



December 28, 2012

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

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JAN 2 2013

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 February 1, 2012. Please contact me at (949) 331 – 7496 or [thartline@navitasutility.com](mailto: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
	30-Sep	May June July	1-Nov
<b>X</b>	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)	5.0707	per MCF
+ Refund Adjustment (RA)	(0.8820)	
+ Actual Adjustment (AA)	(1.7537)	
+ Balance Adjustment(BA)	(0.8209)	
= Gas Cost Recovery Rate	\$ 1.6142	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 127,303.10	
/ Twelve months sales	25,105	MCF
EGC	\$ 5.0707	per MCF

**B. Refund Adjustment Calculation**

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

**C. Actual Adjustment Calculation**

Actual Adjustment for reporting period	(0.5190)	
+ Previous quarter AA	0.8755	
+ Second previous quarter AA	(0.9114)	
+ Third previous quarter AA	(1.1989)	
+ Other cost adjustments		
= Actual Adjustment	\$ (1.7537)	

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period	0.0140	
+ Previous quarter BA	(1.3562)	
+ Second previous quarter BA	-	
+ Third previous quarter BA	0.5213	
= Balance Adjustment	\$ (0.8209)	

**Schedule II**  
Expected Gas Cost

Navitas KY NG, LLC

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	1227	1.0125	1,243	3.70	3.75	4,597.77
EDF	September	1049	1.0125	1,062	3.70	3.75	3,928.69
EDF	October	1813	1.0125	1,835	3.70	3.75	6,791.20
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>25,105</u>		<u>25,420</u>			<u>94,051.10</u>

Transportation	Twelve months 2012 - 2013	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,500.00	745.80	2,245.80	6,843.57
	September	1,500.00	637.20	2,137.20	6,065.89
	October	1,500.00	1,101.00	2,601.00	9,392.20
	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>33,252.00</u>	<u>127,303.10</u>

divide by sales 25,105  
 per MCF \$ 5.0707  
 multiply by allowed purchases (sales / 1) 25,105  
**Expected Gas Cost \$ 127,303.10**

**Schedule III**  
Supplier Refund Adjustment

Navitas KY NG, LLC

Balance key	-	(22,927.46)	(22,164.29)	(21,518.26)	(20,856.73)	(20,131.36)	(18,988.62)	(16,923.57)	(13,349.29)	(8,565.80)	(4,148.69)	(1,557.85)	(250.53)
+ 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-12 750	Sep-12 822	Oct-12 1,296	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) (0.88)	(0.8820) (22,927.46)	(0.88) (22,164.29)	(0.88) (21,518.26)	(0.88) (20,856.73)	(0.88) (20,131.36)	(0.88) (18,988.62)	(0.88) (16,923.57)	(0.88) (13,349.29)	(0.88) (8,565.80)	(0.88) (4,148.69)	(0.88) (1,557.85)	(0.88) (250.53) (0.01)

**Schedule IV**  
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Reporting months		
	Actual			Actual			Actual		
	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
Invoices									
Supply									
EDF & Wells (B&W)	13,971.65	5,258.27	172.60	14,327.91	9,894.29	9,828.39	(11,986.35)	4,169.40	7,945.77
Transportation									
Spectra	1,278.58	1,772.44	1,090.39	1,529.16	1,576.37	1,598.94	1,625.01	1,556.20	1,521.43
B&W	3,191.82	2,073.69	2,224.53	(3,366.04)	713.90	756.09	872.51	808.44	1,333.43
Total cost	18,442.05	9,104.41	3,487.52	12,491.03	12,184.56	12,183.42	(9,488.84)	6,534.04	10,800.64
Sales in MCF	3,661	1,929	1,177	1,253	880	1,046	1,227	1,049	1,813
Cost per MCF	5.0377	4.7205	2.9641	9.9689	13.8445	11.6521	(7.7315)	6.2306	5.9580
less ECG in effect	7.7431	7.7431	8.1426	4.9969	4.9969	4.9969	5.1054	5.1054	5.1054
Delta	(2.71)	(3.02)	(5.18)	4.97	8.85	6.66	(12.84)	1.13	0.85
Monthly cost difference	(9,903.89)	(5,829.71)	(6,093.07)	6,229.91	7,786.79	6,958.66	(15,754.69)	1,180.00	1,545.57
Total cost difference			(21,826.67)			20,975.36			(13,029.12)
divide by 12 months sales			23,947			23,957			25,105
<b>Actual Adjustment</b>		<b>Actual Adjustment</b>	<b>(0.9114)</b>		<b>Actual Adjustment</b>	<b>0.8755</b>		<b>Actual Adjustment</b>	<b>(0.5190)</b>
Allocation									
Total B&W line sales	4,849	2,325	1,322	1,373	935	1,096	1,266	1,128	2,001
KY%	75%	83%	89%	91%	94%	95%	97%	93%	91%
EDF									
Cost	18,506.48	6,339.26	193.97	833.21	506.99	297.44	356.52	439.41	489.82
Allocation	13,971.65	5,258.27	172.60	760.33	477.43	283.89	345.70	408.56	443.86
Spectra									
250	1,693.58	2,136.82	1,225.41	1,675.73	1,673.99	1,675.25	1,675.85	1,673.73	1,678.96
Allocation	1,278.58	1,772.44	1,090.39	1,529.16	1,576.37	1,598.94	1,625.01	1,556.20	1,521.43
B&W Transport									
Cost	4,227.80	2,500.00	2,500.00	(3,688.68)	758.11	792.17	899.81	869.49	1,471.50
Allocation	3,191.82	2,073.69	2,224.53	(3,366.04)	713.90	756.09	872.51	808.44	1,333.43
B&W Supply									
Cost				14,868.03	10,000.00	10,000.00	(13,363.79)	4,044.87	8,278.67
Allocation				13,567.58	9,416.86	9,544.50	(12,332.06)	3,760.84	7,501.91

