

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 Gas Cost Recovery (GCR) rate report effective February 1, 2024, for a March 7, 2024 billing date. On February 2, 2024, the Commission suspended Navitas KY's GCR rate report filing for five months for the purpose of investigating the reasonableness of the proposed rate and the types of expenses being included in Navitas KY's gas cost recovery mechanism.¹ As part of its review of the active GCR rate report cases, the Commission also requested information pertaining to the active credit and surcharges identified in Navitas KY's tariff² related to prior gas procurement related cases. There are no intervenors in this proceeding.

Pursuant to its Gas Cost Recovery Tariff,³ Navitas continued to file its quarterly GCR rate reports with the Commission with at least thirty days' notice prior to the beginning of each established calendar quarter.⁴ The GCR rate report filings in Case

¹ Order to Suspend (Ky. PSC Feb. 2, 2024).

² Navitas KY's Tariff, PSC KY No. 1, 48th revised, sheet no. 1; and 2nd revised, sheet no 1.1.

³ Navitas KY's Tariff, PSC KY No. 1, Original Sheet No. 24; and 1st Revised Sheet No. 25.

⁴ Navitas KY's Gas Cost Recovery Tariff sets forth the calendar quarters as each of the four three-month periods of (1) August, September, and October; (2) November, December, and January; (3) February, March, and April; and (4) May, June, and July.

Nos. 2024-00079⁵ and 2024-00184⁶ were suspended due to Case No. 2023-00428 being an ongoing proceeding, finding that Commission's final Order in this case may impact any subsequent GCR rate reports filed by Navitas. On October 1, 2024, Navitas filed another quarterly GCR rate report in Case No. 2024-00308, with a proposed effective date of November 1, 2024.⁷ Navitas KY's previous GCR rate was approved in Case No. 2023-00325 and should have remained in effect during the proceedings.⁸

LEGAL STANDARD

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.⁹ The Commission has exclusive jurisdiction over the regulation of rates and service of utilities in Kentucky under KRS 278.040(2). Pursuant to KRS 278.030(1),

⁵ Case No. 2024-00079, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 30, 2024), Order to Suspend.

⁶ Case No. 2024-00184, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Sept. 10, 2024), Order to Suspend.

⁷ Case No. 2024-00308, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed Oct. 1, 2024).

⁸ Case No. 2023-00325, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Oct. 30, 2023).

⁹ KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

a utility may demand, collect, and receive fair, just and reasonable rates and, pursuant to KRS 278.030(2), that the service rendered and conditions under which service is to be rendered by the utility must be adequate, efficient and reasonable. The Commission, like a court, acts and speaks only through its written orders and the representations of Commission Staff members are not binding upon the Commission.¹⁰

Under KRS 278.250 and KRS 278.260, the Commission is authorized to investigate and examine the condition of any utility subject to its jurisdiction, including any practice or act relating to the utility's service.

Under KRS 278.270, whenever the Commission, upon its own motion or upon complaint as provided in KRS 278.260, and after a hearing had upon reasonable notice, finds that any rate is unjust, unreasonable, insufficient, unjustly discriminatory, or otherwise in violation of any of the provisions of KRS Chapter 278, the Commission shall by order prescribe a just and reasonable rate to be followed in the future.

Upon a finding of a willful violation of any provision of KRS Chapter 278, Commission regulations, or a Commission Order, KRS 278.990 authorizes the Commission to assess civil penalties not to exceed \$2,500 for each offense against a utility and against any officer, agent, or employee of a utility who willfully violates any provisions of KRS 278, Commission regulations, or orders.

¹⁰ KRS 278.370; *Union Light, Heat & Power Co. v. Public Serv. Comm'n*, 271 S.W.2d 361, 365 (Ky. App. 1954).

BACKGROUND

Navitas KY is a Kentucky limited liability company, which acquired the system formerly known as Gasco Distribution Systems, Inc. in Case No. 2010-00468.¹¹ Navitas Assets, LLC is the parent company of Navitas KY and owns and operates an affiliate in Tennessee, known as Navitas TN NG, LLC (Navitas TN). Service to Navitas KY's Clinton County, Kentucky customers comes from a pipeline located in Tennessee which supplies transportation services of natural gas to customers located in Tennessee and Kentucky. Navitas TN has been allowed the authority to service select Kentucky customers within Whitley County.¹² An allocation factor in the GCR portions the cost of gas purchased from a Tennessee supply company, based on sales between the two subsidiaries.¹³

Navitas KY owns and operates gas systems that distribute and sell natural gas to customers in Clinton, Floyd, and Johnson counties, Kentucky. Navitas KY uses the counties to differentiate its legacy systems. Clinton County for legacy Navitas KY; Floyd County for legacy B&H Gas Company (B&H); and Johnson County for legacy Johnson County Gas Company (Johnson County).

