



June 25, 2013

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JUL 1 2013

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 August 1, 2013. Please contact me at (714) 242 – 4064 or [joey@navitasutility.com](mailto:joey@navitasutility.com) with questions or comments regarding this filing.

Sincerely,

A handwritten signature in blue ink, appearing to read "Joseph M Irwin Jr", written in a cursive style.

Joseph M Irwin Jr

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Navitas KY NG, LLC

Quarterly Report  
Gas cost recovery rate calculation

PUBLIC SERVICE  
COMMISSION

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

 ORIGINAL

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

Navitas KY NG, LLC

Component		
Expected Gas Cost (EGC)	5.6890	per MCF
+ Refund Adjustment (RA)	0.1400	
+ Actual Adjustment (AA)	0.7237	
+ Balance Adjustment(BA)	(1.2587)	
= Gas Cost Recovery Rate	\$ 5.2941	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 182,512.88	
/ Twelve months sales	32,082	MCF
EGC	\$ 5.6890	per MCF

**B. Refund Adjustment Calculation**

Refund Adjustment for reporting period	0.1400	
+ Previous quarter RA	-	
+ Second previous quarter RA	-	
+ Third previous quarter RA	-	
+ Other cost adjustments		
= Refund Adjustment	\$ 0.1400	

**C. Actual Adjustment Calculation**

Actual Adjustment for reporting period	0.3352	
+ Previous quarter AA	0.0320	
+ Second previous quarter AA	(0.5190)	
+ Third previous quarter AA	0.8755	
+ Other cost adjustments		
= Actual Adjustment	\$ 0.7237	

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period	0.0723	
+ Previous quarter BA	0.0252	
+ Second previous quarter BA	(0.0000)	
+ Third previous quarter BA	(1.3562)	
= Balance Adjustment	\$ (1.2587)	

Schedule II  
Expected Gas Cost

Supplier or NYMEX	Twelve months 2012 - 2013	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
Petrol	August	1227	1.0125	1,243	4.40	4.46	5,467.62
Petrol	September	1049	1.0125	1,062	4.40	4.46	4,671.96
Petrol	October	1813	1.0125	1,835	4.40	4.46	8,076.02
Petrol	November	3673	1.0125	3,719	4.40	4.46	16,361.88
Petrol	December	2854	1.0125	2,889	4.40	4.46	12,712.34
Petrol	January	6073	1.0125	6,148	4.40	4.46	27,052.99
Petrol	February	4304	1.0125	4,358	4.40	4.46	19,175.66
Petrol	March	5380	1.0125	5,447	4.40	4.46	23,968.35
Petrol	April	2531	1.0125	2,563	4.40	4.46	11,275.16
Petrol	May	1253	1.0125	1,269	4.40	4.46	5,582.12
Petrol	June	880	1.0125	891	4.40	4.46	3,920.85
Petrol	July	1046	1.0125	1,059	4.40	4.46	4,658.15
		32,082		32,483			142,923.08

Transportation	Twelve months 2012 - 2013	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,675.00	745.80	2,420.80	7,888.42
	September	1,675.00	637.20	2,312.20	6,984.16
	October	1,675.00	1,101.00	2,776.00	10,852.02
	November	1,675.00	2,231.40	3,906.40	20,268.28
	December	1,675.00	1,733.40	3,408.40	16,120.74
	January	1,675.00	3,688.80	5,363.80	32,416.79
	February	1,675.00	2,614.80	4,289.80	23,465.46
	March	1,675.00	3,268.20	4,943.20	28,911.55
	April	1,675.00	1,537.80	3,212.80	14,487.96
	May	1,675.00	761.40	2,436.40	8,018.52
	June	1,675.00	534.60	2,209.60	6,130.45
	July	1,675.00	635.40	2,310.40	6,968.55
				39,589.80	182,512.88

divide by sales per MCF \$ 32,082  
 multiply by allowed purchases (sales / 1) \$ 5,6890  
**Expected Gas Cost \$ 182,512.88**



