



July 31, 2019

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AUG 06 2019

PUBLIC SERVICE
COMMISSION

Jeff Derouen
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

Re: Quarterly Report of Gas Cost Recovery Rate Calculation
Case: 2019-00241

Dear Mr. Derouen,

Attached please find a re-calculated Option 2 scenario. Please contact me at (714) 242 – 4064 or jirwin@navitasutility.com with questions or comments regarding this filing.

We are using average sales beginning 2015.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph M Irwin Sr", with a long, sweeping horizontal line extending to the right.

Joseph M Irwin Sr

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

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Schedule I
Gas Cost Recovery Rate Summary

Navitas KY NG, LLC

Component	
Expected Gas Cost (EGC)	6.5273
+ Refund Adjustment (RA)	-
+ Actual Adjustment (AA)	1.5141
+ Balance Adjustment(BA)	(0.1116)
= Gas Cost Recovery Rate	\$ 7.9298

A. Expected Gas Cost Calculation

Total EGC	\$ 638,143.85
/ Twelve months sales	97,765
EGC	\$ 6.5273

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	0.5869
+ Previous quarter AA	0.9224
+ Second previous quarter AA	0.1235
+ Third previous quarter AA	(0.0987)
+ Other cost adjustments	-
= Actual Adjustment	\$ 1.5141

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	(0.0130)
+ Previous quarter BA	(0.0306)
+ Second previous quarter BA	(0.0866)
+ Third previous quarter BA	0.0186
= Balance Adjustment	\$ (0.1116)

**Schedule II
Expected Gas Cost**

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2018 - 2019	Known prior year average 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	4.51	4.81	50,268.87
Petrol	February	11084	1.0670	11,827	4.51	4.82	53,390.15
Petrol	March	11282	1.0710	12,083	4.51	4.83	54,549.55
Petrol	April	9205	1.0650	9,803	4.51	4.81	44,256.24
Petrol	May	6926	1.0660	7,383	4.51	4.81	33,328.43
Petrol	June	5347	1.0630	5,684	4.51	4.80	25,658.03
Petrol	July	4758	1.0650	5,067	4.51	4.81	22,875.69
Petrol	August	5362	1.0660	5,716	4.51	4.81	25,803.83
Petrol	September	5897	1.0670	6,292	4.51	4.82	28,403.62
Petrol	October	6753	1.0680	7,212	4.51	4.82	32,557.94
Petrol	November	10082	1.0660	10,748	4.51	4.81	48,518.86
Petrol	December	10624	1.0640	11,304	4.51	4.80	51,029.31
		97,765		104,254			470,840.53

Transportation	Twelve months 2018 - 2019	Navitas custody gas	Spectra (East TN) demand	B&W pipeline	B&W flow	Subtotal forecasted	Total forecasted cost
	January	67%	1,500.00		18,995.96	20,495.96	70,764.83
	February	76%	1,500.00		22,771.84	24,271.84	77,661.99
	March	71%	1,500.00		21,747.59	23,247.59	77,797.14
	April	77%	1,500.00		19,360.43	20,860.43	65,116.67
	May	66%	1,500.00		12,487.74	13,987.74	47,316.17
	June	46%	1,500.00		6,739.85	8,239.85	33,897.88
	July	26%	1,500.00		3,332.90	4,832.90	27,708.59
	August	36%	1,500.00		5,188.57	6,688.57	32,492.40
	September	17%	1,500.00		2,694.70	4,194.70	32,598.31
	October	22%	1,500.00		4,092.08	5,592.08	38,150.02
	November	47%	1,500.00		12,788.27	14,288.27	62,807.12
	December	67%	1,500.00		19,303.42	20,803.42	71,832.73
						167,503.33	638,143.85

divide by sales	97,765
per MCF	\$ 6.5273
multiply by allowed purchases (sales / 1)	97,765
Expected Gas Cost	\$ 638,143.85

