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RECEIVED

JAN 28 2020

PUBLIC SERVICE
COMMISSION

January 24, 2020

VIA U.S. MAIL

Gwen Pinson
Executive Director
Kentucky Public Service Commission
211 Sower Blvd
Frankfort, KY 40601

**RE: Navitas KY NG, LLC – Motion for Informal Conference or, in the
Alternative, for Clarification, Case No. 2019-00241**

Dear Executive Director Pinson,

Enclosed for filing please find an original and five copies of a Motion for Informal Conference or, in the Alternative, a Clarification in the above-styled matter. This Motion stems from the Commission's recent Order entered January 14, 2020 in the same matter.

A copy of the enclosed submission has been mailed to Larry Cook, Office of the Attorney General, Rate intervention, 700 Capitol Avenue, STE 20, Frankfort, Kentucky 40601.

If there are any questions or concerns regarding this submission, please notify either Brenda Bott of Navitas KY NG, LLC at bbott@navitasutility.com or undersigned counsel. Thank you.

Yours truly,



Klint Alexander
Counsel for Navitas KY NG, LLC
Tel: (615) 594-4377
Klint.alexander10@gmail.com

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COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

JAN 28 2020

PUBLIC SERVICE
COMMISSION

In the Matter of:)
)
NAVITAS KY NG, LLC's APPLICATION) CASE NO. 2019-00241
FOR ALTERNATIVE RATE ADJUSTMENT)

**NAVITAS KY NG, LLC'S MOTION FOR INFORMAL CONFERENCE
OR IN THE ALTERNATIVE FOR CLARIFICATION**

COMES NOW Navitas KY NG, LLC ("Navitas"), by and through undersigned counsel, and hereby submits this Motion requesting an Informal Conference or In the Alternative for Clarification regarding the Commission's Order entered January 14, 2020.

In support of this Motion, Navitas states as follows:

1. On January 14, 2020, the Commission entered an Order instructing Navitas to "include the \$25,877.17 over-recovery in the actual adjustment component of its current GCR rate report in Case No. 2020-200012 as stated in finding paragraph 7."

2. Paragraph 7 of the Commission's Order states as follows:

On January 9, 2020, Navitas filed its proposed GCR rate report to be effective February 1, 2019, for the 12-month reporting period ending October 31, 2019. From the sales given in that report, gas for usage in August, September, and October 2019, are 6,925 Mcf, 4,629 Mcf, and 5,670 Mcf respectively, and the differences between the Interim GCR and the Corrected GCR rate, the Commission has found the amount over-recovered by Navitas from August 7, 2019, through October 31, 2019, to be \$25,877.17. Due to the Actual Adjustment in Case NO. 2020-00012, truing up the actual cost of gas for usage in August, September, October 2019, the Commission finds that the amount for recovery should be included as a separate line item on the actual adjustment schedule and should subtract from the amount to any actual adjustment calculated in that case.

3. Paragraph 7, Footnote 9 of the Commission's Order states:

The \$25,877.17 over collection is the difference in the amount collected during the August, September, October 2019 billing cycle and the amount that should have been collected. Gas usage of the 6,925 Mcf, 4,629 Mcf, plus 5,670 Mcf by each month respectively, equals a total billed usage of 17,224 Mcf. The interim rate of \$8.9381 per Mcf multiplied by the usage equals \$153,948.11 collected. The corrected rate of \$7.4356 per Mcf multiplied by the 17,224 Mcf usage equal the \$128,070.95 that should have been collected. The

difference between the two totals equals the over collected amount of \$25,877.17.

