

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO.
NAVITAS KY NG, LLC) 2015-00096

ORDER

On February 16, 1995,¹ the Commission approved rates for Gasco Distribution Systems, Inc. ("Gasco") and provided for their further adjustment on a quarterly basis in accordance with its Gas Cost Adjustment clause. On February 28, 2011, Navitas KY NG, LLC ("Navitas KY") acquired the assets of Gasco, pursuant to the Commission's approval of the transfer, and adopted Gasco's tariffs.²

On March 30, 2015, Navitas KY filed its proposed Gas Cost Recovery ("GCR") rate to be effective May 1, 2015.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Navitas KY's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs. Navitas KY's notice sets out an Expected Gas Cost ("EGC") of \$7.1910 per Mcf, which is a decrease of \$.0121 per Mcf from its previous EGC of \$7.2031 per Mcf.

¹ Case No. 1994-00427, *In the Matter of the Application of Gasco Distribution Systems, Inc. for a Certificate of Convenience and Necessity to Provide Local Gas Distribution Service to Albany, Ky. and for Transfer of the Albany Gas Utility Company* (Ky. PSC Feb. 16, 1995).

² Case No. 2010-00468, *Joint Application of Navitas KY NG, LLC and Gasco Distribution Systems, Inc. for Approval of an Acquisition of Ownership and Control of Gas Utility Systems* (Ky. PSC Feb. 11, 2011).

2. Navitas KY's notice sets out no current quarter or total Refund Adjustment, which is no change from the previous quarter.

3. Navitas KY's notice sets out a current quarter Actual Cost Adjustment ("ACA") of (\$.0853) per Mcf. Starting in January 2015, Navitas KY had a large new load come onto its system, accounting for approximately 10,000 Mcf of sales per month.³ To avoid a large over- or under-recovery through the ACA, Navitas KY included the additional Mcf sales in the calculation of its ACA. Navitas KY's proposed total ACA of \$.8253 per Mcf reflects a spread sheet error. The total ACA should be \$.8254 per Mcf, which is a decrease of \$1.4172 per Mcf from its previous total ACA of \$2.2426 per Mcf.

4. Navitas KY's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0264) per Mcf. To prevent a large over- or under-recovery through the BA, Navitas KY should include the projected Mcf sales of 10,000 Mcf per month from its new large customer in the calculation of its BA in the same manner it is included in its ACA. Navitas KY's corrected current quarter BA is (\$.0064) per Mcf. Navitas KY's corrected total BA is \$.0026 per Mcf, which is a decrease of \$.1177 per Mcf from its previous total BA of \$.1203 per Mcf.

5. Navitas KY's corrected GCR is \$8.0190 per Mcf, which is a decrease of \$1.5470 per Mcf from its previous GCR of \$9.5660 per Mcf.

6. The rate in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Navitas KY on and after May 1, 2015.

IT IS THEREFORE ORDERED that:


1. The rate proposed by Navitas KY is denied.

³ See Application, Cover Letter.

2. The rate in the Appendix to this Order is approved for service rendered on and after May 1, 2015.

3. Within 20 days of the date of this Order, Navitas KY shall file with this Commission, using the Commission's electronic Tariff Filing System, a revised tariff sheet setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

By the Commission

ENTERED 
APR 22 2015
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2015-00096 DATED **APR 22 2015**

The following rates and charges are prescribed for the customers in the area served by Navitas KY NG, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RATES per Mcf:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$4.62	\$8.0190	\$12.6390
Commercial	\$3.62	\$8.0190	\$11.6390

*Joseph M Irwin
Navitas KY NG, LLC
3186-D Airway Avenue
Costa Mesa, CA 92626

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Costa Mesa, CA 92626