



September 24, 2014

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

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SEP 29 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 November 1, 2014. Please contact me at (714) 242 – 4064 or joey@navitasutility.com with questions or comments regarding this filing.

We have the same situation as in our previous filing. Starting in January 2015 we will have a new customer on the system using approximately 10,000 MCF a month. Currently, the system only uses about 30,000 MCF a year so the new total will be 150,000 a year, a five-fold increase. The actual adjustment for this quarter will start November 2014 and run until October 2015 which means it will include 10 months of this new customer's usage. Therefore, I have divided the actual adjustment by the last 12 months sales plus an additional 100,000 for the 10 months of the increased usage for the period. The new customer is Keystone Foods LLC, a chicken plant located at 2294 W HWY 90, Albany KY. They are switching from propane. This method of calculating the actual adjustment was accepted on the most recent filing. We are trying to prevent having a large over-collection from the customers which would lead to a large negative balance adjustment.

Sincerely,

A handwritten signature in blue ink that reads "Joseph M Irwin Jr". The signature is fluid and cursive, with a long horizontal stroke 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
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)	8.2132	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	2.3649	
+ Balance Adjustment(BA)	0.2492	
= Gas Cost Recovery Rate	\$ 10.8274	

A. Expected Gas Cost Calculation

Total EGC	\$ 256,763.35	
/ Twelve months sales	31,262	MCF
EGC	\$ 8.2132	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	0.1918	
+ Previous quarter AA	0.6897	
+ Second previous quarter AA	1.3319	
+ Third previous quarter AA	0.1516	
+ Other cost adjustments	-	
= Actual Adjustment	\$ 2.3649	

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	0.0142	
+ Previous quarter BA	(0.0090)	
+ Second previous quarter BA	0.1113	
+ Third previous quarter BA	0.1326	
= Balance Adjustment	\$ 0.2492	

Schedule II
Expected Gas Cost

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2013 - 2014	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	7.00	7.09	7,422.03
Petrol	September	1051	1.0125	1,064	7.00	7.09	7,446.84
Petrol	October	1618	1.0125	1,639	7.00	7.09	11,470.41
Petrol	November	2334	1.0125	2,363	7.00	7.09	16,542.23
Petrol	December	3906	1.0125	3,955	7.00	7.09	27,683.78
Petrol	January	6465	1.0125	6,546	7.00	7.09	45,820.69
Petrol	February	5710	1.0125	5,781	7.00	7.09	40,469.63
Petrol	March	3962	1.0125	4,012	7.00	7.09	28,080.68
Petrol	April	2176	1.0125	2,203	7.00	7.09	15,422.40
Petrol	May	1037	1.0125	1,050	7.00	7.09	7,349.74
Petrol	June	999	1.0125	1,011	7.00	7.09	7,080.41
Petrol	July	957	1.0125	969	7.00	7.09	6,782.74
		<u>31,262</u>		<u>31,653</u>			<u>221,571.55</u>

Transportation	Twelve months 2012 - 2013	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,350.00	636.00	1,986.00	9,408.03
	September	1,350.00	638.40	1,988.40	9,435.24
	October	1,350.00	983.40	2,333.40	13,803.81
	November	1,350.00	1,417.80	2,767.80	19,310.03
	December	1,350.00	2,373.00	3,723.00	31,406.78
	January	1,350.00	3,927.60	5,277.60	51,098.29
	February	1,350.00	3,468.60	4,818.60	45,288.23
	March	1,350.00	2,407.20	3,757.20	31,837.88
	April	1,350.00	1,321.80	2,671.80	18,094.20
	May	1,350.00	630.00	1,980.00	9,329.74
	June	1,350.00	606.60	1,956.60	9,037.01
	July	1,350.00	581.40	1,931.40	8,714.14
				<u>35,191.80</u>	<u>256,763.35</u>

	divide by sales	<u>31,262</u>
	per MCF	\$ 8.2132
	multiply by allowed purchases (sales / 1)	31,262
	Expected Gas Cost	\$ 256,763.35

Schedule III
Supplier Refund Adjustment

Navitas KY NG, LLC

Balance key	-	-	-	-	-	-	-	-	-	-	-	-	-
+ under charged incrs rate													
- over charged decrs rate													
Sales in MCF	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	->Actual Jul-14	Average->
	1,047	1,051	1,618	2,334	3,906	6,465	5,710	3,962	2,176	1,037	999	957	
Current quarter RA	<input type="text"/>			-	-	-	-	-	-	-	-	-	