	Second previous quarter			Previous quarter			Reporting months		
	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13
Invoices									
Supply									
Petrol & Wells (B&W)	(11,986.35)	4,169.40	7,945.77	13,940.67	15,092.00	25,482.87	20,996.97	25,679.41	15,026.79
Transportation									
Spectra	1,625.01	1,556.20	1,521.43	1,337.29	1,280.95	1,269.62	1,220.65	1,346.77	1,232.48
B&W	872.51	808.44	1,333.43	2,095.63	1,341.82	3,328.28	2,522.49	2,949.29	1,718.50
Total cost	(9,488.84)	6,534.04	10,800.64	17,373.59	17,714.77	30,080.77	24,740.11	29,975.47	17,977.77
Sales in MCF	1,227	1,049	1,813	3,673	2,854	6,073	4,304	5,380	2,531
Cost per MCF	(7.7315)	6.2306	5.9580	4.7305	6.2081	4.9536	5.7478	5.5715	7.1033
less ECG in effect	5.1054	5.1054	5.1054	5.1051	5.1051	5.1051	5.0707	5.0707	5.0707
Delta	(12.84)	1.13	0.85	(0.37)	1.10	(0.15)	0.68	0.50	2.03
Monthly cost difference	(15,754.69)	1,180.00	1,545.57	(1,375.91)	3,147.37	(919.95)	2,914.30	2,694.60	5,144.33
Total cost difference			(13,029.12)			851.51			10,753.23
divide by 12 months sales			25,105			26,632			32,082
Actual Adjustment			(0.5190)			0.0320			0.3352
Allocation									
Total B&W line sales	1,266	1,128	2,001	4,603	3,733	8,013	5,906	6,734	3,446
KY%	97%	93%	91%	80%	76%	76%	73%	80%	73%
Petrol									
Cost	356.52	439.41	489.82	13,738.66	19,744.68	33,624.80	38,579.76	37,500.48	18,530.52
Spectra									
250	345.70	408.56	443.86	10,962.69	15,092.00	25,482.87	28,116.02	29,963.07	13,608.48
Allocation									
Cost	1,675.85	1,673.73	1,678.96	1,675.92	1,675.85	1,675.27	1,674.93	1,685.56	1,678.25
Allocation									
Cost	1,625.01	1,556.20	1,521.43	1,337.29	1,280.95	1,269.62	1,220.65	1,346.77	1,232.48
B&W Transport									
Cost	899.81	869.49	1,471.50	2,626.29	1,755.49	4,391.69	3,461.27	3,691.20	2,340.07
Allocation									
Cost	872.51	808.44	1,333.43	2,095.63	1,341.82	3,328.28	2,522.49	2,949.29	1,718.50
B&W Supply									
Cost	(13,363.79)	4,044.87	8,278.67	3,732.06	-	-	(9,768.50)	(5,361.24)	1,931.30
Allocation									
Cost	(12,332.06)	3,760.84	7,501.91	2,977.98	-	-	(7,119.05)	(4,283.66)	1,418.31



Sales History

Sales in MCF	J	F	M	A	M	J	J	A	S	O	N	D	Total
2007	3,187	5,015	1,657	1,472	961	784	327	400	379	859	1,941	2,359	19,341
2008	6,960	4,115	3,761	1,428	1,408	637	786	683	851	1,129	3,712	3,441	28,911
2009	5,621	4,445	3,436	1,575	952	680	726	669	749	1,336	1,726	5,564	27,479
2010	5,820	6,407	4,116	1,569	999	1,082	771	644	1,097	1,384	1,726	5,564	31,179
2011	5,820	6,407	2,727	1,673	1,301	1,129	739	877	810	1,253	2,602	3,335	28,674
2012	5,134	3,661	1,929	1,177	1,253	880	1,046	1,227	1,049	1,813	3,673	2,854	25,694
2013	6,073	4,304	5,380	2,531									18,288
Average	5,516	4,908	3,287	1,632	1,146	865	733	750	822	1,296	2,563	3,853	27,370