¹¹ Case No. 2010-00468, *Joint Application of Navitas KY NG, LLC And GASCO Distribution Systems, Inc. For Approval of An Acquisition of Ownership and Control of Gas Utility Systems* (Ky. PSC Feb. 11, 2011).

¹² Ken-Gas of Tennessee, Inc. d/b/a Jellico Gas Utility, Inc. was bought by Gasco Distribution Co, which was then later bought and split between Navitas KY which obtained the Albany System, located in Clinton County, Kentucky; and Navitas TN which obtained the remaining Systems fully located within Tennessee in addition to the Jellico System located in Campbell County, Tennessee and Whitley County, Kentucky. In Case No. 1990-00208, the Kentucky Commission granted the Tennessee based utility the ability to provide service to those Kentucky customers located in Whitley County, finding that there were no alternative reasonable natural gas service options available. Natural gas service was to be provided to the Whitley County customers pursuant to the jurisdiction of the Tennessee's utility regulatory authority.

¹³ See GCR Rate Report (filed. Jan. 5, 2024) KY_GCA_231231_-_23-00428_to_be_filed.xlsx, tab "Actual Adjustment (IV)", rows 37.

The B&H in Floyd County and Johnson County gas systems were previously owned and managed by an individual, known as Bud Rife. In Case No. 2015-00367, the Commission required B&H to refund \$101,876 over 24 months to B&H customers for overcollection of the GCR component of billing, and required B&S Oil Company (B&S Oil), an affiliate of B&H, which at the time was also solely owned by Bud Rife, to refund or credit to B&H any portion of the \$101,876 remitted to B&S Oil by B&H, for B&S Oil overcharging the wholesale gas price to B&H.¹⁴ In Case No. 2020-00122, the Commission investigated whether Johnson County over collected the GCR billing component from its customers and whether Hall, Stephens, and Hall Gas Company (Hall), an affiliate for which Bud Rife is the managing partner, overcharged the wholesale gas price paid by Johnson County.¹⁵ Commission Staff, Johnson County, and Hall entered into a Stipulation of Facts and Settlement Agreement, providing a refund of \$9,450 for over collection of GCR to Johnson County customers.¹⁶ In Case Nos. 2019-00055 and 2019-00056, the Commission assessed civil penalties totaling \$107,500 against B&H,

¹⁴ Case No. 2015-00367, *An Investigation of the Gas Costs of B&H Gas Company Pursuant to KRS 278.2207 and the Wholesale Gas Price It is Charged by Its Affiliate, B&S Oil and Gas Company, Pursuant to KRS 278.274* (Ky. PSC June 13, 2017).

¹⁵ Case No. 2020-00122, *Electronic Investigation of the Gas Costs of Johnson County Gas Company, Inc. and Hall, Stephens and Hall Gas Company Pursuant to KRS 278.2207, and KRS 278.274* (Ky. PSC Apr. 14, 2020).

¹⁶ Case No. 2020-00122, Mar. 22, 2021 Order.

Johnson County, and Bud Rife, individually, for violations of certain statutes, Commission Orders, and tariffs.¹⁷

Navitas KY, B&H, and Johnson County jointly filed Case No. 2020-00396, in which they requested Commission approval for the acquisition, transfer of ownership, and control of the Bud Rife owned Kentucky jurisdictional Local Distribution Companies (LDC) natural gas systems to Navitas KY.¹⁸ The Commission stated that it would be willing to consider suspending or waiving the civil penalties assessed against B&H, Johnson County, and Bud Rife if the transfer is consummated, but could not waive the required refund of gas cost that it found to be unreasonable in the cases of B&H and Johnson County. On April 27, 2021, the Commission approved Navitas KY's proposed acquisition of the assets of B&H and Johnson County but stipulated that Navitas KY was to credit the amounts owed to customers served under the legacy B&H and Johnson County systems and Navitas KY was to seek recovery of the credit from Bud Rife separate of Commission involvement. Navitas KY agreed to the stipulation and the acquisition of the B&H and Johnson County gas systems was completed on April 30, 2021.¹⁹

