



June 25, 2015

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JUN 29 2015

PUBLIC SERVICE  
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 August 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 four 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. Previously, the system only used about 30,000 MCF a year so the new total will be 150,000 a year. The actual adjustment for this quarter will start August 2015 and run until July 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 80,000 for the 8 months of the increased usage for the period (January through April's actual usage was captured so only 8 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 four 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 blue ink, appearing to read "Joseph M Irwin Jr", with a long, sweeping underline.

Joseph M Irwin Jr

**Quarterly Report**  
Gas cost recovery rate calculation

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**Navitas KY NG, LLC**

**JUN 29 2015**

**PUBLIC SERVICE  
COMMISSION**

Effective date  
(& 1st  
forecast  
month)

Period	Filing date (on or about)	Reporting Months	Effective date (& 1st forecast month)
	31-Mar	November December January	1-May
<b>X</b>	30-Jun	February March April	1-Aug
	30-Sep	May June July	1-Nov
	31-Dec	August September October	1-Feb



**ORIGINAL**

**Schedule I**  
**Gas Cost Recovery Rate Summary**

**Navitas KY NG, LLC**

Component		
Expected Gas Cost (EGC)	6.0007	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	(0.2541)	
+ Balance Adjustment(BA)	(0.2573)	
= Gas Cost Recovery Rate	\$ 5.4893	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 345,677.47	
/ Twelve months sales	57,606	MCF
EGC	\$ 6.0007	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	(0.3897)
+ Previous quarter AA	(0.0854)
+ Second previous quarter AA	0.0292
+ Third previous quarter AA	0.1918
+ Other cost adjustments	-
= Actual Adjustment	\$ (0.2541)

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period	(0.2690)
+ Previous quarter BA	(0.0064)
+ Second previous quarter BA	0.0038
+ Third previous quarter BA	0.0142
= Balance Adjustment	\$ (0.2573)

**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	4.50	4.56	3,891.04
Petrol	September	969	1.0125	981	4.50	4.56	4,415.01
Petrol	October	1749	1.0125	1,771	4.50	4.56	7,968.88
Petrol	November	3252	1.0125	3,293	4.50	4.56	14,816.93
Petrol	December	4410	1.0125	4,465	4.50	4.56	20,093.06
Petrol	January	9046	1.0125	9,159	4.50	4.56	41,215.84
Petrol	February	11867	1.0125	12,015	4.50	4.56	54,069.02
Petrol	March	13351	1.0125	13,518	4.50	4.56	60,830.49
Petrol	April	9115	1.0125	9,229	4.50	4.56	41,530.22
Petrol	May	1037	1.0125	1,050	4.50	4.56	4,724.83
Petrol	June	999	1.0125	1,011	4.50	4.56	4,551.69
Petrol	July	957	1.0125	969	4.50	4.56	4,360.33
		<u>57,606</u>		<u>58,326</u>			<u>262,467.34</u>

Transportation	Twelve months 2014 - 2015	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,350.00	993.63	2,343.63	6,234.67
	September	1,350.00	1,127.12	2,477.12	6,892.12
	October	1,350.00	2,034.62	3,384.62	11,353.50
	November	1,350.00	3,783.12	5,133.12	19,950.05
	December	1,350.00	5,129.85	6,479.85	26,572.91
	January	1,350.00	10,522.71	11,872.71	53,088.55
	February	1,350.00	13,804.07	15,154.07	69,223.08
	March	1,350.00	15,530.63	16,880.63	77,711.12
	April	1,350.00	10,603.07	11,953.07	53,483.28
	May	1,350.00	1,206.32	2,556.32	7,281.15
	June	1,350.00	1,161.77	2,511.77	7,063.46
	July	1,350.00	1,113.26	2,463.26	6,823.59
				<u>83,210.13</u>	<u>345,677.47</u>
				divide by sales per MCF	<u>57,606</u>
					\$ 6.0007
				multiply by allowed purchases (sales / 1)	57,606
				<b>Expected Gas Cost</b>	<b>\$ 345,677.47</b>

