



December 23, 2015

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PUBLIC SERVICE
COMMISSION

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

Case No. 2015-00427

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, 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 six 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 February 2016 and run until January 2017 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 20,000 for the 2 months of the increased usage for the period (January through October's actual usage was captured so only 2 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 six 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 that reads "Joseph M Irwin Jr". The signature is fluid and cursive, with a long horizontal stroke at the end.

Joseph M Irwin Jr

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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
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)	5.9338	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	(0.6057)	
+ Balance Adjustment(BA)	(0.0693)	
= Gas Cost Recovery Rate	\$ 5.2588	

A. Expected Gas Cost Calculation

Total EGC	\$ 539,667.52	
/ Twelve months sales	90,948	MCF
EGC	\$ 5.9338	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	(0.0058)
+ Previous quarter AA	(0.1248)
+ Second previous quarter AA	(0.3897)
+ Third previous quarter AA	(0.0854)
+ Other cost adjustments	-
= Actual Adjustment	\$ (0.6057)

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	0.0620
+ Previous quarter BA	0.1441
+ Second previous quarter BA	(0.2690)
+ Third previous quarter BA	(0.0064)
= Balance Adjustment	\$ (0.0693)

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	5148	1.0125	5,212	4.95	5.01	25,801.13
Petrol	September	5562	1.0125	5,632	4.95	5.01	27,876.05
Petrol	October	7939	1.0125	8,038	4.95	5.01	39,789.28
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>90,948</u>		<u>92,085</u>			<u>455,820.01</u>

Transportation	Twelve months 2014 - 2015	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,500.00	3,813.23	5,313.23	31,114.36
	September	1,500.00	3,472.16	4,972.16	32,848.21
	October	1,500.00	5,017.80	6,517.80	46,307.08
	November	1,500.00	2,907.35	4,407.35	20,705.97
	December	1,500.00	5,405.66	6,905.66	29,008.03
	January	1,500.00	7,632.84	9,132.84	54,470.26
	February	1,500.00	6,684.34	8,184.34	67,660.26
	March	1,500.00	10,784.83	12,284.83	79,198.37
	April	1,500.00	4,628.40	6,128.40	51,811.64
	May	1,500.00	6,156.13	7,656.13	51,379.73
	June	1,500.00	5,325.73	6,825.73	39,262.59
	July	1,500.00	4,019.04	5,519.04	35,901.03
				<u>83,847.51</u>	<u>539,667.52</u>
				divide by sales	90,948
				per MCF	\$ 5.9338
				multiply by allowed purchases (sales / 1)	90,948
				Expected Gas Cost	\$ 539,667.52

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Current quarter		
		Actual			Actual		Actual		
	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15
Invoices									
Supply									
Petrol & FWM (B&W)	52,063.38	82,952.34	34,863.15	44,456.99	44,172.69	26,987.94	30,870.46	25,958.82	37,634.88
Transportation									
Spectra	1,349.21	1,492.26	1,602.44	1,637.96	1,649.44	1,650.72	1,643.05	1,633.86	1,600.01
B&W	5,344.46	9,594.87	4,423.69	6,030.73	5,229.02	3,454.11	3,750.43	3,386.91	4,781.75
Total cost	58,757.05	94,039.47	40,889.28	52,125.68	51,051.16	32,092.78	36,263.94	30,979.59	44,016.64
Sales in MCF	11,867	13,351	9,115	8,724	6,472	6,062	5,148	5,562	7,939
Cost per MCF	4.9513	7.0436	4.4859	5.9750	7.8880	5.2941	7.0443	5.5699	5.5444
less ECG in effect	7.2031	7.2031	7.2031	7.1910	7.1910	7.1910	6.0007	6.0007	6.0007
Delta	(2.25)	(0.16)	(2.72)	(1.22)	0.70	(1.90)	1.04	(0.43)	(0.46)
Monthly cost difference	(26,722.13)	(2,129.12)	(24,766.97)	(10,608.60)	4,511.00	(11,499.07)	5,372.34	(2,396.30)	(3,622.92)
Total cost difference			(53,618.22)			(17,596.67)			(646.89)
divide by 12 months sales			137,606			140,948			110,948
Actual Adjustment		Actual Adjustment	(0.3897)	Actual Adjustment	(0.1248)	Actual Adjustment	(0.0058)		
Allocation									
Total B&W line sales	14,842	15,007	9,537	8,905	6,592	6,143	5,234	5,702	8,331
KY%	80%	89%	96%	98%	98%	99%	98%	98%	95%
Petrol									
Cost	85,353.97	57,796.01	14,140.40	27,480.40	11,662.90	1,036.04	3,636.70	5,300.32	25,270.56
Allocation	68,244.76	51,418.99	13,514.99	26,920.63	11,451.11	1,022.45	3,576.81	5,170.18	24,081.79
Spectra									
250	1,687.46	1,677.33	1,676.59	1,672.02	1,679.95	1,672.67	1,670.56	1,674.99	1,678.99
Allocation	1,349.21	1,492.26	1,602.44	1,637.96	1,649.44	1,650.72	1,643.05	1,633.86	1,600.01
B&W Transport									
Cost	6,684.34	10,784.83	4,628.40	6,156.13	5,325.73	3,500.04	3,813.23	3,472.16	5,017.80
Allocation	5,344.46	9,594.87	4,423.69	6,030.73	5,229.02	3,454.11	3,750.43	3,386.91	4,781.75
FWM Supply									
Cost	(20,238.11)	35,444.14	22,336.06	17,900.99	33,326.77	26,310.73	27,750.67	21,311.90	14,222.12
Allocation	(16,181.38)	31,533.35	21,348.17	17,536.35	32,721.58	25,965.49	27,293.66	20,788.63	13,553.09

