

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT FILING)	CASE NO.
OF NAVITAS KY NG, LLC)	2019-00241

ORDER

This matter arises on a post-case motion filed by Navitas KY NG, LLC (Navitas) requesting that the Commission either schedule an informal conference (IC) or issue an order clarifying the final Order issued on January 14, 2020 (Final Order). Navitas requested clarification on two items: (1) the Commission's finding that Navitas over recovered its gas cost recovery (GCR) rate from August 7, 2019, through October 31, 2019, which is the period at issue in this GCR rate report proceeding; and (2) the application of the Federal Energy Regulatory Commission (FERC) tariff rate on gas transported by Navitas's gas transporter, B&W Pipeline LLC (B&W). Navitas did not request the Commission to reconsider its Final Order; it merely sought clarification. We reopen the case for the sole purpose of addressing Navitas's motion.

The Commission acts and speaks only through its written Order.¹ Given that Navitas seeks an explanation of substantive Commission's findings contained in the Final Order, we conclude that the issues should be addressed through a written Order, and not in an informal meeting with Commission Staff. Therefore, we deny Navitas's motion to schedule an IC.

¹ KRS 278.370; *Union Light, Heat & Power Co. v. Public Serv. Comm'n*, 271 S.W.2d 361, 365 (Ky. App. 1954).

Over-Recovery of Actual GCR Rate

In its motion, Navitas asserted that, in the Final Order in this proceeding, the Commission found a future over collection of \$25,877.17 in Case No. 2020-00012, Navitas's pending GCR rate report proceeding.² This is a misreading of the Commission's finding.

As explained in the Final Order on page 7 and footnote 9, the Commission found that during the period between August 7, 2019, and October 31, 2019, Navitas over collected \$25,877.17 from its customers, which represents the difference between the GCR rate the Commission directed Navitas to implement on an interim basis³ and the corrected GCR rate approved by the Commission in the Final Order. In ordering paragraph 2, Navitas was directed to include the \$25,877.17 over-recovery in the Actual Cost Adjustment (ACA) component of its current GCR rate in Case No. 2020-00012. This is because the ACA component in the pending GCR rate report proceeding of Case No. 2020-00012 is where the difference between the expected gas cost and the actual cost of gas for the calendar quarter of August 2019 through October 2019 is reconciled. The Commission did not make a final determination of the correct GCR rate for the period between August 7, 2019, and October 31, 2019, until the Final Order was issued January 14, 2020. Thus, the over-recovery must be addressed in the pending GCR rate report proceeding, Case No. 2020-00012.

² Case No. 2020-00012, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed Jan. 9, 2020).

³ By Order entered August 6, 2019, in this proceeding, the Commission approved a GCR rate to be applied on an interim basis pending a Commission determination whether a FERC-approved rate or a rate approved by Tennessee Regulatory Authority (TRA)-approved rate should be used in the GCR rate calculation. We note that TRA was renamed as the Tennessee Public Utility Commission in 2017.

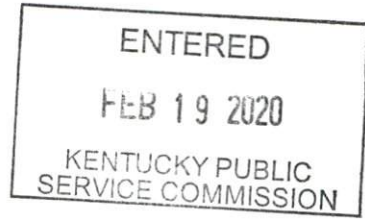
Application of FERC-approved rate

Navitas asserted that applying the FERC-approved rate rather than the TRA-approved rate in calculating the GCR rate is premature because the issue as to which rate applies is not resolved. This matter was addressed at length in the Final Order. To reiterate, the question whether the B&W pipeline that serves Navitas is an interstate pipeline under FERC jurisdiction or an intrastate pipeline under TRA jurisdiction was adjudicated by FERC, who found that the pipeline was an interstate pipeline and under FERC's jurisdiction. In the Final Order, we declined to make a finding that conflicts with FERC's jurisdictional authority over the B&W pipeline that serves Navitas. As we explained, the Commission is not the proper forum to relitigate a decision whether a pipeline located in Tennessee is intrastate or interstate. FERC, and not the Commission, is the proper forum for Navitas to bring its argument that FERC's finding is incorrect, and the B&W is not an interstate pipeline.

IT IS THEREFORE ORDERED that:

1. This case is opened for the sole purpose of addressing Navitas's post-case motion.
2. Navitas's request to schedule an IC is denied.
3. Navitas's request for clarification is granted as set forth herein.
4. This case is closed and removed from the Commission's docket.

By the Commission



ATTEST:


Acting General Counsel

*Joseph M Irwin
Navitas KY NG, LLC
3186-D Airway Avenue
Costa Mesa, CA 92626

*Justin M. McNeil
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Larry Cook
Assistant Attorney General
Office of the Attorney General Office of Rate
700 Capitol Avenue
Suite 20
Frankfort, KENTUCKY 40601-8204

*Navitas KY NG, LLC
3186-D Airway Avenue
Costa Mesa, CA 92626