NAVITAS
COMPANIES

October 4, 2017

RECEIVED

OCT 10 2017

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 November 1, 2017. Please contact me at (714) 242 – 4064 or joey@navitasutility.com with questions or comments regarding this filing.

We now have over 12 months of usage with Keystone Foods Group as a customer so we no longer need to add in projected usage into the last 12 months of sales. However, their projected usage is still included in the balance adjustment sheet. I've reduced the projected usage down from 5,000 additional MCF per month to 3,000 additional MCF per month as the customer has bought into a long term propane contract and is now only using the contractually obligated 3,000 MCF per month.

Sincerely,

Joseph M Irwin Jr

3186-D Airway Avenue Costa Mesa, CA 92626
(714) 242-4064 (714) 850-0876 fax

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
	30-Jun	February March April	1-Aug
X	30-Sep	May June July	1-Nov
	31-Dec	August September October	1-Feb

Schedule I

Gas Cost Recovery Rate Summary

Component		
Expected Gas Cost (EGC)	7.0568	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	0.3931	
+ Balance Adjustment(BA)	(0.1019)	
= Gas Cost Recovery Rate	$ 7.3481	

A. Expected Gas Cost Calculation		
Total EGC	$ 495,501.51	
/ Twelve months sales	70,216	MCF
EGC	$ 7.0568	per MCF

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	0.2889
+ Previous quarter AA	0.0040
+ Second previous quarter AA	0.0208
+ Third previous quarter AA	0.0795
+ Other cost adjustments	
= Actual Adjustment	$ 0.3931

D. Balance Adjustment Calculation	
Balance Adjustment for reporting period	(0.0639)
+ Previous quarter BA	(0.0605)
+ Second previous quarter BA	0.0204
+ Third previous quarter BA	0.0021
= Balance Adjustment	$ (0.1019)

Schedule II
Expected Gas Cost

Supplier or NYMEX	Twelve months 2016 - 2017	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	August	4462	1.0660	4,756	4.15	4.42	19,739.44
Petrol	September	5505	1.0670	5,874	4.15	4.43	24,376.42
Petrol	October	5465	1.0680	5,837	4.15	4.43	24,221.97
Petrol	November	7363	1.0660	7,849	4.15	4.42	32,573.18
Petrol	December	8826	1.0640	9,391	4.15	4.42	38,972.09
Petrol	January	7634	1.0660	8,138	4.15	4.42	33,772.05
Petrol	February	6393	1.0670	6,821	4.15	4.43	28,308.52
Petrol	March	7774	1.0710	8,326	4.15	4.44	34,552.71
Petrol	April	6650	1.0650	7,082	4.15	4.42	29,391.34
Petrol	May	3981	1.0660	4,244	4.15	4.42	17,611.55
Petrol	June	3459	1.0630	3,677	4.15	4.41	15,259.21
Petrol	July	2704	1.0650	2,880	4.15	4.42	11,951.00
		70,216		74,875			310,729.47

Transportation	Twelve months 2016 - 2017	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
	August	1,500.00	13,897.67	15,397.67	35,137.11
	September	1,500.00	13,897.67	15,397.67	39,774.09
	October	1,500.00	13,897.67	15,397.67	39,619.64
	November	1,500.00	13,897.67	15,397.67	47,970.85
	December	1,500.00	13,897.67	15,397.67	54,369.76
	January	1,500.00	13,897.67	15,397.67	49,169.72
	February	1,500.00	13,897.67	15,397.67	43,706.19
	March	1,500.00	13,897.67	15,397.67	49,950.38
	April	1,500.00	13,897.67	15,397.67	44,789.01
	May	1,500.00	13,897.67	15,397.67	33,009.22
	June	1,500.00	13,897.67	15,397.67	30,656.88
	July	1,500.00	13,897.67	15,397.67	27,348.67
				184,772.04	495,501.51

divide by sales	70,216
per MCF	$ 7.0568
multiply by allowed purchases (sales / 1)	70,216
Expected Gas Cost	**$ 495,501.51**

