



March 24, 2017

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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 May 1, 2017. 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 over 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.", with a long horizontal flourish extending to the right.

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)
X	31-Mar	November December January	1-May
	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)	6.7502	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	0.3630	
+ Balance Adjustment(BA)	(0.4043)	
= Gas Cost Recovery Rate	\$ 6.7089	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 549,086.65	
/ Twelve months sales	81,344	MCF
EGC	\$ 6.7502	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	0.0208
+ Previous quarter AA	0.0795
+ Second previous quarter AA	0.4021
+ Third previous quarter AA	(0.1394)
+ Other cost adjustments	-
= Actual Adjustment	\$ 0.3630

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period	0.0204
+ Previous quarter BA	0.0021
+ Second previous quarter BA	(0.3770)
+ Third previous quarter BA	(0.0499)
= Balance Adjustment	\$ (0.4043)

**Schedule II**  
Expected Gas Cost

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2016 - 2017	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	4462	1.0660	4,756	4.20	4.48	19,977.27
Petrol	September	5505	1.0670	5,874	4.20	4.48	24,670.11
Petrol	October	5465	1.0680	5,837	4.20	4.49	24,513.80
Petrol	November	7363	1.0660	7,849	4.20	4.48	32,965.62
Petrol	December	8826	1.0640	9,391	4.20	4.47	39,441.63
Petrol	January	7634	1.0660	8,138	4.20	4.48	34,178.94
Petrol	February	10109	1.0670	10,786	4.20	4.48	45,302.47
Petrol	March	9340	1.0710	10,003	4.20	4.50	42,013.19
Petrol	April	7794	1.0650	8,301	4.20	4.47	34,862.56
Petrol	May	5474	1.0660	5,835	4.20	4.48	24,508.19
Petrol	June	4778	1.0630	5,079	4.20	4.46	21,331.86
Petrol	July	4594	1.0650	4,893	4.20	4.47	20,548.96
		<u>81,344</u>		<u>86,742</u>			<u>364,314.61</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	35,374.94
	September	1,500.00	13,897.67	15,397.67	40,067.78
	October	1,500.00	13,897.67	15,397.67	39,911.47
	November	1,500.00	13,897.67	15,397.67	48,363.29
	December	1,500.00	13,897.67	15,397.67	54,839.30
	January	1,500.00	13,897.67	15,397.67	49,576.61
	February	1,500.00	13,897.67	15,397.67	60,700.14
	March	1,500.00	13,897.67	15,397.67	57,410.86
	April	1,500.00	13,897.67	15,397.67	50,260.23
	May	1,500.00	13,897.67	15,397.67	39,905.86
	June	1,500.00	13,897.67	15,397.67	36,729.53
	July	1,500.00	13,897.67	15,397.67	35,946.63
				<u>184,772.04</u>	<u>549,086.65</u>
				divide by sales per MCF	<u>81,344</u>
				multiply by allowed purchases (sales / 1)	\$ 6.7502
				<b>Expected Gas Cost</b>	<b>\$ 81,344</b>
					<b>\$ 549,086.65</b>

