



June 30, 2011

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PUBLIC SERVICE
COMMISSION

Beth O'Donnell
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40602

Re: Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Ms. O'Donnell,

Attached please find one original and ten copies of the quarterly report of gas cost recovery rate calculation for the rates to be effective August 1, 2011. Please contact me at (949) 331 - 7496 or thartline@navitasutility.com with questions or comments regarding this filing.

Sincerely,


Thomas Hartline

TH/teh

Quarterly Report

Gas cost recovery rate calculation

Navitas KY NG, LLC

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)	7.7776	per MCF
+ Refund Adjustment (RA) - not used	-	
+ Actual Adjustment (AA)	0.5782	
+ Balance Adjustment(BA)	(1.3113)	
= Gas Cost Recovery Rate	\$ 7.0444	

A. Expected Gas Cost Calculation

Total EGC	\$ 232,525.83	
/ Twelve months sales	29,897	MCF
EGC	\$ 7.7776	per MCF

B. Refund Adjustment Calculation

Not Used

C. Actual Adjustment Calculation

Actual Adjustment for reporting period	0.3810	
+ Previous quarter AA	0.0080	
+ Second previous quarter AA	(0.1873)	
+ Third previous quarter AA	0.3765	
+ Other cost adjustments		
= Actual Adjustment	\$ 0.5782	

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	(0.6863)	
+ Previous quarter BA	(0.5786)	
+ Second previous quarter BA	(1.1689)	
+ Third previous quarter BA	1.1225	
= Balance Adjustment	\$ (1.3113)	

Schedule II
Expected Gas Cost

Supplier or NYMEX	Twelve months 2011 - 2012	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
EDF	August	644	1.0350	667	5.25	5.07	3,266.67
EDF	September	1097	1.0350	1,135	5.25	5.07	5,564.49
EDF	October	1384	1.0350	1,432	5.25	5.07	7,020.29
EDF	November	1726	1.0350	1,786	5.25	5.07	8,755.07
EDF	December	5564	1.0350	5,759	5.25	5.07	28,223.19
EDF	January	5820	1.0350	6,024	5.25	5.07	29,521.74
EDF	February	6407	1.0350	6,631	5.25	5.07	32,499.28
EDF	March	2730	1.0350	2,826	5.25	5.07	13,847.83
EDF	April	1673	1.0350	1,732	5.25	5.07	8,486.23
EDF	May	999	1.0350	1,034	5.25	5.07	5,067.39
EDF	June	1082	1.0350	1,120	5.25	5.07	5,488.41
EDF	July	771	1.0350	798	5.25	5.07	3,910.87
		<u>29,897</u>		<u>30,944</u>			<u>151,651.45</u>

Transportation	Twelve months 2011 - 2012	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	4,206.25	400.20	4,606.45	7,873.12
	September	4,206.25	681.00	4,887.25	10,451.74
	October	4,206.25	859.20	5,065.45	12,085.74
	November	4,206.25	1,071.60	5,277.85	14,032.92
	December	4,206.25	3,455.40	7,661.65	35,884.84
	January	4,206.25	3,614.40	7,820.65	37,342.39
	February	4,206.25	3,978.60	8,184.85	40,684.13
	March	4,206.25	1,695.60	5,901.85	19,749.68
	April	4,206.25	1,039.20	5,245.45	13,731.68
	May	4,206.25	620.40	4,826.65	9,894.04
	June	4,206.25	672.00	4,878.25	10,366.66
	July	4,206.25	478.80	4,685.05	8,595.92
				<u>69,041.40</u>	<u>220,692.85</u>

divide by sales 29,897
per MCF \$ 7.38
multiply by allowed purchases (sales / 0.95) 31,500
Expected Gas Cost \$ 232,525.83

Schedule III
Supplier Refund Adjustment

Navitas KY NG, LLC

This schedule not used

Schedule IV
Actual Adjustment

	Previous quarter			Reporting months		
	Estimated			Actual		
	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11
Invoices						
Supply						
EDF & Wells (B&W)	6,806.22	28,678.53	29,154.71	33,421.47	13,054.04	8,484.62
Transportation						
Spectra	4,206.25	4,206.25	4,206.25	4,206.25	6,940.50	7,538.36
B&W	1,071.85	3,455.24	3,614.22	3,978.75	1,638.00	1,003.80
Total cost	12,084.32	36,340.02	36,975.18	41,606.47	21,632.54	17,026.78
Sales in MCF	1,726	5,564	5,820	6,407	2,730	1,673
Cost per MCF	7,0013	6,5313	6,3531	6,4939	7,9240	10,1774
less ECG in effect	6,4496	6,4496	6,4496	6,4496	6,4496	6,4496
Delta	0.55	0.08	(0.10)	0.04	1.47	3.73
Monthly cost difference	952.31	454.44	(561.49)	283.88	4,025.14	6,236.60
Total cost difference						11,390.88
divide by 12 months sales						29,897
Actual Adjustment					Actual Adjustment	0.3810
Allocation						
EDF						
Quantity in MMBtu	4,290	11,264	8,291	5,491	3,056	1,985
Cost	16,323.45	56,128.51	40,095.28	27,696.60	14,124.83	9,734.44
Cost/MMBtu	3.81	4.98	4.84	5.04	4.62	4.90
MCF per MMBtu	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350
Cost/MCF	3.94	5.15	5.01	5.22	4.78	5.07
Spectra						
250	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50
1000	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00
Subtotal	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50
Total B&W line sales						
KY%					3,309	1,867
Allocation					83%	90%
B&W					6,940.50	7,538.36
Price per MMBtu	0.60	0.60	0.60	0.60	0.60	0.60
Subtotal	1,071.85	3,455.24	3,614.22	3,978.75	1,638.00	1,003.80