Schedule IV
Actual Adjustment

	Second previous quarter			Previous quarter			Current quarter		
		Actual			Actual			Actual	
	Nov-16	Dec-16	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17
Invoices									
Supply									
Petrol & FWM (B&W)	30,371.57	38,243.92	43,130.73	30,711.44	35,746.46	27,964.24	18,143.62	14,079.50	13,155.53
Transportation									
Spectra	1,563.39	1,319.39	1,383.15	1,349.21	1,446.21	1,561.07	1,511.85	1,598.56	1,549.08
B&W	12,993.28	10,970.47	11,490.95	11,228.08	12,024.94	12,987.20	12,543.73	13,290.22	12,885.95
Total cost	44,928.24	50,533.79	56,004.83	43,288.73	49,217.61	42,512.51	32,199.20	28,968.28	27,590.55
Sales in MCF	7,363	8,826	7,634	6,393	7,774	6,650	3,981	3,459	2,704
Cost per MCF	6.1019	5.7256	7.3362	6.7713	6.3311	6.3929	8.0882	8.3748	10.2036
less ECG in effect	6.2870	6.2870	6.2870	6.4717	6.4717	6.4717	6.7502	6.7502	6.7502
Delta	(0.19)	(0.56)	1.05	0.30	(0.14)	(0.08)	1.34	1.62	3.45
Monthly cost difference	(1,362.94)	(4,955.27)	8,009.87	1,915.15	(1,093.38)	(524.30)	5,326.66	5,619.34	9,338.01
Total cost difference			1,691.66			297.47			20,284.01
divide by 12 months sales			81,344			74,918			70,216
Actual Adjustment		**Actual Adjustment**	**0.0208**		**Actual Adjustment**	**0.0040**		**Actual Adjustment**	**0.2889**
Allocation									
Total B&W line sales	7,876	11,181	9,233	7,913	8,985	7,116	4,411	3,617	2,916
KY%	93%	79%	83%	81%	87%	93%	90%	96%	93%
Petrol									
Cost	11,531.92	35,125.20	36,734.36	25,361.10	22,991.43	10,951.88	20,102.00	4,940.01	3,298.25
Allocation	10,781.48	27,726.95	30,372.92	20,489.51	19,893.30	10,234.40	18,143.62	4,724.09	3,058.14
Spectra									
250	1,672.21	1,671.44	1,672.84	1,670.00	1,671.44	1,670.51	1,675.04	1,671.63	1,670.70
Allocation	1,563.39	1,319.39	1,383.15	1,349.21	1,446.21	1,561.07	1,511.85	1,598.56	1,549.08
B&W Transport									
Cost	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	12,993.28	10,970.47	11,490.95	11,228.08	12,024.94	12,987.20	12,543.73	13,290.22	12,885.95
FWM Supply	20,953.66	13,323.17	15,429.87	12,652.29	18,322.08	18,972.80	-	9,783.02	10,890.16
Cost	19,590.10	10,516.98	12,757.81	10,221.92	15,853.16	17,729.84	-	9,355.41	10,097.38
Allocation									

