



April 1, 2019

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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 M 1, 2019. Please contact me at (714) 242 – 4064 or [jirwin@navitasutility.com](mailto:jirwin@navitasutility.com) with questions or comments regarding this filing.

We are using average sales beginning 2015.

Sincerely,

Joseph M Irwin Sr



**Quarterly Report**  
Gas cost recovery rate calculation

**Navitas KY NG, LLC**

| Period   | Filing date<br>(on or about) | Reporting<br>Months             | Effective date<br>(& 1st<br>forecast<br>month) |
|----------|------------------------------|---------------------------------|--|
| <b>X</b> | 31-Mar                       | November<br>December<br>January | 1-May  |
|          | 30-Jun                       | February<br>March<br>April      | 1-Aug  |
|          | 30-Sep                       | May<br>June<br>July             | 1-Nov  |
|          | 31-Dec                       | August<br>September<br>October  | 1-Feb  |

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

**Navitas KY NG, LLC**

| Component                |           |
|--------------------------|-----------|
| Expected Gas Cost (EGC)  | 8.0596    |
| + Refund Adjustment (RA) | -         |
| + Actual Adjustment (AA) | 0.5230    |
| + Balance Adjustment(BA) | (0.1071)  |
| = Gas Cost Recovery Rate | \$ 8.4755 |

**A. Expected Gas Cost Calculation**

|                       |               |
|-----------------------|---------------|
| Total EGC             | \$ 772,357.34 |
| / Twelve months sales | 95,831        |
| EGC                   | \$ 8.0596     |

**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 | 1.1105    |
| + Previous quarter AA                  | 0.1235    |
| + Second previous quarter AA           | (0.0987)  |
| + Third previous quarter AA            | (0.6123)  |
| + Other cost adjustments               | -         |
| = Actual Adjustment                    | \$ 0.5230 |

**D. Balance Adjustment Calculation**

|   |             |
|---|-------------|
| Balance Adjustment for reporting period | (0.0306)    |
| + Previous quarter BA                   | (0.0866)    |
| + Second previous quarter BA            | 0.0186      |
| + Third previous quarter BA             | (0.0085)    |
| = Balance Adjustment                    | \$ (0.1071) |

**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            | January                   | 10446                         | 1.0660                    | 11,135                        | 5.75                       | 6.13                    | 64,027.53                     |
| Petrol            | February                  | 10190                         | 1.0670                    | 10,873                        | 5.75                       | 6.14                    | 62,518.20                     |
| Petrol            | March                     | 10907                         | 1.0710                    | 11,682                        | 5.75                       | 6.16                    | 67,169.57                     |
| Petrol            | April                     | 9181                          | 1.0650                    | 9,778                         | 5.75                       | 6.12                    | 56,220.77                     |
| Petrol            | May                       | 6285                          | 1.0660                    | 6,700                         | 5.75                       | 6.13                    | 38,523.91                     |
| Petrol            | June                      | 5347                          | 1.0630                    | 5,684                         | 5.75                       | 6.11                    | 32,680.67                     |
| Petrol            | July                      | 4758                          | 1.0650                    | 5,067                         | 5.75                       | 6.12                    | 29,136.80                     |
| Petrol            | August                    | 5362                          | 1.0660                    | 5,716                         | 5.75                       | 6.13                    | 32,866.38                     |
| Petrol            | September                 | 5897                          | 1.0670                    | 6,292                         | 5.75                       | 6.14                    | 36,177.73                     |
| Petrol            | October                   | 6753                          | 1.0680                    | 7,212                         | 5.75                       | 6.14                    | 41,469.10                     |
| Petrol            | November                  | 10082                         | 1.0660                    | 10,748                        | 5.75                       | 6.13                    | 61,798.54                     |
| Petrol            | December                  | 10624                         | 1.0640                    | 11,304                        | 5.75                       | 6.12                    | 64,996.10                     |
|                   |                           | <u>95,831</u>                 |                           | <u>102,191</u>                |                            |                         | <u>587,585.30</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                                 | 79,425.20             |
|                | September                 | 1,500.00                 | 13,897.67    | 15,397.67                                 | 77,915.87             |
|                | October                   | 1,500.00                 | 13,897.67    | 15,397.67                                 | 82,567.24             |
|                | November                  | 1,500.00                 | 13,897.67    | 15,397.67                                 | 71,618.44             |
|                | December                  | 1,500.00                 | 13,897.67    | 15,397.67                                 | 53,921.58             |
|                | January                   | 1,500.00                 | 13,897.67    | 15,397.67                                 | 48,078.34             |
|                | February                  | 1,500.00                 | 13,897.67    | 15,397.67                                 | 44,534.47             |
|                | March                     | 1,500.00                 | 13,897.67    | 15,397.67                                 | 48,264.05             |
|                | April                     | 1,500.00                 | 13,897.67    | 15,397.67                                 | 51,575.40             |
|                | May                       | 1,500.00                 | 13,897.67    | 15,397.67                                 | 56,866.77             |
|                | June                      | 1,500.00                 | 13,897.67    | 15,397.67                                 | 77,196.21             |
|                | July                      | 1,500.00                 | 13,897.67    | 15,397.67                                 | 80,393.77             |
|                |                           |                          |              | <u>184,772.04</u>                         | <u>772,357.34</u>     |
|                |                           |                          |              | divide by sales per MCF                   | 95,831                |
|                |                           |                          |              |   | \$ 8.0596             |
|                |                           |                          |              | multiply by allowed purchases (sales / 1) | 95,831                |
|                |                           |                          |              | <b>Expected Gas Cost</b>                  | <b>\$ 772,357.34</b>  |

