



April 5, 2012

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PUBLIC SERVICE  
COMMISSION

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

Re: Quarterly Report of Gas Cost Recovery Rate Calculation

Dear Mr. Derouen,

Attached please find one original and ten copies of the quarterly report of gas cost recovery rate calculation for the rates to be effective May 1, 2012. Please contact me at (949) 331 – 7496 or [thartline@navitasutility.com](mailto:thartline@navitasutility.com) with questions or comments regarding this filing.

Sincerely,

A handwritten signature in black ink, appearing to read "THARTLINE", is written over the word "Sincerely,". The signature is stylized and includes a long horizontal stroke extending to the right.

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)
X	31-Mar	November December January	1-May
	30-Jun	February March April	1-Aug
	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)	4.9969	per MCF
+ Refund Adjustment (RA)	(0.8664)	
+ Actual Adjustment (AA)	(0.2556)	
+ Balance Adjustment(BA)	(0.2263)	
= Gas Cost Recovery Rate	\$ 3.6486	

**A. Expected Gas Cost Calculation**

Total EGC	\$ 139,853.22	
/ Twelve months sales	27,988	MCF
EGC	\$ 4.9969	per MCF

**B. Refund Adjustment Calculation**

Refund Adjustment for reporting period	(0.8664)
+ Previous quarter RA	-
+ Second previous quarter RA	-
+ Third previous quarter RA	-
+ Other cost adjustments	
= Refund Adjustment	\$ (0.8664)

**C. Actual Adjustment Calculation**

Actual Adjustment for reporting period	(1.1989)
+ Previous quarter AA	1.0270
+ Second previous quarter AA	-
+ Third previous quarter AA	(0.0837)
+ Other cost adjustments	
= Actual Adjustment	\$ (0.2556)

**D. Balance Adjustment Calculation**

Balance Adjustment for reporting period	0.5213
+ Previous quarter BA	-
+ Second previous quarter BA	-
+ Third previous quarter BA	(0.7476)
= Balance Adjustment	\$ (0.2263)

**Schedule II**  
Expected Gas Cost

Navitas KY NG, LLC

Supplier or NYMEX	Twelve months 2012 - 2013	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	February	6407	1.0125	6,487	3.70	3.75	24,002.22
EDF	March	2727	1.0125	2,761	3.70	3.75	10,215.65
EDF	April	1673	1.0125	1,694	3.70	3.75	6,267.85
EDF	May	1301	1.0125	1,317	3.70	3.75	4,872.75
EDF	June	1129	1.0125	1,143	3.70	3.75	4,228.77
EDF	July	739	1.0125	749	3.70	3.75	2,769.98
EDF	August	877	1.0125	888	3.70	3.75	3,285.84
EDF	September	810	1.0125	820	3.70	3.75	3,034.46
EDF	October	1253	1.0125	1,269	3.70	3.75	4,695.18
EDF	November	2602	1.0125	2,635	3.70	3.75	9,748.49
EDF	December	3335	1.0125	3,377	3.70	3.75	12,494.87
EDF	January	5134	1.0125	5,198	3.70	3.75	19,234.37
				28,338			104,850.42

Transportation	Twelve months 2012 - 2013	Spectra (East TN) demand	B&W pipeline	Subtotal forecasted	Total forecasted cost
February	1,500.00	3,892.20	5,392.20	29,394.42	
March	1,500.00	1,656.60	3,156.60	13,372.25	
April	1,500.00	1,016.40	2,516.40	8,784.25	
May	1,500.00	790.20	2,290.20	7,162.95	
June	1,500.00	685.80	2,185.80	6,414.57	
July	1,500.00	449.40	1,949.40	4,719.38	
August	1,500.00	532.80	2,032.80	5,318.64	
September	1,500.00	492.00	1,992.00	5,026.46	
October	1,500.00	761.40	2,261.40	6,956.58	
November	1,500.00	1,581.00	3,081.00	12,829.49	
December	1,500.00	2,026.20	3,526.20	16,021.07	
January	1,500.00	3,118.80	4,618.80	23,853.17	
			35,002.80	139,853.22	

divide by sales per MCF \$ 27,988  
multiply by allowed purchases (sales / 1) \$ 4,9969  
**Expected Gas Cost \$ 139,853.22**

**Schedule III**  
Supplier Refund Adjustment

**Navitas KY NG, LLC**

Balance key	-	(22,946.41)	(22,185.84)	(21,595.03)
+ under charged incrs rate				
- over charged decrs rate				
Sales in MCF	Apr-12	May-12	Jun-12	Jul-12
	<b>1,543</b>	<b>1,124</b>	<b>862</b>	<b>670</b>
<b>Refund adjustment RA</b>		(0.8820)	(0.88)	(0.88)
	(23,937.85)	(22,946.41)	(22,185.84)	(21,595.03)
	(0.88)			

