

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF NAVITAS KY NG, LLC)	2023-00428

ORDER

On January 5, 2024, Navitas KY NG, LLC (Navitas KY) filed its quarterly Gas Cost Recovery (GCR) rate report with a proposed effective date of February 4, 2024. Navitas KY's previous GCR rate was approved in Case No. 2023-00325.¹

Navitas KY's proposed GCR rate report included a proposed Expected Gas Cost (EGC) component of \$11.2485 per Mcf which is based on a supplier rate of \$11.4999 per Mcf for Petrol and \$9.4999 per Mcf rate for Sparta. The proposed EGC of \$11.2485 per Mcf is an increase of \$4.2486 per Mcf from its previous EGC of \$6.9999 per Mcf approved in Case No. 2023-00325. On January 29, 2024, Navitas KY filed its response to Commission Staff's First Request for Information issued on January 22, 2024. Navitas KY states in its response that the supplier rates were on based on, Navitas KY's industry knowledge, historic data, and other related inputs. Navitas KY did not provide a breakdown of these factors or the other related inputs in its response nor did Navitas KY provide justification for how the forecasted supplier rate is reasonable. In addition, the Commission finds that further clarification is needed on the types of expenses being included in Navitas KY's gas cost recovery mechanism. Thus, the Commission finds that

¹ Case No. 2023-00325, *Electronic Purchased Gas Adjustment Filing Of Navitas KY NG, LLC* (Ky. PSC Oct. 30, 2023).

the proposed GCR rate report as filed by Navitas KY requires further clarification and justification and that an investigation is necessary to determine the reasonableness of the proposed GCR rate.

KRS 278.030 provides that a utility may collect fair, just and reasonable rates and that the service it provides must be adequate, efficient and reasonable. Having reviewed the proposed GCR rate report and being otherwise sufficiently advised, the Commission finds that an investigation cannot be completed before February 4, 2024. Therefore, pursuant to KRS 278.190(2), the Commission will suspend the effective date of the proposed GCR rates for five months, up to and including July 3, 2024, to give the Commission time to investigate the proposed GCR rates.

The Commission further finds that a procedural schedule is necessary to review the reasonableness of the proposed rates. Therefore, the Commission establishes the procedural schedule attached as an Appendix to this Order.

The Commission directs Navitas KY to the Commission's July 22, 2021 Order in Case No. 2020-000852 in which the Commission mandated the use of electronic filing procedures listed in 807 KAR 5:001, Section 8. The Commission finds that electronic filing procedures should be used, consistent with the filing procedures set forth in Case No. 2020-00085.²

IT IS THEREFORE ORDERED that:

1. Navitas KY's proposed GCR rates are suspended for five months, up to and

² 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).

including July 3, 2024.

2. If Navitas KY files notice of its intention to place the proposed GCR rates into effect after the end of the suspension period, Navitas KY shall maintain its records in such manner as will allow it, the Commission, or any customer to determine the amounts to be refunded and to whom in the event a refund is ordered upon final resolution of this matter.

3. The procedural schedule set forth in the Appendix to this Order shall be followed.

4. Navitas KY shall respond to all requests for information propounded by Commission Staff, whether identified on the procedural schedule or otherwise, as provided in those requests.

5. As set forth in 807 KAR 5:001, Section 4(11)(a), a person requesting permissive intervention in a Commission proceeding is required to demonstrate either (1) a special interest in the proceeding, which is not adequately represented in the case, or (2) that the person requesting permissive intervention is likely to present issues or develop facts that will assist the Commission in fully considering the matter without unduly complicating or disrupting the proceedings. Therefore, any person requesting to intervene in a Commission proceeding must state with specificity the person's special interest that is not otherwise adequately represented, or the issues and facts the person will present that will assist the Commission in fully considering the matter. A mere recitation of the quantity of utility service consumed by the movant or a general statement regarding the potential impact of possible modification of rates will not be deemed sufficient to establish a special interest.

6. Any motion to intervene after the date established in the procedural schedule shall also show good cause for being untimely. If the untimely motion is granted, the movant shall accept and abide by the existing procedural schedule.

7. Navitas KY shall give notice of the hearing in accordance with the provisions set forth in 807 KAR 5:001, Section 9(2). In addition, the notice of the hearing shall include the following statements: "This hearing will be streamed live and may be viewed on the PSC website, psc.ky.gov" and "Public comments may be made at the beginning of the hearing. Those wishing to make oral public comments may do so by following the instructions listed on the PSC website, psc.ky.gov." At the time publication is requested, Navitas KY shall forward a duplicate of the notice and request to the Commission.

8. At any public hearing in this matter, neither opening statements nor summarization of direct testimonies shall be permitted.

9. Any hearing scheduled in this matter shall be held on the designated day or days and continued until called from the bench by the presiding officer. Pursuant to 807 KAR 5:001, Section 2, if the hearing is not concluded on the designated day, the hearing shall be continued upon verbal announcement by the presiding officer. A verbal announcement made by the presiding officer shall be proper notice of the continued hearing.

10. Witnesses who sponsor schedules, testimony, or responses to requests for information shall participate in person at any hearing scheduled in this matter.

11. Pursuant to KRS 278.360 and 807 KAR 5:001, Section 9(9), a digital video recording shall be made of the hearing.

12. The Commission does not look favorably upon motions for continuance.

Accordingly, motions for extensions of times with respect to the schedule herein shall be made in writing and will be granted only upon a showing of good cause.

13. The Commission does not look favorably upon motions to excuse witnesses from testifying at Commission hearings. Accordingly, motions to excuse a witness from testifying at a Commission hearing or from testifying in person at a Commission hearing shall be made in writing and will be granted only upon a showing of good cause.

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PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ENTERED
FEB 02 2024 rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00428 DATED FEB 02 2024

Last day for intervention requests to be accepted..... 02/09/2024

Supplemental requests for information to Navitas KY
shall be filed no later than 02/16/2024

Navitas KY shall file responses to
supplemental requests for information no later than 03/01/2024

Any additional supplemental requests for information to Navitas KY
shall be filed no later than 03/15/2024

Navitas KY shall file responses to additional supplemental requests
for information no later than 03/29/2024

Navitas KY or any Intervenor shall request either a
hearing or that the case be submitted for decision
based on the record no later than 04/12/2024

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