Schedule IV  
Actual Adjustment

Navitas KY NG, LLC

|                           | Third previous quarter |                   |             | Second previous quarter |            |                   | Previous quarter |                   |           | Current quarter |            |            |
|---------------------------|------------------------|-------------------|-------------|-------------------------|------------|-------------------|------------------|-------------------|-----------|-----------------|------------|------------|
|                           | Actual                 |                   |             | Actual                  |            |                   | Actual           |                   |           | Actual          |            |            |
|                           | Feb-18                 | Mar-18            | Apr-18      | May-18                  | Jun-18     | Jul-18            | Aug-18           | Sep-18            | Oct-18    | Nov-18          | Dec-18     | Jan-19     |
| Invoices                  |                        |                   |             |                         |            |                   |                  |                   |           |                 |            |            |
| Supply                    |                        |                   |             |                         |            |                   |                  |                   |           |                 |            |            |
| Petrol & FWM (B&W)        | 75,536.59              | 67,937.11         | 42,380.87   | 33,853.29               | 26,790.68  | 30,909.57         | 28,256.94        | 28,169.48         | 46,962.35 | 88,667.18       | 133,392.52 | 109,754.77 |
| Transportation            |                        |                   |             |                         |            |                   |                  |                   |           |                 |            |            |
| Spectra                   | 1,452.88               | 1,440.54          | 1,559.49    | 1,604.35                | 1,622.36   | 1,614.43          | 1,595.76         | 1,607.03          | 1,624.57  | 1,644.19        | 1,641.37   | 1,648.12   |
| B&W                       | 12,076.50              | 11,978.27         | 12,950.68   | 13,267.01               | 13,403.71  | 13,349.07         | 13,257.70        | 13,357.26         | 13,467.70 | 13,562.15       | 13,656.06  | 13,637.70  |
| Total cost                | 89,065.97              | 81,355.92         | 56,891.04   | 48,724.64               | 41,816.75  | 45,873.07         | 43,110.40        | 43,133.77         | 62,054.63 | 103,873.52      | 148,689.95 | 125,040.59 |
| Sales in MCF              | 12,391                 | 13,164            | 13,164      | 6,961                   | 6,678      | 5,672             | 6,855            | 6,083             | 7,301     | 13,376          | 13,910     | 12,228     |
| Cost per MCF              | 7,1880                 | 6,1802            | 4,3217      | 6,9997                  | 6,2619     | 8,0876            | 6,2889           | 7,0911            | 8,4991    | 7,7659          | 10,6894    | 10,2258    |
| less ECG in effect        | 7,4535                 | 7,4535            | 7,4535      | 7,6224                  | 7,6224     | 7,6224            | 6,6455           | 6,6455            | 6,6455    | 6,8630          | 6,8630     | 6,8630     |
| Delta                     | (0.27)                 | (1.27)            | (3.13)      | (0.62)                  | (1.36)     | 0.47              | (0.36)           | 0.45              | 1.85      | 0.90            | 3.83       | 3.36       |
| Monthly cost difference   | (3,290.35)             | (16,761.95)       | (41,227.58) | (4,334.88)              | (9,085.63) | 2,638.82          | (2,444.50)       | 2,710.52          | 13,533.84 | 12,076.78       | 53,225.62  | 41,119.82  |
| Total cost difference     |                        |                   | (61,279.88) |                         |            | (10,781.70)       |                  |                   | 13,799.86 |                 |            | 106,422.23 |
