



September 30, 2011

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

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OCT 7 2011

PUBLIC SERVICE
COMMISSION

Re: Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Ms. O'Donnell,

Attached please find one original and ten copies of the quarterly report of gas cost recovery rate calculation for the rates to be effective November 1, 2011. Please contact me at (949) 331 – 7496 or thartline@navitasutility.com with questions or comments regarding this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "TH Hartline", written over a horizontal line.

Thomas Hartline

TH/teh

Quarterly Report

Gas cost recovery rate calculation

Navitas KY NG, LLC

Period	Filing date (on or about)	Reporting Months	Effective date (& 1st forecast month)
	31-Mar	November December January	1-May
	30-Jun	February March April	1-Aug
X	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

Navitas KY NG, LLC

Component		
Expected Gas Cost (EGC)	8.1365	per MCF
+ Refund Adjustment (RA) - not used	-	
+ Actual Adjustment (AA)	0.3939	
+ Balance Adjustment(BA)	(0.6574)	
= Gas Cost Recovery Rate	\$ 7.8731	

A. Expected Gas Cost Calculation

Total EGC	\$ 245,812.27	
/ Twelve months sales	30,211	MCF
EGC	\$ 8.1365	per MCF

B. Refund Adjustment Calculation

Not Used

C. Actual Adjustment Calculation

Actual Adjustment for reporting period	0.5627	
+ Previous quarter AA	(0.0838)	
+ Second previous quarter AA	-	
+ Third previous quarter AA	(0.0850)	
+ Other cost adjustments		
= Actual Adjustment	\$ 0.3939	

D. Balance Adjustment Calculation

Balance Adjustment for reporting period	0.0274	
+ Previous quarter BA	(0.7476)	
+ Second previous quarter BA	-	
+ Third previous quarter BA	0.0628	
= Balance Adjustment	\$ (0.6574)	

Schedule II
Expected Gas Cost

Supplier or NYMEX	Twelve months 2011 - 2012	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	
EDF	November	1726	1.0350	1,786	5.65	5.85	10,093.22	
EDF	December	5564	1.0350	5,759	5.65	5.85	32,536.88	
EDF	January	5820	1.0350	6,024	5.65	5.85	34,033.91	
EDF	February	6407	1.0350	6,631	5.65	5.85	37,466.53	
EDF	March	2727	1.0350	2,822	5.65	5.85	15,946.23	
EDF	April	1673	1.0350	1,732	5.65	5.85	9,783.87	
EDF	May	1301	1.0350	1,346	5.65	5.85	7,606.17	
EDF	June	1129	1.0350	1,168	5.65	5.85	6,600.94	
EDF	July	739	1.0350	765	5.65	5.85	4,323.83	
EDF	August	644	1.0350	667	5.65	5.85	3,765.95	
EDF	September	1097	1.0350	1,135	5.65	5.85	6,414.98	
EDF	October	1384	1.0350	1,432	5.65	5.85	8,093.29	
		<u>30,211</u>		<u>31,267</u>			<u>176,665.79</u>	
<u>Transportation</u>	<u>Twelve months 2011 - 2012</u>				<u>Spectra (East TN) demand</u>	<u>B&W pipeline</u>	<u>Subtotal forecasted</u>	<u>Total forecasted cost</u>
	November				4,206.25	1,071.60	5,277.85	15,371.07
	December				4,206.25	3,455.40	7,661.65	40,198.53
	January				4,206.25	3,614.40	7,820.65	41,854.56
	February				4,206.25	3,978.60	8,184.85	45,651.38
	March				4,206.25	1,693.20	5,899.45	21,845.68
	April				4,206.25	1,039.20	5,245.45	15,029.32
	May				4,206.25	807.60	5,013.85	12,620.02
	June				4,206.25	700.80	4,907.05	11,507.99
	July				4,206.25	459.00	4,665.25	8,989.08
	August				4,206.25	400.20	4,606.45	8,372.40
	September				4,206.25	681.00	4,887.25	11,302.23
	October				4,206.25	859.20	5,065.45	13,158.74
							<u>69,235.20</u>	<u>245,900.99</u>
							divide by sales	30,211
							per MCF	\$ 8.14
							multiply by allowed purchases (sales / 1)	30,200
							Expected Gas Cost	\$ 245,812.27

