



April 5, 2018

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APR 12 2018

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, 2018. Please contact me at (714) 242 – 4064 or 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", is written over a printed name.

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)	7.6224	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	0.4227	
+ Balance Adjustment (BA)	(0.1195)	
= Gas Cost Recovery Rate	\$ 7.9256	

A. Expected Gas Cost Calculation

Total EGC	\$ 644,686.45	
/ Twelve months sales	84,578	MCF
EGC	\$ 7.6224	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	0.0554
+ Previous quarter AA	0.0744
+ Second previous quarter AA	0.2889
+ Third previous quarter AA	0.0040
+ Other cost adjustments	-
= Actual Adjustment	\$ 0.4227

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	(0.0003)
+ Previous quarter BA	0.0052
+ Second previous quarter BA	(0.0639)
+ Third previous quarter BA	(0.0605)
= Balance Adjustment	\$ (0.1195)

Schedule II
Expected Gas Cost

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2017 - 2018	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	5.10	5.44	27,090.58
Petrol	September	6437	1.0670	6,868	5.10	5.44	35,028.22
Petrol	October	6306	1.0680	6,735	5.10	5.45	34,347.52
Petrol	November	10869	1.0660	11,586	5.10	5.44	59,090.41
Petrol	December	12716	1.0640	13,530	5.10	5.43	69,002.10
Petrol	January	12306	1.0660	13,118	5.10	5.44	66,902.80
Petrol	February	6393	1.0670	6,821	5.10	5.44	34,788.79
Petrol	March	7774	1.0710	8,326	5.10	5.46	42,462.37
Petrol	April	6650	1.0650	7,082	5.10	5.43	36,119.48
Petrol	May	3981	1.0660	4,244	5.10	5.44	21,643.10
Petrol	June	3459	1.0630	3,677	5.10	5.42	18,752.28
Petrol	July	2704	1.0650	2,880	5.10	5.43	14,686.78
		<u>84,578</u>		<u>90,179</u>			<u>459,914.41</u>

Transportation	Twelve months 2017 - 2018	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,500.00	13,897.67	15,397.67	42,488.25
	September	1,500.00	13,897.67	15,397.67	50,425.89
	October	1,500.00	13,897.67	15,397.67	49,745.19
	November	1,500.00	13,897.67	15,397.67	74,488.08
	December	1,500.00	13,897.67	15,397.67	84,399.77
	January	1,500.00	13,897.67	15,397.67	82,300.47
	February	1,500.00	13,897.67	15,397.67	50,186.46
	March	1,500.00	13,897.67	15,397.67	57,860.04
	April	1,500.00	13,897.67	15,397.67	51,517.15
	May	1,500.00	13,897.67	15,397.67	37,040.77
	June	1,500.00	13,897.67	15,397.67	34,149.95
	July	1,500.00	13,897.67	15,397.67	30,084.45
				<u>184,772.04</u>	<u>644,686.45</u>
				divide by sales per MCF	<u>84,578</u>
					\$ 7.6224
				multiply by allowed purchases (sales / 1)	84,578
				Expected Gas Cost	\$ 644,686.45

**Schedule IV
Actual Adjustment**

Navitas KY NG, LLC

	Second previous quarter			Previous quarter			Current quarter		
		Actual			Actual			Actual	
	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
Invoices									
Supply									
Petrol & FWM (B&W)	18,143.62	14,079.50	13,155.53	18,931.32	26,456.72	29,747.54	50,992.91	79,487.41	88,093.13
Transportation									
Spectra	1,511.85	1,598.56	1,549.08	1,617.50	1,601.55	1,503.10	1,536.74	1,445.66	1,253.04
B&W	12,543.73	13,290.22	12,885.95	13,420.69	13,301.11	12,463.91	12,769.35	11,989.98	10,396.13
Total cost	32,199.20	28,968.28	27,590.55	33,969.51	41,359.39	43,714.55	65,299.00	92,923.05	99,742.30
Sales in MCF	3,981	3,459	2,704	4,983	6,437	6,306	10,869	12,716	12,306
Cost per MCF	8.0882	8.3748	10.2036	6.8171	6.4253	6.9322	6.0078	7.3076	8.1052
less ECG in effect	6.7502	6.7502	6.7502	6.4114	6.4114	6.4114	7.0568	7.0568	7.0568
Delta	1.34	1.62	3.45	0.41	0.01	0.52	(1.05)	0.25	1.05
Monthly cost difference	5,326.66	5,619.34	9,338.01	2,021.50	89.21	3,284.26	(11,401.36)	3,188.78	12,901.32
Total cost difference			20,284.01			5,394.97			4,688.74
divide by 12 months sales			70,216			72,510			84,578
Actual Adjustment		Actual Adjustment	0.2889		Actual Adjustment	0.0744		Actual Adjustment	0.0554
Allocation									
Total B&W line sales	4,411	3,817	2,916	5,160	6,726	7,031	11,829	14,739	16,451
KY%	90%	96%	93%	97%	96%	90%	92%	86%	75%
Petrol									
Cost	20,102.00	4,940.01	3,298.25	19,804.15	17,163.75	33,169.50	33,590.64	67,484.42	99,545.36
Allocation	18,143.62	4,724.09	3,058.14	18,931.32	16,427.00	29,747.54	30,863.50	58,221.06	74,464.78
Spectra									
250	1,675.04	1,671.63	1,670.70	1,674.99	1,673.38	1,676.01	1,672.53	1,675.67	1,675.08
Allocation	1,511.85	1,598.56	1,549.08	1,617.50	1,601.55	1,503.10	1,536.74	1,445.66	1,253.04
B&W Transport									
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	12,543.73	13,290.22	12,885.95	13,420.69	13,301.11	12,463.91	12,769.35	11,989.98	10,396.13
FWM Supply									
Cost	-	9,783.02	10,890.16	-	10,479.56	-	21,908.07	24,649.96	18,218.53
Allocation	-	9,355.41	10,097.38	-	10,029.73	-	20,129.41	21,266.34	13,628.35