**Schedule IV  
Actual Adjustment**

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Current quarter		
		Actual			Actual			Actual	
	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17
<b>Invoices</b>									
<b>Supply</b>									
Petrol & FWM (B&W)	23,325.95	20,738.97	23,065.68	19,773.49	19,799.09	11,930.54	30,371.57	38,243.92	43,130.73
<b>Transportation</b>									
Spectra	1,581.93	1,604.59	1,604.57	1,617.58	1,618.17	1,613.02	1,563.39	1,319.39	1,383.15
B&W	13,133.05	13,345.20	13,337.63	13,431.98	13,438.96	13,396.38	12,993.28	10,970.47	11,490.95
<b>Total cost</b>	<u>38,040.93</u>	<u>35,688.76</u>	<u>38,007.88</u>	<u>34,823.05</u>	<u>34,856.22</u>	<u>26,939.94</u>	<u>44,928.24</u>	<u>50,533.79</u>	<u>56,004.83</u>
Sales in MCF	5,474	4,778	4,594	4,462	5,505	5,465	7,363	8,826	7,634
Cost per MCF	6.9494	7.4694	8.2734	7.8044	6.3317	4.9295	6.1019	5.7256	7.3362
less ECG in effect	<u>5.1560</u>	<u>5.1560</u>	<u>5.1560</u>	<u>5.8267</u>	<u>5.8267</u>	<u>5.8267</u>	<u>6.2870</u>	<u>6.2870</u>	<u>6.2870</u>
Delta	1.79	2.31	3.12	1.98	0.51	(0.90)	(0.19)	(0.56)	1.05
Monthly cost difference	9,816.99	11,053.40	14,321.21	8,824.31	2,780.23	(4,902.98)	(1,362.94)	(4,955.27)	8,009.87
Total cost difference			35,191.60			6,701.57			1,691.66
divide by 12 months sales			87,517			84,300			81,344
<b>Actual Adjustment</b>		<b>Actual Adjustment</b>	<b>0.4021</b>		<b>Actual Adjustment</b>	<b>0.0795</b>		<b>Actual Adjustment</b>	<b>0.0208</b>
<b>Allocation</b>									
Total B&W line sales	5,793	4,976	4,787	4,617	5,693	5,670	7,876	11,181	9,233
KY%	94%	96%	96%	97%	97%	96%	93%	79%	83%
<b>Petrol</b>									
Cost	10,314.05	21,597.52	1,455.90	20,459.05	2,261.16	12,376.98	11,531.92	35,125.20	36,734.36
Allocation	<u>9,746.60</u>	<u>20,738.97</u>	<u>1,397.23</u>	<u>19,773.49</u>	<u>2,186.53</u>	<u>11,930.54</u>	<u>10,781.48</u>	<u>27,726.95</u>	<u>30,372.92</u>
<b>Spectra</b>									
250	1,674.03	1,671.02	1,671.94	1,673.66	1,673.40	1,673.38	1,672.21	1,671.44	1,672.84
Allocation	<u>1,581.93</u>	<u>1,604.59</u>	<u>1,604.57</u>	<u>1,617.58</u>	<u>1,618.17</u>	<u>1,613.02</u>	<u>1,563.39</u>	<u>1,319.39</u>	<u>1,383.15</u>
<b>B&amp;W Transport</b>									
Cost	13,897.67	13,897.67	13,897.67	13,897.67	13,897.67	13,897.67	13,897.67	13,897.67	13,897.67
Allocation	<u>13,133.05</u>	<u>13,345.20</u>	<u>13,337.63</u>	<u>13,431.98</u>	<u>13,438.96</u>	<u>13,396.38</u>	<u>12,993.28</u>	<u>10,970.47</u>	<u>11,490.95</u>
<b>FWM Supply</b>									
Cost	14,369.95	-	22,578.30	-	18,213.72	-	20,953.66	13,323.17	15,429.87
Allocation	<u>13,579.35</u>	<u>-</u>	<u>21,668.45</u>	<u>-</u>	<u>17,612.56</u>	<u>-</u>	<u>19,590.10</u>	<u>10,516.98</u>	<u>12,757.81</u>