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Reporting months		
	Actual			Actual			Actual		
	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14
Invoices									
Supply									
Petrol & Wells (B&W)	17,863.42	35,561.88	53,882.51	60,067.70	38,920.23	29,984.20	16,071.36	15,117.00	7,645.22
Transportation									
Spectra	1,175.18	1,139.77	1,130.77	1,260.62	1,143.25	1,359.68	1,313.19	1,422.06	1,365.14
B&W	2,022.94	3,638.30	4,827.85	4,592.87	3,315.68	2,874.98	1,520.19	1,452.01	783.85
Total cost	21,061.54	40,339.95	59,841.13	65,921.19	43,379.16	34,218.86	18,904.74	17,991.06	9,794.22
Sales in MCF	2,334	3,906	6,465	5,710	3,962	2,176	1,037	999	957
Cost per MCF	9.0238	10.3277	9.2562	11.5449	10.9488	15.7256	18.2302	18.0091	10.2343
less ECG in effect	6.1925	6.1925	6.1925	6.1998	6.1998	6.1998	7.1894	7.1894	7.1894
Delta	2.83	4.14	3.06	5.35	4.75	9.53	11.04	10.82	3.04
Monthly cost difference	6,608.24	16,152.05	19,806.61	30,520.33	18,815.55	20,728.10	11,449.34	10,808.85	2,913.96
Total cost difference			42,566.91			70,063.98			25,172.15
divide by 12 months sales			31,961			101,593			131,262
Actual Adjustment		Actual Adjustment	1.3319		Actual Adjustment	0.6897		Actual Adjustment	0.1918
Allocation									
Total B&W line sales	3,354	5,803	9,651	7,636	5,828	2,696	1,321	1,176	1,174
KY%	70%	67%	67%	75%	68%	81%	79%	85%	81%
Petrol									
Cost	25,673.12	45,802.40	80,437.88	76,328.64	55,019.48	18,197.14	13,434.80	10,981.60	2,334.96
Allocation	17,863.42	30,827.48	53,882.51	57,074.31	37,405.35	14,688.40	10,548.87	9,329.55	1,902.72
Spectra									
250	1,688.95	1,693.43	1,688.05	1,685.90	1,681.60	1,684.48	1,672.45	1,673.87	1,675.26
Allocation	1,175.18	1,139.77	1,130.77	1,260.62	1,143.25	1,359.68	1,313.19	1,422.06	1,365.14
B&W Transport									
Cost	2,907.35	5,405.66	7,207.20	6,142.30	4,877.03	3,561.75	1,936.08	1,709.13	961.92
Allocation	2,022.94	3,638.30	4,827.85	4,592.87	3,315.68	2,874.98	1,520.19	1,452.01	783.85
B&W Supply									
Cost	-	7,034.22	-	4,003.23	2,228.23	18,949.65	7,033.33	6,812.27	7,047.01
Allocation	-	4,734.41	-	2,993.39	1,514.88	15,295.81	5,522.50	5,787.45	5,742.50

