



December 19, 2017

**RECEIVED**

DEC 27 2017

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 February 1, 2018. 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.", written over a faint, illegible stamp or watermark.

Joseph M Irwin Jr

**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
<b>X</b>	31-Dec	August September October	1-Feb



**ORIGINAL**

**RECEIVED**

DEC 27 2017

PUBLIC SERVICE  
COMMISSION

**Schedule I**  
**Gas Cost Recovery Rate Summary**

**Navitas KY NG, LLC**

<u>Component</u>		
Expected Gas Cost (EGC)	7.4535	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	0.3881	
+ Balance Adjustment(BA)	(0.0988)	
= Gas Cost Recovery Rate	<u>\$ 7.7428</u>	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 540,455.95	
/ Twelve months sales	<u>72,510</u>	MCF
EGC	\$ 7.4535	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	0.0744	
+ Previous quarter AA	0.2889	
+ Second previous quarter AA	0.0040	
+ Third previous quarter AA	0.0208	
+ Other cost adjustments	-	
= Actual Adjustment	<u>\$ 0.3881</u>	

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period	0.0052	
+ Previous quarter BA	(0.0639)	
+ Second previous quarter BA	(0.0605)	
+ Third previous quarter BA	0.0204	
= Balance Adjustment	<u>\$ (0.0988)</u>	

**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	4983	1.0660	5,312	4.60	4.90	24,434.64
Petrol	September	6437	1.0670	6,868	4.60	4.91	31,594.08
Petrol	October	6306	1.0680	6,735	4.60	4.91	30,980.12
Petrol	November	7363	1.0660	7,849	4.60	4.90	36,105.21
Petrol	December	8826	1.0640	9,391	4.60	4.89	43,197.97
Petrol	January	7634	1.0660	8,138	4.60	4.90	37,434.08
Petrol	February	6393	1.0670	6,821	4.60	4.91	31,378.12
Petrol	March	7774	1.0710	8,326	4.60	4.93	38,299.39
Petrol	April	6650	1.0650	7,082	4.60	4.90	32,578.35
Petrol	May	3981	1.0660	4,244	4.60	4.90	19,521.23
Petrol	June	3459	1.0630	3,677	4.60	4.89	16,913.82
Petrol	July	2704	1.0650	2,880	4.60	4.90	13,246.90
		<u>72,510</u>		<u>77,323</u>			<u>355,683.91</u>

Transportation	Twelve months 2016 - 2017	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,500.00	13,897.67	15,397.67	39,832.31
	September	1,500.00	13,897.67	15,397.67	46,991.75
	October	1,500.00	13,897.67	15,397.67	46,377.79
	November	1,500.00	13,897.67	15,397.67	51,502.88
	December	1,500.00	13,897.67	15,397.67	58,595.64
	January	1,500.00	13,897.67	15,397.67	52,831.75
	February	1,500.00	13,897.67	15,397.67	46,775.79
	March	1,500.00	13,897.67	15,397.67	53,697.06
	April	1,500.00	13,897.67	15,397.67	47,976.02
	May	1,500.00	13,897.67	15,397.67	34,918.90
	June	1,500.00	13,897.67	15,397.67	32,311.49
	July	1,500.00	13,897.67	15,397.67	28,644.57
				<u>184,772.04</u>	<u>540,455.95</u>

divide by sales 72,510  
 per MCF \$ 7.4535  
 multiply by allowed purchases (sales / 1) 72,510  
**Expected Gas Cost \$ 540,455.95**

