



June 21, 2016

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

RECEIVED

JUN 24 2016

Public Service  
Commission

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, 2016. Please contact me at (714) 242 – 4064 or [joey@navitasutility.com](mailto:joey@navitasutility.com) with questions or comments regarding this filing.

We now have 12 months usage with Keystone Foods Group as a customer so we no longer need to add in projected usage into the last 12 months sales. However, their projected usage is still included in the balance adjustment sheet. I've reduced the projected usage down from 10,000 additional MCF per month to 5,000 additional MCF per month as that number appears to be closer to their actual usage based on our increased sales in 2015 with them versus prior years. Also, please note on the expected gas costs page that our transport cost with B&W has increased dramatically since their rate case in January 2016. Whereas before we paid \$.60 per MCF we now pay a fixed price of \$13,897.67. Since the cost is known, I've increased it for the months going forward.

Sincerely,

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

Joseph M Irwin Jr

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Quarterly Report  
Gas cost recovery rate calculation

JUN 24 2016

Navitas KY NG, LLC

Public Service  
Commission

Period	Filing date (on or about)	Reporting Months	Effective date (& 1st forecast month)
	31-Mar	November December January	1-May
X	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)	5.8267	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	(0.4751)	
+ Balance Adjustment(BA)	0.1726	
= Gas Cost Recovery Rate	\$ 5.5243	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 547,299.25	
/ Twelve months sales	93,929	MCF
EGC	\$ 5.8267	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	(0.1394)	
+ Previous quarter AA	(0.1901)	
+ Second previous quarter AA	(0.0058)	
+ Third previous quarter AA	(0.1398)	
+ Other cost adjustments	-	
= Actual Adjustment	\$ (0.4751)	

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period	(0.0499)	
+ Previous quarter BA	0.0164	
+ Second previous quarter BA	0.0620	
+ Third previous quarter BA	0.1441	
= Balance Adjustment	\$ 0.1726	

**Schedule II**  
Expected Gas Cost

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2015 - 2016	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	1.0640	5,477	3.65	3.88	19,992.77
Petrol	September	5562	1.0680	5,940	3.65	3.90	21,681.79
Petrol	October	7939	1.0680	8,479	3.65	3.90	30,947.81
Petrol	November	8721	1.0720	9,349	3.65	3.91	34,123.53
Petrol	December	7043	0.9290	6,543	3.65	3.39	23,881.76
Petrol	January	11015	1.0660	11,742	3.65	3.89	42,858.26
Petrol	February	10109	1.0550	10,665	3.65	3.85	38,927.23
Petrol	March	9340	1.0710	10,003	3.65	3.91	36,511.46
Petrol	April	7794	1.0720	8,355	3.65	3.91	30,496.36
Petrol	May	8724	1.0740	9,370	3.65	3.92	34,198.95
Petrol	June	6472	1.0700	6,925	3.65	3.91	25,276.40
Petrol	July	6062	1.0680	6,474	3.65	3.90	23,630.89
		<u>93,929</u>		<u>99,322</u>			<u>362,527.21</u>

Transportation	Twelve months 2015 - 2016	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,500.00	13,897.67	15,397.67	35,390.44
	September	1,500.00	13,897.67	15,397.67	37,079.46
	October	1,500.00	13,897.67	15,397.67	46,345.48
	November	1,500.00	13,897.67	15,397.67	49,521.20
	December	1,500.00	13,897.67	15,397.67	39,279.43
	January	1,500.00	13,897.67	15,397.67	58,255.93
	February	1,500.00	13,897.67	15,397.67	54,324.90
	March	1,500.00	13,897.67	15,397.67	51,909.13
	April	1,500.00	13,897.67	15,397.67	45,894.03
	May	1,500.00	13,897.67	15,397.67	49,596.62
	June	1,500.00	13,897.67	15,397.67	40,674.07
	July	1,500.00	13,897.67	15,397.67	39,028.56
				<u>184,772.04</u>	<u>547,299.25</u>

	divide by sales	93,929
	per MCF	\$ 5.8267
	multiply by allowed purchases (sales / 1)	93,929
	<b>Expected Gas Cost</b>	<b>\$ 547,299.25</b>

