

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING OF)
NAVITAS KY NG, LLC) CASE NO. 2013-00255

ORDER

On February 16, 1995,¹ the Commission approved rates for Gasco Distribution Systems, Inc. ("Gasco") and provided for their further adjustment on a quarterly basis in accordance with its Gas Cost Adjustment clause. On February 28, 2011, Navitas KY NG, LLC ("Navitas KY") acquired the assets of Gasco pursuant to the Commission's approval of the transfer, and adopted Gasco's tariffs.²

On July 1, 2013, Navitas KY filed its proposed Gas Cost Recovery ("GCR") rate to be effective August 1, 2013.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Navitas KY's notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs. Navitas KY's notice sets out an

¹ Case No. 1994-00427, In the Matter of the Application of Gasco Distribution Systems, Inc. for a Certificate of Convenience and Necessity to Provide Local Gas Distribution Service to Albany, Ky. and for Transfer of the Albany Gas Utility Company (Ky. PSC Feb. 16, 1995).

² Case No. 2010-00468, Joint Application of Navitas Kentucky NG, LLC and Gasco Distribution Systems, Inc. for Approval of an Acquisition of Ownership and Control of Gas Utility Systems (Ky. PSC Feb. 11, 2011).

Expected Gas Cost ("EGC") of \$5.6890 per Mcf, which represents a decrease of \$.1282 per Mcf from the previous EGC of \$5.8172 per Mcf.

2. Navitas KY's notice sets out a current quarter Refund Adjustment ("RA") of \$.14 per Mcf to recover from its customers excess refunds returned to them through a previously expired RA. Because the RA is intended only to return refunds to customers and the appropriate mechanism for reconciling over/under-recoveries of gas cost is the Balance Adjustment ("BA"), a recovery factor of \$.1358 should be added to the current quarter BA. Navitas KY's proposed \$.14 per Mcf factor did not carry out the calculation four places past the decimal point. Navitas KY's total RA is \$.0000, which is no change from its previous total RA.

3. Navitas KY's notice sets out a current quarter Actual Adjustment ("AA") of \$.3352 per Mcf. Navitas KY's total AA is \$.7237 per Mcf, which is an increase of \$1.2466 per Mcf from its previous total AA of (\$.5229) per Mcf.

4. Navitas KY's notice sets out a current quarter BA in the amount of \$.0723 per Mcf. The previously discussed \$.1358 per Mcf should be added to this amount, which produces a current BA of \$.2081 per Mcf. Navitas KY's total BA is (\$1.1229) per Mcf, which is an increase of \$.2081 from its previous total BA of (\$1.3310) per Mcf.

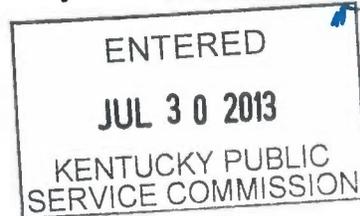
5. Navitas KY's GCR is \$5.2898 per Mcf, which is an increase of \$1.3265 per Mcf from its previous rate of \$3.9633 per Mcf.

6. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Navitas KY on and after August 1, 2013.

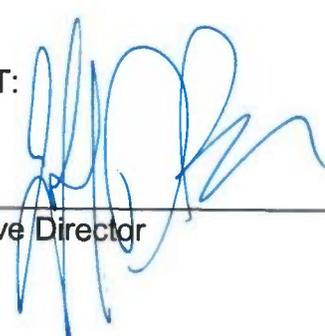
IT IS THEREFORE ORDERED that:

1. The rates proposed by Navitas are denied.
2. The rates in the Appendix attached hereto and incorporated herein are approved for service rendered on and after August 1, 2013.
3. Within 20 days of the date of this Order, Navitas KY shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:



Executive Director

Case No. 2013-00255

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2013-00255 DATED **JUL 30 2013**

The following rates and charges are prescribed for the customers 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.

RATES:

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Residential	\$4.62	\$5.2898	\$9.9098
Commercial	\$3.62	\$5.2898	\$8.9098

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