



January 8, 2014

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

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JAN 10 2014

**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 February 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, appearing to read "Joseph M Irwin Jr", with a stylized flourish at the end.

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
	30-Sep	May June July	1-Nov
X	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)	6.1998	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	0.8071	
+ Balance Adjustment(BA)	0.6000	
= Gas Cost Recovery Rate	\$ 7.6069	

A. Expected Gas Cost Calculation

Total EGC	\$ 197,488.95	
/ Twelve months sales	31,854	MCF
EGC	\$ 6.1998	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	0.1516
+ Previous quarter AA	0.2883
+ Second previous quarter AA	0.3352
+ Third previous quarter AA	0.0320
+ Other cost adjustments	-
= Actual Adjustment	\$ 0.8071

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	0.1326
+ Previous quarter BA	0.2341
+ Second previous quarter BA	0.2081
+ Third previous quarter BA	0.0252
= Balance Adjustment	\$ 0.6000

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	1047	1.0125	1,060	4.90	4.96	5,195.42
Petrol	September	1051	1.0125	1,064	4.90	4.96	5,212.79
Petrol	October	1618	1.0125	1,639	4.90	4.96	8,029.29
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>31,854</u>		<u>32,253</u>			<u>158,037.15</u>

Transportation	Twelve months 2012 - 2013	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,675.00	636.00	2,311.00	7,506.42
	September	1,675.00	638.40	2,313.40	7,526.19
	October	1,675.00	983.40	2,658.40	10,687.69
	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>39,451.80</u>	<u>197,488.95</u>

	divide by sales	31,854
	per MCF	\$ 6.1998
	multiply by allowed purchases (sales / 1)	31,854
	Expected Gas Cost	\$ 197,488.95

Schedule III
Supplier Refund Adjustment

Navitas KY NG, LLC

	(2,820.47)	2,124.55	4,356.70	4,356.70	4,356.70	4,356.70	-	-	-	-	-	-
Balance key												
+ under charged incrs rate												
- over charged decrs rate												
	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	--Actual-- Oct-13	Average-- Nov-13	Dec-13	Jan-14
Sales in MCF	4,304	5,380	2,531	1,603	911	810	1,047	1,051	1,618	2,563	3,853	5,516
Current quarter RA	(0.88)	(0.68)	(0.88)									
	(2,820.47)	2,124.55	4,356.70	4,356.70	4,356.70	4,356.70	0.1358					

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Reporting months		
		Actual			Actual		Actual		
	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13
Invoices									
Supply									
Petrol & Wells (B&W)	20,996.97	25,679.41	15,026.79	11,536.52	6,181.13	4,044.17	5,326.90	5,445.91	8,644.77
Transportation									
Spectra	1,220.65	1,346.77	1,232.48	1,511.27	1,439.77	1,462.94	1,521.45	1,493.55	1,277.56
B&W	2,522.49	2,949.29	1,718.50	1,262.93	699.75	489.96	631.72	630.70	997.51
Total cost	24,740.11	29,975.47	17,977.77	14,310.72	8,320.66	5,997.07	7,480.07	7,570.16	10,919.85
Sales in MCF	4,304	5,380	2,531	1,603	911	810	1,047	1,051	1,618
Cost per MCF	5.7478	5.5715	7.1033	8.9275	9.1315	7.4056	7.1429	7.2049	6.7473
less ECG in effect	5.0707	5.0707	5.0707	5.8172	5.8172	5.8172	5.6890	5.6890	5.6890
Delta	0.68	0.50	2.03	3.11	3.31	1.59	1.45	1.52	1.06
Monthly cost difference	2,914.30	2,694.60	5,144.33	4,985.75	3,020.02	1,286.30	1,522.55	1,592.73	1,712.77
Total cost difference			10,753.23			9,292.08			4,828.06
divide by 12 months sales			32,082			32,227			31,854
Actual Adjustment		Actual Adjustment	0.3352		Actual Adjustment	0.2883		Actual Adjustment	0.1516
Allocation									
Total B&W line sales	5,906	6,734	3,446	1,798	1,061	931	1,156	1,182	2,131
KY%	73%	80%	73%	89%	86%	87%	91%	89%	76%
Petrol									
Cost	38,579.76	37,500.48	18,530.52	8,276.05	190.80	673.53	561.60	3,222.51	8,777.28
Allocation	28,116.02	29,963.07	13,608.48	7,379.71	163.86	585.97	508.79	2,864.79	6,665.64
Spectra									
250	1,674.93	1,685.56	1,678.25	1,694.83	1,676.47	1,681.53	1,679.38	1,680.05	1,682.29
Allocation	1,220.65	1,346.77	1,232.48	1,511.27	1,439.77	1,462.94	1,521.45	1,493.55	1,277.56
B&W Transport									
Cost	3,461.27	3,691.20	2,340.07	1,416.33	814.79	563.17	697.29	709.45	1,313.52
Allocation	2,522.49	2,949.29	1,718.50	1,262.93	699.75	489.96	631.72	630.70	997.51
B&W Supply									
Cost	(9,768.50)	(5,361.24)	1,931.30	4,661.69	7,006.50	3,974.92	5,318.24	2,903.43	2,606.11
Allocation	(7,119.05)	(4,283.66)	1,418.31	4,156.81	6,017.27	3,458.20	4,818.12	2,581.13	1,979.13

