



September 14, 2016

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

RECEIVED

SEP 19 2016

PUBLIC SERVICE
COMMISSION

Case No. 2016-00333

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

We now have 12 months of usage with Keystone Foods Group as a customer so we no longer need to add in projected usage into the last 12 months of sales. However, their projected usage is still included in the balance adjustment sheet. I've reduced the projected usage down from 5,000 additional MCF per month to 3,000 additional MCF per month as the customer has bought into a long term propane contract and is now only using the contractually obligated 3,000 MCF per month.

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

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PUBLIC SERVICE
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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



ORIGINAL

Schedule I
Gas Cost Recovery Rate Summary

Navitas KY NG, LLC

Component		
Expected Gas Cost (EGC)	6.2870	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	0.0668	
+ Balance Adjustment(BA)	(0.3485)	
= Gas Cost Recovery Rate	\$ 6.0054	

A. Expected Gas Cost Calculation

Total EGC	\$ 550,219.60	
/ Twelve months sales	87,517	MCF
EGC	\$ 6.2870	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	0.4021
+ Previous quarter AA	(0.1394)
+ Second previous quarter AA	(0.1901)
+ Third previous quarter AA	(0.0058)
+ Other cost adjustments	-
= Actual Adjustment	\$ 0.0668

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	(0.3770)
+ Previous quarter BA	(0.0499)
+ Second previous quarter BA	0.0164
+ Third previous quarter BA	0.0620
= Balance Adjustment	\$ (0.3485)

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	3.95	4.20	21,636.01
Petrol	September	5562	1.0680	5,940	3.95	4.22	23,463.85
Petrol	October	7939	1.0680	8,479	3.95	4.22	33,491.47
Petrol	November	8721	1.0720	9,349	3.95	4.23	36,928.20
Petrol	December	7043	0.9290	6,543	3.95	3.67	25,844.64
Petrol	January	11015	1.0660	11,742	3.95	4.21	46,380.86
Petrol	February	10109	1.0670	10,786	3.95	4.21	42,605.90
Petrol	March	9340	1.0710	10,003	3.95	4.23	39,512.40
Petrol	April	7794	1.0650	8,301	3.95	4.21	32,787.41
Petrol	May	5474	1.0740	5,879	3.95	4.24	23,222.35
Petrol	June	4778	1.0700	5,112	3.95	4.23	20,194.22
Petrol	July	4594	1.0680	4,906	3.95	4.22	19,380.25
		<u>87,517</u>		<u>92,517</u>			<u>365,447.56</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	37,033.68
	September	1,500.00	13,897.67	15,397.67	38,861.52
	October	1,500.00	13,897.67	15,397.67	48,889.14
	November	1,500.00	13,897.67	15,397.67	52,325.87
	December	1,500.00	13,897.67	15,397.67	41,242.31
	January	1,500.00	13,897.67	15,397.67	61,778.53
	February	1,500.00	13,897.67	15,397.67	58,003.57
	March	1,500.00	13,897.67	15,397.67	54,910.07
	April	1,500.00	13,897.67	15,397.67	48,185.08
	May	1,500.00	13,897.67	15,397.67	38,620.02
	June	1,500.00	13,897.67	15,397.67	35,591.89
	July	1,500.00	13,897.67	15,397.67	34,777.92
				<u>184,772.04</u>	<u>550,219.60</u>

	divide by sales	87,517
	per MCF	\$ 6.2870
	multiply by allowed purchases (sales / 1)	87,517
	Expected Gas Cost	\$ 550,219.60

