

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT )	CASE NO.
FILING OF NAVITAS KY NG, LLC )	2023-00215

ORDER

On July 5, 2023, Navitas KY NG, LLC (Navitas KY) filed its proposed Gas Cost Recovery (GCR) rate report to be effective August 4, 2023. Navitas KY's previous GCR rate was approved in Case No. 2023-00091.<sup>1</sup>

LEGAL STANDARD

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.<sup>2</sup>

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<sup>1</sup> Case No. 2023-00091, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 28, 2023).

<sup>2</sup> KRS 278.274(2); KRS 278.274(3)(c), and KRS 278.274(3)(d).

## DISCUSSION

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that Navitas KY's report includes revised rates designed to pass on to its customers its expected change in gas costs. Navitas KY's report sets out an Expected Gas Cost (EGC) of \$5.0609 per Mcf, which is a decrease of \$3.9378 per Mcf from its previous EGC of \$8.9987 per Mcf. Navitas KY's report sets out no Refund Adjustment. Navitas KY's report sets out a current quarter Actual Cost Adjustment (ACA) of (\$1.8674) per Mcf and a total ACA of (\$2.4247) per Mcf, which is a decrease of \$2.3321 per Mcf from the previous total ACA of (\$0.0926) per Mcf. Navitas KY's report sets a current quarter Balancing Adjustment (BA) of \$0.2819 and a total BA of \$0.3600 per Mcf, which is an increase of \$0.2819 per Mcf from the previous total ACA of \$0.0781 per Mcf.

Navitas KY's report sets out a GCR rate of \$2.9961 per Mcf. Due to a spreadsheet rounding error, Navitas KY erroneously set out an incorrect GCR rate. Based on the calculations above, the Commission finds that Navitas KY's GCR rate is \$2.9962 per Mcf, which is a decrease of \$5.9879 per Mcf from its previous GCR rate of \$8.9841 per Mcf. The Commission further finds that the rate set forth in the Appendix to this Order is fair, just and reasonable, and should be approved for service rendered by Navitas KY on and after August 4, 2023.

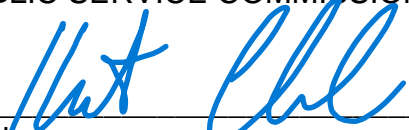
For the purpose of transparency and to maintain a record of information for future use the Commission finds that Navitas KY should submit all invoices it receives, along with its monthly usage reports when it files its future GCR rate reports. Should Navitas KY purchase sustainable natural gas from a renewable source during the reporting period

of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

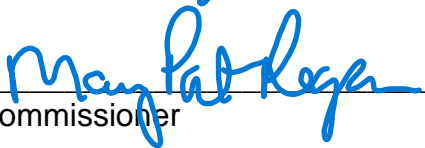
IT IS THEREFORE ORDERED that:

1. The rate proposed by Navitas KY is denied.
2. The rate set forth in the Appendix to this Order is approved for service rendered by Navitas KY on and after August 4, 2023.
3. Navitas KY shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files future GCR rate reports.
4. Within 20 days of the date of service of this Order, Navitas KY shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.
5. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ENTERED  
JUL 31 2023 rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00215 DATED JUL 31 2023

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.

#### Gas Cost Recovery rate

The Gas Cost Recovery rate shall be \$2.9962 per Mcf for service rendered on and after August 4, 2023.

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