



March 26, 2015

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COMMISSION

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

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 May 1, 2015. Please contact me at (714) 242 – 4064 or [joey@navitasutility.com](mailto:joey@navitasutility.com) with questions or comments regarding this filing.

We have the same situation as in our three previous filings. Starting in January 2015, we had a new customer on the system which we projected to use 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 May 2015 and run until April 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 110,000 for the 11 months of the increased usage for the period (January's actual usage was captured so only 11 months need to be approximated). The new customer is Keystone Foods LLC, a chicken plant located at 2294 W HWY 90, Albany KY. They have switched from using only propane to natural gas and propane. This method of calculating the actual adjustment was accepted in our three previous filing. We are trying to prevent having a large over-collection from the customers which would lead to a large negative balance adjustment. Going forward, once we capture 12 months of their actual usage we will not need to use this method anymore.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph M Irwin Jr.", written over a white background.

Joseph M Irwin Jr

**Quarterly Report**

Gas cost recovery rate calculation

Navitas KY NG, LLC

Period	Filing date (on or about)	Reporting Months	Effective date (& 1st forecast month)
<b>X</b>	31-Mar	November December January	1-May
	30-Jun	February March April	1-Aug
	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)	7.1910	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	0.8253	
+ Balance Adjustment(BA)	(0.0173)	
= Gas Cost Recovery Rate	\$ 7.9989	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 252,555.54	
/ Twelve months sales	35,121	MCF
EGC	\$ 7.1910	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	(0.0853)
+ Previous quarter AA	0.0292
+ Second previous quarter AA	0.1918
+ Third previous quarter AA	0.6897
+ Other cost adjustments	-
= Actual Adjustment	\$ 0.8253

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period	(0.0264)
+ Previous quarter BA	0.0038
+ Second previous quarter BA	0.0142
+ Third previous quarter BA	(0.0090)
= Balance Adjustment	\$ (0.0173)

**Schedule II**  
Expected Gas Cost

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2014 - 2015	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	5.40	5.47	4,669.25
Petrol	September	969	1.0125	981	5.40	5.47	5,298.01
Petrol	October	1749	1.0125	1,771	5.40	5.47	9,562.66
Petrol	November	3252	1.0125	3,293	5.40	5.47	17,780.31
Petrol	December	4410	1.0125	4,465	5.40	5.47	24,111.68
Petrol	January	9046	1.0125	9,159	5.40	5.47	49,459.01
Petrol	February	5710	1.0125	5,781	5.40	5.47	31,219.43
Petrol	March	3962	1.0125	4,012	5.40	5.47	21,662.24
Petrol	April	2176	1.0125	2,203	5.40	5.47	11,897.28
Petrol	May	1037	1.0125	1,050	5.40	5.47	5,669.80
Petrol	June	999	1.0125	1,011	5.40	5.47	5,462.03
Petrol	July	957	1.0125	969	5.40	5.47	5,232.40
		<u>35,121</u>		<u>35,560</u>			<u>192,024.07</u>

Transportation	Twelve months 2014 - 2015	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,350.00	1,078.18	2,428.18	7,097.42
	September	1,350.00	1,223.05	2,573.05	7,871.05
	October	1,350.00	2,207.77	3,557.77	13,120.42
	November	1,350.00	4,105.07	5,455.07	23,235.38
	December	1,350.00	5,566.44	6,916.44	31,028.12
	January	1,350.00	11,418.26	12,768.26	62,227.27
	February	1,350.00	7,207.20	8,557.20	39,776.63
	March	1,350.00	5,001.35	6,351.35	28,013.58
	April	1,350.00	2,746.52	4,096.52	15,993.80
	May	1,350.00	1,308.98	2,658.98	8,328.78
	June	1,350.00	1,260.67	2,610.67	8,072.70
	July	1,350.00	1,208.00	2,558.00	7,790.40
				<u>60,531.47</u>	<u>252,555.54</u>
				divide by sales per MCF	<u>35,121</u>
					\$ 7.1910
				multiply by allowed purchases (sales / 1)	35,121
				<b>Expected Gas Cost</b>	<b>\$ 252,555.54</b>