| divide by 12 months sales |                        |                   | 100,077     |                         |            | 109,244           |                  |                   | 111,757   |                 |            | 95,831     |
| Actual Adjustment         |                        | Actual Adjustment | (0.6123)    | Actual Adjustment       | (0.0987)   | Actual Adjustment | 0.1235           | Actual Adjustment | 1.1105    |                 |            |            |
| Allocation                |                        |                   |             |                         |            |                   |                  |                   |           |                 |            |            |
| Total B&W line sales      | 14,260                 | 15,273            | 14,127      | 7,292                   | 6,924      | 5,905             | 7,186            | 6,329             | 7,534     | 13,707          | 14,156     | 12,461     |
| KY%                       | 87%                    | 86%               | 93%         | 95%                     | 96%        | 96%               | 95%              | 96%               | 97%       | 98%             | 98%        | 98%        |
| Byrdstown/Fentress (TN)   | 18,686                 | 21,094            | 9,626       | 3,309                   | 2,461      | 2,331             | 3,309            | 2,461             | 2,331     | 3,309           | 2,461      | 2,331      |
| Cost                      |                        |                   |             |                         |            |                   |                  |                   |           |                 |            |            |
| Petrol                    | 70,585.25              | 63,511.76         | 25,302.45   | 18,415.05               | 8,512.53   | 12,988.29         | 5,915.12         | 7,469.75          | 25,190.60 | 67,080.09       | 103,945.82 | 79,876.71  |
| Allocation                | 61,335.65              | 54,740.19         | 23,578.33   | 17,579.39               | 8,209.97   | 12,475.59         | 5,642.74         | 7,179.29          | 24,411.25 | 65,460.65       | 102,138.75 | 78,382.52  |
| Spectra (Enbridge)        |                        |                   |             |                         |            |                   |                  |                   |           |                 |            |            |
| 250                       | 1,671.98               | 1,671.37          | 1,673.53    | 1,680.61                | 1,682.15   | 1,680.78          | 1,672.79         | 1,672.05          | 1,676.44  | 1,684.87        | 1,670.41   | 1,679.54   |
| Allocation                | 1,452.88               | 1,440.54          | 1,559.49    | 1,604.35                | 1,622.36   | 1,614.43          | 1,595.76         | 1,607.03          | 1,624.57  | 1,644.19        | 1,641.37   | 1,648.12   |
| Cost                      |                        |                   |             |                         |            |                   |                  |                   |           |                 |            |            |
| B&W Transport             | 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 | 13,897.67       | 13,897.67  | 13,897.67  |
| Allocation                | 12,076.50              | 11,978.27         | 12,950.68   | 13,267.01               | 13,403.71  | 13,349.07         | 13,257.70        | 13,357.26         | 13,467.70 | 13,562.15       | 13,656.06  | 13,637.70  |
| Sparta (FWM) Supply       | 16,342.48              | 15,311.60         | 20,177.44   | 17,047.50               | 19,265.45  | 19,191.56         | 23,705.82        | 21,839.42         | 23,271.06 | 23,780.63       | 31,806.72  | 31,970.29  |
| Cost                      | 14,200.94              | 13,196.92         | 18,802.54   | 16,273.90               | 18,580.71  | 18,433.99         | 22,614.20        | 20,990.19         | 22,551.10 | 23,206.52       | 31,253.77  | 31,372.25  |
| Allocation                |                        |                   |             |                         |            |                   |                  |                   |           |                 |            |            |

