

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING)	CASE NO.
OF NAVITAS KY NG, LLC)	2019-00241

ORDER

This matter arises upon a public comment filed on September 16, 2019, by B&W Pipeline, LLC (B&W), the operator of an intrastate pipeline that, among other things, sells and transports gas in interstate commerce to Navitas KY NG, LLC (Navitas). B&W's interstate pipeline operations are subject to Federal Energy Regulatory Commission (FERC) jurisdiction, while B&W's intrastate pipeline operations are subject to the jurisdiction of the Tennessee Public Utility Commission, formerly known as the Tennessee Regulatory Authority (TRA).

On July 8, 2019, Navitas filed its quarterly gas cost recovery (GCR) report, which presented two options for calculating the GCR based on two transportation charges from B&W. One option applied volumetric rates charged by B&W that were approved by the TRA. The second option applied volumetric rates charged by B&W that were approved by the FERC. Navitas requested that the Commission authorize Navitas to use the TRA-approved rates. B&W has filed multiple public comments in this case that have provided information regarding TRA and FERC proceedings involving B&W and Navitas that could impact the Commission's determination of which transportation charge is the appropriate charge to use in calculating Navitas' GCR rate.

On August 12, 2019, Navitas filed a copy of its request to FERC for rehearing of a July 11, 2019 letter order accepting a rate to be charged by B&W for the interstate transportation of gas. In the rehearing request, Navitas claims that FERC's July 11, 2019 letter order subjects Navitas to FERC rate regulation and eliminates Navitas' status as a LDC in contradiction to FERC's June 15, 2017 order granting Navitas a Section 7(f) Service Area Determination and finding Navitas to be a LDC under Section 311 of the Natural Gas Policy Act of 1978.

In its September 16, 2019, public comment, B&W filed FERC's September 4, 2019 order dismissing Navitas' request for rehearing of the July 11, 2019 letter order on the grounds that Navitas was never a party to the case despite multiple notices issued by FERC inviting interventions. The FERC order also provides *sua sponte* clarification on the jurisdiction and laws pursuant to the Natural Gas Policy Act of 1978 and the Statement of Operating Conditions that regulate the B&W pipeline.

Based on B&W's latest public comment, the Commission finds that Navitas should file a response addressing the jurisdictional issues raised in FERC's September 4, 2019 order regarding the applicability of B&W's gas transportation rates to Navitas for calculating its GCR.

IT IS THEREFORE ORDERED that, within 15 days of the date of this Order, Navitas shall file a response to B&W's September 16, 2019 public comment that addresses FERC's September 4, 2019 order regarding and the applicability of B&W's gas transportation rates to Navitas for calculating its GCR.

By the Commission

ENTERED
SEP 23 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2019-00241

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