Schedule III  
Supplier Refund Adjustment

Navitas KY MG, LLC

Balance key	-	-	-	-	-	-	-	-	-	-	-	-	-	-
+ under charged incre rate														
- over charged decre rate														
	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14	Feb-14	Mar-14	Apr-14	May-14	Jun-14	->Actual Jul-14	Average->	
Sales in MCF	1,047	1,061	1,618	2,334	3,908	6,466	5,710	3,962	2,176	1,037	999	957		
Current quarter RA	<input type="text"/>			-	-	-	-	-	-	-	-	-		

Schedule IV  
Actual Adjustment

Navitas KY NG, LLC

	Third previous quarter			Second previous quarter			Previous quarter			Current quarter		
	Actual			Actual			Actual			Actual		
	Feb-14	Mar-14	Apr-14	May-14	Jun-14	Jul-14	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15
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	18,212.05	31,219.48	61,014.30
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	1,164.99	1,197.13	1,342.51
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	1,893.47	2,732.56	6,067.48
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	21,270.51	35,149.17	68,424.29
Sales in MCF	5,710	3,962	2,176	1,037	999	957	854	969	1,749	3,252	4,410	9,046
Cost per MCF	11.5449	10.9488	15.7258	18.2302	18.0091	10.2343	8.9117	9.2707	8.7616	6.5407	7.9703	7.5640
less ECG in effect	6.1998	6.1998	6.1998	7.1894	7.1894	7.1894	7.7015	7.7015	7.7015	8.2132	8.2132	8.2132
Delta	5.35	4.75	9.53	11.04	10.82	3.04	1.21	1.57	1.06	(1.67)	(0.24)	(0.65)
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	(5,438.82)	(1,071.04)	(5,872.32)
Total cost difference			70,063.98			25,172.15			4,408.21			(12,382.17)
divide by 12 months sales			101,593			131,262			151,118			145,121
Actual Adjustment		Actual Adjustment	0.6897		Actual Adjustment	0.1918		Actual Adjustment	0.0292		Actual Adjustment	(0.0853)
Allocation												
Total B&W line sales	7,636	5,828	2,698	1,321	1,176	1,174	1,027	1,217	1,982	4,651	6,162	11,380
KY%	75%	68%	81%	79%	85%	81%	83%	80%	88%	70%	72%	79%
Petrol												
Cost	76,328.64	55,019.48	18,197.14	13,434.80	10,981.60	2,334.96	525.89	2,271.51	60.83	26,044.58	39,875.30	87,830.48
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	18,212.05	28,538.29	69,658.99
Spectra												
250	1,685.90	1,681.80	1,684.48	1,672.45	1,673.87	1,675.28	1,675.17	1,673.40	1,677.23	1,666.02	1,672.70	1,688.87
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	1,164.99	1,197.13	1,342.51
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	2,707.80	3,818.08	7,632.84
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	1,893.47	2,732.56	6,067.48
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	-	3,748.32	(10,874.95)
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	-	2,681.20	(8,644.69)

