NAVITAS
COMPANIES

June 26, 2018

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

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JUN 29 2018
PUBLIC SERVICE
COMMISSION

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 August 1, 2018. Please contact me at (714) 242 – 4064 or jirwin@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 Sr

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

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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

Component		
Expected Gas Cost (EGC)	6.6455	per MCF
+ Refund Adjustment (RA)	-	
+ Actual Adjustment (AA)	(0.0232)	
+ Balance Adjustment(BA)	(0.0667)	
= Gas Cost Recovery Rate	$ 6.5556	

A. Expected Gas Cost Calculation		
Total EGC	$ 665,056.87	
/ Twelve months sales	100,077	MCF
EGC	$ 6.6455	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	(0.4419)
+ Previous quarter AA	0.0554
+ Second previous quarter AA	0.0744
+ Third previous quarter AA	0.2889
+ Other cost adjustments	
= Actual Adjustment	$ (0.0232)

D. Balance Adjustment Calculation	
Balance Adjustment for reporting period	(0.0077)
+ Previous quarter BA	(0.0003)
+ Second previous quarter BA	0.0052
+ Third previous quarter BA	(0.0639)
= Balance Adjustment	$ (0.0667)

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Schedule II
Expected Gas Cost

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	August	4983	1.0660	5,312	4.50	4.80	23,903.45
Petrol	September	6437	1.0670	6,868	4.50	4.80	30,907.26
Petrol	October	6306	1.0680	6,735	4.50	4.81	30,306.64
Petrol	November	10869	1.0660	11,586	4.50	4.80	52,138.59
Petrol	December	12716	1.0640	13,530	4.50	4.79	60,884.21
Petrol	January	12306	1.0660	13,118	4.50	4.80	59,031.88
Petrol	February	12391	1.0670	13,221	4.50	4.80	59,495.39
Petrol	March	13164	1.0710	14,099	4.50	4.82	63,443.90
Petrol	April	10761	1.0650	11,460	4.50	4.79	51,571.61
Petrol	May	3981	1.0660	4,244	4.50	4.80	19,096.86
Petrol	June	3459	1.0630	3,677	4.50	4.78	16,546.13
Petrol	July	2704	1.0650	2,880	4.50	4.79	12,958.92
		100,077		106,730			480,284.83

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	39,301.12
	September	1,500.00	13,897.67	15,397.67	46,304.93
	October	1,500.00	13,897.67	15,397.67	45,704.31
	November	1,500.00	13,897.67	15,397.67	67,536.26
	December	1,500.00	13,897.67	15,397.67	76,281.88
	January	1,500.00	13,897.67	15,397.67	74,429.55
	February	1,500.00	13,897.67	15,397.67	74,893.06
	March	1,500.00	13,897.67	15,397.67	78,841.57
	April	1,500.00	13,897.67	15,397.67	66,969.28
	May	1,500.00	13,897.67	15,397.67	34,494.53
	June	1,500.00	13,897.67	15,397.67	31,943.80
	July	1,500.00	13,897.67	15,397.67	28,356.59
				184,772.04	665,056.87

divide by sales	100,077
per MCF	$ 6.6455
multiply by allowed purchases (sales / 1)	100,077
Expected Gas Cost	**$ 665,056.87**

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6/26/2018

	Second previous quarter			Previous quarter			Current quarter		
		Actual			Actual			Actual	
	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18
Invoices									
Supply									
Petrol & FWM (B&W)	18,931.32	26,456.72	29,747.54	50,992.91	79,487.41	88,093.13	75,536.59	67,937.11	41,745.60
Transportation									
Spectra	1,617.50	1,601.55	1,503.10	1,536.74	1,445.66	1,253.04	1,452.88	1,440.54	1,534.14
B&W	13,420.69	13,301.11	12,463.91	12,769.35	11,989.98	10,396.13	12,076.50	11,978.27	12,756.55
Total cost	33,969.51	41,359.39	43,714.55	65,299.00	92,923.05	99,742.30	89,065.97	81,355.92	56,036.29
Sales in MCF	4,983	6,437	6,306	10,869	12,716	12,306	12,391	13,164	10,761
Cost per MCF	6.8171	6.4253	6.9322	6.0078	7.3076	8.1052	7.1880	6.1802	5.2074
less ECG in effect	6.4114	6.4114	6.4114	7.0568	7.0568	7.0568	7.4535	7.4535	7.4535
Delta	0.41	0.01	0.52	(1.05)	0.25	1.05	(0.27)	(1.27)	(2.25)
Monthly cost difference	2,021.50	89.21	3,284.26	(11,401.36)	3,188.78	12,901.32	(3,290.35)	(16,761.95)	(24,170.08)
Total cost difference			5,394.97			4,688.74			(44,222.38)
divide by 12 months sales			72,510			84,578			100,077
Actual Adjustment		**Actual Adjustment**	**0.0744**		**Actual Adjustment**	**0.0554**		**Actual Adjustment**	**(0.4419)**
Allocation									
Total B&W line sales	5,160	6,726	7,031	11,829	14,739	16,451	14,260	15,273	11,724
KY%	97%	96%	90%	92%	86%	75%	87%	86%	92%
Byrdstown/Fentress (TN)	1,771	2,887	7,254	9,604	20,232	41,448	18,686	21,094	9,626
Petrol									
Cost	19,604.15	17,163.75	33,169.50	33,590.64	67,484.42	99,545.36	70,585.25	63,511.76	25,302.45
Allocation	18,931.32	16,427.00	29,747.54	30,863.50	58,221.06	74,464.78	61,335.65	54,740.19	23,224.90
Spectra (Enbridge)									
250	1,674.99	1,673.38	1,676.01	1,672.53	1,675.67	1,675.08	1,671.98	1,671.37	1,671.37
Allocation	1,617.50	1,601.55	1,503.10	1,536.74	1,445.66	1,253.04	1,452.88	1,440.54	1,534.14
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	13,420.69	13,301.11	12,463.91	12,769.35	11,989.98	10,396.13	12,076.50	11,978.27	12,756.55
FWM Supply	-	10,479.56	-	21,908.07	24,649.96	18,218.53	16,342.48	15,311.60	20,177.44
Cost	-	10,029.73	-	20,129.41	21,266.34	13,628.35	14,200.94	13,196.92	18,520.70
Allocation									

