

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)
NAVITAS KY NG, LLC) CASE NO. 2012-00291

O R D E R

On February 16, 1995,¹ the Commission approved rates for Gasco Distribution Systems, Inc. (“Gasco”) and provided for their further adjustment on a quarterly basis in accordance with its Gas Cost Adjustment clause. On February 28, 2011, Navitas KY NG, LLC (“Navitas KY”) acquired the assets of Gasco pursuant to the Commission’s approval of the transfer, and adopted Gasco’s tariffs.²

On July 6, 2012, Navitas KY filed its proposed Gas Cost Recovery (“GCR”) rate to be effective August 1, 2012.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Navitas KY’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs. Navitas KY’s notice sets out an

¹ Case No. 1994-00427, In the Matter of the Application of Gasco Distribution Systems, Inc. for a Certificate of Convenience and Necessity to Provide Local Gas Distribution Service to Albany, Ky. and for Transfer of the Albany Gas Utility Company (Ky. PSC Feb. 16, 1995).

² Case No. 2010-00468, Joint Application of Navitas Kentucky NG, LLC and Gasco Distribution Systems, Inc. for Approval of an Acquisition of Ownership and Control of Gas Utility Systems (Ky. PSC Feb. 11, 2011).

Expected Gas Cost ("EGC") of \$5.1054 per Mcf, which represents an increase of \$.1085 per Mcf from the previous EGC of \$4.9969 per Mcf.

2. Navitas KY's notice sets out no current quarter Refund Adjustment ("RA"). Navitas KY's total RA is (\$.8820) per Mcf, which is no change from its previous total RA.

3. Navitas KY's notice sets out a current quarter AA of (\$.1159) per Mcf. Navitas KY did not use the EGCs in effect for the months of February, March, and April 2012 to calculate its current quarter AA. Correcting this produces a current AA of (\$.9114) per Mcf. Navitas KY's total AA is (\$1.0833) per Mcf, which is a decrease of \$.8277 per Mcf from its previous total AA of (\$.2556) per Mcf.

4. Navitas KY's notice sets out no current quarter Balance Adjustment ("BA"). Navitas KY's total BA is \$.5213 per Mcf, which represents an increase of \$.7476 per Mcf from its previous total BA of (\$.2263) per Mcf.

5. Navitas KY's GCR is \$3.6614 per Mcf, which is an increase of \$.0284 per Mcf from its previous rate of \$3.6330 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Navitas KY on and after August 5, 2012. Navitas did not give the 30 days' notice required for its increased rates to be effective August 1.

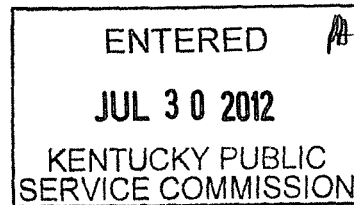
IT IS HEREBY ORDERED that:

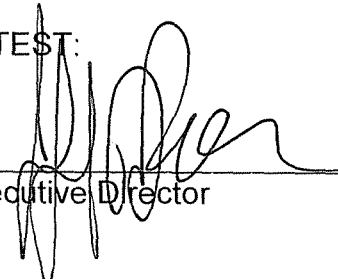
1. The rates proposed by Navitas are denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for service rendered on and after August 5, 2012.

3. Within 20 days of the date of this Order, Navitas KY shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

Commissioner Breathitt is abstaining from this proceeding.



ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2012-00291 DATED JUL 30 2012

The following rates and charges are prescribed for the customers served by Navitas KY NG, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$4.62	\$3.6614	\$8.2814
Commercial	\$3.62	\$3.6614	\$7.2814

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