**Schedule IV  
Actual Adjustment**

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Current quarter		
	Feb-17	Actual Mar-17	Apr-17	May-17	Actual Jun-17	Jul-17	Aug-17	Actual Sep-17	Oct-17
	<b>Invoices</b>								
<b>Supply</b>									
Petrol & FWM (B&W)	30,711.44	35,746.46	27,964.24	18,143.62	14,079.50	13,155.53	18,931.32	26,456.72	29,747.54
<b>Transportation</b>									
Spectra	1,349.21	1,446.21	1,561.07	1,511.85	1,598.56	1,549.08	1,617.50	1,601.55	1,503.10
B&W	11,228.08	12,024.94	12,987.20	12,543.73	13,290.22	12,885.95	13,420.69	13,301.11	12,463.91
<b>Total cost</b>	<u>43,288.73</u>	<u>49,217.61</u>	<u>42,512.51</u>	<u>32,199.20</u>	<u>28,968.28</u>	<u>27,590.55</u>	<u>33,969.51</u>	<u>41,359.39</u>	<u>43,714.55</u>
Sales in MCF	6,393	7,774	6,650	3,981	3,459	2,704	4,983	6,437	6,306
Cost per MCF	6.7713	6.3311	6.3929	8.0882	8.3748	10.2036	6.8171	6.4253	6.9322
less ECG in effect	<u>6.4717</u>	<u>6.4717</u>	<u>6.4717</u>	<u>6.7502</u>	<u>6.7502</u>	<u>6.7502</u>	<u>6.4114</u>	<u>6.4114</u>	<u>6.4114</u>
Delta	0.30	(0.14)	(0.08)	1.34	1.62	3.45	0.41	0.01	0.52
Monthly cost difference	1,915.15	(1,093.38)	(524.30)	5,326.66	5,619.34	9,338.01	2,021.50	89.21	3,284.26
Total cost difference			297.47			20,284.01			5,394.97
divide by 12 months sales			74,918			70,216			72,510
<b>Actual Adjustment</b>		<b>Actual Adjustment</b>	<b>0.0040</b>		<b>Actual Adjustment</b>	<b>0.2889</b>		<b>Actual Adjustment</b>	<b>0.0744</b>
<b>Allocation</b>									
Total B&W line sales	7,913	8,985	7,116	4,411	3,617	2,916	5,160	6,726	7,031
KY%	81%	87%	93%	90%	96%	93%	97%	96%	90%
<b>Petrol</b>									
Cost	25,361.10	22,991.43	10,951.88	20,102.00	4,940.01	3,298.25	19,604.15	17,163.75	33,169.50
Allocation	<u>20,489.51</u>	<u>19,893.30</u>	<u>10,234.40</u>	<u>18,143.62</u>	<u>4,724.09</u>	<u>3,058.14</u>	<u>18,931.32</u>	<u>16,427.00</u>	<u>29,747.54</u>
<b>Spectra</b>									
250	1,670.00	1,671.44	1,670.51	1,675.04	1,671.63	1,670.70	1,674.99	1,673.38	1,676.01
Allocation	<u>1,349.21</u>	<u>1,446.21</u>	<u>1,561.07</u>	<u>1,511.85</u>	<u>1,598.56</u>	<u>1,549.08</u>	<u>1,617.50</u>	<u>1,601.55</u>	<u>1,503.10</u>
<b>B&amp;W Transport</b>									
Cost	<u>13,897.67</u>	<u>13,897.67</u>	<u>13,897.67</u>	<u>13,897.67</u>	<u>13,897.67</u>	<u>13,897.67</u>	<u>13,897.67</u>	<u>13,897.67</u>	<u>13,897.67</u>
Allocation	<u>11,228.08</u>	<u>12,024.94</u>	<u>12,987.20</u>	<u>12,543.73</u>	<u>13,290.22</u>	<u>12,885.95</u>	<u>13,420.69</u>	<u>13,301.11</u>	<u>12,463.91</u>
<b>FWM Supply</b>									
Cost	<u>12,652.29</u>	<u>18,322.08</u>	<u>18,972.80</u>	-	<u>9,783.02</u>	<u>10,890.16</u>	-	<u>10,479.56</u>	-
Allocation	<u>10,221.92</u>	<u>15,853.16</u>	<u>17,729.84</u>	-	<u>9,355.41</u>	<u>10,097.38</u>	-	<u>10,029.73</u>	-