Schedule V
Balance Adjustment

Navitas KY NG, LLC

	23,677.39	18,102.46	57,607.51	54,835.95	52,045.54	119,311.46	116,818.44	114,312.65	135,723.13	128,626.28	118,554.44	78,078.01
+ under charged												
- over charged												
Sales in MCF	Feb-14 5,710	Mar-14 3,962	Apr-14 2,176	May-14 1,037	Jun-14 999	Jul-14 957	Aug-14 793	Sep-14 855	Oct-14 1,342	Nov-14 2,563	Dec-14 3,853	Jan-15 15,635
Summary												
3rd Previous Qtrr BA	0.0252	0.0252	0.0252	0.2081	0.2081	0.2081	0.2341	0.2341	0.2341	0.1326	0.1326	0.1326
2rd Previous Qtrr BA	0.2081	0.2081	0.2081	0.2341	0.2341	0.2341	0.1326	0.1326	0.1326	0.1113	0.1113	0.1113
Previous Qtrr BA	0.2341	0.2341	0.2341	0.1326	0.1326	0.1326	0.1113	0.1113	0.1113	(0.0090)	(0.0090)	(0.0090)
Current Qtr BA	0.1326	0.1326	0.1326	0.1113	0.1113	0.1113	(0.0090)	(0.0090)	(0.0090)	0.0142	0.0142	0.0142
	0.6000	0.6000	0.6000	0.6862	0.6862	0.6862	0.4691	0.4691	0.4691	0.2492	0.2492	0.2492
3rd Previous Qtrr AA	0.0320	0.0320	0.0320	0.3352	0.3352	0.3352	0.2883	0.2883	0.2883	0.1516	0.1516	0.1516
2rd Previous Qtrr AA	0.3352	0.3352	0.3352	0.2883	0.2883	0.2883	0.1516	0.1516	0.1516	1.3319	1.3319	1.3319
Previous Qtrr AA	0.2883	0.2883	0.2883	0.1516	0.1516	0.1516	1.3319	1.3319	1.3319	0.6897	0.6897	0.6897
Current Qtr AA	0.1516	0.1516	0.1516	1.3319	1.3319	1.3319	0.6897	0.6897	0.6897	0.1918	0.1918	0.1918
	0.8071	0.8071	0.8071	2.1070	2.1070	2.1070	2.4615	2.4615	2.4615	2.3649	2.3649	2.3649
	0.0252	0.0252	0.0252									
	29.65	(70.16)	(124.98)									
	0.2081	0.2081	0.2081	0.2081	0.2081	0.2081						
	2,071.02	1,246.37	793.46	577.63	369.70	170.51						
	0.2341	0.2341	0.2341	0.2341	0.2341	0.2341	0.2341	0.2341	0.2341			
	3,232.99	2,305.58	1,796.24	1,553.50	1,319.66	1,095.65	910.15	710.00	395.92			
Third previous qtrr BA AA	0.1326	0.1326	0.1326	0.1326	0.1326	0.1326	0.1326	0.1326	0.1326	0.1326	0.1326	0.1326
	3,467.84	2,942.31	2,653.68	2,516.13	2,383.62	2,256.68	2,151.56	2,038.15	1,860.17	1,520.16	1,009.12	(1,064.74)
Second previous qtrr BA AA				0.1113	0.1113	0.1113	0.1113	0.1113	0.1113	0.1113	0.1113	0.1113
	3,557.95	3,557.95	3,557.96	3,442.51	3,331.30	3,224.77	3,136.54	3,041.35	2,891.98	2,606.62	2,177.72	437.18
			0.1113									
Previous qtrr BA AA	0.0320	0.0320	0.0320	(158.63)	(158.63)	(283.61)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)
	37.62	(89.06)	(158.63)			(0.0090)	(276.50)	(268.82)	(256.78)	(233.77)	(199.18)	(58.82)
Balance adjustment BA	0.3352	0.3352	0.3352	0.3352	0.3352	0.3352	274.75	274.75	445.25	0.0142	0.0142	0.0142
	3,335.27	2,007.29	1,277.94	930.36	595.51	274.75			0.0142	408.75	353.87	131.19
	0.2883	0.2883	0.2883	0.2883	0.2883	0.2883	0.2883	0.2883	0.2883			
	3,982.44	2,840.07	2,212.66	1,913.66	1,625.62	1,349.68	1,121.17	874.63	487.75	487.75		883.68
												0.0289
Third previous quarter AA	0.1516	0.1516	0.1516	0.1516	0.1516	0.1516	0.1516	0.1516	0.1516	0.1516	0.1516	0.1516
	3,962.60	3,362.09	3,032.28	2,875.10	2,723.68	2,578.63	2,458.51	2,328.91	2,125.54	1,737.02	1,153.06	(1,216.71)
Second previous quarter AA				1.3319	1.3319	1.3319	1.3319	1.3319	1.3319	1.3319	1.3319	1.3319
			42,566.91	41,185.69	39,855.08	38,580.41	37,524.83	36,385.95	34,598.77	31,184.59	26,052.90	5,228.06
Previous quarter AA						70,063.98	69,517.42	68,927.73	68,002.36	66,234.56	63,577.46	52,794.75
Actual adjustment AA									25,172.15	0.1918	0.1918	0.1918
										24,680.58	23,941.73	20,943.42

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	2,334	3,906	31,568
2014	6,465	5,710	3,962	2,176	1,037	999	957						21,306
Average	5,635	5,008	3,371	1,700	1,189	888	770	793	855	1,342	2,563	3,853	27,967