¹⁷ Case No. 2019-00055, *Electronic Investigation of B&H Gas Company, and Bud Rife, Individually and as an Officer of B&H Gas Company Alleged Violation of KRS 278.300* (Ky. PSC Aug. 19, 2019); and Case No. 2019-00056, *Electronic Investigation of Johnson County Gas Company, Inc. and Bud Rife, Individually and as an Officer of Johnson County Gas Company, Inc. Alleged Violation of KRS 278.300, a Commission Order, and a Tariff* (Ky. PSC Aug. 19, 2019). The Commission assessed a \$15,000 civil penalty against B&H; a \$7,500 civil penalty against Johnson County; a \$22,500 civil penalty against Bud Rife, individually; and a civil penalty of \$62,500 against Bud Rife and Johnson County, jointly.

¹⁸ 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).

¹⁹ Case No. 2020-00396, May 10, 2021 Navitas KY Notice of Transfer of Assets, in post-case correspondence.

Pursuant to prior Commission directive, Navitas KY’s tariff lists a series of surcharges and credits to be included on customer billings that are related to prior gas procurement cases.

Customers	Surcharges and Credits	Effective	Purpose
Clinton County	Monthly \$0.24 per Mcf surcharge ²⁰	July 1, 2020 through June 30, 2030.	To pass on increased wholesale gas costs authorized by the Federal Energy Regulatory Commission (FERC) in Docket No. PR 17-54-000.
Clinton County	Monthly \$1.00 per Mcf surcharge ²¹	Began: May 1, 2022. Continues until full recovery has been reported.	Residual gas costs from gas system consolidation. \$135,880.45 for legacy Navitas KY, \$5,763.60 for legacy B&H, and \$12,133.22 for legacy Johnson County. B&H and Johnson County have been collected by customers in full and are no longer being applied the surcharge.
Floyd County	Monthly \$6.80 per customer credit ²²	Begin after completion of transfer: April 30, 2021, for 60 months.	Legacy B&H customers owed a refund of (\$101,876) due to improper natural gas procurement practices.
Johnson County	Monthly \$1.00 per Mcf credit ²³	Begin after completion of transfer: April 30, 2021, for 36 months.	Legacy Johnson County customers owed a refund of (\$9,450) due to over collection of gas costs related to failure to file quarterly GCR rate reports.

Navitas KY’s current Gas Cost Recovery Tariff calculates the GCR²⁴ rate as: Expected Gas Cost (EGC); plus, a supplier Refund Adjustment (RA) component; plus, four quarters of Actual Cost Adjustment (ACA) equating to a total ACA component; and

²⁰ Case No. 2019-00430, *Electronic Application of Navitas KY NG, LLC For an Alternate Rate Adjustment* (Ky. PSC June 17, 2020), Order at 8.

²¹ Case No. 2022-00109, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 29, 2022), Order at 4.

²² Case No. 2020-00396, Apr. 27, 2021 Order at 19.

²³ Case No. 2020-00396, Apr. 27, 2021 Order at 19.

²⁴ The term Gas Cost Recovery or “GCR” is interchangeable with Gas Cost Adjustment “GCA”; and Purchased Gas Adjustment “PGA”. The term Actual Cost Adjustment “ACA” and Actual Adjustment “AA” are also interchangeable terms and both refer to the true-up component of the GCR. For the sake of consistency, the Commission uses “GCR” in its final Orders unless otherwise stated. The Commission also universally reports the usage rate for natural gas using Mcf.

plus, four quarters of a Balancing Adjustment (BA) equating to a total BA component. The tariff establishes a 30 days' notice filing period and sets forth the calendar quarters for which each quarterly GCR rate, comprised of its respective components, are to be in effect. While the tariff may not provide an explicit mathematical expression, each component is designated with its own purpose related to the dollar-for-dollar pass through of gas procurement and transportation fee related costs.²⁵

DISCUSSION AND ANALYSIS

Services Included for Recovery in the GCR

Navitas KY files supplier invoices as supplemental documentation to its quarterly GCR rate report filings as Ordered by the Commission. Included in the invoices are expenses related to Kinetrex, providing Liquefied Natural Gas (LNG) and related equipment to address the winter gas supply issues; and RussMar Utility Management (RussMar), a third-party contractor providing pressure monitoring services.²⁶ Navitas KY did not request recovery or note its intent to recover these expenses to the Commission and began to include them in the GCR beginning around February 2022 for Kinetrex and