**Schedule V**  
Balance Adjustment

Navitas KY NG, LLC

Sales in MCF	May-12 1,253	Jun-12 880	Jul-12 1,046	Aug-12 1,227	Sep-12 1,049	Oct-12 1,813	Nov-12 2,341	Dec-12 4,053	Jan-13 5,424	Feb-13 5,008	Mar-13 2,938	Apr-13 1,482
Post Gasco	0.5213 13,483.92	0.5213 13,025.13	0.5213 12,480.05	0.5213 11,840.26	0.5213 11,293.57	0.5213 10,348.56	0.5213 9,127.97	0.5213 7,015.32	0.5213 4,187.93	0.5213 1,577.11	0.5213 45.74	0.5213 (726.98)
Third previous qtr BA AA	-	-	-	-	-	-	-	-	-	-	-	-
Second previous qtr BA AA	(0.0837) (660.49)	(0.0837) (586.82)	(0.0837) (499.31)	(499.31)	(499.31)	(32,062.04) (1,3562)	(1,3562) (28,886.51)	(1,3562) (23,390.18)	(1,3562) (16,034.39)	(1,3562) (9,241.99)	(1,3562) (5,257.94)	(1,3562) (3,247.62)
Previous qtr BA AA	-	-	-	-	-	-	-	-	352.29 0.0140	0.0140 282.01	0.0140 240.79	0.0140 219.99
<b>Balance adjustment BA</b>	1.0270 22,600.03	1.0270 21,696.21	1.0270 20,622.43	1.0270 19,362.05	1.0270 18,285.08	1.0270 16,423.43	1.0270 14,018.88	1.0270 9,856.99	1.0270 4,287.10	1.0270 4,287.10	1.0270 4,287.10	1.0270 1,472.88 0.0570
Third previous quarter AA	(1.1989) (32,052.40)	(1.1989) (30,997.25)	(1.1989) (29,743.69)	(1.1989) (28,272.29)	(1.1989) (27,015.01)	(1.1989) (24,841.66)	(1.1989) (22,034.52)	(1.1989) (17,175.82)	(1.1989) (10,673.36)	(1.1989) (4,668.95)	(1.1989) (1,147.08)	(1.1989) 630.02
Second previous quarter AA			(21,826.67)	(0.9114) (20,684.74)	(0.9114) (19,882.65)	(0.9114) (18,929.74)	(0.9114) (17,811.23)	(0.9114) (16,855.49)	(0.9114) (15,203.38)	(0.9114) (13,069.49)	(0.9114) (9,376.07)	(0.9114) (4,433.12)
Previous quarter AA						20,975.36	0.8755 19,900.81	0.8755 18,982.63	0.8755 17,395.45	0.8755 15,345.42	0.8755 11,797.14	0.8755 7,048.45
<b>Actual adjustment AA</b>									(13,029.12)	(0.5190) (11,813.97)	(0.5190) (9,710.73)	(0.5190) (6,895.95)

Schedule ?  
Title

Navitas KY NG, LLC

	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	1,227	1,049	1,813			
Average	5,424	5,008	2,938	1,482	1,146	865	733	750	822	1,296	2,341	4,053	26,858