Schedule III
Supplier Refund Adjustment

Navitas KY NG, LLC

This schedule not used

Schedule IV
Actual Adjustment

Navitas KY NG, LLC

	Third previous quarter			Second previous quarter			Previous quarter			Reporting months		
	Aug-10	Sep-10	Oct-10	Estimated			Actual			Actual		
				Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11
Invoices												
Supply												
EDF & Wells (B&W)				6,806.22	28,678.53	29,154.71	33,421.47	13,039.22	8,485.13	6,448.42	5,526.10	3,673.34
Transportation												
Spectra				4,206.25	4,206.25	4,206.25	4,206.25	6,932.62	7,538.81	7,036.75	7,701.57	8,120.37
B&W				1,071.85	3,455.24	3,614.22	3,978.75	1,636.14	1,003.86	807.73	677.28	443.64
Total cost				12,084.32	36,340.02	36,975.18	41,606.47	21,607.98	17,027.79	14,292.90	13,904.94	12,237.35
Sales in MCF				1,726	5,564	5,820	6,407	2,727	1,673	1,301	1,129	739
Cost per MCF				7.0013	6.5313	6.3531	6.4939	7.9240	10.1774	10.9886	12.3183	16.5504
less ECG in effect				6.9481	6.9481	6.9481	6.9481	7.3955	7.3955	7.3955	7.3955	7.3955
Delta				0.05	(0.42)	(0.59)	(0.45)	0.53	2.78	3.59	4.92	9.15
Monthly cost difference				91.90	(2,319.21)	(3,462.76)	(2,910.00)	1,441.19	4,654.38	4,673.57	5,556.90	6,769.12
Total cost difference									(2,504.51)			16,999.59
divide by 12 months sales									29,897			30,211
Actual Adjustment			(0.0850)					Actual Adjustment	(0.0838)	Actual Adjustment		0.5627
Allocation												
EDF									Need to adjust for City gate reading to pick up well gas.			
Quantity in MMBtu				4,290	11,264	8,291	5,491	3,056	1,985	1,613	922	996
Cost				16,323.45	56,128.51	40,095.28	27,696.60	14,124.83	9,734.44	7,718.21	4,364.75	4,775.82
Cost/MMBtu				3.81	4.98	4.84	5.04	4.62	4.90	4.79	4.73	4.80
MCF per MMBtu				1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350	1.0350
Cost/MCF				3.94	5.15	5.01	5.22	4.78	5.07	4.96	4.90	4.97
Spectra												
250				1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50	1,682.50
1000				6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00	6,730.00
Subtotal				8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50	8,412.50
Total B&W line sales								3,309	1,867	1,555	1,233	766
KY%								82%	90%	84%	92%	97%
Allocation				4,206.25	4,206.25	4,206.25	4,206.25	6,932.62	7,538.81	7,036.75	7,701.57	8,120.37
B&W												
Price per MMBtu				0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60
Subtotal				1,071.85	3,455.24	3,614.22	3,978.75	1,636.14	1,003.86	807.73	677.28	443.64

Schedule V
Balance Adjustment

													23,056.83	24,181.86	25,347.73	26,447.16	27,280.47	27,991.58	27,659.29	27,888.80	28,667.72	3,204.21	2,749.50	27,164.19
Balance key																								
- under charged incrs rate																								
- over charged decrs rate																								
	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12
Sales in MCF	1,726	5,564	5,820	6,407	2,727	1,673	1,301	1,129	739	599	769	1,177	2,276	4,232	5,482	5,278	3,139	1,543	1,124	862	670	599	769	1,177
Cumulative stranded ads			32,910.92			40,345.77			36,868.95															
Previous qtr BA AA	(0.85)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.85)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)	(0.86)
	(21,351.57)	(16,559.30)	(11,546.53)	(6,028.19)	(3,679.51)	(2,238.47)	(1,118.17)	(145.94)	490.91															
Balance adjustment BA	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)	(0.24)
	(6,885.28)	(5,568.73)	(4,199.55)	(2,673.37)	(2,027.64)	(1,631.45)	(1,323.45)	(1,056.15)	(881.06)	(739.22)	(557.12)	(278.40)												
Third previous qtr BA AA	1.83	1.83	1.83	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.06	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
	10,161.64	(6.57)	2,091.91	1,689.55	1,518.30	1,413.23	1,331.55	1,260.65	1,214.22	1,176.61	1,128.31	1,054.40	911.45	645.68	301.43									
Second previous qtr BA AA	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28	2.28
	20,151.15	7,449.10	(5,837.38)	(20,463.92)	(26,689.16)	(29,026.26)	(31,995.63)	(34,572.56)	(36,260.54)	608.41	608.41	608.41	608.41	608.41	608.41	608.41	608.41	608.41	608.41	608.41	608.41	608.41	608.41	608.41
Previous qtr BA AA	(0.62)	(0.62)	(0.62)	(0.62)	(0.62)	(0.62)	(0.62)	(0.62)	(0.62)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)	(0.75)
	(15,277.02)	(11,847.93)	(8,261.06)	(4,312.43)	(2,631.84)	(1,600.71)	(799.08)	(103.40)	4,810.93	5,258.74	5,833.64	6,713.57	8,415.29	11,579.14	15,677.18	19,622.86	21,969.86	23,123.72	23,964.13	24,608.83	25,109.63	19,622.86	21,969.86	23,123.72
Balance adjustment AA	0.2734	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.27	0.0274	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03	0.03
	7,950.11	6,428.91	4,837.73	3,086.05	2,340.52	1,883.09	1,527.48	1,218.87	1,016.71	852.95	642.70	811.82	749.46	633.51	483.33	338.73	252.71	210.43	179.63	155.00	137.65	121.24	100.17	67.92
Third previous quarter AA				(0.0350)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.09)	(0.0850)	(0.09)	(0.09)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)	(0.02)
Total cost difference			(2,833.66)	(2,289.07)	(2,057.28)	(1,915.07)	(1,804.51)	(1,705.56)	(1,645.71)	(1,594.79)	(1,529.43)	(1,429.38)	(1,235.00)	(876.18)	(688.65)	(561.17)	(485.34)	(448.05)	(420.91)	(400.08)	(383.90)	(369.43)	(350.86)	(322.43)
Second previous quarter AA																			301.43	289.19	279.79	272.49	265.96	257.58
Total cost difference																			0.01	0.01	0.01	0.01	0.01	0.01
Previous quarter AA										(0.0838)	(0.08)	(0.08)	(0.0838)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	(0.08)	0.01	0.01	0.01
Total cost difference										(2,504.51)	(2,454.33)	(2,389.91)	(2,291.31)	(2,100.62)	(1,746.11)	(1,286.91)	(844.78)	(581.79)	(452.49)	(358.32)	(286.08)	378.45	370.10	359.36
Actual adjustment													0.5627	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
Total cost difference											16,999.59	15,716.75	13,337.41	10,252.93	7,283.13	5,516.61	4,648.13	4,015.58	3,530.33	3,153.39	2,816.34	2,383.62	2,383.62	26,830.96
																								0.99