



September 25, 2015

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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 November 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 five 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 November 2015 and run until October 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 50,000 for the 5 months of the increased usage for the period (January through July's actual usage was captured so only 5 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 five 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,

Joseph M Irwin Jr

Quarterly Report

Gas cost recovery rate calculation

Navitas KY NG, LLC

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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
X	30-Sep	May June July	1-Nov
	31-Dec	August September October	1-Feb

Schedule I
Gas Cost Recovery Rate Summary

Navitas KY NG, LLC

Component		
Expected Gas Cost (EGC)	6.4382	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	(0.5857)	
+ Balance Adjustment(BA)	(0.1275)	
= Gas Cost Recovery Rate	<u>\$ 5.7250</u>	

A. Expected Gas Cost Calculation

Total EGC	\$ 488,468.93	
/ Twelve months sales	<u>75,871</u>	MCF
EGC	<u>\$ 6.4382</u>	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	<u>\$ -</u>	

C. Actual Adjustment Calculation

Actual Adjustment for reporting period	(0.1398)	
+ Previous quarter AA	(0.3897)	
+ Second previous quarter AA	(0.0854)	
+ Third previous quarter AA	0.0292	
+ Other cost adjustments		
= Actual Adjustment	<u>\$ (0.5857)</u>	

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	0.1441	
+ Previous quarter BA	(0.2690)	
+ Second previous quarter BA	(0.0064)	
+ Third previous quarter BA	0.0038	
= Balance Adjustment	<u>\$ (0.1275)</u>	

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	4.95	5.01	4,280.14
Petrol	September	969	1.0125	981	4.95	5.01	4,856.51
Petrol	October	1749	1.0125	1,771	4.95	5.01	8,765.77
Petrol	November	3252	1.0125	3,293	4.95	5.01	16,298.62
Petrol	December	4410	1.0125	4,465	4.95	5.01	22,102.37
Petrol	January	9046	1.0125	9,159	4.95	5.01	45,337.42
Petrol	February	11867	1.0125	12,015	4.95	5.01	59,475.92
Petrol	March	13351	1.0125	13,518	4.95	5.01	66,913.54
Petrol	April	9115	1.0125	9,229	4.95	5.01	45,683.24
Petrol	May	8724	1.0125	8,833	4.95	5.01	43,723.60
Petrol	June	6472	1.0125	6,553	4.95	5.01	32,436.86
Petrol	July	6062	1.0125	6,138	4.95	5.01	30,381.99
		<u>75,871</u>		<u>76,820</u>			<u>380,255.97</u>

Transportation	Twelve months 2014 - 2015	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,350.00	1,035.90	2,385.90	6,666.04
	September	1,350.00	1,175.08	2,525.08	7,381.59
	October	1,350.00	2,121.19	3,471.19	12,236.96
	November	1,350.00	3,944.09	5,294.09	21,592.71
	December	1,350.00	5,348.15	6,698.15	28,800.51
	January	1,350.00	10,970.49	12,320.49	57,657.91
	February	1,350.00	14,391.48	15,741.48	75,217.40
	March	1,350.00	16,191.50	17,541.50	84,455.04
	April	1,350.00	11,054.26	12,404.26	58,087.50
	May	1,350.00	10,580.00	11,930.00	55,653.60
	June	1,350.00	7,848.98	9,198.98	41,635.84
	July	1,350.00	7,351.84	8,701.84	39,083.83
				<u>108,212.96</u>	<u>488,468.93</u>

divide by sales	75,871
per MCF	\$ 6.4382
multiply by allowed purchases (sales / 1)	75,871
Expected Gas Cost	\$ 488,468.93