²⁵ The ECG is used to estimate the expected cost of gas during the upcoming quarter (e.g. Nov.—Jan. for an application filed in Oct.). The ACA is used to true-up the difference between the expected and actual gas costs for the quarter preceding the filing of the GCR report, but the true-up of each quarter is spread across an entire year based on annual sales such that the total ACA is made up of four quarterly ACA components. The RA is used to true-up refunds received from suppliers in the quarter preceding the filing of the GCR report, but like the ACA, the true-up of each quarter is spread across an entire year based on annual sales such that the total RA adjustment is made up of four quarterly RA adjustments. Finally, the BA is used to true-up the ACA, RA, and BA adjustments that ended in the quarter preceding the filing of the GCR report based on differences in actual sales that occurred during the year they were in effect and the sales used to calculate the adjustment. However, recognizing the adjustment is trued-up over a year such that the total BA is made up of four quarterly BAs.

²⁶ Navitas KY's Response to Commission Staff's Second Request for Information (filed Mar. 1, 2024), Item 2.

August 2022 for RussMar.²⁷ Expenses not related to the purchase or transportation of natural gas should not be included in the GCR for recovery. Operation, maintenance, compliance, and inspection are not reasonable expenses that should be included in the pass through of the GCR mechanism. Regarding Kinetrix, the cost of the physical LNG procured for customer use is appropriate for inclusion in the GCR, but any costs related to the equipment is not reasonable.

Calculation of the Expected Gas Cost Component

Within Navitas KY's EGC component calculation is the future expected gas cost rate for the suppliers identified as Petrol, Sparta, and Diversified Gas & Oil. These supplier rates are hardcoded values in the GCR rate report spreadsheet provided by Navitas KY in its case record.²⁸ Navitas KY's proposed GCR rate report filed in this matter 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.²⁹ The proposed EGC of \$11.2485 per Mcf is an increase of \$4.2486 per Mcf from the previous Commission approved EGC of \$6.9999 per Mcf.³⁰ Navitas KY states that it "utilized its reasonable discretion to determine its expected gas costs based on its industry knowledge, historic data, and other related inputs".³¹ Navitas KY was unable to provide

²⁷ Navitas KY's Response to Commission Staff's Third Request for Information (Staff's Third Request) (filed Mar. 29, 2024), Item 2b.

²⁸ GCR Rate Report, KY_GCA_231231_-_23-00428_to_be_filed.xlsx, tab "EGC (SII)", cells J6 and J7.

²⁹ GCR Rate Report, KY_GCA_231231_-_23-00428_to_be_filed.xlsx, tab "Summary (SI)", cell J12; and tab "EGC (SII)", cells J6 and J7.

³⁰ Case No. 2023-00325, Oct. 30, 2023 final Order.

³¹ Navitas KY's Response to Commission Staff's First Request for Information (Staff's First Request) (filed Jan. 29, 2024), Item 4b.

the Commission with quantifiable justification for the proposed hardcoded values.³² A comparison of the proposed supplier rates for the period of February through March 2024 included in this matter, as well as the reporting period 12-month ended October 2023 historical average for each supplier, and the supplier invoices provided as supplemental information in Case No. 2024-00184, shows the significant difference between the estimated supplier rate and actual values.³³

While the EGC is intended to be an estimation of forthcoming commodity rates, it should still be based on reasonable and justifiable data. The Commission has historically considered a recent 12-month period as the best indicator of sales that will occur in the near future, and this continues to be the case given the recent experience of warmer than normal winters. The Commission is especially reluctant to approve an estimation, such as the one used by Navitas KY, without the necessary justification for any part of a standard automatic recovery mechanism. An automatic recovery mechanism, such as the GCR, relies on updated inputs that should be justifiable and readily available in the case records of current and previous cases. This remains true for any forecasted variables which may be based on a market equivalent rate such as the NYMEX or an intended wholesale rate provided in advance by a supplier. Because the Commission and Commission Staff are occasionally required to access information from past cases to

³² Navitas KY's Response to Staff's Third Request, Item 7.