Schedule V
Balance Adjustment

	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18
	(8,550.20)	(6,558.53)	(1,327.14)	(1,590.11)	(1,447.40)	(611.15)	151.04	(288.16)	18,313.97			
+ under charged										ESTIMATED WITH NEW CUSTOMER		
- over charged						->Actual	Average->					
Sales in MCF	**6,393**	**7,774**	**6,650**	**3,981**	**3,459**	**2,704**	**4,601**	**4,802**	**5,455**	**6,705**	**7,730**	**9,616**
Summary												
3rd Previous Qrtr BA	0.0164	0.0164	0.0164	(0.0499)	(0.0499)	(0.0499)	(0.3770)	(0.3770)	(0.3770)	0.0021	0.0021	0.0021
2rd Previous Qrtr BA	(0.0499)	(0.0499)	(0.0499)	(0.3770)	(0.3770)	(0.3770)	0.0021	0.0021	0.0021	0.0204	0.0204	0.0204
Previous Qrtr BA	(0.3770)	(0.3770)	(0.3770)	0.0021	0.0021	0.0021	0.0204	0.0204	0.0204	(0.0605)	(0.0605)	(0.0605)
Current Qrt BA	0.0021	0.0021	0.0021	0.0204	0.0204	0.0204	(0.0605)	(0.0605)	(0.0605)	(0.0639)	(0.0639)	(0.0639)
	(0.4084)	(0.4084)	(0.4084)	(0.4043)	(0.4043)	(0.4043)	(0.4149)	(0.4149)	(0.4149)	(0.1019)	(0.1019)	(0.1019)
3rd Previous Qrtr AA	(0.1901)	(0.1901)	(0.1901)	(0.1394)	(0.1394)	(0.1394)	0.4021	0.4021	0.4021	0.0795	0.0795	0.0795
2rd Previous Qrtr AA	(0.1394)	(0.1394)	(0.1394)	0.4021	0.4021	0.4021	0.0795	0.0795	0.0795	0.0208	0.0208	0.0208
Previous Qrtr AA	0.4021	0.4021	0.4021	0.0795	0.0795	0.0795	0.0208	0.0208	0.0208	0.0040	0.0040	0.0040
Current Qrt AA	0.0795	0.0795	0.0795	0.0208	0.0208	0.0208	0.0040	0.0040	0.0040	0.2889	0.2889	0.2889
	0.1522	0.1522	0.1522	0.3630	0.3630	0.3630	0.5064	0.5064	0.5064	0.3931	0.3931	0.3931
Third previous qrtr BA AA	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021	0.0021
	164.84	148.40	134.32	125.90	118.58	112.86	103.13	92.96	81.42	67.24	50.88	30.53
Second previous qrtr BA AA				0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204	0.0204
	(172.61)	(172.61)	1,663.42	1,582.01	1,511.28	1,455.99	1,361.89	1,263.69	1,152.15	1,015.04	856.97	660.33
			0.0204									
Previous qrtr BA AA	(0.1901)	(0.1901)	(0.1901)				(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)	(0.0605)
	(7,702.24)	(6,224.71)	(4,960.80)	(4,960.80)	(4,960.80)	(4,533.58)	(4,255.14)	(3,964.55)	(3,634.47)	(3,228.73)	(2,760.94)	(2,179.05)
						(0.0605)						
Balance adjustment BA	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)	(0.1394)				(0.0639)	(0.0639)	(0.0639)
	(6,728.98)	(5,645.51)	(4,718.69)	(4,163.86)	(3,681.77)	(3,304.91)	(3,304.91)	(3,304.91)	(4,487.92)	(4,059.36)	(3,565.28)	(2,950.67)
									(0.0639)			
	0.4021	0.4021	0.4021	0.4021	0.4021	0.4021	0.4021	0.4021	0.4021			
	23,041.39	19,915.38	17,241.34	15,640.53	14,249.63	13,162.32	11,312.14	9,381.14	7,187.80	7,187.80	7,187.80	449.46
												0.0065
Third previous quarter AA	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795	0.0795
	6,193.34	5,575.34	5,046.69	4,730.21	4,455.23	4,240.27	3,874.49	3,492.74	3,059.12	2,526.10	1,911.57	1,147.14
Second previous quarter AA				0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208
			1,691.66	1,608.87	1,538.93	1,480.70	1,385.01	1,285.15	1,171.71	1,032.27	871.51	671.54
Previous quarter AA							0.0040	0.0040	0.0040	0.0040	0.0040	0.0040
						297.47	279.20	260.14	238.48	211.85	181.16	142.98
Actual adjustment AA										0.2889	0.2889	0.2889
									20,284.01	18,347.07	16,113.97	13,336.13

Sales History

Navitas KY NG, LLC

		J	F	M	A	M	J	J	A	S	O	N	D	Total
Sales in MCF														
	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	5,380	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	6,393	7,774	6,650	3,981	3,459	2,704						38,595
Average		6,616	6,221	5,221	3,378	2,518	1,983	1,775	1,601	1,802	2,455	3,705	4,730	42,004