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Current quarter		
	Actual			Actual			Actual		
	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16
Invoices									
Supply									
Petrol & FWM (B&W)	36,393.23	33,111.20	57,129.20	47,375.65	34,640.24	25,780.38	23,325.95	20,738.97	23,065.68
Transportation									
Spectra	1,559.75	1,445.70	1,425.19	1,408.92	1,405.82	1,573.43	1,581.93	1,604.59	1,604.57
B&W	5,163.76	5,127.77	11,852.92	11,721.79	11,695.55	12,961.71	13,133.05	13,345.20	13,337.63
Total cost	<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>	<u>38,040.93</u>	<u>35,688.76</u>	<u>38,007.88</u>
Sales in MCF	8,721	7,043	11,015	10,109	9,340	7,794	5,474	4,778	4,594
Cost per MCF	4.9440	5.6346	6.3919	5.9854	5.1115	5.1726	6.9494	7.4694	8.2734
less ECG in effect	<u>6.4382</u>	<u>6.4382</u>	<u>6.4382</u>	<u>5.9338</u>	<u>5.9338</u>	<u>5.9338</u>	<u>5.1560</u>	<u>5.1560</u>	<u>5.1560</u>
Delta	(1.49)	(0.80)	(0.05)	0.05	(0.82)	(0.76)	1.79	2.31	3.12
Monthly cost difference	(13,030.80)	(5,659.57)	(509.46)	521.58	(7,680.07)	(5,932.51)	9,816.99	11,053.40	14,321.21
Total cost difference			(19,199.83)			(13,091.00)			35,191.60
divide by 12 months sales			101,019			93,929			87,517
Actual Adjustment		Actual Adjustment	(0.1901)		Actual Adjustment	(0.1394)		Actual Adjustment	0.4021
Allocation									
Total B&W line sales	9,350	8,195	12,915	11,986	11,099	8,357	5,793	4,976	4,787
KY%	93%	86%	85%	84%	84%	93%	94%	96%	96%
Petrol									
Cost	25,909.91	29,193.78	37,176.69	32,025.86	8,324.91	9,184.05	10,314.05	21,597.52	1,455.90
Allocation	<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>	<u>9,746.60</u>	<u>20,738.97</u>	<u>1,397.23</u>
Spectra									
250	1,672.16	1,682.09	1,671.05	1,670.45	1,670.52	1,687.05	1,674.03	1,671.02	1,671.94
Allocation	<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>	<u>1,581.93</u>	<u>1,604.59</u>	<u>1,604.57</u>
B&W Transport									
Cost	5,535.90	5,966.21	13,897.67	13,897.67	13,897.67	13,897.67	13,897.67	13,897.67	13,897.67
Allocation	<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>	<u>13,133.05</u>	<u>13,345.20</u>	<u>13,337.63</u>
FWM Supply									
Cost	13,106.09	9,331.43	29,807.88	24,143.98	32,837.64	18,457.92	14,369.95	-	22,578.30
Allocation	<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>	<u>13,579.35</u>	<u>-</u>	<u>21,668.45</u>