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Schedule V
Balance Adjustment

	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18
	20,542.88	16,838.97	12,992.31	9,408.51	5,600.51	7,175.82	5,886.00	4,375.22	(41,677.91)	(43,069.76)	(42,600.36)	(40,245.76)
+ under charged - over charged						->Actual	Average->			**ESTIMATED WITH NEW CUSTOMER**		
Sales in MCF	**10,869**	**12,716**	**12,306**	**12,391**	**13,164**	**10,761**	**5,518**	**4,983**	**4,775**	**4,909**	**5,223**	**5,805**
Summary												
3rd Previous Qrtr 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)
2rd Previous Qrtr BA	0.0204	0.0204	0.0204	(0.0605)	(0.0605)	(0.0605)	(0.0639)	(0.0639)	(0.0639)	0.0052	0.0052	0.0052
Previous Qrtr BA	(0.0605)	(0.0605)	(0.0605)	(0.0639)	(0.0639)	(0.0639)	0.0052	0.0052	0.0052	(0.0003)	(0.0003)	(0.0003)
Current Qrt BA	(0.0639)	(0.0639)	(0.0639)	0.0052	0.0052	0.0052	(0.0003)	(0.0003)	(0.0003)	(0.0077)	(0.0077)	(0.0077)
	(0.1019)	(0.1019)	(0.1019)	(0.0988)	(0.0988)	(0.0988)	(0.1195)	(0.1195)	(0.1195)	(0.0667)	(0.0667)	(0.0667)
3rd Previous Qrtr 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
2rd Previous Qrtr AA	0.0208	0.0208	0.0208	0.0040	0.0040	0.0040	0.2889	0.2889	0.2889	0.0744	0.0744	0.0744
Previous Qrtr AA	0.0040	0.0040	0.0040	0.2889	0.2889	0.2889	0.0744	0.0744	0.0744	0.0554	0.0554	0.0554
Current Qrt AA	0.2889	0.2889	0.2889	0.0744	0.0744	0.0744	0.0554	0.0554	0.0554	(0.4419)	(0.4419)	(0.4419)
	0.3931	0.3931	0.3931	0.3881	0.3881	0.3881	0.4227	0.4227	0.4227	(0.0232)	(0.0232)	(0.0232)
Third previous qrtr BA AA	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)	(0.0639)
	(3,793.22)	(2,980.46)	(2,193.91)	(1,401.93)	(560.54)	127.25	479.91	798.39	1,103.57	1,417.31	1,751.17	2,122.18
Second previous qrtr BA AA				0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	0.0052	0.0052
	6,034.49	6,034.49	377.34	312.86	244.35	188.36	159.64	133.71	108.86	83.32	56.14	25.93
			0.0052									
Previous qrtr BA AA	0.0795	0.0795	0.0795				(0.0003)	(0.0003)	(0.0003)	(0.0003)	(0.0003)	(0.0003)
	1,967.06	956.19	(22.10)	(22.10)	(22.10)	(22.69)	(21.21)	(19.87)	(18.59)	(17.27)	(15.87)	(14.32)
						(0.0003)						
Balance adjustment BA	0.0208	0.0208	0.0208	0.0208	0.0208	0.0208				(0.0077)	(0.0077)	(0.0077)
	886.03	621.58	365.66	107.97	(165.79)	(389.58)	(389.58)	(389.58)	(772.65)	(734.75)	(694.42)	(649.61)
									(0.0077)			
	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040	0.0040			
	183.93	133.44	84.58	35.38	(16.89)	(59.62)	(81.53)	(101.31)	(120.27)	(120.27)	(120.27)	1,712.69
												0.0163
Third previous quarter AA	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889	0.2889
	17,144.17	13,470.77	9,915.81	6,336.30	2,533.48	(575.13)	(2,169.03)	(3,608.47)	(4,987.79)	(6,405.79)	(7,914.75)	(9,591.61)
Second previous quarter AA				0.0744	0.0744	0.0744	0.0744	0.0744	0.0744	0.0744	0.0744	0.0744
			5,394.97	4,473.04	3,493.60	2,692.95	2,282.43	1,911.69	1,556.44	1,191.23	802.58	370.70
Previous quarter AA							0.0554	0.0554	0.0554	0.0554	0.0554	0.0554
						4,688.74	4,382.87	4,106.63	3,841.94	3,569.82	3,280.25	2,958.45
Actual adjustment AA										(0.4419)	(0.4419)	(0.4419)
									(44,222.38)	(42,053.35)	(39,745.17)	(37,180.18)

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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	5,380	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	4,983	6,437	6,306	10,869	12,716	79,906
	2018	12,306	12,391	13,164	10,761									48,622
Average		7,090	6,735	5,883	3,993	2,518	1,983	1,775	1,909	2,223	2,805	4,356	5,456	46,726