Schedule V  
Balance Adjustment

	116,836.25	113,706.55	134,016.66	125,254.86	113,726.41	94,746.45	59,716.48	28,121.46	(12,340.75)	(17,886.30)	(26,662.99)	(38,679.12)
+ under charged												
- over charged												
Sales in MCF	Aug-14 864	Sep-14 988	Oct-14 1,749	Nov-14 3,252	Dec-14 4,410	-> Actual Jan-15 9,949	Average-> Feb-15 16,098	Mar-15 13,371	Apr-15 11,700	May-15 11,180	Jun-15 10,888	Jul-15 10,776
Summary												
3rd Previous Qtr BA	0.2341	0.2341	0.2341	0.1326	0.1326	0.1326	0.1113	0.1113	0.1113	(0.0090)	(0.0090)	(0.0090)
2nd Previous Qtr BA	0.1326	0.1326	0.1326	0.1113	0.1113	0.1113	(0.0090)	(0.0090)	(0.0090)	0.0142	0.0142	0.0142
Previous Qtr BA	0.1113	0.1113	0.1113	(0.0090)	(0.0090)	(0.0090)	0.0142	0.0142	0.0142	0.0038	0.0038	0.0038
Current Qtr BA	(0.0090)	(0.0090)	(0.0090)	0.0142	0.0142	0.0142	0.0038	0.0038	0.0038	(0.0264)	(0.0264)	(0.0264)
	0.4691	0.4691	0.4691	0.2492	0.2492	0.2492	0.1204	0.1204	0.1204	(0.0173)	(0.0173)	(0.0173)
3rd Previous Qtr AA	0.2883	0.2883	0.2883	0.1518	0.1518	0.1518	1.3319	1.3319	1.3319	0.6897	0.6897	0.6897
2nd Previous Qtr AA	0.1518	0.1518	0.1518	1.3319	1.3319	1.3319	0.6897	0.6897	0.6897	0.1918	0.1918	0.1918
Previous Qtr AA	1.3319	1.3319	1.3319	0.6897	0.6897	0.6897	0.1918	0.1918	0.1918	0.0292	0.0292	0.0292
Current Qtr AA	0.6897	0.6897	0.6897	0.1918	0.1918	0.1918	0.0292	0.0292	0.0292	(0.0853)	(0.0853)	(0.0853)
	2.4615	2.4615	2.4615	2.3649	2.3649	2.3649	2.2425	2.2425	2.2425	0.6253	0.6253	0.6253
	0.2341	0.2341	0.2341									
	896.75	868.94	250.54									
	0.1326	0.1326	0.1326	0.1326	0.1326	0.1326						
	2,143.41	2,014.88	1,782.89	1,351.53	796.68	(433.30)						
	0.1113	0.1113	0.1113	0.1113	0.1113	0.1113	0.1113	0.1113	0.1113			
	3,129.70	3,021.82	2,827.12	2,465.10	1,974.16	967.13	(703.61)	(2,192.11)	(3,464.60)			
Third previous qtr BA AA	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)
	(276.94)	(287.25)	(261.66)	(222.36)	(182.78)	(101.56)	33.17	153.20	258.23	368.67	498.41	553.10
Second previous qtr BA AA				0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142
	274.75	274.75	445.26	396.94	336.13	207.29	(6.46)	(196.90)	(363.54)	(522.90)	(877.97)	(831.36)
Previous qtr BA AA	0.2883	0.2883	0.2883				0.0038	0.0038	0.0038	0.0038	0.0038	0.0038
	1,103.45	824.06	318.78	319.78	319.78	579.30	521.77	470.51	425.68	382.77	341.03	299.74
						0.0038						
Balance adjustment BA	0.1518	0.1518	0.1518	0.1518	0.1518	0.1518	(495.17)	(495.17)	(926.48)	(0.0264)	(0.0264)	(0.0264)
	2,449.19	2,302.32	2,037.23	1,544.33	875.91	(495.17)			(632.67)	(544.84)	(90.11)	
	1.3319	1.3319	1.3319	1.3319	1.3319	1.3319	1.3319	1.3319	1.3319			
	37,442.94	36,152.29	33,822.73	29,491.26	23,617.41	11,568.69	(8,421.07)	(26,230.37)	(41,814.16)	(41,814.16)	(41,814.16)	(45,308.78)
												(7,152)
Third previous quarter AA	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897
	69,475.02	66,806.74	67,800.54	65,387.79	62,316.41	56,077.61	45,727.48	36,606.14	28,437.14	20,720.48	13,211.68	5,783.95
Second previous quarter AA				0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918
			25,172.15	24,546.51	23,702.81	21,988.06	10,089.96	16,525.81	14,282.08	12,136.32	10,048.37	7,982.97
Previous quarter AA						4,406.21	3,970.42	3,590.36	3,239.08	2,912.68	2,696.08	2,290.91
Actual adjustment AA										(0.0853)	(0.0853)	(0.0853)
										(11,427.48)	(10,498.50)	(9,579.95)

Sales History

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	3,681	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	3,252	4,410	32,540
2015	9,046												9,046
Average	6,014	5,008	3,371	1,700	1,189	888	770	800	869	1,393	2,621	3,929	28,552