**Schedule IV**  
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Current quarter		
		Actual			Actual		Actual		
	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16
<b>Invoices</b>									
<b>Supply</b>									
Petrol & FWM (B&W)	30,870.46	25,958.82	37,634.88	36,393.23	33,111.20	57,129.20	47,375.65	34,640.24	25,780.38
<b>Transportation</b>									
Spectra	1,643.05	1,633.86	1,600.01	1,559.75	1,445.70	1,425.19	1,408.92	1,405.82	1,573.43
B&W	3,750.43	3,386.91	4,781.75	5,163.76	5,127.77	11,852.92	11,721.79	11,695.55	12,961.71
<b>Total cost</b>	<u>36,283.94</u>	<u>30,979.59</u>	<u>44,016.64</u>	<u>43,116.75</u>	<u>39,684.67</u>	<u>70,407.31</u>	<u>60,506.36</u>	<u>47,741.62</u>	<u>40,315.53</u>
Sales in MCF	5,148	5,562	7,939	8,721	7,043	11,015	10,109	9,340	7,794
Cost per MCF	7.0443	5.5699	5.5444	4.9440	5.6346	6.3919	5.9854	5.1115	5.1726
less ECG in effect	6.0007	6.0007	6.0007	6.4382	6.4382	6.4382	5.9338	5.9338	5.9338
Delta	1.04	(0.43)	(0.46)	(1.49)	(0.80)	(0.05)	0.05	(0.82)	(0.76)
<b>Monthly cost difference</b>	<u>5,372.34</u>	<u>(2,396.30)</u>	<u>(3,622.92)</u>	<u>(13,030.80)</u>	<u>(5,659.57)</u>	<u>(509.46)</u>	<u>521.58</u>	<u>(7,680.07)</u>	<u>(5,932.51)</u>
Total cost difference			(646.89)			(19,199.83)			(13,091.00)
divide by 12 months sales			110,948			101,019			93,929
<b>Actual Adjustment</b>		<b>Actual Adjustment</b>	<b>(0.0058)</b>		<b>Actual Adjustment</b>	<b>(0.1901)</b>		<b>Actual Adjustment</b>	<b>(0.1394)</b>
<b>Allocation</b>									
Total B&W line sales	5,234	5,702	8,331	9,350	8,195	12,915	11,986	11,099	8,357
KY%	98%	98%	95%	93%	86%	85%	84%	84%	93%
<b>Petrol</b>									
Cost	3,636.70	5,300.32	25,270.56	25,909.91	29,193.78	37,176.69	32,025.86	8,324.91	9,184.05
Allocation	<u>3,576.81</u>	<u>5,170.18</u>	<u>24,081.79</u>	<u>24,168.17</u>	<u>25,091.13</u>	<u>31,706.92</u>	<u>27,011.76</u>	<u>7,005.81</u>	<u>8,565.54</u>
<b>Spectra</b>									
250	1,670.56	1,674.99	1,678.99	1,672.16	1,682.09	1,671.05	1,670.45	1,670.52	1,687.05
Allocation	<u>1,643.05</u>	<u>1,633.86</u>	<u>1,600.01</u>	<u>1,559.75</u>	<u>1,445.70</u>	<u>1,425.19</u>	<u>1,408.92</u>	<u>1,405.82</u>	<u>1,573.43</u>
<b>B&amp;W Transport</b>									
Cost	3,813.23	3,472.16	5,017.80	5,535.90	5,966.21	13,897.67	13,897.67	13,897.67	13,897.67
Allocation	<u>3,750.43</u>	<u>3,386.91</u>	<u>4,781.75</u>	<u>5,163.76</u>	<u>5,127.77</u>	<u>11,852.92</u>	<u>11,721.79</u>	<u>11,695.55</u>	<u>12,961.71</u>
<b>FWM Supply</b>									
Cost	27,750.67	21,311.90	14,222.12	13,106.09	9,331.43	29,807.88	24,143.98	32,837.64	18,457.92
Allocation	<u>27,293.66</u>	<u>20,788.63</u>	<u>13,553.09</u>	<u>12,225.06</u>	<u>8,020.07</u>	<u>25,422.28</u>	<u>20,363.90</u>	<u>27,634.44</u>	<u>17,214.85</u>