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

		Second previous quarter			Previous quarter			Current quarter		
		Nov-14	Actual Dec-14	Jan-15	Feb-15	Actual Mar-15	Apr-15	May-15	Actual Jun-15	Jul-15
Invoices										
Supply										
Petrol & FWM (B&W)		18,212.05	31,219.48	61,014.30	52,063.38	82,952.34	34,863.15	44,456.99	44,172.69	26,987.94
Transportation										
Spectra		1,164.99	1,197.13	1,342.51	1,349.21	1,492.26	1,602.44	1,637.96	1,649.44	1,650.72
B&W		1,893.47	2,732.56	6,067.48	5,344.46	9,594.87	4,423.69	6,030.73	5,229.02	3,454.11
Total cost		21,270.51	35,149.17	68,424.29	58,757.05	94,039.47	40,889.28	52,125.68	51,051.16	32,092.78
Sales in MCF		3,252	4,410	9,046	11,867	13,351	9,115	8,724	6,472	6,062
Cost per MCF		6.5407	7.9703	7.5640	4.9513	7.0436	4.4859	5.9750	7.8880	5.2941
less ECG in effect		8.2132	8.2132	8.2132	7.2031	7.2031	7.2031	7.1910	7.1910	7.1910
Delta		(1.67)	(0.24)	(0.65)	(2.25)	(0.16)	(2.72)	(1.22)	0.70	(1.90)
Monthly cost difference		(5,438.82)	(1,071.04)	(5,872.32)	(26,722.13)	(2,129.12)	(24,766.97)	(10,608.60)	4,511.00	(11,499.07)
Total cost difference				(12,382.17)			(53,618.22)			(17,596.67)
divide by 12 months sales				145,121			137,606			125,871
Actual Adjustment			Actual Adjustment	(0.0854)	Actual Adjustment	(0.3897)	Actual Adjustment	(0.1398)		
Allocation										
Total B&W line sales		4,651	6,162	11,380	14,842	15,007	9,537	8,905	6,592	6,143
KY%		70%	72%	79%	80%	89%	96%	98%	98%	99%
Petrol										
Cost		26,044.58	39,875.30	87,630.48	85,353.97	57,796.01	14,140.40	27,480.40	11,662.90	1,036.04
Allocation		18,212.05	28,538.29	69,658.99	68,244.76	51,418.99	13,514.99	26,920.63	11,451.11	1,022.45
Spectra										
250		1,666.02	1,672.70	1,688.87	1,687.46	1,677.33	1,676.59	1,672.02	1,679.95	1,672.67
Allocation		1,164.99	1,197.13	1,342.51	1,349.21	1,492.26	1,602.44	1,637.96	1,649.44	1,650.72
B&W Transport										
Cost		2,707.80	3,818.08	7,632.84	6,684.34	10,784.83	4,628.40	6,156.13	5,325.73	3,500.04
Allocation		1,893.47	2,732.56	6,067.48	5,344.46	9,594.87	4,423.69	6,030.73	5,229.02	3,454.11
FWM Supply		-	3,746.32	(10,874.95)	(20,238.11)	35,444.14	22,336.06	17,900.99	33,326.77	26,310.73
Cost		-	2,681.20	(8,644.69)	(16,181.38)	31,533.35	21,348.17	17,536.35	32,721.58	25,965.49
Allocation										

