



December 29, 2014

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

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JAN 5 2014

PUBLIC SERVICE
COMMISSION

Re: Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Mr. Derouen,

2015-0001

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, 2015. Please contact me at (714) 242 - 4064 or joey@navitasutility.com with questions or comments regarding this filing.

We have the same situation as in our two previous filings. Starting in January 2015 we will have a new customer on the system using approximately 10,000 MCF a month. Currently, the system only uses about 30,000 MCF a year so the new total will be 150,000 a year, a five-fold increase. The actual adjustment for this quarter will start February 2015 and run until January 2016 which means it will include 12 full months of this new customer's usage. Therefore, I have divided the actual adjustment by the last 12 months sales plus an additional 120,000 for the 12 months of the increased usage for the period. The new customer is Keystone Foods LLC, a chicken plant located at 2294 W HWY 90, Albany KY. They are switching from propane. This method of calculating the actual adjustment was accepted in our two previous filing. We are trying to prevent having a large over-collection from the customers which would lead to a large negative balance adjustment.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph M Irwin Jr", with a long horizontal flourish extending to the right.

Joseph M Irwin Jr

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Navitas KY NG, LLC

Quarterly Report
Gas cost recovery rate calculation

PUBLIC SERVICE
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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
X	31-Dec	August September October	1-Feb



ORIGINAL

Schedule I
Gas Cost Recovery Rate Summary

Navitas KY NG, LLC

Component		
Expected Gas Cost (EGC)	7.2031	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	2.2425	
+ Balance Adjustment(BA)	0.1352	
= Gas Cost Recovery Rate	\$ 9.5808	

A. Expected Gas Cost Calculation

Total EGC	\$ 224,146.05	
/ Twelve months sales	31,118	MCF
EGC	\$ 7.2031	per MCF

B. Refund Adjustment Calculation

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

C. Actual Adjustment Calculation

Actual Adjustment for reporting period	0.0292	
+ Previous quarter AA	0.1918	
+ Second previous quarter AA	0.6897	
+ Third previous quarter AA	1.3319	
+ Other cost adjustments	-	
= Actual Adjustment	\$ 2.2425	

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	0.0186	
+ Previous quarter BA	0.0142	
+ Second previous quarter BA	(0.0090)	
+ Third previous quarter BA	0.1113	
= Balance Adjustment	\$ 0.1352	

Schedule II
Expected Gas Cost

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2013 - 2014	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
Petrol	August	854	1.0125	865	6.00	6.08	5,188.05
Petrol	September	969	1.0125	981	6.00	6.08	5,886.68
Petrol	October	1749	1.0125	1,771	6.00	6.08	10,625.18
Petrol	November	2334	1.0125	2,363	6.00	6.08	14,179.05
Petrol	December	3906	1.0125	3,955	6.00	6.08	23,728.95
Petrol	January	6465	1.0125	6,546	6.00	6.08	39,274.88
Petrol	February	5710	1.0125	5,781	6.00	6.08	34,688.25
Petrol	March	3962	1.0125	4,012	6.00	6.08	24,069.15
Petrol	April	2176	1.0125	2,203	6.00	6.08	13,219.20
Petrol	May	1037	1.0125	1,050	6.00	6.08	6,299.78
Petrol	June	999	1.0125	1,011	6.00	6.08	6,068.93
Petrol	July	957	1.0125	969	6.00	6.08	5,813.78
		<u>31,118</u>		<u>31,507</u>			<u>189,041.85</u>

Transportation	Twelve months 2012 - 2013	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,350.00	519.00	1,869.00	7,057.05
	September	1,350.00	588.60	1,938.60	7,825.28
	October	1,350.00	1,062.60	2,412.60	13,037.78
	November	1,350.00	1,417.80	2,767.80	16,946.85
	December	1,350.00	2,373.00	3,723.00	27,451.95
	January	1,350.00	3,927.60	5,277.60	44,552.48
	February	1,350.00	3,468.60	4,818.60	39,506.85
	March	1,350.00	2,407.20	3,757.20	27,826.35
	April	1,350.00	1,321.80	2,671.80	15,891.00
	May	1,350.00	630.00	1,980.00	8,279.78
	June	1,350.00	606.60	1,956.60	8,025.53
	July	1,350.00	581.40	1,931.40	7,745.18
				<u>35,104.20</u>	<u>224,146.05</u>

	divide by sales	<u>31,118</u>
	per MCF	\$ 7.2031
	multiply by allowed purchases (sales / 1)	31,118
	Expected Gas Cost	\$ 224,146.05

