

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING)	CASE NO.
OF NAVITAS KY NG, LLC)	2019-00116

ORDER

On April 4, 2019, Navitas KY NG, LLC (Navitas), filed its proposed Gas Cost Recovery (GCR) rate report to be effective May 1, 2019.

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Navitas's report includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Navitas's report sets out an Expected Gas Cost (EGC) of \$8.0596 per Mcf. Navitas used the incorrect 12-month sales and purchases in the calculation of its EGC. Navitas's report sets out a sales volume for the 12 months ended January 31, 2019, to be 95,831 Mcf. After reviewing the report, it was found that a monthly average had been used instead of actual sales made per month. A better representation of Navitas's sales volume was found to be 115,380 Mcf. Fixing the sales volume also corrected Navitas's total forecasted cost for the 12 months from a reported \$772,357.34 to a corrected \$892,190.30. Correcting this produces an EGC of \$7.7326 per Mcf, which is an increase of \$.9076 per Mcf from its previous EGC of \$6.8250 per Mcf.
3. Navitas's report sets out no Refund Adjustment.

4. Navitas's report sets out a current quarter Actual Cost Adjustment (ACA) of \$1.1105 per Mcf. Navitas used the incorrect 12-month sales and purchases in the calculation of its current quarter ACA. Correcting this produces a current quarter ACA of \$.9224 per Mcf. Navitas did not include the third previous quarter ACA of (\$.4419) per Mcf as approved in Case No. 2018-00228¹ in the calculation of its total ACA. Correcting this produces a total ACA of \$.5053 per Mcf, which is an increase of \$.8670 per Mcf from its previous total ACA of (\$.3617) per Mcf.

5. Navitas's report sets out a current quarter Balance Adjustment (BA) of (\$.0306) per Mcf. Navitas used the incorrect 12-month sales amount in the calculation of its current quarter BA. Correcting this produces a current quarter BA of (\$.0296) per Mcf. In calculating its total BA, Navitas failed to include the previous quarter BA of (\$.0836) per Mcf, second previous quarter BA of \$.0178 per Mcf, and third previous quarter BA of (\$.0077) per Mcf that was approved in Case No. 2019-00013,² Case No. 2018-00336,³ and Case No. 2018-00228⁴ respectively. Corrected this produces a total BA of (\$.1031) per Mcf, which is a decrease of \$.0293 per Mcf from its previous total BA of (\$.0738) per Mcf.

6. Navitas's corrected GCR rate is \$8.1348 per Mcf, which is an increase of \$1.7453 per Mcf from its previous GCR rate of \$6.3895 per Mcf.

¹ Case No. 2018-00228, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 20, 2018).

² Case No. 2019-00013, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Jan. 28, 2019).

³ Case No. 2018-00336, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Oct. 30, 2018).

⁴ Case No. 2018-00228, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 20, 2018).

7. The rate set forth in the Appendix to this Order is fair, just, and reasonable, and should be approved for service rendered by Navitas on and after May 4, 2019. Navitas did not provide at least 30 days' notice required for its rates to be effective May 1, 2019.

8. In this and previous GCR reports, Navitas made repeated errors and omissions that impact timely and accurate processing of its filings. The Commission finds that Navitas should conduct a careful and thorough review to minimize any potential errors in its future GCR reports. Failure to minimize errors in future filings may adversely affect the timely processing of Navitas's GCR reports.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Navitas is denied.
2. The rate set forth in the Appendix to this Order is approved for service rendered by Navitas on and after May 4, 2019.
3. Within 20 days of the date of entry of this Order, Navitas shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.
4. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
APR 25 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00116

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00116 DATED **APR 25 2019**

The following rates and charges are prescribed for the customers in the area served by Navitas KY NG, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

RATES per Mcf:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$ 4.62	\$ 8.1348	\$ 12.7548
Commercial	\$ 3.62	\$ 8.1348	\$ 11.7548

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