	1253	1.0350	1,297	5.65	5.85	7,328.99
		<u>30,026</u>		<u>31,076</u>			<u>175,586.30</u>

Transportation	Twelve months 2011 - 2012	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	November	4,206.25	1,071.60	5,277.85	15,371.07
	December	4,206.25	3,455.40	7,661.65	40,198.53
	January	4,206.25	3,614.40	7,820.65	41,854.56
	February	4,206.25	3,978.60	8,184.85	45,651.38
	March	4,206.25	1,693.20	5,899.45	21,845.68
	April	4,206.25	1,039.20	5,245.45	15,029.32
	May	4,206.25	807.60	5,013.85	12,620.02
	June	4,206.25	700.80	4,907.05	11,507.99
	July	4,206.25	459.00	4,665.25	8,989.08
	August	4,206.25	544.80	4,751.05	9,880.11
	September	4,206.25	502.80	4,709.05	9,445.73
	October	4,206.25	778.20	4,984.45	12,313.44
				<u>69,120.60</u>	<u>244,706.90</u>

divide by sales 30,026  
 per MCF \$ 8.15  
 multiply by allowed purchases (sales / 1) 30,000  
**Expected Gas Cost \$ 244,492.56**

**Schedule III**  
Supplier Refund Adjustment

**Navitas KY NG, LLC**

This schedule not used

**Schedule IV**  
Actual Adjustment

Navitas KY NG, LLC

	Third previous quarter			Second previous quarter			Previous quarter			Reporting months			
	Estimated			Actual			Actual			Actual			
	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	
Invoices													
Supply													
EDF & Wells (B&W)	6,806.22	28,678.53	29,154.71	33,421.47	13,039.22	8,485.13	6,448.42	5,526.10	3,673.34	4,375.59	3,571.37	5,071.92	
Transportation													
Spectra	4,206.25	4,206.25	4,206.25	4,206.25	6,932.62	7,538.81	7,036.75	7,701.57	8,120.37	7,250.99	7,256.02	7,294.95	
B&W	1,071.85	3,455.24	3,614.22	3,978.75	1,636.14	1,003.86	807.73	677.28	443.64	544.68	486.00	751.98	
Total cost	12,084.32	36,340.02	36,975.18	41,606.47	21,607.98	17,027.79	14,292.90	13,904.94	12,237.35	12,171.25	11,313.39	13,118.84	
Sales in MCF	1,726	5,564	5,820	6,407	2,727	1,673	1,301	1,129	739	877	810	1,253	
Cost per MCF	7.0013	6.5313	6.3531	6.4939	7.9240	10.1774	10.9886	12.3183	16.5504	13.8767	13.9671	10.4674	
less ECG in effect	6.9481	6.9481	6.9481	6.9481	7.3955	7.3955	7.7431	7.7431	7.7431	7.7431	7.7431	7.7431	
Delta	0.05	(0.42)	(0.59)	(0.45)	0.53	2.78	3.25	4.58	8.81	6.13	6.22	2.72	
Monthly cost difference	91.90	(2,319.21)	(3,462.76)	(2,910.00)	1,441.19	4,654.38	4,221.45	5,164.53	6,512.10	5,379.78	5,041.48	3,414.42	
Total cost difference								(2,504.51)				29,733.75	
divide by 12 months sales								29,897				30,026	
<b>Actual Adjustment</b>					<b>Actual Adjustment</b>		<b>(0.0838)</b>			<b>Actual Adjustment</b>		<b>0.9903</b>	
Allocation													
EDF					Need to adjust for City gate reading to pick up well gas.								
Quantity in MMBtu	4,290	11,264	8,291	5,491	3,056	1,985	1,613	922	996	870	843	2,304	
Cost	16,323.45	56,128.51	40,095.28	27,696.60	14,124.83	9,734.44	7,718.21	4,364.75	4,775.82	4,189.05	3,587.52	9,010.94	
Cost/MMBtu	3.81	4.98	4.84	5.04	4.62	4.90	4.79	4.73	4.80	4.82	4.26	3.91	
MCF per MMBtu	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	
Cost/MCF	3.94	5.15	5.01	5.22	4.78	5.07	4.96	4.90	4.97	4.99	4.41	4.05	
Spectra													
250	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	
1000	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	
Subtotal	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	
Total B&W line sales					3,309	1,867	1,555	1,233	766	1,018	939	1,445	
KY%					82%	90%	84%	92%	97%	86%	86%	87%	
Allocation	4,206.25	4,206.25	4,206.25	4,206.25	6,932.62	7,538.81	7,036.75	7,701.57	8,120.37	7,250.99	7,256.02	7,294.95	
B&W													
Price per MMBtu	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	
Subtotal	1,071.85	3,455.24	3,614.22	3,978.75	1,636.14	1,003.86	807.73	677.28	443.64	544.68	486.00	751.98	

**Schedule V**  
Balance Adjustment

Navitas KY NG, LLC

	Apr-08	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	->Actual Oct-11	Average-> Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12
Balance key							(2,504.51)	(2,449.67)	(2,384.56)	(2,284.68)	(2,088.54)	(1,734.02)	28,458.93	23,674.68	20,828.88	19,429.79	18,410.77	17,629.05
+ under charged incrs rate																		
- over charged decrs rate																		
Sales in MCF	1,428	6,407	2,727	1,673	1,301	1,129	739	655	777	1,192	2,341	4,232	5,482	5,278	3,139	1,543	1,124	862
Third previous quarter AA				-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Second previous quarter AA							(2,504.51)	(0.0838)	(0.08)	(0.08)	(0.0838)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)
Previous quarter AA										-	-	-	-	-	-	-	-	-
<b>Actual adjustment AA</b>													29,733.75	0.9903	0.99	0.99	0.99	0.99
														24,507.37	21,398.58	19,870.20	18,757.01	17,903.05

**Schedule V**  
Balance Adjustment

Navitas KY NG, LLC

17,021.82	16,378.80	15,615.38	14,444.25	12,144.31	7,987.33	2,602.89	2,122.27	1,836.38	1,695.83	1,593.46	1,514.93	1,453.92	1,389.09	1,312.11	1,194.02	962.10	542.94	-
Jul-12 670	Aug-12 655	Sep-12 777	Oct-12 1,192	Nov-12 2,341	Dec-12 4,232	Jan-13 5,482	Feb-13 5,278	Mar-13 3,139	Apr-13 1,543	May-13 1,124	Jun-13 862	Jul-13 670	Aug-13 655	Sep-13 777	Oct-13 1,192	Nov-13 2,341	Dec-13 4,232	Jan-14 5,482
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(0.08)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)						
(217.88)	(212.66)	(206.45)	(196.93)	(178.25)	(144.46)	(100.71)	(58.58)	(33.52)	(21.20)	(12.23)	(5.35)	0.00						
(0.01)																		
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
0.99	0.99	0.99	0.99	0.99	0.99	0.99	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
17,239.70	16,591.46	15,821.83	14,641.19	12,322.56	8,131.79	2,703.60	2,180.85	1,869.90	1,717.03	1,605.69	1,520.27	1,453.92	1,389.09	1,312.11	1,194.02	962.10	542.94	-