



September 25, 2013

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

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SEP 30 2013

PUBLIC SERVICE
COMMISSION

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

Sincerely,

A handwritten signature in black ink that reads "Joseph M Irwin Jr." with a long, sweeping underline.

Joseph M Irwin Jr

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
X	30-Sep	May June July	1-Nov
	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)	6.1925	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	0.1365	
+ Balance Adjustment(BA)	0.4674	
= Gas Cost Recovery Rate	\$ 6.7963	

A. Expected Gas Cost Calculation

Total EGC	\$ 199,563.21	
/ Twelve months sales	32,227	MCF
EGC	\$ 6.1925	per MCF

B. Refund Adjustment Calculation

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

C. Actual Adjustment Calculation

Actual Adjustment for reporting period	0.2883	
+ Previous quarter AA	0.3352	
+ Second previous quarter AA	0.0320	
+ Third previous quarter AA	(0.5190)	
+ Other cost adjustments	-	
= Actual Adjustment	\$ 0.1365	

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	0.2341	
+ Previous quarter BA	0.2081	
+ Second previous quarter BA	0.0252	
+ Third previous quarter BA	(0.0000)	
= Balance Adjustment	\$ 0.4674	

Schedule II
Expected Gas Cost

Navitas KY NG, LLC

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	4.90	4.96	6,088.94
Petrol	September	1049	1.0125	1,062	4.90	4.96	5,202.86
Petrol	October	1813	1.0125	1,835	4.90	4.96	8,993.75
Petrol	November	3673	1.0125	3,719	4.90	4.96	18,221.18
Petrol	December	2854	1.0125	2,889	4.90	4.96	14,156.93
Petrol	January	6073	1.0125	6,148	4.90	4.96	30,127.19
Petrol	February	4304	1.0125	4,358	4.90	4.96	21,354.71
Petrol	March	5380	1.0125	5,447	4.90	4.96	26,692.02
Petrol	April	2531	1.0125	2,563	4.90	4.96	12,556.43
Petrol	May	1603	1.0125	1,623	4.90	4.96	7,952.88
Petrol	June	911	1.0125	923	4.90	4.96	4,520.69
Petrol	July	810	1.0125	820	4.90	4.96	4,017.62
		<u>32,227</u>		<u>32,630</u>			<u>159,885.21</u>

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	8,509.74
	September	1,675.00	637.20	2,312.20	7,515.06
	October	1,675.00	1,101.00	2,776.00	11,769.75
	November	1,675.00	2,231.40	3,906.40	22,127.58
	December	1,675.00	1,733.40	3,408.40	17,565.33
	January	1,675.00	3,688.80	5,363.80	35,490.99
	February	1,675.00	2,614.80	4,289.80	25,644.51
	March	1,675.00	3,268.20	4,943.20	31,635.22
	April	1,675.00	1,537.80	3,212.80	15,769.23
	May	1,675.00	973.80	2,648.80	10,601.68
	June	1,675.00	553.80	2,228.80	6,749.49
	July	1,675.00	492.00	2,167.00	6,184.62
				<u>39,678.00</u>	<u>199,563.21</u>
				divide by sales	<u>32,227</u>
				per MCF	\$ 6.1925
				multiply by allowed purchases (sales / 1)	32,227
				Expected Gas Cost	\$ 199,563.21

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Reporting months		
		Actual			Actual		Actual		
	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13
Invoices									
Supply									
Petrol & Wells (B&W)	13,940.67	15,092.00	25,482.87	20,996.97	25,679.41	15,026.79	11,536.52	6,181.13	4,044.17
Transportation									
Spectra	1,337.29	1,280.95	1,269.62	1,220.65	1,346.77	1,232.48	1,511.27	1,439.77	1,462.94
B&W	2,095.63	1,341.82	3,328.28	2,522.49	2,949.29	1,718.50	1,262.93	699.75	489.96
Total cost	17,373.59	17,714.77	30,080.77	24,740.11	29,975.47	17,977.77	14,310.72	8,320.66	5,997.07
Sales in MCF	3,673	2,854	6,073	4,304	5,380	2,531	1,603	911	810
Cost per MCF	4.7305	6.2081	4.9536	5.7478	5.5715	7.1033	8.9275	9.1315	7.4056
less ECG in effect	5.1051	5.1051	5.1051	5.0707	5.0707	5.0707	5.8172	5.8172	5.8172
Delta	(0.37)	1.10	(0.15)	0.68	0.50	2.03	3.11	3.31	1.59
Monthly cost difference	(1,375.91)	3,147.37	(919.95)	2,914.30	2,694.60	5,144.33	4,985.75	3,020.02	1,286.30
Total cost difference			851.51			10,753.23			9,292.08
divide by 12 months sales			26,632			32,082			32,227
Actual Adjustment		Actual Adjustment	0.0320		Actual Adjustment	0.3352		Actual Adjustment	0.2883
Allocation									
Total B&W line sales	4,603	3,733	8,013	5,906	6,734	3,446	1,798	1,061	931
KY%	80%	76%	76%	73%	80%	73%	89%	86%	87%
Petrol									
Cost	13,738.66	19,744.68	33,624.80	38,579.76	37,500.48	18,530.52	8,276.05	190.80	673.53
Allocation	10,962.69	15,092.00	25,482.87	28,116.02	29,963.07	13,608.48	7,379.71	163.86	585.97
Spectra									
250	1,675.92	1,675.85	1,675.27	1,674.93	1,685.56	1,678.25	1,694.83	1,676.47	1,681.53
Allocation	1,337.29	1,280.95	1,269.62	1,220.65	1,346.77	1,232.48	1,511.27	1,439.77	1,462.94
B&W Transport									
Cost	2,626.29	1,755.49	4,391.69	3,461.27	3,691.20	2,340.07	1,416.33	814.79	563.17
Allocation	2,095.63	1,341.82	3,328.28	2,522.49	2,949.29	1,718.50	1,262.93	699.75	489.96
B&W Supply									
Cost	3,732.06	-	-	(9,768.50)	(5,361.24)	1,931.30	4,661.69	7,006.50	3,974.92
Allocation	2,977.98	-	-	(7,119.05)	(4,283.66)	1,418.31	4,156.81	6,017.27	3,458.20