**Schedule IV**  
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Current quarter		
	Actual			Actual			Actual		
	Aug-14	Sep-14	Oct-14	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	Apr-15
<b>Invoices</b>									
<b>Supply</b>									
Petrol & Wells (B&W)	5,620.57	6,769.71	12,575.13	18,212.05	31,219.48	61,014.30	52,063.38	82,952.34	34,863.15
<b>Transportation</b>									
Spectra	1,393.39	1,332.29	1,480.21	1,164.99	1,197.13	1,342.51	1,349.21	1,492.26	1,602.44
B&W	596.60	881.34	1,268.73	1,893.47	2,732.56	6,067.48	5,344.46	9,594.87	4,423.69
<b>Total cost</b>	<u>7,610.56</u>	<u>8,983.34</u>	<u>15,324.07</u>	<u>21,270.51</u>	<u>35,149.17</u>	<u>68,424.29</u>	<u>58,757.05</u>	<u>94,039.47</u>	<u>40,889.28</u>
Sales In MCF	854	969	1,749	3,252	4,410	9,046	11,867	13,351	9,115
Cost per MCF	8.9117	9.2707	8.7616	6.5407	7.9703	7.5640	4.9513	7.0436	4.4859
less ECG In effect	<u>7.7015</u>	<u>7.7015</u>	<u>7.7015</u>	<u>8.2132</u>	<u>8.2132</u>	<u>8.2132</u>	<u>7.2031</u>	<u>7.2031</u>	<u>7.2031</u>
Delta	1.21	1.57	1.06	(1.67)	(0.24)	(0.65)	(2.25)	(0.16)	(2.72)
Monthly cost difference	1,033.48	1,520.59	1,854.14	(5,438.82)	(1,071.04)	(5,872.32)	(26,722.13)	(2,129.12)	(24,766.97)
Total cost difference			4,408.21			(12,382.17)			(53,618.22)
divide by 12 months sales			151,118			145,121			137,606
<b>Actual Adjustment</b>		<b>Actual Adjustment</b>	<b>0.0292</b>		<b>Actual Adjustment</b>	<b>(0.0854)</b>		<b>Actual Adjustment</b>	<b>(0.3897)</b>
<b>Allocation</b>									
Total B&W line sales	1,027	1,217	1,982	4,651	6,162	11,380	14,842	15,007	9,537
KY%	83%	80%	88%	70%	72%	79%	80%	89%	96%
<b>Petrol</b>									
Cost	525.69	2,271.51	60.83	26,044.58	39,875.30	87,630.48	85,353.97	57,796.01	14,140.40
Allocation	<u>437.26</u>	<u>1,808.47</u>	<u>53.68</u>	<u>18,212.05</u>	<u>28,538.29</u>	<u>69,658.99</u>	<u>68,244.76</u>	<u>51,418.99</u>	<u>13,514.99</u>
<b>Spectra</b>									
250	1,675.17	1,673.40	1,677.23	1,666.02	1,672.70	1,688.87	1,687.46	1,677.33	1,676.59
Allocation	<u>1,393.39</u>	<u>1,332.29</u>	<u>1,480.21</u>	<u>1,164.99</u>	<u>1,197.13</u>	<u>1,342.51</u>	<u>1,349.21</u>	<u>1,492.26</u>	<u>1,602.44</u>
<b>B&amp;W Transport</b>									
Cost	717.25	1,107.00	1,437.60	2,707.80	3,818.08	7,632.84	6,684.34	10,784.83	4,628.40
Allocation	<u>596.60</u>	<u>881.34</u>	<u>1,268.73</u>	<u>1,893.47</u>	<u>2,732.56</u>	<u>6,067.48</u>	<u>5,344.46</u>	<u>9,594.87</u>	<u>4,423.69</u>
<b>B&amp;W Supply</b>									
Cost	6,231.50	6,231.50	14,188.11	-	3,746.32	(10,874.95)	(20,238.11)	35,444.14	22,336.06
Allocation	<u>5,183.31</u>	<u>4,961.24</u>	<u>12,521.45</u>	<u>-</u>	<u>2,681.20</u>	<u>(8,644.69)</u>	<u>(16,181.38)</u>	<u>31,533.35</u>	<u>21,348.17</u>

