



September 28, 2012

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

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OCT 4 2012
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, 2012. Please contact me at (949) 331 – 7496 or thartline@navitasutility.com with questions or comments regarding this filing.

Sincerely,


Thomas Hartline

TH/teh

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)	5.1051	per MCF
+ Refund Adjustment (RA)	(0.8820)	
+ Actual Adjustment (AA)	(0.2079)	
+ Balance Adjustment(BA)	(0.8349)	
= Gas Cost Recovery Rate	\$ 3.1804	

A. Expected Gas Cost Calculation

Total EGC	\$ 122,303.11	
/ Twelve months sales	23,957	MCF
EGC	\$ 5.1051	per MCF

B. Refund Adjustment Calculation

Refund Adjustment for reporting period	-	
+ Previous quarter RA	-	
+ Second previous quarter RA	(0.8820)	
+ Third previous quarter RA	-	
+ Other cost adjustments		
= Refund Adjustment	\$ (0.8820)	

C. Actual Adjustment Calculation

Actual Adjustment for reporting period	0.8755	
+ Previous quarter AA	(0.9115)	
+ Second previous quarter AA	(1.1989)	
+ Third previous quarter AA	1.0270	
+ Other cost adjustments		
= Actual Adjustment	\$ (0.2079)	

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	(1.3562)	
+ Previous quarter BA	-	
+ Second previous quarter BA	0.5213	
+ Third previous quarter BA	-	
= Balance Adjustment	\$ (0.8349)	

Schedule II
Expected Gas Cost

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
EDF	August	877	1.0125	888	3.70	3.75	3,285.84
EDF	September	810	1.0125	820	3.70	3.75	3,034.46
EDF	October	1253	1.0125	1,269	3.70	3.75	4,695.18
EDF	November	2602	1.0125	2,635	3.70	3.75	9,748.49
EDF	December	3335	1.0125	3,377	3.70	3.75	12,494.87
EDF	January	5134	1.0125	5,198	3.70	3.75	19,234.37
EDF	February	3661	1.0125	3,707	3.70	3.75	13,714.27
EDF	March	1929	1.0125	1,953	3.70	3.75	7,225.39
EDF	April	1177	1.0125	1,191	3.70	3.75	4,407.84
EDF	May	1253	1.0125	1,269	3.70	3.75	4,694.05
EDF	June	880	1.0125	891	3.70	3.75	3,297.07
EDF	July	1046	1.0125	1,059	3.70	3.75	3,917.08
		<u>23,957</u>		<u>24,257</u>			<u>89,748.91</u>

Transportation	Twelve months 2012 - 2013	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,500.00	532.80	2,032.80	5,318.64
	September	1,500.00	492.00	1,992.00	5,026.46
	October	1,500.00	761.40	2,261.40	6,956.58
	November	1,500.00	1,581.00	3,081.00	12,829.49
	December	1,500.00	2,026.20	3,526.20	16,021.07
	January	1,500.00	3,118.80	4,618.80	23,853.17
	February	1,500.00	2,224.20	3,724.20	17,438.47
	March	1,500.00	1,171.80	2,671.80	9,897.19
	April	1,500.00	714.60	2,214.60	6,622.44
	May	1,500.00	761.40	2,261.40	6,955.45
	June	1,500.00	534.60	2,034.60	5,331.67
	July	1,500.00	635.40	2,135.40	6,052.48
				<u>32,554.20</u>	<u>122,303.11</u>

divide by sales 23,957
per MCF \$ 5.1051
multiply by allowed purchases (sales / 1) 23,957
Expected Gas Cost \$ 122,303.11

Schedule III
Supplier Refund Adjustment

Balance key	(22,927.46)	(22,164.29)	(21,518.26)	(20,940.91)	(20,255.45)	(19,203.93)	(17,138.87)	(13,564.60)	(8,781.10)	(4,363.99)	(1,773.15)	(465.84)	
+ under charged incrs rate													
- over charged decrs rate													
Sales in MCF	Apr-12 1,543	May-12 1,146	Jun-12 865	Jul-12 733	Aug-12 655	Sep-12 777	Oct-12 1,192	Nov-12 2,341	Dec-12 4,053	Jan-13 5,424	Feb-13 5,008	Mar-13 2,938	Apr-13 1,482
Previous quarter RA	(23,937.85)	(0.8820)	(0.88)	(0.88)	(0.88)	(0.88)	(0.88)	(0.88)	(0.88)	(0.88)	(0.88)	(0.88)	(0.88)
	(0.88)	(22,927.46)	(22,164.29)	(21,518.26)	(20,940.91)	(20,255.45)	(19,203.93)	(17,138.87)	(13,564.60)	(8,781.10)	(4,363.99)	(1,773.15)	(465.84)
													(0.02)

Schedule V
Balance Adjustment

	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13
Sales in MCF	2,602	3,335	5,134	3,661	1,929	1,177	1,253	880	1,046	655	777	1,192	2,341	4,053	5,424
Third previous qtr BA AA,10	(0.0850) (1,719.18)	(0.0850) (1,435.68)	(0.0850) (999.27)	(999.27)	(999.27)	14,137.11 0.5213	0.5213 13,483.92	0.5213 13,025.13	0.5213 12,480.05	0.5213 12,138.80	0.5213 11,733.65	0.5213 11,112.12	0.5213 9,891.53	0.5213 7,778.88	0.5213 4,951.49
Second previous qtr BA AA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Previous qtr BA AA	(0.0837) (2,040.59)	(0.0837) (1,761.43)	(0.0837) (1,331.69)	(0.0837) (1,025.28)	(0.0837) (863.84)	(0.0837) (765.36)	(0.0837) (660.49)	(0.0837) (586.82)	(0.0837) (499.31)	(0.0837) (499.31)	(0.0837) (499.31)	(0.0837) (32,062.04)	(1.3562) (28,886.53)	(1.3562) (23,390.21)	(1.3562) (16,034.44)
Balance adjustment BA	-	-	-	-	-	-	-	-	-	-	-	-	-	-	352.29 0.0144
Third previous quarter AA	30,835.26			1,0270	25,095.11	23,886.80	22,600.03	21,696.21	20,622.43	19,950.16	19,152.02	17,927.62	15,523.08	11,361.19	5,791.29
Second previous quarter AA							(1,1989) (32,052.40)	(1,1989) (30,997.25)	(1,1989) (29,743.69)	(1,1989) (28,958.87)	(1,1989) (28,027.09)	(1,1989) (26,597.70)	(1,1989) (23,790.57)	(1,1989) (19,931.86)	(1,1989) (12,429.41)
Previous quarter AA										(0.9115) (20,684.61)	(0.9115) (19,882.44)	(0.9115) (18,929.42)	(0.9115) (18,332.76)	(0.9115) (17,624.37)	(0.9115) (16,537.68)
Actual adjustment AA												20,975.36	20,402.22	19,721.75	18,677.87

Schedule ?
Title

	J	F	M	A	M	J	J	A	S	O	N	D	Total
Sales in MCF													
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						
Average	5,424	5,008	2,938	1,482	1,146	865	733	655	777	1,192	2,341	4,053	26,614