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

	Third previous quarter			Second previous quarter			Previous quarter			Current quarter		
	Actual			Actual			Actual			Actual		
	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19
Invoices												
Supply												
Petrol & FWM (B&W)	33,853.29	26,790.68	30,909.57	28,256.94	28,169.48	46,992.35	88,667.18	133,392.52	109,754.77	78,824.26	65,804.96	46,009.23
Transportation												
Spectra	1,804.35	1,822.36	1,614.43	1,595.78	1,607.03	1,624.57	1,844.19	1,641.37	1,648.12	1,474.72	1,468.27	1,531.24
B&W	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	48,979.66	48,134.49	23,969.49
Total cost	48,724.64	41,816.75	45,873.07	43,110.40	43,133.77	62,054.83	103,873.52	148,689.95	125,040.59	129,278.65	115,407.72	71,509.96
Sales in MCF	6,961	6,678	5,672	6,855	6,083	7,301	13,376	13,910	12,228	14,660	12,783	9,302
Cost per MCF	6.9697	6.2619	8.0876	6.2889	7.0911	8.4891	7.7659	10.6894	10.2258	8.8185	9.0282	7.6878
less ECG in effect	7.6224	7.6224	7.6224	6.6455	6.6455	6.6455	6.8630	6.8630	6.8630	6.8250	6.8250	6.8250
Delta	(0.62)	(1.36)	0.47	(0.38)	0.45	1.85	0.90	3.83	3.36	1.99	2.20	0.86
Monthly cost difference	(4,334.88)	(9,085.63)	2,638.82	(2,444.50)	2,710.52	13,533.84	12,078.78	53,225.62	41,119.82	29,224.15	28,163.74	8,023.81
Total cost difference			(10,781.70)			13,799.66			106,422.23			65,411.70
divide by 12 months sales			109,244			111,757			115,380			115,380
Actual Adjustment		Actual Adjustment	(0.0987)	Actual Adjustment	0.1235	Actual Adjustment	0.9224	Actual Adjustment	0.8224	Actual Adjustment	0.6669	0.6669
Allocation												
Total B&W line sales	7,292	6,924	5,905	7,188	6,329	7,534	13,707	14,158	12,461	16,601	14,529	10,112
KY%	95%	98%	98%	95%	96%	97%	88%	88%	86%	89%	88%	92%
Byrdstown/Fentress (TN)	3,309	2,461	2,331	3,309	2,461	2,331	3,309	2,461	2,331	18,414	17,463	8,101
Cost												
Petrol	18,415.05	8,512.53	12,988.29	5,915.12	7,469.75	25,190.80	67,080.09	103,945.82	79,878.71	63,312.80	52,742.40	25,548.12
Allocation	17,579.39	8,209.97	12,475.69	5,642.74	7,179.29	24,411.25	65,460.65	102,138.75	78,382.52	56,247.69	46,403.21	23,501.41
Spectra (Enbridge) 250	1,680.81	1,682.15	1,680.78	1,672.79	1,672.05	1,676.44	1,684.87	1,670.41	1,679.54	1,659.96	1,668.85	1,664.59
Allocation	1,604.35	1,622.36	1,614.43	1,595.78	1,607.03	1,624.57	1,844.19	1,641.37	1,648.12	1,474.72	1,468.27	1,531.24
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			
Petrol volume										10,916.00	10,720.00	5,356.00
Less 10% shipper fuel										1,091.60	1,072.00	535.80
Shipped to KY by Navitas										9,946.21	9,778.85	4,863.31
Flow charge (FERC juris)										27,026.85	26,565.64	13,214.59
Allocation	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	48,979.66	48,134.49	23,969.49
Sparta (FWM) Supply	17,047.50	19,285.45	19,191.56	23,705.82	21,839.42	23,271.06	23,780.63	31,806.72	31,970.29	25,412.35	22,052.25	24,468.00
Cost	18,273.90	18,580.71	18,433.99	22,614.20	20,980.19	22,551.10	23,206.52	31,253.77	31,372.25	22,578.57	19,401.75	22,507.82
Allocation												