Schedule V
Balance Adjustment

Navitas KY NG, LLC

	116.12	(472.61)	18,051.65	20,542.88	16,838.97	12,992.31	10,325.45	7,947.29	10,790.41	9,245.07	7,734.29	6,159.07	
	ESTIMATED WITH NEW CUSTOMER												
							->Actual	Average->					
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	
Sales in MCF	4,883	6,437	6,306	10,869	12,716	12,306	9,221	8,221	6,378	5,518	4,983	4,775	
Summary													
3rd Previous Qtr 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)	
2nd Previous Qtr 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)	
Previous 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	
Current Qtr BA	(0.0605)	(0.0605)	(0.0605)	(0.0639)	(0.0639)	(0.0639)	0.0052	0.0052	0.0052	(0.0003)	(0.0003)	(0.0003)	
	(0.4149)	(0.4149)	(0.4149)	(0.1019)	(0.1019)	(0.1019)	(0.0988)	(0.0988)	(0.0988)	(0.1195)	(0.1195)	(0.1195)	
3rd Previous Qtr 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	
2nd Previous Qtr 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	
Previous 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	
Current Qtr AA	0.0040	0.0040	0.0040	0.2889	0.2889	0.2889	0.0744	0.0744	0.0744	0.0554	0.0554	0.0554	
	0.5084	0.5084	0.5084	0.3931	0.3931	0.3931	0.3881	0.3881	0.3881	0.4227	0.4227	0.4227	
Third previous qtr BA AA	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	
	(4,232.04)	(3,842.51)	(3,460.91)	(2,803.18)	(2,033.69)	(1,289.01)	(731.00)	(233.50)	152.46	486.35	787.88	1,078.82	
Second previous qtr BA AA				(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	
	(3,304.91)	(3,304.91)	(4,487.92)	(3,793.22)	(2,980.46)	(2,193.91)	(1,604.53)	(1,079.07)	(671.41)	(318.75)	(0.27)	304.91	
			(0.0639)										
Previous qtr BA AA	0.4021	0.4021	0.4021				0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	
	11,158.60	8,570.20	6,034.49	6,034.49	8,034.49	377.34	329.36	286.57	253.38	224.87	198.74	173.89	
						0.0052							
Balance adjustment BA	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795				(0.0003)	(0.0003)	(0.0003)	
	3,844.14	3,332.42	2,831.11	1,967.06	956.19	(22.10)	(22.10)		(22.69)	(21.21)	(19.87)	(18.59)	
									(0.0003)				
	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208				
	1,377.07	1,243.21	1,112.06	886.03	621.58	365.68	173.90	2.93	(129.72)	(129.72)	(129.72)	(257.27)	
												(0.0029)	
Third previous quarter AA	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	
	277.69	252.13	227.09	183.93	133.44	84.58	47.96	15.32	(10.00)	(31.91)	(51.70)	(70.66)	
Second previous quarter AA				0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	
			20,284.01	17,144.17	13,470.77	9,915.81	7,251.99	4,877.06	3,034.54	1,440.64	1.20	(1,378.12)	
Previous quarter AA							0.0744	0.0744	0.0744	0.0744	0.0744	0.0744	
						5,394.97	4,708.88	4,097.20	3,622.65	3,212.13	2,841.39	2,486.14	
Actual adjustment AA										0.0554	0.0554	0.0554	
									4,688.74	4,382.87	4,106.63	3,841.94	

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	981	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	7,383	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	10,869	12,716	79,908
2018	12,306												12,306
Average	7,090	6,221	5,221	3,378	2,518	1,983	1,775	1,909	2,223	2,805	4,356	5,456	44,935