4. The calculations made by the Commission are unclear and appear to be in error for the following reasons:

a. KYPSC is finding a future over collection of the Actual Adjustment in Case 2020-00012, presumably due to using a sales average as opposed to a “previous twelve months” basis. The problems here are twofold:

- 1) Case 2020-00012 is still open, the AAC has not been set; and, therefore, adjusting the AAC denominator in the Order for 2020-00012 is required.
- 2) If this method is not followed, you end up subverting the entire AAC and BAC process, resulting in a double deduction of the amount in question unless it is subtracted from the total cost difference for the quarter.

b. As Navitas has discussed in several filings, the application of the FERC tariff remains in question. Ironically, the issue arose due to a clarification issued by FERC in response to a question that no one asked. The issue is that B&W Pipeline, LLC (through its affiliate) produces gas where title to that gas does not change hands until it is measured coming into the Navitas systems. Thus B&W’s affiliate is the transporter of the gas, not Navitas. This means that Navitas should only pay the B&W FERC tariff on gas it transports from the East Tennessee Pipeline (Spectra/Enbridge) and not on gas transported to market by B&W’s affiliate.

5. Paragraph 4 of the Commission’s Order states:

Navitas’s interim report sets out a current quarter Actual Cost Adjustment (ACA) of \$.3828 per Mcf. Navitas used the incorrect 12-month sales and purchases in the calculation of its current quarter ACA. In calculating the B&W transportation amount based on the FERC rate for its current quarter ACA, Navitas erroneously used the incorrect sum total for the allocation amount. Correcting this produces a current quarter ACA of \$.0961 per Mcf and a total ACA of \$1.0433 per Mcf.

6. For the time period referenced in paragraph 4 of the Commission's Order, February through April 2019, the amounts are as follows:

Gas supply from	MCF	B&W FERC tariff
East TN Pipeline	22,594	\$61,616.64
B&W affiliate	14,151	\$38,590.65
Total	36,745	\$100,207.29

Navitas used the total number of \$99,843.51 with the slight difference due to rounding taking into account how the Tennessee portion of gas is allocated. While Navitas fundamentally asserts that it is not transporting gas it does not have title to, we believe the record does not yet support this conclusion. Thus, Navitas submits that item paragraph 4 of the Commission's Order is premature until this issue is resolved.

WHEREFORE, Navitas KY NG, LLC respectfully requests that the Commission grant its request for an informal conference or, in the alternative, for clarification regarding the Commission's January 14, 2020 Order and, specifically, the issues raised in this Motion, and for such other and further relief the Commission deems appropriate.

Submitted this the 24th day of January, 2020.

Respectfully submitted,

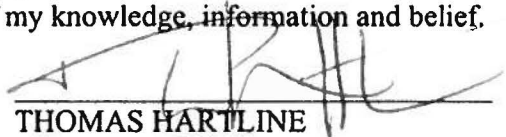


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VERIFICATION OF NAVITAS KY NG, LLC

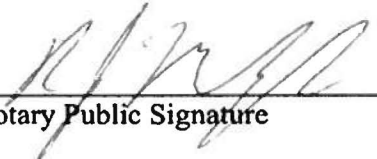
STATE OF CALIFORNIA)
)
COUNTY OF ORANGE) ss.

I, Thomas Hartline, Secretary of Navitas KY NG, LLC, being duly sworn according to law, makes oath and affirm that I have read the foregoing documentation, know the contents thereof, and that the same is true and accurate to the best of my knowledge, information and belief.

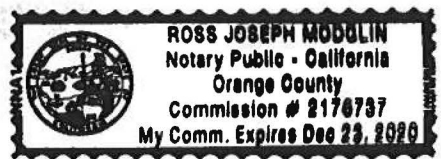

THOMAS HARTLINE

Subscribed and sworn to (or affirmed) before me on this 24th day of January, 2020,
by Thomas Hartline, proved to me on the basis of satisfactory evidence to be
the person(s) who appeared before me.

Notary Public Seal



Notary Public Signature



CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 24th day of January, 2020, a true and correct copy of the foregoing instrument was deposited in the United States Mail with postage prepaid, and addressed to the following:

Gwen Pinson
Executive Director
Public Service Commission
Commonwealth of Kentucky
211 Sower Blvd.
Frankfort, KY 40601

Larry Cook
Office of the Attorney General
Rate Intervention
700 Capitol Ave. Suite 20
Frankfort, KY 40601



Klint W. Alexander