Schedule V
Balance Adjustment

Nevitas KY NG, LLC

	67,136.56	35,590.73	1,238.92	(3,130.52)	(8,488.51)	(89,960.22)	(64,833.92)	(59,294.79)	(53,070.50)	(90,811.02)	(50,877.15)	(40,311.75)	ESTIMATED WITH NEW CUSTOMER					
+ under charged - over charged																		
Sales in MCF	Feb-15 11,867	Mar-15 13,351	Apr-15 9,119	May-15 8,724	Jun-15 6,472	Jul-15 6,062	Aug-15 10,800	Sep-15 10,888	Oct-15 11,353	Nov-15 12,821	Dec-15 13,629	Jan-16 16,014	Feb-16 16,770	Mar-16 14,480	Apr-16 12,824	May-16 12,028	Jun-16 11,808	Jul-16 11,358
Summary																		
3rd Previous Qtr BA	0.1113 (0.0090)	0.1113 (0.0090)	0.1113 (0.0090)	0.0090 (0.0090)	0.0090 (0.0090)	0.0090 (0.0090)	0.0142 (0.0038)	0.0142 (0.0038)	0.0142 (0.0038)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)
2nd Previous Qtr BA	0.0142 (0.0038)	0.0142 (0.0038)	0.0142 (0.0038)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)	0.0038 (0.0064)
Current Qtr BA	0.0038 0.1204	0.0038 0.1204	0.0038 0.1204	0.0038 0.0027	0.0038 0.0027	0.0038 0.0027	0.0038 (0.2573)	0.0038 (0.2573)	0.0038 (0.2573)	0.0038 (0.1275)	0.0038 (0.1275)	0.0038 (0.1275)	0.0038 (0.1275)	0.0038 (0.1275)	0.0038 (0.1275)	0.0038 (0.1275)	0.0038 (0.1275)	0.0038 (0.1275)
3rd Previous Qtr AA	1.3319 0.6897	1.3319 0.6897	1.3319 0.6897	0.8897 0.1918	0.8897 0.1918	0.8897 0.1918	0.1918 0.0292	0.1918 0.0292	0.1918 0.0292	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)
2nd Previous Qtr AA	0.1918 0.0292	0.1918 0.0292	0.1918 0.0292	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.0654)	0.0292 (0.1369)	0.0292 (0.1369)	0.0292 (0.1369)	0.0292 (0.1369)	0.0292 (0.1369)	0.0292 (0.1369)	0.0292 (0.1369)	0.0292 (0.1369)	0.0292 (0.1369)
Current Qtr AA	2.2425 0.0038	2.2425 0.0038	2.2425 0.0038	0.6252 0.0038	0.6252 0.0038	0.6252 0.0038	0.2541 0.0038	0.2541 0.0038	0.2541 0.0038	0.5857 0.0038	0.5857 0.0038	0.5857 0.0038	0.5857 0.0038	0.5857 0.0038	0.5857 0.0038	0.5857 0.0038	0.5857 0.0038	0.5857 0.0038
Third previous qtr BA AA	533.61	482.63	447.89	414.25	389.44	366.20	324.80	283.13	239.40	191.07	137.88	78.29						
Second previous qtr BA AA	(495.17)	(495.17)	(928.48)	(872.98)	(831.25)	(792.47)	(723.37)	(653.83)	(580.94)	(500.19)	(411.07)	(308.62)	(207.72)	(115.08)	(34.95)			
Previous qtr BA AA	1.3319 (4,237.43)	1.3319 (22,020.15)	1.3319 (34,180.77)	(34,180.77)	(34,180.77)	(37,015.70)	(34,110.47)	(31,186.85)	(28,122.05)	(24,727.10)	(20,980.20)	(16,872.48)	(12,430.35)	(8,535.30)	(5,168.39)	(1,931.31)	1,164.38	4,219.71
Balance adjustment BA	0.6897 47,603.89	0.6897 38,636.12	0.6897 32,399.93	0.6897 28,383.39	0.6897 21,919.95	0.6897 17,739.27	17,739.27	17,739.27	18,138.75	16,318.23	14,311.18	12,003.73	9,731.41	7,845.01	5,840.44	4,107.55	2,448.33	812.73
	0.1918 19,992.31	0.1918 17,131.99	0.1918 15,384.00	0.1918 13,711.00	0.1918 12,469.88	0.1918 11,307.35	0.1918 9,236.19	0.1918 7,151.79	0.1918 4,987.01	0.1918 4,987.01	0.1918 4,987.01	0.1918 3,911.65	0.0312 3,419.58	0.0312 2,987.78	0.0312 2,578.97	0.0312 2,201.71	0.0312 1,842.82	0.0312 1,488.21
Third previous quarter AA	0.0292 4,062.05	0.0292 3,872.39	0.0292 3,408.70	0.0292 3,152.21	0.0292 2,963.42	0.0292 2,788.59	0.0292 2,471.54	0.0292 2,184.47	0.0292 1,822.14	0.0292 1,453.98	0.0292 1,047.68	0.0292 580.53	580.53	580.53	858.81	0.0050 598.62	0.0050 539.01	0.0050 482.16
Second previous quarter AA				(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)	(0.0654)
Previous quarter AA				(12,362.17)	(11,636.94)	(11,084.09)	(10,568.25)	(9,843.96)	(8,713.17)	(7,741.98)	(6,883.87)	(5,474.01)	(4,106.04)	(2,758.91)	(1,522.00)	(432.16)	(432.16)	(487.11)
Actual adjustment AA							(53,818.22)	(48,409.92)	(45,174.70)	(40,735.53)	(35,817.86)	(30,390.38)	(24,150.53)	(18,006.89)	(12,383.81)	(7,483.65)	(2,787.55)	(788.52)

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	788	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	3,252	4,410	32,540
2015	9,046	11,867	13,351	9,115	8,724	8,472	6,062						64,637
Average	6,014	5,770	4,480	2,524	2,026	1,508	1,358	800	869	1,393	2,621	3,929	33,293