

September 28, 2012

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PUBLIC SERVICE COMMISSION

Jeff Derouen Public Service Commission 211 Sower Blvd. Frankfort, KY 40602

Re: Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Mr. Derouen,

Attached please find one original and ten copies of the quarterly report of gas cost recovery rate calculation for the rates to be effective November 1, 2012. Please contact me at (949) 331 – 7496 or thartline@navitasutility.com with questions or comments regarding this filing.

Sincerely

Thomas Hartline

TH/teh

Quarterly Report

Gas cost recovery rate calculation

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

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Schedule I Gas Cost Recovery Rate Summary

Component		
Expected Gas Cost (EGC)	5.1051	per MCF
+ Refund Adjustment (RA)	(0.8820)	
+ Actual Adjustment (AA)	(0.2079)	
+ Balance Adjustment(BA)	(0.8349)	
= Gas Cost Recovery Rate	\$ 3.1804	
A. Expected Gas Cost Calculation		
Total EGC	\$ 122,303.11	
/ Twelve months sales	23,957	MCF
EGC	\$ 5.1051	per MCF
B. Refund Adjustment Calculation		
Refund Adjustment for reporting period	-	
+ Previous quarter RA	<u>-</u>	
+ Second previous quarter RA	(0.8820)	
+ Third previous quarter RA	-	
+ Other cost adjustments		
= Refund Adjustment	\$ (0.8820)	
C. Actual Adjustment Calculation		
Actual Adjustment for reporting period	0.8755	
+ Previous quarter AA	(0.9115)	
+ Second previous quarter AA	(1.1989)	
+ Third previous quarter AA	1.0270	
+ Other cost adjustments		
= Actual Adjustment	\$ (0.2079)	
D. Balanco Adjustment Calculation		
D. Balance Adjustment Calculation Balance Adjustment for reporting period	(1.3562)	
+ Previous quarter BA	(1.5502)	
+ Second previous quarter BA	0.5213	
+ Third previous quarter BA	0.0210	
= Balance Adjustment	\$ (0.8349)	
- Dalance Aujustinient	ψ (0.0549)	

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Schedule II Expected Gas Cost

	Total forecasted cost 5,318.64 5,026.46 6,956.58 12,829.49 16,021.07 23,853.17 17,438.47 9,897.19 6,622.44 6,955.45 5,331.67 6,052.48	23,957 \$ 5.1051 23,957 \$ 122,303.11
Subtotal forecasted purchases 3,285.84 3,034.46 4,695.18 9,748.49 12,494.87 13,714.27 7,225.39 4,407.84 4,694.05 3,297.07 3,917.08 89,748.91	Subtotal 2,032.80 1,992.00 2,261.40 3,081.00 3,526.20 4,618.80 3,724.20 2,214.60 2,214.60 2,034.60 2,135.40 2,135.40 32,554.20	divide by sales per MCF purchases (sales / 1) Expected Gas Cost
Converted price per MCF 3.75 3.75 3.75 3.75 3.75 3.75 3.75 3.75	B&W pipeline 532.80 492.00 761.40 1,581.00 2,026.20 3,118.80 2,224.20 1,171.80 714.60 761.40 534.60 635.40	divide by sales per MCF per MCF per MCF multiply by allowed purchases (sales / 1)
Forecasted price per 3.70 3.70 3.70 3.70 3.70 3.70 3.70 3.70	Spectra (East TN) demand 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00 1,500.00	multipl
Prior year purchases in MMBtu 888 820 1,269 2,635 3,377 5,198 3,707 1,953 1,059 891 1,059		
(from supplier) 1.0125 1.0125 1.0125 1.0125 1.0125 1.0125 1.0125 1.0125 1.0125 1.0125		
Known prior year sales in MCF 877 810 1253 2602 3335 5134 361 1929 1177 1177 1253 880		
Twelve months 2012 - 2013 August September October November January February March April May July	Twelve months 2012 - 2013 August September October November January February March April May June	
Supplier or NYMEX EDF	Transportation	