Schedule V
Balance Adjustment

Navitas KY NG, LLC

	(16,007.12)	(2,080.08)	2,508.75	8,067.47	9,756.71	23,780.92	24,080.34	24,408.65	34,217.94	22,680.51	20,353.77	
+ under charged												
- over charged												
						->Actual	Average->					
Sales in MCF	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
	4,304	5,380	2,531	1,603	911	810	750	822	1,296	2,563	3,853	5,516
Summary												
3rd Previous Qtr BA	0.5213	0.5213	0.5213	-	-	-	(1.3562)	(1.3562)	(1.3562)	(0.0000)	(0.0000)	(0.0000)
2nd Previous Qtr BA	-	-	-	(1.3562)	(1.3562)	(1.3562)	(0.0000)	(0.0000)	(0.0000)	0.0252	0.0252	0.0252
Previous Qtr BA	(1.3562)	(1.3562)	(1.3562)	(0.0000)	(0.0000)	(0.0000)	0.0252	0.0252	0.0252	0.2081	0.2081	0.2081
Current Qtr BA	(0.0000)	(0.0000)	(0.0000)	0.0252	0.0252	0.0252	0.2081	0.2081	0.2081	0.2341	0.2341	0.2341
	(0.8349)	(0.8349)	(0.8349)	(1.3310)	(1.3310)	(1.3310)	(1.1229)	(1.1229)	(1.1229)	0.4674	0.4674	0.4674
3rd Previous Qtr AA	(1.1989)	(1.1989)	(1.1989)	(0.9114)	(0.9114)	(0.9114)	0.8755	0.8755	0.8755	(0.5190)	(0.5190)	(0.5190)
2nd Previous Qtr AA	(0.9114)	(0.9114)	(0.9114)	0.8755	0.8755	0.8755	(0.5190)	(0.5190)	(0.5190)	0.0320	0.0320	0.0320
Previous Qtr AA	0.8755	0.8755	0.8755	(0.5190)	(0.5190)	(0.5190)	0.0320	0.0320	0.0320	0.3352	0.3352	0.3352
Current Qtr AA	(0.5190)	(0.5190)	(0.5190)	0.0320	0.0320	0.0320	0.3352	0.3352	0.3352	0.2883	0.2883	0.2883
	(1.7537)	(1.7537)	(1.7537)	(0.5228)	(0.5228)	(0.5228)	0.7237	0.7237	0.7237	0.1365	0.1365	0.1365
	(1.3562)	(1.3562)	(1.3562)	(1.3562)	(1.3562)	(1.3562)	(1.3562)	(1.3562)	(1.3562)			
	(9,137.72)	(1,841.08)	1,591.40	3,765.43	5,001.23	6,099.50	7,116.76	8,232.19	9,989.43			
Third previous qtr BA AA	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)	(0.0000)
	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	(0.00)	0.00
Second previous qtr BA AA				0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252
	3,485.17	3,485.17	670.95	630.56	607.61	587.20	568.31	547.59	514.95	450.37	353.31	214.33
			0.0252									
Previous qtr BA AA	(1.1989)	(1.1989)	(1.1989)				0.2081	0.2081	0.2081	0.2081	0.2081	0.2081
	(4,576.77)	1,873.39	4,907.67	4,907.67	4,907.67	6,677.39	6,521.27	6,350.09	6,080.41	5,546.88	4,744.97	3,596.79
						0.2081						
Balance adjustment BA	(0.9114)	(0.9114)	(0.9114)	(0.9114)	(0.9114)	(0.9114)				0.2341	0.2341	0.2341
	(2,695.64)	2,207.56	4,514.11	5,975.02	6,805.44	7,543.46	7,543.46	7,543.46	7,543.46	6,943.45	6,041.61	4,750.37
									0.2341			
	0.8755	0.8755	0.8755	0.8755	0.8755	0.8755	0.8755	0.8755	0.8755			
	6,176.07	1,465.57	(750.34)	(2,153.83)	(2,951.63)	(3,660.64)	(4,317.36)	(5,037.45)	(6,171.87)	(6,171.87)	(6,171.87)	3,817.56
												0.1231
Third previous quarter AA	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)
	(10,795.25)	(8,003.06)	(6,689.56)	(5,857.63)	(5,384.73)	(4,964.46)	(4,575.18)	(4,148.34)	(3,475.90)	(2,145.58)	(146.03)	2,716.90
Second previous quarter AA				0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
			851.51	800.26	771.12	745.23	721.25	694.95	653.53	571.57	448.38	272.01
Previous quarter AA							10,753.23	10,501.82	10,226.16	9,791.87	8,932.70	7,641.32
								10,501.82	10,226.16	9,791.87	8,932.70	7,641.32
												5,792.33
Actual adjustment AA									9,292.08	8,552.99	7,442.09	5,851.53

Sales History

Navitas KY NG, LLC

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	1,603	911	810						21,612
Average	5,516	4,908	3,287	1,632	1,211	872	744	750	822	1,296	2,563	3,853	27,453