**Schedule V**  
Balance Adjustment

Navitas KY NG, LLC

	(1,590.11)	(1,447.40)	(611.15)	116.12	(472.61)	18,051.65	21,755.77	19,504.13	16,441.04	ESTIMATED WITH NEW CUSTOMER		
+ under charged												
- over charged												
	May-17	Jun-17	Jul-17	Aug-17	Sep-17	--Actual Oct-17	Average-- Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Sales in MCF	3,981	3,459	2,704	4,983	6,437	6,306	6,705	7,730	9,616	9,221	8,221	6,378
<b>Summary</b>												
3rd Previous Qtrr BA	(0.0499)	(0.0499)	(0.0499)	(0.3770)	(0.3770)	(0.3770)	0.0021	0.0021	0.0021	0.0204	0.0204	0.0204
2nd Previous Qtrr BA	(0.3770)	(0.3770)	(0.3770)	0.0021	0.0021	0.0021	0.0204	0.0204	0.0204	(0.0605)	(0.0605)	(0.0605)
Previous Qtrr BA	0.0021	0.0021	0.0021	0.0204	0.0204	0.0204	(0.0605)	(0.0605)	(0.0605)	(0.0639)	(0.0639)	(0.0639)
Current Qtr BA	0.0204	0.0204	0.0204	(0.0605)	(0.0605)	(0.0605)	(0.0639)	(0.0639)	(0.0639)	0.0052	0.0052	0.0052
	(0.4043)	(0.4043)	(0.4043)	(0.4149)	(0.4149)	(0.4149)	(0.1019)	(0.1019)	(0.1019)	(0.0988)	(0.0988)	(0.0988)
3rd Previous Qtrr AA	(0.1394)	(0.1394)	(0.1394)	0.4021	0.4021	0.4021	0.0795	0.0795	0.0795	0.0208	0.0208	0.0208
2nd Previous Qtrr AA	0.4021	0.4021	0.4021	0.0795	0.0795	0.0795	0.0208	0.0208	0.0208	0.0040	0.0040	0.0040
Previous Qtrr AA	0.0795	0.0795	0.0795	0.0208	0.0208	0.0208	0.0040	0.0040	0.0040	0.2889	0.2889	0.2889
Current Qtr AA	0.0208	0.0208	0.0208	0.0040	0.0040	0.0040	0.2889	0.2889	0.2889	0.0744	0.0744	0.0744
	0.3630	0.3630	0.3630	0.5064	0.5064	0.5064	0.3931	0.3931	0.3931	0.3881	0.3881	0.3881
Third previous qtr BA AA	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204
	1,582.01	1,511.28	1,455.99	1,354.09	1,222.45	1,093.50	956.39	798.31	601.68	413.11	244.99	114.57
Second previous qtr BA AA				(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)
	(4,960.80)	(4,960.80)	(4,533.58)	(4,232.04)	(3,842.51)	(3,460.91)	(3,055.16)	(2,587.38)	(2,005.49)	(1,447.48)	(949.98)	(564.02)
			(0.0605)									
Previous qtr BA AA	(0.1394)	(0.1394)	(0.1394)	(3,304.91)	(3,304.91)	(4,487.92)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)
	(4,163.86)	(3,681.77)	(3,304.91)			(4,487.92)	(4,059.36)	(3,565.28)	(2,950.67)	(2,361.29)	(1,835.83)	(1,428.17)
						(0.0639)						
<b>Balance adjustment BA</b>	0.4021	0.4021	0.4021	0.4021	0.4021	0.4021				0.0052	0.0052	0.0052
	15,640.53	14,249.63	13,162.32	11,158.60	8,570.20	6,034.49	6,034.49	6,034.49	377.34	329.36	286.57	253.38
									0.0052			
	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795			
	4,730.21	4,455.23	4,240.27	3,844.14	3,332.42	2,831.11	2,298.09	1,683.57	919.14	919.14	919.14	943.60
												0.0130
Third previous quarter AA	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208
	1,608.87	1,536.93	1,480.70	1,377.07	1,243.21	1,112.06	972.62	811.86	611.89	420.12	249.15	116.51
Second previous quarter AA				0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
			297.47	277.69	252.13	227.09	200.47	169.77	131.59	94.98	62.33	37.01
Previous quarter AA							0.2889	0.2889	0.2889	0.2889	0.2889	0.2889
						20,284.01	18,347.07	16,113.97	13,336.13	10,672.32	8,297.39	6,454.87
<b>Actual adjustment AA</b>										0.0744	0.0744	0.0744
									5,394.97	4,708.88	4,097.20	3,622.65

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	8,721	7,043	99,050
2016	11,015	10,109	9,340	7,794	5,474	4,778	4,594	4,462	5,505	5,465	7,363	8,826	84,725
2017	7,634	6,393	7,774	6,650	3,981	3,459	2,704	4,983	6,437	6,306			56,321
Average	6,616	6,221	5,221	3,378	2,518	1,983	1,775	1,909	2,223	2,805	3,705	4,730	43,083