Schedule V
Balance Adjustment

Navitas KY NG, LLC

	(60,654.28)	(61,067.10)	(59,498.91)	(66,151.67)	(61,367.79)	(53,512.64)	(29,961.15)	(22,996.60)	(16,127.25)	95,664.07	94,079.97	92,862.40
+ under charged												
- over charged												
	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	->Actual May-19	->Average Jun-19
Sales in MCF	5,672	6,865	6,083	7,301	13,376	13,910	12,228	11,084	11,282	9,205	6,928	5,347
Summary												
3rd Previous Qtr BA	(0.0605)	(0.0639)	(0.0639)	(0.0639)	0.0052	0.0052	0.0052	(0.0003)	(0.0003)	(0.0003)	(0.0085)	(0.0085)
2nd Previous Qtr BA	(0.0639)	0.0052	0.0052	0.0052	(0.0003)	(0.0003)	(0.0003)	(0.0085)	(0.0085)	(0.0085)	0.0186	0.0186
Previous Qtr BA	0.0052	(0.0003)	(0.0003)	(0.0003)	(0.0085)	(0.0085)	(0.0085)	0.0186	0.0186	0.0186	(0.0866)	(0.0866)
Current Qtr BA	(0.0003)	(0.0085)	(0.0085)	(0.0085)	0.0186	0.0186	0.0186	(0.0866)	(0.0866)	(0.0866)	(0.0306)	(0.0306)
	(0.1195)	(0.0675)	(0.0675)	(0.0675)	0.0150	0.0150	0.0150	(0.0768)	(0.0768)	(0.0768)	(0.1071)	(0.1071)
3rd Previous Qtr AA	0.0040	0.2889	0.2889	0.2889	0.0744	0.0744	0.0744	0.0554	0.0554	0.0554	(0.6123)	(0.6123)
2nd Previous Qtr AA	0.2889	0.0744	0.0744	0.0744	0.0554	0.0554	0.0554	(0.6123)	(0.6123)	(0.6123)	(0.0987)	(0.0987)
Previous Qtr AA	0.0744	0.0554	0.0554	0.0554	(0.6123)	(0.6123)	(0.6123)	(0.0987)	(0.0987)	(0.0987)	0.1235	0.1235
Current Qtr AA	0.0554	(0.6123)	(0.6123)	(0.6123)	(0.0987)	(0.0987)	(0.0987)	0.1235	0.1235	0.1235	0.9224	0.9224
	0.4227	(0.1936)	(0.1936)	(0.1936)	(0.5812)	(0.5812)	(0.5812)	(0.5321)	(0.5321)	(0.5321)	0.3348	0.3348
	(0.0003)	(0.0003)	(0.0003)	(0.0003)	(0.0003)	(0.0003)	(0.0003)	(0.0003)	(0.0003)	(0.0003)		
	(17.61)	(15.67)	(14.04)	(12.08)	(8.49)	(4.78)	(1.48)	1.49	4.52	6.99		
		(0.0085)	(0.0085)	(0.0085)	(0.0085)	(0.0085)	(0.0085)	(0.0085)	(0.0085)	(0.0085)	(0.0085)	(0.0085)
	(0.0085)	(613.46)	(761.71)	(699.60)	(585.82)	(467.49)	(363.47)	(269.16)	(173.21)	(94.90)	(35.99)	9.50
Third previous qtr BA AA	0.0040	(145.84)	(145.84)	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186	0.0186
	(145.84)	(145.84)	(145.84)	0.0186	1,827.98	1,589.23	1,341.78	1,135.60	925.73	754.51	625.68	526.23
Second previous qtr BA AA	0.2889	0.2889	0.2889	0.2889	(12,694.61)	(12,694.61)	(9,999.97)	(8,826.04)	(7,949.02)	(7,151.90)	(6,552.17)	(6,089.16)
	(6,847.63)	(6,826.21)	(10,566.41)	(12,694.61)	(12,694.61)	(12,694.61)	(9,999.97)	(8,826.04)	(7,949.02)	(7,151.90)	(6,552.17)	(6,089.16)
							(0.0986)					
Previous qtr BA AA	0.0744	0.0744	0.0744	0.0744	0.0744	0.0744	0.0744	(3,368.44)	(3,368.44)	(0.0306)	(0.0306)	(0.0306)
	1,077.35	567.32	114.74	(428.50)	(1,423.69)	(2,468.64)	(3,368.44)	(3,368.44)	(3,368.44)	(0.0306)	(3,392.12)	(3,226.52)
Balance adjustment BA	0.0554	0.0554	0.0554	0.0554	0.0554	0.0554	0.0554	0.0554	0.0554	0.0554	(1,444.53)	(1,444.53)
	3,619.20	3,239.16	2,900.97	2,496.21	1,754.70	963.68	305.70	(308.77)	(634.23)	(1,444.53)	(1,444.53)	(1,444.53)
		(0.6123)	(0.6123)	(0.6123)	(0.6123)	(0.6123)	(0.6123)	(0.6123)	(0.6123)	(0.6123)	(0.6123)	(0.6123)
	(61,276.88)	(57,062.36)	(53,357.72)	(48,886.93)	(40,696.68)	(32,179.21)	(24,691.67)	(17,904.64)	(10,896.11)	(5,359.63)	(1,118.89)	2,155.07
Third previous quarter AA				(10,781.70)	(9,461.61)	(8,066.76)	(6,961.95)	(5,766.03)	(4,674.63)	(3,766.09)	(3,062.54)	(2,554.66)
Second previous quarter AA							13,789.66	12,431.20	11,038.03	9,901.39	9,046.21	8,385.99
Previous quarter AA									108,422.23		100,034.31	95,102.67
Actual adjustment AA												

Sales History

Navitas KY NG, LLC

Sales in MCF	J	F	M	A	M	J	J	A	S	O	N	D	Total
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	5,360	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	6,383	7,774	6,650	3,981	3,459	2,704	4,983	6,437	6,306	10,869	12,716	79,906
2018	12,306	12,391	13,164	13,164	6,961	6,678	5,672	6,855	6,083	7,301	13,376	13,910	117,861
2019	12,228	14,660	12,783	9,302	9,488								58,461
Average	10,446	11,084	11,282	9,205	6,926	5,347	4,758	5,362	5,897	6,753	10,082	10,624	97,765
								113,519	113,165	114,160	116,667	117,861	
	117,783												