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Supplier	Navitas KY proposed	Average 12-month ended Oct-23 actuals	Actual Invoiced Rates (2024-00184)		
			February 2024	March 2024	April 2024
Petrol1	11.4999	5.12	5.75	4.48	4.46
Petrol2	11.4999	4.71	5.43	3.98	4.01
Sparta	9.4999	4.94	Not provided	Not provided	Not provided
Diversified	9.4999	4.05/5.13	4.92	3.75	4.14

correct calculation errors, actual data is highly preferable to estimated data. Thus, the Commission finds that Navitas KY's use of an unjustifiable variable as a basis of its forecasted supplier rates to be unreasonable.

Natural Gas Supplied by B&S Oil

As discussed above, the acquisition of B&H and Johnson County held the stipulation that Navitas KY would refund the amounts owed by Bud Rife to the legacy B&H and legacy Johnson County customers. Navitas KY would then seek recovery of those amount from Bud Rife, without Commission involvement. Navitas KY accepted the terms and the transfer was completed on April 30, 2021. Following the acquisition, Bud Rife objected to the pricing of the well gas being sold to Navitas KY, thus he discontinued the sale of natural gas to Navitas KY.³⁴ Beginning in Summer 2023, Navitas KY began to receive gas from B&S Oil, "initially unbeknownst to Navitas KY."³⁵ Included in the proposed GCR for pass through to customers is gas supplied by B&S Oil, which Navitas KY is taking and pricing at a NYMEX rate.³⁶ The NYMEX priced gas taken from B&S Oil would be used to reduce the amount owed to Navitas KY by Bud Rife³⁷ by including the gas cost in the GCR which would ultimately be paid for by Navitas KY customers.³⁸ Navitas KY confirmed that the referenced repayment from Bud Rife to Navitas KY are

³⁴ Navitas KY's Response to Staff's First Request, Item 6.

³⁵ Navitas KY's Response to Staff's First Request, Item 6.

³⁶ Navitas KY's Response to Staff's First Request, Item 6; and Navitas KY's Response to Staff's Third Request, Item 12c.

³⁷ Navitas KY's Response to Staff's Third Request, Item 12a.

³⁸ GCR Rate Report, KY_GCA_231231_23-00428_to_be_filed.xlsx, tab, "Actual Adjustment (IV)", columns BC though BG, and rows 54 through 57.

part of the refunds ordered to be made by the Commission.³⁹ Furthermore, in response to Staff's Third Request, Navitas KY states:

Upon confirmation of acceptance of the amount (by the PSC through the approval of the quarterly [GCR]), Navitas KY through counsel, intends to issue a notice to Mr. Rife's attorney as to the amount by which Mr. Rife's debt to Navitas KY is reduced. Whatever amount is approved by the PSC is the amount by which his debt will be reduced.⁴⁰

The Commission will not be addressing this proposed action in this proceeding. Accordingly, the Commission finds that further investigation is necessary to determine whether customers would be paying Navitas KY for their own refund owed to them and if the proposed actions of Navitas KY are in compliance with the Commission's directive in Case No. 2020-00396.

Transparency in the GCR rate report

During prior GCR rate report proceedings, the Commission has identified errors or matters requiring adjustment, as noted by Navitas KY, eleven of the most recent twenty final Orders indicated a necessary correction to be made to the calculated GCR rate.⁴¹ Since 2015, Navitas KY has frequently required necessary corrections to be made in its quarterly GCR rate reports by the Commission, a list of referenced Case Nos. can be found in the Appendix A to this Order. Correcting for spreadsheet errors has remained an issue in Navitas KY's quarterly GCR rate report proceedings for a significant portion of time. In Case No. 2020-00103, the Commission discovered that, due to spreadsheet

³⁹ Navitas KY's Response to Staff's Third Request, Item 12.

⁴⁰ Navitas KY's Response to Staff's Third Request, Item 12c.

⁴¹ Navitas KY's Response to Staff's Third Request, Item 1.

and reporting errors, many of the GCR rates previously approved by the Commission were not appropriate representations of the GCR rate that Navitas KY should have charged to its customers.⁴² Seven prior GCR rate report filings had to be corrected and the difference between the previously approved ACAs and the corrected ACAs resulted in an overcollection of \$16,586.46 that the Commission then ordered to be credited back to customers.⁴³ The persistent errors in Navitas KY's prior GCR rate reports leads the Commission to believe that Navitas KY's current GCR rate report format is unreasonable.

