

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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|---------------------------------------|------------|
| ELECTRONIC PURCHASED GAS ADJUSTMENT) | CASE NO. |
| FILING OF NAVITAS KY NG, LLC) | 2022-00004 |

ORDER

On January 7, 2022, Navitas KY NG, LLC (Navitas KY) filed its proposed Gas Cost Recovery (GCR) rate report to be effective February 1, 2022. On April 30, 2021, the transfer of ownership of B & H Gas Company (B & H) and Johnson County Gas Company (Johnson County) to Navitas KY was consummated following the closing of Case No. 2020-00396.¹ Navitas KY was ordered in that case to file a unified GCR rate report for rates effective August 1, 2021, which only included the combined systems' Expected Gas Cost (EGC) in the calculation of the GCR rate. The subsequent Actual Cost Adjustment (ACA) was ordered by the Commission to be implemented in the unified GCR rate report for rates effective February 1, 2022. Navitas KY's previous GCR rate was approved in Case No. 2021-00278.²

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

¹ Case No. 2020-00396, *Electronic Application of Navitas KY NG, Johnson County Gas Company, and B & H Gas Company for Approval of Acquisition, Transfer of Ownership, and Control of Natural Gas Utility Systems* (Ky. PSC Apr. 27, 2021).

² Case No. 2021-00278, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 30, 2021).

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.³

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Navitas KY's report includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Navitas KY's report sets out an EGC of \$8.7695 per Mcf, which is an increase of \$1.4803 per Mcf from its previous EGC of \$7.2892 per Mcf.
3. Navitas KY's report sets out no Refund Adjustment.
4. Navitas KY's report sets out a current quarter ACA of \$0.1686 per Mcf and a total ACA of \$0.1686 per Mcf.
5. 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.
6. Navitas KY's GCR rate is \$8.9381 per Mcf, which is an increase of \$1.6489 per Mcf from its previous GCR rate of \$7.2892 per Mcf.
7. 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 February 6,

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

2022. Navitas KY did not provide the 30 days' notice required for its rate to be effective February 1, 2022.

8. 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.

9. 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 and set forth in the Appendix to this Order is approved for service rendered by Navitas KY on and after February 6, 2022.

2. Navitas KY shall submit all information noted in finding paragraph 8 as part of all future GCR filings.

3. 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.

4. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
FEB 03 2022 rCS
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

Case No. 2022-00004

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2022-00004 DATED FEB 03 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 \$8.9381 per Mcf for service rendered on and after February 6, 2022.

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