

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF NAVITAS KY NG, LLC)	2022-00189

ORDER

On July 6, 2022, Navitas KY NG, LLC (Navitas KY) filed its proposed Gas Cost Recovery (GCR) rate report to be effective August 5, 2022. Navitas KY's previous GCR rate was approved in Case No. 2022-00109.¹

LEGAL STANDARD

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.²

DISCUSSION

¹ Case No. 2022-00109, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 29, 2022).

² KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that Navitas KY's report includes revised rates designed to pass on to its customers its expected change in gas costs. Navitas KY's report sets out an EGC of \$13.1971 per Mcf, which is an increase of \$3.1971 per Mcf from its previous EGC of \$10.0000 per Mcf. Navitas KY's report sets out no Refund Adjustment. Navitas KY's report sets out a current quarter ACA of \$0.4647 per Mcf. Navitas KY failed to include the current quarter ACA in the calculation of its total ACA. Correcting this produces a total ACA of \$1.3728 per Mcf, which is an increase of \$0.4647 per Mcf from its previous total ACA of \$0.9082 per Mcf. Navitas KY's report sets out no current quarter Balance Adjustment (BA) and no total BA. Navitas KY's BA will continue to be unavailable until its first unified ACA quarter expires.

Based on the calculations above, the Commission finds that Navitas KY's GCR rate is \$14.5700 per Mcf, which is an increase of \$3.6618 per Mcf from its previous GCR rate of \$10.9082 per Mcf. The Commission further finds that the rate set forth in the Appendix to this Order is fair, just and reasonable, and should be approved for service rendered by Navitas KY on and after August 5, 2022.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Navitas KY should submit all invoices it receives, along with its monthly usage reports when it files its future GCR rate reports. Should Navitas KY purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

IT IS THEREFORE ORDERED that:


1. The rate proposed by Navitas KY is denied.
2. The rate set forth in the Appendix to this Order is approved for service rendered by Navitas KY on and after August 5, 2022.
3. Navitas KY shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files future GCR rate reports.
4. Within 20 days of the date of entry of this Order, Navitas KY 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.
5. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION



Chairman

Vice Chairman


Commissioner

ENTERED
AUG 04 2022
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KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00189 DATED AUG 04 2022

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 authority of the Commission prior to the effective date of this Order.

Gas Cost Recovery rate

The Gas Cost Recovery rate shall be \$14.5700 per Mcf for service rendered on and after August 5, 2022.

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