Schedule V  
Balance Adjustment

Navitas KY NG, LLC

	(55,437.37)	(51,749.41)	(51,822.00)	(46,798.54)	(45,133.42)	(21,762.63)	(25,679.03)	(23,163.45)	(6,352.04)	(7,830.03)	(5,789.20)	(711.28)	(877.56)	(678.07)	(97.04)
+ under charged - over charged	ESTIMATED WITH NEW CUSTOMER														
	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	->Actual Jan-17	Average-> Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Sales in MCF	5,474	4,778	4,694	4,462	5,505	5,485	7,383	8,828	7,834	9,204	7,968	6,051	5,371	4,835	4,682
Summary															
3rd 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)
2nd Previous 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)
Previous Qtr BA	0.0620	0.0620	0.0620	0.0164	0.0164	0.0164	(0.0499)	(0.0499)	(0.0499)	(0.3770)	(0.3770)	(0.3770)	0.0021	0.0021	0.0021
Current Qtr BA	0.0164	0.0164	0.0164	(0.0499)	(0.0499)	(0.0499)	(0.3770)	(0.3770)	(0.3770)	0.0021	0.0021	0.0021	0.0204	0.0204	0.0204
	(0.0465)	(0.0465)	(0.0465)	0.1726	0.1726	0.1726	(0.3485)	(0.3485)	(0.3485)	(0.4084)	(0.4084)	(0.4084)	(0.4043)	(0.4043)	(0.4043)
3rd 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)
2nd Previous 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
Previous Qtr AA	(0.0058)	(0.0058)	(0.0058)	(0.1901)	(0.1901)	(0.1901)	(0.1394)	(0.1394)	(0.1394)	0.4021	0.4021	0.4021	0.0795	0.0795	0.0795
Current Qtr AA	(0.1901)	(0.1901)	(0.1901)	(0.1394)	(0.1394)	(0.1394)	0.4021	0.4021	0.4021	0.0795	0.0795	0.0795	0.0208	0.0208	0.0208
	(0.7253)	(0.7253)	(0.7253)	(0.4751)	(0.4751)	(0.4751)	0.0668	0.0668	0.0668	0.1522	0.1522	0.1522	0.3630	0.3630	0.3630
Third previous qtr BA AA				(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)	(0.0499)
	(4,358.47)	(4,358.47)	(4,685.99)	(4,463.39)	(4,188.75)	(3,916.11)	(3,548.78)	(3,108.46)	(2,727.61)	(2,288.44)	(1,871.03)	(1,569.16)	(1,301.20)	(1,059.97)	(826.41)
			(0.0499)												
Second previous qtr BA AA	(0.3897)	(0.3897)	(0.3897)				(0.3770)	(0.3770)	(0.3770)	(0.3770)	(0.3770)	(0.3770)	(0.3770)	(0.3770)	(0.3770)
	(23,169.00)	(21,307.25)	(19,517.20)	(19,517.20)	(19,517.20)	(32,991.02)	(30,216.41)	(28,888.30)	(24,010.54)	(20,540.93)	(17,538.06)	(15,257.05)	(13,232.29)	(11,409.58)	(9,644.70)
						(0.3770)									
Previous qtr BA AA	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)	(0.1398)				0.0021	0.0021	0.0021	0.0021	0.0021	0.0021
	(9,279.17)	(8,811.21)	(7,968.97)	(7,345.19)	(6,575.60)	(5,811.59)	(5,811.59)	(5,811.59)	178.37	156.90	142.04	129.24	117.87	107.64	97.74
									0.0021						
Balance adjustment BA	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)	(0.0058)				0.0204	0.0204	0.0204
	(456.13)	(426.27)	(401.48)	(375.47)	(343.37)	(311.51)	(268.56)	(217.12)	(172.61)	(172.61)	(172.61)	1,683.42	1,653.59	1,454.71	1,358.97
												0.0204			
	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)	(0.1901)
	(18,159.43)	(17,251.32)	(16,378.17)	(15,530.12)	(14,483.83)	(13,445.14)	(12,045.72)	(10,368.24)	(8,917.31)	(7,167.98)	(5,653.97)	(4,503.92)	(4,503.92)	(4,503.92)	(4,116.04)
															(0.0632)
Third previous quarter AA				(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)
			(13,091.00)	(12,469.13)	(11,701.89)	(10,940.22)	(9,914.03)	(8,683.94)	(7,819.98)	(6,337.21)	(5,227.00)	(4,383.67)	(3,636.08)	(2,961.19)	(2,308.68)
Second previous quarter AA							0.4021	0.4021	0.4021	0.4021	0.4021	0.4021	0.4021	0.4021	0.4021
						35,191.60	32,230.85	28,681.81	25,612.09	21,911.05	18,707.89	16,274.72	14,114.82	12,170.62	10,288.02
Previous quarter AA									6,701.57	5,969.88	5,338.62	4,856.59	4,428.60	4,044.22	3,672.03
Actual adjustment AA												1,691.66	1,679.96	1,479.40	1,382.04

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	883	851	1,129	3,712	3,441	28,911
2009	5,621	4,445	3,436	1,575	952	880	726	669	749	1,338	1,726	5,564	27,479
2010	5,820	6,407	4,118	1,569	999	1,082	771	644	1,097	1,384	1,726	5,564	31,179
2011	5,820	8,407	2,727	1,673	1,301	1,129	739	877	810	1,253	2,602	3,335	28,874
2012	5,134	3,861	1,929	1,177	1,253	880	1,046	1,227	1,049	1,813	3,673	2,854	25,894
2013	6,073	4,304	5,380	2,531	1,603	911	810	1,047	1,051	1,618	3,252	3,906	31,588
2014	6,465	5,710	3,962	2,176	1,037	999	957	854	969	1,749	2,334	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	4,482	5,505	5,485	7,363	8,826	84,725
2017	7,634												7,634
<b>Average</b>	<b>6,616</b>	<b>6,204</b>	<b>4,988</b>	<b>3,051</b>	<b>2,371</b>	<b>1,835</b>	<b>1,682</b>	<b>1,601</b>	<b>1,802</b>	<b>2,455</b>	<b>3,705</b>	<b>4,730</b>	<b>41,018</b>