Schedule V
Balance Adjustment

Navitas KY NG, LLC

	2,508.75	8,067.47	9,756.71	23,780.92	24,198.95	24,618.37	34,556.49	21,868.84	19,542.12				
+ under charged													
- over charged													
	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	->Actual Oct-13	Average-> Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14
Sales in MCF	2,531	1,603	911	810	1,047	1,051	1,618	2,563	3,853	5,516	4,908	3,287	1,632
Summary													
3rd Previous Qtrr BA	0.5213	-	-	-	(1.3562)	(1.3562)	(1.3562)	(0.0000)	(0.0000)	(0.0000)	0.0252	0.0252	0.0252
2nd Previous Qtrr 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
Previous Qtrr BA	(1.3562)	(0.0000)	(0.0000)	(0.0000)	0.0252	0.0252	0.0252	0.2081	0.2081	0.2081	0.2341	0.2341	0.2341
Current Qtr BA	(0.0000)	0.0252	0.0252	0.0252	0.2081	0.2081	0.2081	0.2341	0.2341	0.2341	0.1326	0.1326	0.1326
	(0.8349)	(1.3310)	(1.3310)	(1.3310)	(1.1229)	(1.1229)	(1.1229)	0.4674	0.4674	0.4674	0.6000	0.6000	0.6000
3rd Previous Qtrr AA	(1.1989)	(0.9114)	(0.9114)	(0.9114)	0.8755	0.8755	0.8755	(0.5190)	(0.5190)	(0.5190)	0.0320	0.0320	0.0320
2nd Previous Qtrr AA	(0.9114)	0.8755	0.8755	0.8755	(0.5190)	(0.5190)	(0.5190)	0.0320	0.0320	0.0320	0.3352	0.3352	0.3352
Previous Qtrr AA	0.8755	(0.5190)	(0.5190)	(0.5190)	0.0320	0.0320	0.0320	0.3352	0.3352	0.3352	0.2883	0.2883	0.2883
Current Qtrr AA	(0.5190)	0.0320	0.0320	0.0320	0.3352	0.3352	0.3352	0.2883	0.2883	0.2883	0.1516	0.1516	0.1516
	(1.7537)	(0.5228)	(0.5228)	(0.5228)	0.7237	0.7237	0.7237	0.1365	0.1365	0.1365	0.8071	0.8071	0.8071
	(1.3562)	(1.3562)	(1.3562)	(1.3562)	(1.3562)	(1.3562)	(1.3562)						
	1,591.40	3,765.43	5,001.23	6,099.50	7,519.74	8,944.73	11,139.65						
	(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			
Third previous qtrr BA AA		0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252	0.0252
	670.95	630.56	607.61	587.20	560.82	534.35	493.58	429.00	331.94	192.97	69.32	(13.47)	(54.59)
	0.0252												
Second previous qtrr BA AA	(1.1989)				0.2081	0.2081	0.2081	0.2081	0.2081	0.2081	0.2081	0.2081	0.2081
	4,907.67	4,907.67	4,907.67	6,677.39	6,459.43	6,240.74	5,903.89	5,370.36	4,568.45	3,420.27	2,398.78	1,714.73	1,375.03
				0.2081									
Previous qtrr BA AA	(0.9114)	(0.9114)	(0.9114)	(0.9114)	7,543.46	7,543.46	7,543.46	6,943.45	6,041.61	4,750.37	3,601.59	2,832.30	2,450.27
	4,514.11	5,975.02	6,805.44	7,543.46			0.2341						
							0.2341						
Balance adjustment BA	0.8755	0.8755	0.8755	0.8755	0.8755	0.8755	0.8755				0.1326	0.1326	0.1326
	(750.34)	(2,153.83)	(2,951.63)	(3,660.64)	(4,577.51)	(5,497.44)	(6,914.42)	(6,914.42)	(6,914.42)	4,225.23	3,574.26	3,138.32	2,921.84
										0.1326			
	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)	(0.5190)			
	(6,689.56)	(5,857.63)	(5,384.73)	(4,964.46)	(4,420.98)	(3,875.68)	(3,035.75)	(1,705.43)	294.12	3,157.05	3,157.05	3,157.05	3,157.05
													0.1012
Third previous quarter AA	851.51	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320	0.0320
		800.26	771.12	745.23	711.75	678.16	626.41	544.45	421.27	244.89	87.97	(17.11)	(69.29)
Second previous quarter AA					0.3352	0.3352	0.3352	0.3352	0.3352	0.3352	0.3352	0.3352	0.3352
				10,753.23	10,402.23	10,050.06	9,507.60	8,648.43	7,357.05	5,508.07	3,863.10	2,761.52	2,214.48
Previous quarter AA								0.2883	0.2883	0.2883	0.2883	0.2883	0.2883
								9,292.08	8,552.99	7,442.10	5,851.55	4,436.49	3,488.88
													0.2883
Actual adjustment AA											0.1516	0.1516	0.1516
										4,828.06	4,084.21	3,586.08	3,338.71

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	1,047	1,051	1,618			25,328
Average	5,516	4,908	3,287	1,632	1,211	872	744	793	855	1,342	2,563	3,853	27,575