Schedule V
Balance Adjustment

	67,138.56	35,590.73	1,236.92	(3,130.52)	(8,488.51)	(69,980.22)	(67,744.75)	(64,900.05)	(78,038.82)	(68,376.69)	(58,651.11)	(48,966.79)	(38,452.95)	(28,678.54)	(20,092.88)
+ under charged															
- over charged															
	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
Sales in MCF	11,867	13,351	9,115	8,724	6,472	6,062	5,148	5,562	7,939	12,621	13,929	16,014	15,770	14,480	12,524
Summary															
3rd 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	(0.0064)	(0.0064)	(0.0064)
2rd 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)	(0.2690)	(0.2690)	(0.2690)
Previous 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)	0.1441	0.1441	0.1441
Current Qtr BA	0.0038	0.0038	0.0038	(0.0064)	(0.0064)	(0.0064)	(0.2690)	(0.2690)	(0.2690)	0.1441	0.1441	0.1441	0.0620	0.0620	0.0620
	0.1204	0.1204	0.1204	0.0027	0.0027	0.0027	(0.2573)	(0.2573)	(0.2573)	(0.1275)	(0.1275)	(0.1275)	(0.0693)	(0.0693)	(0.0693)
3rd 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	(0.0854)	(0.0854)	(0.0854)
2rd 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)	(0.3897)	(0.3897)	(0.3897)
Previous 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)	(0.1248)	(0.1248)	(0.1248)
Current Qtr AA	0.0292	0.0292	0.0292	(0.0854)	(0.0854)	(0.0854)	(0.3897)	(0.3897)	(0.3897)	(0.1248)	(0.1248)	(0.1248)	(0.0058)	(0.0058)	(0.0058)
	2.2425	2.2425	2.2425	0.8252	0.8252	0.8252	(0.2541)	(0.2541)	(0.2541)	(0.5707)	(0.5707)	(0.5707)	(0.6057)	(0.6057)	(0.6057)
Third previous qtr BA AA	(495.17)	(495.17)	(928.48)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)	(0.0064)
			(0.0064)	(872.66)	(831.25)	(792.47)	(759.53)	(723.95)	(673.15)	(592.41)	(503.29)	(400.83)	(299.94)	(207.29)	(127.17)
Second previous qtr BA AA	1.3319	1.3319	1.3319				(0.2690)	(0.2690)	(0.2690)	(0.2690)	(0.2690)	(0.2690)	(0.2690)	(0.2690)	(0.2690)
	(4,237.43)	(22,020.15)	(34,160.77)	(34,160.77)	(34,160.77)	(37,015.70)	(35,630.90)	(34,134.73)	(31,999.16)	(28,604.21)	(24,857.32)	(20,549.59)	(16,307.47)	(12,412.42)	(9,043.50)
Previous qtr BA AA	0.6897	0.6897	0.6897	0.6897	0.6897	0.6897	17,739.27	17,739.27	18,136.75	0.1441	0.1441	0.1441	0.1441	0.1441	0.1441
	47,893.69	38,686.12	32,399.93	26,383.39	21,919.95	17,739.27	17,739.27	17,739.27	18,136.75	16,318.23	14,311.18	12,003.73	9,731.41	7,645.01	5,840.44
									0.1441						
Balance adjustment BA	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918				0.0620	0.0620	0.0620
	19,692.31	17,131.99	15,384.00	13,711.00	12,469.86	11,307.35	10,320.12	9,253.49	7,731.03	7,731.03	7,731.03	6,880.95	5,902.90	5,004.86	4,228.13
												0.0620			
	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	1,000.97	1,000.97	1,132.51
	4,062.05	3,672.59	3,406.70	3,152.21	2,963.42	2,786.59	2,636.42	2,474.17	2,242.58	1,874.43	1,468.11	1,000.97	1,000.97	1,000.97	0.0097
Third previous quarter AA			(12,382.17)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)
				(11,636.94)	(11,084.09)	(10,566.25)	(10,126.49)	(9,651.37)	(8,973.19)	(7,895.09)	(6,705.23)	(5,337.26)	(3,990.13)	(2,753.21)	(1,683.38)
Second previous quarter AA							(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)
						(53,618.22)	(51,612.30)	(49,445.07)	(46,351.64)	(41,433.96)	(36,006.48)	(29,766.63)	(23,621.80)	(17,979.72)	(13,099.75)
Previous quarter AA										(0.1248)	(0.1248)	(0.1248)	(0.1248)	(0.1248)	(0.1248)
									(17,596.67)	(16,021.03)	(14,282.05)	(12,282.78)	(10,313.96)	(8,506.22)	(6,942.67)
Actual adjustment AA													(0.0058)	(0.0058)	(0.0058)
												(646.89)	(554.94)	(470.51)	(397.49)

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	3,661	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	6,472	6,062	5,148	5,562	7,939			83,286
Average	6,014	5,770	4,480	2,524	2,026	1,508	1,358	1,283	1,391	2,120	2,621	3,929	35,025