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Reporting months		
	Actual			Actual			Actual		
	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14
Invoices									
Supply									
Petrol & Wells (B&W)	60,067.70	38,920.23	29,984.20	16,071.36	15,117.00	7,645.22	5,620.57	6,769.71	12,575.13
Transportation									
Spectra	1,260.62	1,143.25	1,359.68	1,313.19	1,422.06	1,365.14	1,393.39	1,332.29	1,480.21
B&W	4,592.87	3,315.68	2,874.98	1,520.19	1,452.01	783.85	596.60	881.34	1,268.73
Total cost	65,921.19	43,379.16	34,218.86	18,904.74	17,991.06	9,794.22	7,610.56	8,983.34	15,324.07
Sales in MCF	5,710	3,962	2,176	1,037	999	957	854	969	1,749
Cost per MCF	11.5449	10.9488	15.7256	18.2302	18.0091	10.2343	8.9117	9.2707	8.7616
less ECG in effect	6.1998	6.1998	6.1998	7.1894	7.1894	7.1894	7.7015	7.7015	7.7015
Delta	5.35	4.75	9.53	11.04	10.82	3.04	1.21	1.57	1.06
Monthly cost difference	30,520.33	18,815.55	20,728.10	11,449.34	10,808.85	2,913.96	1,033.48	1,520.59	1,854.14
Total cost difference			70,063.98			25,172.15			4,408.21
divide by 12 months sales			101,593			131,262			151,118
Actual Adjustment		Actual Adjustment	0.6897		Actual Adjustment	0.1918		Actual Adjustment	0.0292
Allocation									
Total B&W line sales	7,636	5,828	2,696	1,321	1,176	1,174	1,027	1,217	1,982
KY%	75%	68%	81%	79%	85%	81%	83%	80%	88%
Petrol									
Cost	76,328.64	55,019.48	18,197.14	13,434.80	10,981.60	2,334.96	525.69	2,271.51	60.83
Allocation	57,074.31	37,405.35	14,688.40	10,548.87	9,329.55	1,902.72	437.26	1,808.47	53.68
Spectra 250	1,685.90	1,681.60	1,684.48	1,672.45	1,673.87	1,675.26	1,675.17	1,673.40	1,677.23
Allocation	1,260.62	1,143.25	1,359.68	1,313.19	1,422.06	1,365.14	1,393.39	1,332.29	1,480.21
B&W Transport									
Cost	6,142.30	4,877.03	3,561.75	1,936.08	1,709.13	961.92	717.25	1,107.00	1,437.60
Allocation	4,592.87	3,315.68	2,874.98	1,520.19	1,452.01	783.85	596.60	881.34	1,268.73
B&W Supply									
Cost	4,003.23	2,228.23	18,949.65	7,033.33	6,812.27	7,047.01	6,231.50	6,231.50	14,188.11
Allocation	2,993.39	1,514.88	15,295.81	5,522.50	5,787.45	5,742.50	5,183.31	4,961.24	12,521.45

Schedule V
Balance Adjustment

	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15	
under charged	18,122.46	87,627.57	119,317.48	116,638.25	113,798.55	107,655.19	116,953.35	86,776.74	46,335.63	14,442.99	14,518.78					
over charged																
Sales MCF	5,710	3,962	2,176	1,037	999	957	854	969	1,749	2,863	3,863	15,635	15,026	13,371	11,700	
Summary																
1st Previous Qtr BA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2nd Previous Qtr BA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3rd Previous Qtr BA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Current Qtr BA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
3rd Previous Qtr AA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
2nd Previous Qtr AA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1st Previous Qtr AA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Current Qtr AA	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Third Previous Qtr BA AA	3,795	95	3,442.51	3,241.31	3,284.87	3,113.13	3,129.70	3,021.82	2,827.12	2,541.76	2,112.66	1,613.13	1,113.13	613.13	113.13	(4,053.41)
Second Previous Qtr BA AA	37.62	382	1,030.81	1,138.81	1,175.94	1,175.94	1,175.94	1,175.94	1,175.94	1,175.94	1,175.94	1,175.94	1,175.94	1,175.94	1,175.94	1,175.94
First Previous Qtr BA AA	3,335.07	3,352	3,352	3,352	3,352	3,352	3,352	3,352	3,352	3,352	3,352	3,352	3,352	3,352	3,352	3,352
Balance adjustment BA	3,992.44	840.17	2,242.68	1,913.66	1,625.62	1,343.65	1,051.45	824.63	579.76	319.76	142.75	131.19	62.50	271.16	(433.64)	116.82
Third Previous Qtr AA	3,962.67	3,962.19	3,932.28	3,876.16	3,723.69	3,578.63	3,442.19	3,322.82	3,203.23	3,084.74	2,966.25	2,847.76	2,729.27	2,610.78	2,492.29	2,373.80
Second Previous Qtr AA																
First Previous Qtr AA																
Actual adjustment AA																

Sales History

Navitas KY NG, LLC

Sales in MCF	J	F	M	A	M	J	J	A	S	O	N	D	Total
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	3,673	2,854	25,694
2013	6,073	4,304	5,380	2,531	1,603	911	810	1,047	1,051	1,618	2,334	3,906	31,568
2014	6,465	5,710	3,962	2,176	1,037	999	957	854	969	1,749			24,878
Average	5,635	5,008	3,371	1,700	1,189	888	770	800	869	1,393	2,563	3,853	28,040