

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF) CASE NO. 2011-00410
NAVITAS KY NG, LLC) CASE NO. 2012-00019

O R D E R

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 October 7, 2011, in Case No. 2011-00410, Navitas KY filed its proposed Gas Cost Recovery (“GCR”) rate to be effective November 1, 2011. On November 4, 2011, the Commission issued an Order suspending Navitas KY’s proposed rates through April 5, 2012. On January 13, 2012, in Case No. 2012-00019, Navitas KY filed its proposed GCR rate to be effective February 1, 2012.

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

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 Kentucky 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).

1. Navitas KY's notice in Case No. 2012-00019 includes revised rates designed to pass on to its customers its expected change in wholesale gas costs effective February 1, 2012. Navitas KY's notice sets out an Expected Gas Cost ("EGC") of \$8.1426 per Mcf, which represents an increase of \$.3995 per Mcf from the previous EGC of \$7.7431 per Mcf, effective August 4, 2011. The EGC proposed in Case No. 2011-00410 was for a period now past and will not be implemented. Any discrepancies between Navitas KY's actual cost of gas and the EGC contained in rates for the quarter beginning November 1, 2011 will be cured through the Actual Adjustment ("AA").

2. Navitas KY's notice sets out no current quarter Refund Adjustment.

3. Navitas KY's notice in Case No. 2012-00019 sets out a current quarter AA of \$.9903 per Mcf, which it calculated to recover net under-recoveries of gas for the months May through October 2011 in order to incorporate the net under-recoveries from Case No. 2010-00410. Navitas KY used incorrect EGCs in effect for the months of May through July 2011. Using EGCs as approved by the Commission for those months results in a current quarter AA of \$1.0270 per Mcf. Navitas KY's total AA is \$.9433 per Mcf, which is an increase of \$.8386 per Mcf from its previous total AA of \$.1047 per Mcf.

4. Navitas KY's notice sets out no current quarter Balance Adjustment ("BA") and no total BA. Navitas KY's total BA should be (\$.7476) per Mcf, which reflects a BA still in effect from a previous quarter, and which represents an increase of \$.1740 per Mcf from its previous total BA of (\$.9216) per Mcf.

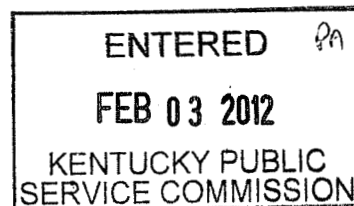
5. Navitas KY's GCR is \$8.3383 per Mcf, which is an increase of \$1.4121 per Mcf from its previous rate of \$6.9262 per Mcf, and which incorporates all necessary gas costs and reconciliations from both Case Nos. 2011-00410 and 2012-00019.

6. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for billing for service rendered by Navitas KY on and after February 12, 2012. Navitas KY did not give the 30 days' notice required by its tariff for rates to be effective February 1, 2012.

IT IS THEREFORE ORDERED that:

1. Navitas KY's proposed rates are denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for billing for service rendered on and after February 12, 2012.
3. Within 20 days of the date of this Order, Navitas KY shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

Case No. 2011-00410
Case No. 2012-00019

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NOS. 2011-00410 AND 2012-00019 DATED **FEB 03 2012**

The following rates and charges are prescribed for the customers 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:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$4.62	\$8.3383	\$12.9583
Commercial	\$3.62	\$8.3383	\$11.9583

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