Schedule IV  
Actual Adjustment

	Third previous quarter			Second previous quarter			Previous quarter			Reporting months			
	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
Invoices													
Supply	29,154.71	33,421.47	13,039.22	8,465.13	6,448.42	5,526.10	3,673.34	4,375.59	3,571.37	5,071.92	8,939.46	15,004.12	17,630.27
EDF & Wells (B&W)	4,206.25	4,206.25	6,932.62	7,539.81	7,036.75	7,701.57	8,120.37	7,250.99	7,256.02	7,294.95	1,437.42	1,353.86	1,373.46
Transportation	3,614.22	3,978.75	1,636.14	1,003.86	807.73	677.28	443.64	544.68	486.00	751.98	2,557.55	2,010.76	1,868.54
Spectra	36,975.18	41,606.47	21,607.98	17,027.79	14,292.90	13,904.94	12,237.35	12,171.25	11,313.39	13,118.84	12,934.43	18,368.73	20,872.28
B&W	5,820	6,407	2,727	1,673	1,301	1,129	739	877	810	1,253	2,602	3,335	5,134
Total cost	6,3531	6,4939	7,9240	10,1774	10,9886	12,3183	16,5504	13,8767	13,9671	10,4674	4,9706	5,5074	4,0653
Sales in MCF	6,9481	6,9481	7,3955	7,3955	7,3955	7,3955	7,3955	7,7431	7,7431	7,7431	7,7431	7,7431	7,7431
Cost per MCF	(0.59)	(0.45)	0.53	2.78	3.59	4.92	9.15	6.13	6.22	2.72	(2.77)	(2.24)	(3.68)
less ECG in effect	(3,462.76)	(2,910.00)	1,441.19	4,654.38	4,673.57	5,556.90	6,769.12	5,379.78	5,041.48	3,414.42	(7,214.66)	(7,456.88)	(18,683.12)
Delta													
Monthly cost difference				(2,504.51)						30,835.26			(33,554.61)
Total cost difference				29,897						30,026			27,988
divide by 12 months sales				(0.0838)						1.0270			(1.1989)
Actual Adjustment													
Allocation													
Total B&W line sales	8,096	7,547	3,309	1,867	1,555	1,233	766	1,018	939	1,445	3,256	4,480	6,869
KY%	72%	85%	82%	90%	84%	92%	97%	86%	86%	87%	80%	74%	75%
			5,821	1,939	2,543	1,042	266	1,405	1,291	1,920	6,533	11,447	
EDF	8,291	5,491	3,056	1,985	1,613	922	996	870	843	2,304	11,183.77	20,153.64	23,588.30
Cost	40,095.28	27,696.60	14,124.83	9,734.44	7,718.21	4,364.75	4,775.82	4,189.05	3,587.52	9,010.94			
	4.84	5.04	4.62	4.90	4.79	4.73	4.80	4.82	4.26	3.91			
	1,0350	1,0350	1,0350	1,0350	1,0350	1,0350	1,0350	1,0350	1,0350	1,0350			
Allocation	5.01	5.22	4.78	5.07	4.96	4.90	4.97	4.99	4.41	4.05	8,939.46	15,004.12	17,630.27
Spectra	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	1,682.50	1,798.30	1,818.51	1,837.62
250	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	6,730.00			(0.00)
Allocation	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	8,412.50	1,437.42	1,353.86	1,373.47
B&W	4,206.25	4,206.25	6,932.62	7,539.81	7,036.75	7,701.57	8,120.37	7,250.99	7,256.02	7,294.95			
Cost	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	3,199.64	2,700.87	2,500.00
Allocation	3,614.22	3,978.75	1,636.14	1,003.86	807.73	677.28	443.64	544.68	486.00	751.98	2,557.55	2,010.76	1,868.54

28,674

Schedule V  
Balance Adjustment

	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12
Sales in MCF	5,134	5,278	3,139	1,543	1,124	862	670
	(0.2368)						
	12,084.57						
	0.0628						
	3,051.80						
	(0.7476)	(0.7476)	(0.7476)	(0.7476)	(0.7476)	(0.7476)	(0.7476)
	(7,260.93)	(3,315.25)	(968.25)	185.61	1,026.02	1,670.72	2,171.52
<b>Balance adjustment BA</b>	(31,736.53)	(31,736.53)	(31,736.53)	(31,736.53)	(31,736.53)	(31,736.53)	(31,736.53)
Third previous qtr BA AA	352.29	352.29	352.29	352.29	352.29	352.29	352.29
Second previous qtr BA AA	0.2734	(2,814.22)	(2,814.22)	(2,814.22)	(2,814.22)	(2,814.22)	(2,814.22)
Pre Navitas	(0.0850)				0.5213	0.5213	0.5213
Post Gasco	(999.27)	(999.27)	(999.27)	14,137.11	13,551.05	13,101.46	12,752.23
Previous qtr BA AA				0.5213			
<b>Balance adjustment BA</b>	-	-	-	-	-	-	-
Third previous quarter AA	(0.0837)	(0.0837)	(0.0837)	(0.0837)	(0.0837)	(0.0837)	(0.0837)
	(1,331.69)	(889.93)	(627.17)	(497.98)	(403.89)	(331.71)	(275.64)
Second previous quarter AA	-	-	-	-	-	-	-
Previous quarter AA	30,835.26	1,0270	1,0270	1,0270	1,0270	1,0270	1,0270
		25,415.21	22,191.22	20,606.20	19,451.76	18,566.16	17,878.23
<b>Actual adjustment AA</b>				(33,554.61)	(32,206.89)	(31,173.02)	(30,369.91)