In Case No. 2020-00396, following the acquisition of the Johnson County and B&H systems, the Commission ordered Navitas KY to file a unified GCR report in a format based on the GCR report used by the legacy Johnson County system and contained in that system's tariff, with the exception of the calendar quarters and reporting periods, which should be the same as those used by legacy Navitas KY and contained within the legacy system tariff.⁴⁴ The Order further stated that Navitas KY should use the calculation methodology for quarterly Gas Cost Recovery Rate Calculations, which is found on the Commission's website under Utility Information specific to natural gas utilities as it is the preferred format.⁴⁵ The Commission considers its preferred GCR rate report format to be the most transparent application of the GCR mechanism and the easiest to review in a timely manner. Should Navitas KY's future GCR rate report filings persist with repeated errors, questions concerning the quality, accuracy, and completeness of the information

⁴² Case No. 2020-00103, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 30, 2020), Order at 2-3.

⁴³ Case No. 2020-00103, Apr. 30, 2020 final Order at 2-3.

⁴⁴ Case No. 2020-00396, Apr. 27, 2021 final Order at 14.

⁴⁵ Case No. 2020-00396, Apr. 27, 2021 final Order at 14.

Navitas KY is filing in its quarterly reports may be raised. Such concerns may lead the Commission to open a further investigation for a more complete review into the reasonableness of components of Navitas KY's GCR rates, up to a reconsideration of rate in its entirety as fair, just and reasonable.

Failure to Comply to Commission Orders and Tariff

Navitas KY filed Case No. 2019-00430,⁴⁶ with the Commission requesting a surcharge under the alternative rate adjustment regulatory scheme set forth in 807 KAR 5:076, for the purpose of passing through the gas transportation costs owed to Navitas KY's gas transportation service provider, B&W.⁴⁷ By the Commission's June 17, 2020, final Order, a surcharge of \$0.24 per Mcf was established to be in effect for a ten-year period.⁴⁸ Also, pursuant to the Order, Navitas KY was ordered to, among other things: (1) deposit the proceeds from the surcharge in a separate interest-bearing account; (2) use said proceeds to reimburse B&W monthly; and (3) file with the Commission an annual reconciliation of the monthly surcharge collections and reimbursement on or before March 15th through the end of the surcharge period. Upon review of the gas procurement related surcharges and credits, the record reflects that Navitas KY has failed to file the annual reconciliation of the monthly surcharge collections and reimbursement, thus failed comply with the Case No. 2019-00430 final Order requirements.⁴⁹ Since June 17, 2020, Navitas

⁴⁶ Case No. 2019-00430, June 17, 2020 Order.

⁴⁷ B&W Pipeline, LLC (B&W) is a transportation pipeline located in Tennessee providing service to Navitas KY and Navitas TN. Due to its status as a gas transportation provider crossing intrastate lines, B&W's rates are regulated by FERC and thus are outside the jurisdiction of the Kentucky Commission. FERC granted B&W's application on June 15, 2017, as Docket No. CP17-78-000, and by the May 17, 2019, FERC Order, B&W was granted the rate increase effective retroactively to July 17, 2017.

⁴⁸ Case No. 2019-00430, June 17, 2020 final Order at 7, and ordering paragraph 2.

⁴⁹ Case No. 2019-00430, June 17, 2020 final Order.

KY only filed one annual report in the Post Case Referenced Correspondence of Case No. 2019-00430, and it was on March 30th of 2021.

In Case No. 2022-00109, following the unification of the legacy gas systems under a singular unified GCR rate report, the Commission ordered Navitas KY to track the residual gas costs related to the previously Commission approved ACA and BA quarters that were not fully charged to each separate gas system and the remaining gas costs that could not be collected due to residual and the transitional period balance that occurred during the acquisition period.⁵⁰ In the April 29, 2022 final Order, the Commission approved a flat \$1.00 per Mcf charge to be included as a separate line item for the customers in each separate gas system until the recoveries of gas costs is individually reconciled.⁵¹ The Order further directed Navitas KY to include, in its future GCR filings, a separate report on the amounts collected for each separate system, and that the report should include the amount collected for each of the former gas systems for each month following approval of the Order.⁵² Additionally, Navitas KY was to include in the GCR rate report cover letter when the total amount for each separate gas system has been collected and the \$1.00 per Mcf separate line item for that separate system would no longer be included in those customers' bills.⁵³ Navitas KY did not provide the requested tracker updates to the Commission, nor did Navitas KY notify the Commission via its cover letters

⁵⁰ Case No. 2022-00109, Apr. 29, 2022 final Order at 2. The amounts for each system left to be recovered are \$135,880.45 for Clinton County or former Navitas KY system customers; \$5,763.60 for Floyd County or former B & H system customers; and \$12,133.22 for Johnson County or former Johnson County system customers.