Schedule V
Balance Adjustment

	(70,969.15)	(65,946.27)	(59,587.61)	(52,804.56)	(46,360.06)	(59,990.06)	(55,437.37)	(51,749.41)	(61,622.00)	(46,852.59)	(45,524.52)	(22,258.07)	(26,710.25)	(24,661.44)	(15,756.11)
													ESTIMATED WITH NEW CUSTOMER		
+ under charged															
- over charged															
Sales in MCF	Nov-15 8,721	Dec-15 7,043	Jan-16 11,015	Feb-16 10,109	Mar-16 9,340	Apr-16 7,794	May-16 5,474	Jun-16 4,778	Jul-16 4,594	Aug-16 4,283	Sep-16 4,391	Oct-16 5,120	Nov-16 6,299	Dec-16 7,275	Jan-17 9,514
Summary															
3rd Previous 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
2rd Previous Qtr BA	(0.0064)	(0.0064)	(0.0064)	(0.2690)	(0.2690)	(0.2690)	0.1441	0.1441	0.1441	0.0620	0.0620	0.0620	0.0164	0.0164	0.0164
Previous Qtr BA	(0.2690)	(0.2690)	(0.2690)	0.1441	0.1441	0.1441	0.0620	0.0620	0.0620	0.0164	0.0164	0.0164	(0.0499)	(0.0499)	(0.0499)
Current Qtr BA	0.1441	0.1441	0.1441	0.0620	0.0620	0.0620	0.0164	0.0164	0.0164	(0.0499)	(0.0499)	(0.0499)	(0.3770)	(0.3770)	(0.3770)
	(0.1275)	(0.1275)	(0.1275)	(0.0693)	(0.0693)	(0.0693)	(0.0465)	(0.0465)	(0.0465)	0.1726	0.1726	0.1726	(0.3485)	(0.3485)	(0.3485)
3rd 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)
2rd Previous 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)
Previous Qtr AA	(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)
Current Qtr AA	(0.1398)	(0.1398)	(0.1398)	(0.0058)	(0.0058)	(0.0058)	(0.1901)	(0.1901)	(0.1901)	(0.1394)	(0.1394)	(0.1394)	0.4021	0.4021	0.4021
	(0.5857)	(0.5857)	(0.5857)	(0.6207)	(0.6207)	(0.6207)	(0.7253)	(0.7253)	(0.7253)	(0.4751)	(0.4751)	(0.4751)	0.0668	0.0668	0.0668
Third previous qtr BA AA	7,731.03	7,731.03	6,880.95	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620	0.0620
			0.0620	6,254.00	5,674.73	5,191.35	4,851.86	4,555.53	4,270.61	4,004.96	3,732.65	3,415.11	3,024.47	2,573.28	1,983.22
Second previous qtr BA AA	0.0292	0.0292	0.0292				0.0164	0.0164	0.0164	0.0164	0.0164	0.0164	0.0164	0.0164	0.0164
	1,988.19	1,782.74	1,461.42	1,461.42	1,461.42	1,653.47	1,563.87	1,485.67	1,410.47	1,340.37	1,268.50	1,184.69	1,081.60	962.52	806.80
						0.0164									
Previous qtr BA AA	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)	(0.0854)				(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)
	(8,228.22)	(7,626.58)	(6,685.65)	(5,822.11)	(5,024.26)	(4,358.47)	(4,358.47)	(4,358.47)	(4,685.99)	(4,472.30)	(4,253.26)	(3,997.82)	(3,683.60)	(3,320.65)	(2,846.01)
									(0.0499)						
Balance adjustment BA	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3897)	(0.3770)	(0.3770)	(0.3770)
	(42,953.49)	(40,209.19)	(35,917.19)	(31,978.21)	(28,338.88)	(25,301.94)	(23,169.00)	(21,307.25)	(19,517.20)	(19,517.20)	(19,517.20)	(32,991.02)	(30,616.68)	(27,874.21)	(24,287.72)
												(0.3770)			
	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.0405)	(0.0405)	0.0022
	(16,377.48)	(15,392.87)	(13,852.96)	(12,439.75)	(11,134.03)	(10,044.43)	(9,279.17)	(8,611.21)	(7,968.97)	(7,370.17)	(6,756.36)	(6,040.58)	(6,040.58)	(6,040.58)	185.40
															0.0022
Third previous quarter AA			(646.89)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)
				(587.94)	(533.49)	(488.04)	(456.13)	(428.27)	(401.48)	(376.51)	(350.91)	(321.06)	(284.33)	(241.92)	(186.44)
Second previous quarter AA							(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)
							(19,199.83)	(18,159.43)	(17,251.32)	(16,378.17)	(15,564.08)	(14,729.58)	(13,756.45)	(12,559.34)	(11,176.63)
Previous quarter AA										(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)
										(13,091.00)	(12,494.03)	(11,882.10)	(11,168.51)	(10,290.67)	(9,276.73)
Actual adjustment AA															
													35,191.60	32,658.88	29,733.48
															25,907.76

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	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	8,721	7,043	99,050
2016	11,015	10,109	9,340	7,794	5,474	4,778	4,594						53,104
Average	6,514	6,204	4,966	3,051	2,371	1,835	1,682	1,283	1,391	2,120	3,299	4,275	38,991