Schedule V  
Balance Adjustment

Nevitas KY NO, LLC

	(3,130.52)	(8,488.51)	(88,890.22)	(67,744.75)	(64,900.05)	(78,038.82)	(70,969.15)	(55,945.27)	(59,587.61)	(52,804.55)	(45,350.05)	(59,990.05)	(54,239.12)	(49,215.55)	(57,725.53)	(43,709.77)	(41,775.75)	(51,739.35)	
+ under charged - over charged																			
	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	
Sales In MCF	8,724	6,472	5,062	6,148	5,562	7,939	8,721	7,043	11,018	10,109	9,340	7,794	7,026	6,506	6,358	6,233	6,391	7,120	
Summary																			
3rd Previous Qtr BA	(0.0090)	(0.0090)	(0.0090)	0.0142	0.0142	0.0142	0.0038	0.0038	0.0038	(0.0054)	(0.0054)	(0.0054)	(0.2590)	(0.2590)	(0.2590)	0.1441	0.1441	0.1441	
2nd Previous Qtr BA	0.0142	0.0142	0.0142	0.0038	0.0038	0.0038	(0.0054)	(0.0054)	(0.0054)	(0.2590)	(0.2590)	(0.2590)	0.1441	0.1441	0.1441	0.0620	0.0620	0.0620	
Previous Qtr BA	0.0038	0.0038	0.0038	(0.0054)	(0.0054)	(0.0054)	(0.2590)	(0.2590)	(0.2590)	0.1441	0.1441	0.1441	0.0620	0.0620	0.0620	0.0164	0.0164	0.0164	
Current Qtr BA	(0.0054)	(0.0054)	(0.0054)	(0.2590)	(0.2590)	(0.2590)	0.1441	0.1441	0.1441	0.0620	0.0620	0.0620	0.0164	0.0164	0.0164	(0.0499)	(0.0499)	(0.0499)	
	0.0027	0.0027	0.0027	(0.2573)	(0.2573)	(0.2573)	(0.1275)	(0.1275)	(0.1275)	(0.0593)	(0.0593)	(0.0593)	(0.0455)	(0.0455)	(0.0455)	0.1725	0.1725	0.1725	
3rd 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)	(0.1398)	(0.1398)	(0.1398)	
2nd 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)	(0.1398)	(0.1398)	(0.1398)	(0.0058)	(0.0058)	(0.0058)	
Previous Qtr AA	0.0292	0.0292	0.0292	(0.0854)	(0.0854)	(0.0854)	(0.3897)	(0.3897)	(0.3897)	(0.1398)	(0.1398)	(0.1398)	(0.0058)	(0.0058)	(0.0058)	(0.1901)	(0.1901)	(0.1901)	
Current Qtr AA	(0.0854)	(0.0854)	(0.0854)	(0.3897)	(0.3897)	(0.3897)	(0.1398)	(0.1398)	(0.1398)	(0.0058)	(0.0058)	(0.0058)	(0.1901)	(0.1901)	(0.1901)	(0.1394)	(0.1394)	(0.1394)	
	0.6252	0.6252	0.6252	(0.2541)	(0.2541)	(0.2541)	(0.5857)	(0.5857)	(0.5857)	(0.6207)	(0.6207)	(0.6207)	(0.7253)	(0.7253)	(0.7253)	(0.4751)	(0.4751)	(0.4751)	
Third previous qtr BA AA	0.6897	0.6897	0.6897				0.1441	0.1441	0.1441	0.1441	0.1441	0.1441	0.1441	0.1441	0.1441	0.1441	0.1441	0.1441	
	26,383.39	21,919.95	17,739.27	17,739.27	17,739.27	18,136.75	16,860.14	15,965.32	14,278.16	12,821.58	11,475.78	10,352.72	9,340.29	8,402.51	7,489.36	6,581.00	5,860.16	4,534.24	
						0.1441													
Second previous qtr BA AA	0.1918	0.1918	0.1918	0.1918	0.1918	0.1918	7,731.03	7,731.03	8,880.95	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	
	13,711.00	12,498.86	11,307.35	10,320.12	9,263.49	7,731.03	7,731.03	8,880.95	0.0620	8,254.00	6,874.73	5,191.35	4,755.58	4,351.94	3,957.61	3,567.92	3,171.57	2,729.99	
									0.0620										
Previous qtr BA AA	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0292	0.0164	0.0164	0.0164	0.0164	0.0164	0.0164	0.0164	
	3,152.21	2,963.42	2,796.59	2,636.42	2,474.17	2,242.58	1,988.19	1,782.74	1,481.42	1,461.42	1,461.42	1,653.47	1,538.47	1,431.94	1,327.97	1,225.02	1,120.42	1,003.88	
												0.0164							
Balance adjustment BA	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0499)	(0.0499)	(0.0499)	
	(11,536.94)	(11,064.09)	(10,599.25)	(10,126.49)	(9,651.37)	(8,973.19)	(8,228.22)	(7,529.58)	(6,885.65)	(6,222.11)	(5,024.26)	(4,359.47)	(4,358.47)	(4,358.47)	(4,358.47)	(4,885.99)	(4,372.53)	(4,053.70)	
																(0.0499)			
				(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(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)	(46,351.84)	(42,953.49)	(40,209.19)	(36,817.19)	(31,978.21)	(28,338.88)	(25,301.94)	(22,564.10)	(20,028.17)	(17,560.69)	(17,550.69)	(17,550.69)	(20,696.93)	
							(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	
						(17,598.67)	(16,377.48)	(15,352.87)	(13,852.98)	(12,439.75)	(11,134.03)	(10,044.43)	(9,062.15)	(8,152.30)	(7,263.43)	(6,385.03)	(5,491.61)	(4,498.24)	
Second previous quarter AA										(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	
										(587.94)	(533.49)	(488.04)	(447.08)	(406.13)	(372.06)	(335.42)	(298.18)	(256.85)	
Previous quarter AA												(19,199.83)	(17,864.38)	(16,627.41)	(15,418.96)	(14,224.75)	(13,010.12)	(11,866.87)	
Actual adjustment AA																(13,091.00)	(12,215.29)	(11,324.61)	
																		(10,332.28)	

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	1,857	1,472	981	784	327	400	379	859	1,941	2,359	19,341
2008	6,960	4,115	3,761	1,428	1,408	837	786	683	851	1,129	3,712	3,441	28,911
2009	5,821	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	1,873	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	31,588
2014	6,465	5,710	3,982	2,176	1,037	999	957	854	969	1,748	3,252	4,410	32,540
2015	9,046	11,887	13,351	9,115	8,724	6,472	6,082	5,148	5,562	7,939	8,721	7,043	99,050
2016	11,015	10,109	9,340	7,794									38,258
Average	6,514	6,204	4,966	3,051	2,026	1,508	1,358	1,283	1,391	2,120	3,299	4,275	37,995