⁵¹ Case No. 2022-00109, Apr. 29, 2022 final Order at 4, and ordering paragraph 3.

⁵² Case No. 2022-00109, Apr. 29, 2022 final Order at 4, and ordering paragraph 3.

⁵³ Case No. 2022-00109, Apr. 29, 2022 final Order at 4, and ordering paragraph 3.

when the total amount for each separate gas system has been collected and the surcharge was to no longer be included in those customers' bills. The Commission's final Orders in Case Nos. 2023-00002⁵⁴ and 2023-00091⁵⁵ reiterated these requirements. The record reflects that Navitas KY has failed to file the reports and information required by Case Nos. 2022-00109, 2023-00002, and 2023-00091, thus hindering the Commission's ability to review the surcharges in a timely and accurate manner.

Pursuant to Navitas KY's Gas Cost Recovery Tariff the GCR rate report filing is to be made with at least 30 days' notice prior to the beginning of each calendar quarter as established in its Gas Cost Recovery tariff.⁵⁶ As ordered by the Commission in the final Orders of Case Nos. 2023-00002⁵⁷ and 2023-00091⁵⁸, Navitas KY shall file with the Commission its subsequent quarterly GCR rate report filings with at least 30 days' notice prior to the beginning of each calendar as established in its Gas Cost Recovery tariff. The beginning of each calendar quarter is intended to be the first of each quarter period. Prior Navitas KY GCR rate report proceedings included a proposed effective date that did not

⁵⁴ Case No. 2023-00002, Feb. 9, 2023 final Order, ordering paragraph 5.

⁵⁵ Case No. 2023-00091, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 28, 2023), ordering paragraph 4.

⁵⁶ Navitas KY's Gas Cost Recovery Tariff sets forth the calendar quarters as each of the four three-month periods of (1) August, September, and October; (2) November, December, and January; (3) February, March, and April; and (4) May, June, and July.

⁵⁷ Case No. 2023-00002, Feb. 9, 2023 final Order, ordering paragraph 4.

⁵⁸ Case No. 2023-00091, Apr. 28, 2023 final Order, ordering paragraph 3.

correspond with the first of each calendar quarter period⁵⁹ and some reports were being filed with less than thirty days' notice from the proposed effective date.⁶⁰ Failure to file quarterly GCR rate reports in a timely manner consistent with its Tariff adversely affects the timely processing of Navitas KY's GCR rate reports.

FINDINGS

After consideration of the evidence of record and being otherwise sufficiently advised, the Commission finds that, the GCR mechanism utilized by Navitas KY is unreasonable given the issues as previously discussed. Therefore, the Commission finds that Navitas KY should use a standardized GCR mechanism format, use a standardized historic period as a reasonable estimation of its forecasted costs, and should refrain from including non-Commission approved expenses for pass through that are not related to the purchase of natural gas or the direct fee for transportation. Furthermore, the

⁵⁹ See Case No. 2022-00189, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Aug. 4, 2022). The proposed effective date was August 5, 2022; Case No. 2022-00331, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Nov. 3, 2022). The proposed effective date was November 5, 2022; Case No. 2023-00002, Feb. 9, 2023 final Order. The proposed effective date was February 8, 2023; Case No. 2023-00215, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 31, 2023). The proposed effective date was August 4, 2023; Case No. 2023-00325, Oct. 30, 2023 final Order. The proposed effective date was November 11, 2023; and GCR Rate Report, the proposed effective date was February 4, 2024.

⁶⁰ See Case No. 2015-00001, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Jan. 15, 2015). 27 days' notice provided to the Commission; Case No. 2016-00149, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 13, 2016). 20 days' notice provided to the Commission; Case No. 2017-00411, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Oct. 25, 2017). 22 days' notice provided to the Commission; Case No. 2018-00132, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 24, 2018). 19 days' notice provided to the Commission; Case No. 2019-00013, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Jan. 28, 2019). 25 days' notice provided to the Commission; Case No. 2019-00116, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 25, 2019). 27 days' notice provided to the Commission; Case No. 2019-00241, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC August 6, 2019). 24 days' notice provided to the Commission; Case No. 2019-00372, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Oct. 29, 2019). 29 days' notice provided to the Commission; Case No. 2022-00004, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Feb. 3, 2022). 25 days' notice provided to the Commission; Case No. 2023-00002, Feb. 9, 2023 final Order. 28 days' notice provided to the Commission; and Case No. 2024-00184, July 3, 2024 GCR Rate Report. 29 days' notice provided to the Commission.