Schedule V  
Balance Adjustment

	125,254.86	113,726.41	94,746.45	67,138.56	35,590.73	1,238.82	(5,171.40)	(14,185.08)	(79,574.80)	(74,552.33)	(68,993.20)	(62,864.88)
+ under charged - over charged												
	Nov-14	Dec-14	Jan-15	Feb-15	Mar-15	->Actual Apr-15	Average-> May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
Sales in MCF	3,252	4,410	9,048	11,867	13,351	9,115	11,189	10,888	10,770	10,800	10,969	11,393
Summary												
3rd 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
2nd 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
Previous Qtr BA	(0.0090)	(0.0090)	(0.0090)	0.0142	0.0142	0.0142	0.0038	0.0038	0.0038	(0.0064)	(0.0064)	(0.0064)
Current Qtr BA	0.0142	0.0142	0.0142	0.0038	0.0038	0.0038	(0.0064)	(0.0064)	(0.0064)	(0.2690)	(0.2690)	(0.2690)
	0.2492	0.2492	0.2492	0.1204	0.1204	0.1204	0.0027	0.0027	0.0027	(0.2573)	(0.2573)	(0.2573)
3rd Previous Qtr AA	0.1516	0.1516	0.1516	1.3319	1.3319	1.3319	0.6897	0.6897	0.6897	0.1918	0.1918	0.1918
2nd 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
Previous Qtr AA	0.6897	0.6897	0.6897	0.1918	0.1918	0.1918	0.0292	0.0292	0.0292	(0.0854)	(0.0854)	(0.0854)
Current Qtr AA	0.1918	0.1918	0.1918	0.0292	0.0292	0.0292	(0.0854)	(0.0854)	(0.0854)	(0.3897)	(0.3897)	(0.3897)
	2.3649	2.3649	2.3649	2.2425	2.2425	2.2425	0.8252	0.8252	0.8252	(0.2541)	(0.2541)	(0.2541)
	0.1326	0.1326	0.1326									
	1,351.53	766.58	(433.30)									
	0.1113	0.1113	0.1113	0.1113	0.1113	0.1113						
	2,465.10	1,974.16	967.13	(353.94)	(1,840.22)	(2,854.93)						
	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)	(0.0090)			
	(222.35)	(182.76)	(101.56)	4.97	124.82	206.65	307.09	404.83	501.51			
Third previous qtr BA AA	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142	0.0142
	398.94	336.13	207.29	38.27	(151.88)	(281.70)	(441.06)	(596.13)	(749.52)	(903.35)	(1,058.15)	(1,220.41)
Second previous qtr BA AA			579.30	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038	0.0038
	319.76	319.76	0.0038	533.81	482.63	447.69	404.80	363.08	321.77	280.37	238.70	195.03
Previous qtr BA AA	0.1516	0.1516	0.1516				(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)
	1,544.33	875.91	(495.17)	(495.17)	(495.17)	(928.48)	(856.89)	(787.23)	(718.32)	(649.22)	(579.68)	(506.79)
						(0.0064)						
Balance adjustment BA	1.3319	1.3319	1.3319	1.3319	1.3319	1.3319				(0.2690)	(0.2690)	(0.2690)
	29,491.26	23,617.41	11,588.69	(4,237.43)	(22,020.15)	(34,160.77)	(34,160.77)	(34,160.77)	(37,015.70)	(34,110.47)	(31,186.65)	(28,122.05)
									(0.2690)			
	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	9,748.74	9,748.74	10,248.25
	65,357.79	62,316.41	56,077.81	47,893.69	38,688.12	32,399.93	24,683.25	17,174.46	9,748.74			0.0746
Third previous quarter AA	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918
	24,548.51	23,702.81	21,968.05	19,692.31	17,131.99	15,384.00	13,238.25	11,150.30	9,084.89	7,013.73	4,929.32	2,744.54
Second previous quarter AA				0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292
			4,408.21	4,062.05	3,672.59	3,406.70	3,080.30	2,762.70	2,448.52	2,133.47	1,816.41	1,484.08
Previous quarter AA							(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)
						(12,382.17)	(11,426.36)	(10,496.29)	(9,576.26)	(8,653.68)	(7,725.19)	(6,751.99)
Actual adjustment AA										(0.3897)	(0.3897)	(0.3897)
									(53,618.22)	(49,409.92)	(45,174.70)	(40,735.53)

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	869	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	690	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	3,908	31,568
2014	6,465	5,710	3,982	2,176	1,037	999	957	854	969	1,749	3,252	4,410	32,540
2015	9,046	11,867	13,351	9,115									43,379
Average	6,014	5,770	4,480	2,524	1,189	888	770	800	869	1,393	2,621	3,929	31,247