

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING	)	CASE NO.
OF NAVITAS KY NG, LLC	)	2019-00372

ORDER

On October 3, 2019, Navitas KY NG, LLC (Navitas), filed its quarterly gas cost recovery (GCR) rate report for rates effective November 1, 2019. On October 18, 2019, Navitas filed its response to the October 9, 2019 Commission Staff's First Request for Information (Staff's First Request).

In Case No. 2019-00241,<sup>1</sup> its prior GCR report for rates effective August 1, 2019, Navitas presented two options for calculating the GCR rate based on two gas transportation charges from interstate pipeline owner, B&W Pipeline, LLC (B&W). One option applied volumetric rates approved by the Tennessee Regulatory Authority (TRA). The second option calculated the GCR rate for volumetric rates approved by the Federal Energy Regulatory Commission (FERC). The Commission kept the case opened for investigation while approving the use of the FERC-approved rate for calculating the GCR on an interim basis, subject to refund. Pursuant to the Case No. 2019-00241<sup>2</sup> interim order, Navitas is approved to use the FERC-approved rate in the calculation of its GCR rate report. If, at the conclusion of the investigation, the Commission determines that the TRA-approved rate was the proper rate, Navitas would be required to refund the

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<sup>1</sup> Case No. 2019-00241, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Aug. 6, 2019).

<sup>2</sup> *Id.*

difference to its customers. If, at close of the investigation, the interim GCR rate is found to be improperly calculated due to spreadsheet errors, including but not limited to rounding errors, misuse of functions, or improper cell reference, the difference between interim GCR rate and corrected GCR rate should also be refunded to its customers by Navitas.

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

1. Navitas's FERC rate report includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Navitas's FERC rate report sets out an Expected Gas Cost (EGC) of \$6.0000 per Mcf, which is a decrease of \$1.7163 per Mcf from its previous EGC of \$7.7163 per Mcf.
3. Navitas's FERC rate report sets out no Refund Adjustment.
4. Navitas's FERC rate report sets out a current quarter Actual Cost Adjustment (ACA) of (\$.3995) per Mcf. Navitas's total ACA is \$1.0292 per Mcf, which is a decrease of \$.3008 per Mcf from its previous total ACA of \$1.3300 per Mcf.
5. Navitas's FERC rate report sets out a current quarter Balance Adjustment (BA) of \$.0475 per Mcf. Navitas's total BA is (\$.0785) per Mcf, which is an increase of \$.0297 per Mcf from its previous total BA of (\$.1082) per Mcf.
6. Navitas's FERC-approved GCR rate is \$6.9507 per Mcf, which is a decrease of \$1.9874 per Mcf from its previous GCR rate of \$8.9381 per Mcf.
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 November 1, 2019.

Although Navitas's GCR rate report did not provide 30 days' notice to the Commission as required by its tariff, KRS 278.180(2) authorizes the Commission to make a reduction in rates effective in less than 30 days.

IT IS THEREFORE ORDERED that:

1. The TRA-approved GCR rate report presented in Navitas's response to Staff's First Request is denied.

2. The FERC-approved GCR rate set forth in the Appendix to this Order is approved, on an interim basis subject to refund, for service rendered by Navitas on and after November 1, 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 shall remain open until the investigation in Case No. 2019-00241<sup>3</sup> of whether the TRA-approved rate or FERC-approved rate should be used in the GCR rate calculation is closed.

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<sup>3</sup> Case No. 2019-00241, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Aug. 6, 2019).

By the Commission

ENTERED  
OCT 29 2019  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

Case No. 2019-00372

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE  
COMMISSION IN CASE NO. 2019-00372 DATED **OCT 29 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>	Gas Cost Recovery <u>Rate</u>	<u>Total</u>
Residential	\$ 4.62	\$ 6.9507	\$ 11.5707
Commercial	\$ 3.62	\$ 6.9507	\$ 10.5707

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