Schedule III Supplier Refund Adjustment

(465.84)	Apr-13	(0.88) (465.84) (0.02)
(1,773.15)	Mar-13 2,938	(0.88) (1,773.15)
(4,363.99)	Feb-13 5,008	(0.88)
(8,781.10)	Jan-13 5,424	(0.88)
(13,564.60)	Dec-12 4,053	(0.88)
(17,138.87)	Nov-12 2,341	(0.88)
(19,203.93)	Oct-12	(19,203.93)
(20,255.45)	Sep-12 777	(0.88)
(20,940.91)	Aug-12 655	(0.88) (20,940.91)
(21,518.26)	Jul-12 733	(0.88)
(22,164.29)	Jun-12 865	(0.88)
(22,927.46)	May-12 1,146	(0.8820)
,	Apr-12 1,543	(23,937.85)
Balance key + Inder charned incrs rate	over charged decrs rate	Previous quarter RA

Schedule IV Actual Adjustment

	Thi	Third previous quarter		Seco	Second previous quarter	er	L	Previous quarter	A. Liver of the latest of the	œ	Reporting months	
		Actual			Actual			Actual			Actual	
	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12
Invoices Supply		1	1	000	7 7 7		0.00	70 030 0	720	14 207 04	00 00	06 808 0
EDF & Wells (B&W) Transportation	4,375.59	3,571.37	26.170,6	8,939.40	15,004.12	77.050,71	0.1 /8,61	17.007,0	17.5.00	16.126,41	67.460,6	60.000
Spectra	7,250.99	7,256.02	7,294.95	1,437.42	1,353.86	1,373.46	1,278.58	1,772.44	1,090.39	1,529.16	1,576.37	1,598.94
B&W	544.68	486.00	86.107	CC.7CC.2	2,010.70	1,000.34	3,191.02	2,070,09	2,427.50	40,000.04)	40.404 EG	40,400,40
l otal cost	12,171.25	11,313.39	13,118.84	12,934.43	18,358.73	20,672.28	10,444.03	9,104.41	5,401.32	12,491.03	880	1,103.42
Sales In MCF	//8	010	567'	7,007	0,000	+ O - O	3,001	676,1	1,100	0000	2000	1,010
Cost per MCF	13.8767	13.9671	10.4674	4.9706	5.5074	4.0653	5.0377	4.7.205	2.9641	9.9689	13.8445	1709.11
less ECG in effect	7.7431	7.7431	7.7431	7.7431	7.7431	7.7431	7.7431	7.7431	8.1426	4.9969	4.9969	4.9969
Delta	6.13	6.22	2.72	(2.77)	(2.24)	(3.68)	(2.71)	(3.02)	(5.18)	4.97	8.85	6.66
Monthly cost difference	5,379.78	5,041.48	3,414.42	(7,214.66)	(7,456.83)	(18,883.12)	(9,903.89)	(5,829.71)	(6,093.07)	6,229.91	7,786.79	6,958.66
Total cost difference divide by 12 months sales			30,835.26 30,026			(33,554.61) 27,988			(21,826.67) 23,947			20,975.36 23,957
Actual Adjustment	Actu	Actual Adjustment	1.0270	Actu	Actual Adjustment	(1.1989)	Actu	Actual Adjustment	(0.9115)	Actu	Actual Adjustment	0.8755
Allocation Total B&W line sales	1,018	939	1,445	3,256	4,480	698'9	4,849	2,325	1,322	1,373	935	1,096
KY%	86% 1 405	86% 1.291	87% 1.920	80% 6.533	11.447	15%	%c/	85%	88%	%	9470	92.0%
EDF	0	2		200								
Cost	870 4,189.05	843 3,587.52	2,304 9,010.94	11,183.77	20,153.64	23,588.30	18,506.48	6,339.26	193.97	833.21	506.99	297.44
	4.82	4.26	3.91									
Allocation	1.0350	1.0350	1.0350	8,939.46	15,004.12	17,630.27	13,971.65	5,258.27	172.60	760.33	477.43	283.89
Spectra 250	1,682.50	1,682.50	1,682.50	1,798.30	1,818.51	1,837.62	1,693.58	2,136.82	1,225.41	1,675.73	1,673.99	1,675.25
	6,730.00	6,730.00	6,730.00			(0.00)						
Allocation	8,412.50	8,412.50	8,412.50	1,437.42	1,353.86	1,373.47	1,278.58	1,772.44	1,090.39	1,529.16	1,576.37	1,598.94
	7,250.99	7,256.02	7,294.95									
B&W Transport Cost	09:0	09:0	09:0	3,199.64	2,700.87	2,500.00	4,227.80	2,500.00	2,500.00	(3,688.68)	758.11	792.17
Allocation	544.68	486.00	751.98	2,557.55	2,010.76	1,868.54	3,191.82	2,073.69	2,224.53	(3,366.04)	713.90	756.09
B&W Supply Cost									,	14,868.03	10,000.00	10,000.00
Allocation												