**Schedule V**  
Balance Adjustment

Navitas KY NG, LLC

|                            | 4,802.30   | 2,777.55   | (60,654.28) | (61,087.10) | (59,498.91) | (66,151.67) | (61,387.79) | (53,512.64) | (29,981.15)        |
|----------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------------|
| + under charged            |            |            |             |             |             |             |             |             |                    |
| - over charged             |            |            |             |             |             |             |             |             |                    |
|                            | May-18     | Jun-18     | Jul-18      | Aug-18      | Sep-18      | Oct-18      | Nov-18      | Dec-18      | ->Actual<br>Jan-18 |
| Sales in MCF               | 6,961      | 6,678      | 5,672       | 6,855       | 6,083       | 7,301       | 13,376      | 13,910      | 12,228             |
| Summary                    |            |            |             |             |             |             |             |             |                    |
| 3rd Previous Qtr BA        | (0.0605)   | (0.0605)   | (0.0605)    | (0.0639)    | (0.0639)    | (0.0639)    | 0.0052      | 0.0052      | 0.0052             |
| 2rd Previous Qtr BA        | (0.0639)   | (0.0639)   | (0.0639)    | 0.0052      | 0.0052      | 0.0052      | (0.0003)    | (0.0003)    | (0.0003)           |
| Previous Qtr BA            | 0.0052     | 0.0052     | 0.0052      | (0.0003)    | (0.0003)    | (0.0003)    | (0.0085)    | (0.0085)    | (0.0085)           |
| Current Qtr BA             | (0.0003)   | (0.0003)   | (0.0003)    | (0.0085)    | (0.0085)    | (0.0085)    | 0.0186      | 0.0186      | 0.0186             |
|                            | (0.1195)   | (0.1195)   | (0.1195)    | (0.0675)    | (0.0675)    | (0.0675)    | 0.0150      | 0.0150      | 0.0150             |
| 3rd Previous Qtr AA        | 0.0040     | 0.0040     | 0.0040      | 0.2889      | 0.2889      | 0.2889      | 0.0744      | 0.0744      | 0.0744             |
| 2rd Previous Qtr AA        | 0.2889     | 0.2889     | 0.2889      | 0.0744      | 0.0744      | 0.0744      | 0.0554      | 0.0554      | 0.0554             |
| Previous Qtr AA            | 0.0744     | 0.0744     | 0.0744      | 0.0554      | 0.0554      | 0.0554      | (0.6123)    | (0.6123)    | (0.6123)           |
| Current Qtr AA             | 0.0554     | 0.0554     | 0.0554      | (0.6123)    | (0.6123)    | (0.6123)    | (0.0987)    | (0.0987)    | (0.0987)           |
|                            | 0.4227     | 0.4227     | 0.4227      | (0.1936)    | (0.1936)    | (0.1936)    | (0.5812)    | (0.5812)    | (0.5812)           |
|                            | (0.0003)   | (0.0003)   | (0.0003)    | (0.0003)    | (0.0003)    | (0.0003)    | (0.0003)    | (0.0003)    | (0.0003)           |
|                            | (20.82)    | (19.03)    | (17.51)     | (15.67)     | (14.04)     | (12.08)     | (8.49)      | (4.76)      | (1.48)             |
| Third previous qtr BA AA   | (439.55)   | (439.55)   | (871.77)    | (0.0085)    | (0.0085)    | (0.0085)    | (0.0085)    | (0.0085)    | (0.0085)           |
|                            |            |            | (0.0085)    | (813.46)    | (761.71)    | (699.60)    | (585.82)    | (467.49)    | (363.47)           |
| Second previous qtr BA AA  | 0.0040     | 0.0040     | 0.0040      |             |             |             | 0.0186      | 0.0186      | 0.0186             |
|                            | (96.80)    | (123.32)   | (145.84)    | (145.84)    | (145.84)    | 2,076.78    | 1,827.98    | 1,569.23    | 1,341.78           |
|                            |            |            |             |             |             | 0.0186      |             |             |                    |
| Previous qtr BA AA         | 0.2889     | 0.2889     | 0.2889      | 0.2889      | 0.2889      | 0.2889      |             |             |                    |
|                            | (3,280.26) | (5,209.40) | (6,847.93)  | (8,828.21)  | (10,585.41) | (12,694.61) | (12,694.61) | (12,694.61) | (9,885.87)         |
|                            |            |            |             |             |             |             |             |             | (0.0866)           |
| Balance adjustment BA      | 0.0744     | 0.0744     | 0.0744      | 0.0744      | 0.0744      | 0.0744      | 0.0744      | 0.0744      | 0.0744             |
|                            | 1,996.23   | 1,499.36   | 1,077.35    | 567.32      | 114.74      | (428.50)    | (1,423.69)  | (2,458.64)  | (3,368.44)         |
|                            | 0.0554     | 0.0554     | 0.0554      | 0.0554      | 0.0554      | 0.0554      | 0.0554      | 0.0554      | 0.0554             |
|                            | 4,302.84   | 3,932.64   | 3,618.20    | 3,238.18    | 2,900.97    | 2,496.21    | 1,754.70    | 983.58      | 305.70             |
| Third previous quarter AA  |            |            | (61,279.88) | (0.6123)    | (0.6123)    | (0.6123)    | (0.6123)    | (0.6123)    | (0.6123)           |
|                            |            |            |             | (57,082.38) | (53,357.72) | (48,886.93) | (40,696.68) | (32,179.21) | (24,691.67)        |
| Second previous quarter AA |            |            |             |             |             | (10,781.70) | (0.0987)    | (0.0987)    | (0.0987)           |
|                            |            |            |             |             |             |             | (9,461.61)  | (8,088.78)  | (6,881.95)         |
| Previous quarter AA        |            |            |             |             |             |             |             |             | 13,799.86          |