

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS	)	CASE NO.
ADJUSTMENT FILING OF NAVITAS KY NG,	)	2021-00278
LLC	)	

ORDER

On July 2, 2021, Navitas KY NG, LLC (Navitas KY) filed its proposed Gas Cost Recovery (GCR) rate report to be effective August 1, 2021. Navitas KY filed a supplemental GCR rate report on July 19, 2021 with a revised Expected Gas Cost (EGC) calculation. On April 30, 2021, the transfer of ownership of B & H Gas Company (B & H) and Johnson County Gas Company (Johnson County) to Navitas KY was consummated following the closing of Case No. 2020-00396.<sup>1</sup> Navitas KY was ordered in that case to file a unified GCR rate report for rates effective August 1, 2021. The unified GCR report is to include only the combined system's EGC in the calculation of the GCR rate. The subsequent Actual Cost Adjustment (ACA) and Balancing Adjustment (BA) will be implemented in future unified GCR filings. Navitas KY's previous GCR rate was approved in Case No. 2020-00316,<sup>2</sup> Johnson County's previous GCR rate was approved in Case

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<sup>1</sup> Case No. 2020-00396, *Electronic Application of Navitas KY NG, Johnson County Gas Company, and B & H Gas Company for Approval of Acquisition, Transfer of Ownership, and Control of Natural Gas Utility Systems* (Ky. PSC Apr. 27, 2021).

<sup>2</sup> Case No. 2021-00136, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 28, 2021).

No. 2021-00101,<sup>3</sup> and B & H's previous GCR rate was approved in Case No. 2021-00100.<sup>4</sup>

After reviewing the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Navitas KY's supplemental report includes revised rates designed to pass on to its customers its expected change in gas costs.

2. Navitas KY's supplemental report sets out an EGC of \$7.2893 per Mcf. The EGC summary report provided by Navitas KY conflicts with the supplemental EGC Calculation Excel spreadsheet provided. The rate for the Petrol supplier was listed as \$4.6670 per Mcf while the rate provided in the spreadsheet was listed as \$4.6667 per Mcf. Correcting this error results in an EGC of \$7.2892 per Mcf.

3. Navitas KY's supplemental report sets out no Refund Adjustment.

4. Navitas KY's supplemental report sets out no current quarter ACA and no total ACA. Navitas KY's ACA will continue to be unavailable until it files its GCR rate report for rates effective February 1, 2022.

5. Navitas KY's supplemental report sets out no current quarter BA and no total BA. Navitas KY's BA will continue to be unavailable until its first unified ACA quarter expires.

6. Navitas KY's corrected GCR rate is \$7.2892 per Mcf.

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<sup>3</sup> Case No. 2021-00101, *Electronic Purchased Gas Adjustment Filing of Johnson County Gas Company, Inc.* (Ky. PSC Mar. 31, 2021).

<sup>4</sup> Case No. 2021-00100, *Electronic Purchased Gas Adjustment Filing of B & H Gas Company, Inc.* (Ky. PSC Mar. 31, 2021).

7. The rate set forth in the Appendix A to this Order is fair, just and reasonable, and should be approved for service rendered by Navitas KY on and after August 1, 2021.

8. Navitas KY's next GCR rate report filing should be filed no later than October 2, 2021, for rates effective November 1, 2021. This report should include proposed individual tracking adjustments specific to the service territories of Navitas KY, B & H, and Johnson County to reconcile any remaining under- and over-recoveries of past gas cost for each of those systems. This GCR rate report should also include any invoices received from the gas suppliers for each month of the 12-month ended reporting period.

9. Notwithstanding the reasonableness of the rates approved herein, the Commission finds that this case should remain open to investigate the reasonableness of the gas cost for the unified system.

10. Should Navitas KY purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

11. The Commission finds that Navitas KY should file responses to the requests for information set forth in Appendix B to this Order by August 6, 2021.

a. The Commission directs Navitas KY to the Commission's July 22, 2021 Order in Case No. 2020-00085<sup>5</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

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<sup>5</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

b. Each response shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, be accompanied by a signed certification of the preparer or person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

c. Navitas KY shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which Navitas KY fails or refuses to furnish all or part of the requested information, Navitas KY shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. When filing a paper containing personal information Navitas KY shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

IT IS THEREFORE ORDERED that:

1. The rate set forth in the Appendix A to this Order is approved for service rendered by Navitas KY on and after August 1, 2021.

2. Within 20 days of the date of entry of this Order, Navitas KY shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rate approved herein and reflecting that it was approved pursuant to this Order.

3. Navitas KY shall file responses to the requests for information set forth in Appendix B to this Order by August 6, 2021.

4. This case shall remain open until the reasonableness of the gas cost for the unified system is obtained.

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By the Commission



ATTEST:

  
Executive Director

## APPENDIX A

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00278 DATED JUL 30 2021

The following rates and charges are prescribed for the customers in the area served by Navitas KY NG, LLC. All other rates and charges not specifically mentioned herein shall remain the same as those in effect the under authority of the Commission prior to the effective date of this Order.

#### Gas Cost Recovery rate

The Gas Cost Recovery rate shall be \$7.2892 per Mcf for service rendered on and after August 1, 2021.

## APPENDIX B

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2021-00278 DATED JUL 30 2021

1. Refer to the Clinton County invoices and Floyd County invoices.
  - a. Confirm whether the Clinton County invoices include all of the former service territory of Navitas KY prior to the acquisition approved in Case No. 2020-00396.
  - b. Confirm whether the Floyd County invoices include all of the former service territory of B & H prior to the acquisition approved in Case No. 2020-00396.
2. Refer to the Commission's final Order in Case No. 2020-00396, finding paragraph 12.
  - a. Explain whether Navitas KY has implemented the required \$6.80 and \$1.00 per Mcf riders for the over collection of the GCR billing component to the former B & H and Johnson County customers, respectively. Provide the date that Navitas KY began including the riders in customer bills.
3. Refer to the Commission's final Order in Case No. 2020-00396, finding paragraph 17.
  - a. Provide all of the finalized and executed gas purchase contracts for the unified system.
  - b. Explain whether Navitas KY has attempted to renegotiate any gas purchase contracts since Case No. 2020-00396 was closed.
4. State whether Bradco is still a supplier in the Johnson County system.
5. Refer to the supplemental EGC calculation, Schedule II. For each supplier and transporter listed, explain how each Rate in column (5) was determined.



6. Refer to the supplemental EGC calculation Excel spreadsheet, tab labeled EGC (SII). Explain the note “Estimated based on Sparta” one the two Diversified Gas & Oil rows.

7. Refer to the supplemental EGC calculation Excel spreadsheet, tab labeled EXAMPLE Actual Adjustment (SIV). Explain why this tab was provided, considering the Commission’s instruction to use Johnson County’s current GCA report in finding paragraph 19 of the final Order in Case No. 2020-00396.<sup>1</sup>

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<sup>1</sup> The format of Johnson County’s Actual Adjustment calculation is set out in the GCA application in Case No. 2021-00101.

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