Schedule V Balance Adjustment

Jan-13 5,424	0.5213	, ,	(1.3562)	352.29	1.0270	(12,429.41)	(0.9115)	0.8755
Dec-12 4,053	0.5213 7,778.88	1 1	(1.3562)	<u> </u>	1.0270	(1.1989) (18,931.86)	(0.9115) (17,624.37)	0.8755 19,721.75
Nov-12 2,341	0.5213 9,891.53	. ,	(1.3562) (28,886.53)		1.0270 15,523.08	(1.1989)	(0.9115) (18,332.76)	0.8755
Oct-12 1,192	0.5213		(32,062.04)	1000	17,927.62	(1.1989)	(0.9115)	20,975.36
Sep-12 777	0.5213 11,733.65	4 1	(499.31)	-	1.0270 19,152.02	(1.1989) (28,027.09)	(0.9115) (19,882.44)	
Aug-12 655	0.5213 12,138.80		(499.31)	1 1	1.0270 19,950.16	(1.1989) (28,958.87)	(20,684.61)	
Jul-12 1,046	0.5213		(0.0837) (499.31)		1.0270	(1.1989)	(21,826.67)	-
Jun-12 880	0.5213		(0.0837) (586.82)	, ,	1.0270 21,696.21	(1.1989) (30,997.25)		
May-12 1,253	0.5213		(0.0837)	t t	1.0270 22,600.03	(1.1989) (32,052.40)		
Apr-12 1,177	14,137,11		(0.0837)	1 1	1.0270	(33,554.61)	_	
Mar-12 1,929	(999.27)	,	(0.0837) (863.84)	1 1	1.0270 25,095.11			
Feb-12 3,661	(999.27)		(0.0837) (1,025.28)		1.0270 27,075.79			
Jan-12 5,134	(0.0850)	ř	(0.0837)		30,835.26	_		
Dec-11 3,335	(0.0850)	•	(0.0837) (1,761.43)	, ,				
Nov-11 2,602	(0.0850)		(0.0837) (2,040.59)					
Sales in MCF	Third previous qrtr BA AA.o	Second previous qrtr BA AA	Previous qrtr BA AA	Balance adjustment BA	Third previous quarter AA	Second previous quarter AA	Previous quarter AA	Actual adjustment AA

Schedule ? Title

Total	19,341	28,911	27,479	31,179	28,674		26,614
۵	2,359	3,441	5,564	5,564	3,335		4,053
z	1,941	3,712	1,726	1,726	2,602		2,341
0	859	1,129	1,336	1,384	1,253		1,192
Ø	379	851	749	1,097	810		777
4	400	683	699	644	877		655
7	327	786	726	771	739	1,046	733
7	784	637	089	1,082	1,129	880	865
Σ	961	1,408	952	666	1,301	1,253	1,146
∢	1,472	1,428	1,575	1,569	1,673	1,177	1,482
Σ	1,657	3,761	3,436	4,116	2,727	1,929	2,938
比	5,015	4,115	4,445	6,407	6,407	3,661	5,008
~	3,187	096'9	5,621	5,820	5,820	5,134	5,424
	2007	2008	2009	2010	2011	2012	
	Sales in MCF						Average

Dage #