Commission finds that given the gas expense pass through and transparency issues as previously discussed, the active Case Nos. of 2023-00428; 2024-00079; 2024-00184; and 2024-00308, should be denied and closed. The Commission finds that any over- or -under collection of gas costs beginning on and after February 2024 following the Commission's suspensions of Case Nos. 2023-00428; 2024-00079; 2024-00184; and 2024-00308, should be addressed in Navitas KY's next GCR rate report filing for February 1, 2025. The Commission further finds that there is sufficient evidence of possible alleged violations of prior Commission Orders and Navitas KY's Tariff to initiate a separate proceeding in which to conduct an investigation.

Gas Cost Recovery Rate Report

For the purpose of transparency in to assist in the future accuracy of its GCR rate report filings, the Commission finds that Navitas KY should use the GCR rate report format as originally ordered in Case No. 2020-00396, and readily available on the Commission's website as it is the Commission preferred format for small LDCs. The calculation methodology for quarterly Gas Cost Recovery Rate Calculations, is found on the Commission's website under Utility Information specific to natural gas utilities.⁶¹ When filing its future GCR rate reports, Navitas KY should file a version in portable document format (PDF) and a version in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

Regarding the EGC calculation, the Commission finds that Navitas KY should base the commodity rate for its suppliers on the immediate 12-month actuals, which is the

⁶¹ Blank GCR rate reports in pdf and word format are available on the Commission's Website at www.psc.ky.gov under Utility Information > Utility Forms > Natural Gas > File Name: "Quarterly Report of Gas Cost Recovery Rate Calculation: Blank form in Word format, Blank form in PDF format."

reporting period used in routine GCR rate reports. This method is more concurrent with other LDCs of similar size. When determining the forecasted supplier rate for use in the EGC portion of the GCR, Navitas KY should use immediate 12-month actuals corresponding with the reporting periods pursuant to its Gas Cost Recovery Tariff. The information provided should be accurate to the supplier invoices presented in the case record as needed and reflect gas costs for the system.

Regarding the current quarter ACA calculation, the Commission finds that the purchased volumes, purchased cost, and total sales for each given month should be consistent with to the supplier invoices and usage reports presented in the case record, as needed, and reflect those gas costs and sales for the system. Furthermore, the five percent line loss limiter that is standard to the Commissioner's preferred GCR rate report format should be utilized. In regard to the current quarter BA calculation, the Commission finds that the information presented should be accurate and reflect the information present in the current and past GCR rate report filings, as needed. The Commission will be reviewing the quality, accuracy, and transparency of the information Navitas KY files in its future quarterly GCR rate reports.

Navitas KY should refrain from making any changes to its GCR mechanism without making a formal request, including a showing of good cause, to the Commission in a timely manner. Failure to do so hinders the Commission's ability to review any proposed modifications to the GCR rate report in a timely and accurate manner.

While the Commission considers each individual utility's unique market and system circumstances, it must also take into consideration the overall impact of the GCR mechanism and the Commission's ability to conduct sufficient evaluation of the filed

reports for the review period allotted. The Commission also requires the ability to access verifiable historical data from previous filings as it reviews automatic recovery rate calculations should it find the application does not follow the approved calculation methodology.

Pursuant to its Gas Cost Recovery Tariff, Navitas KY should file its quarterly GCR rate reports with at least 30 days' notice prior to the beginning of each calendar quarter. Navitas KY's Gas Cost Recovery Tariff defines calendar quarters to mean each of the four month periods of (1) August, September, and October; (2) November, December, and January; (3) February, March, and April; and (4) May, June, and July. The Commission finds that Navitas KY should file with the Commission its subsequent quarterly GCR rate report filings with at least 30 days' notice prior to the beginning of each calendar quarter as established in its Gas Cost Recovery tariff. The Commission requires the full 30 days' notice period to review the GCR rate report, invoices and monthly usage reports filed by Navitas KY.

The Commission further finds that Navitas KY should conduct a careful and thorough review to minimize any potential errors in its future GCR rate reports. Failure to minimize errors in future filings may adversely affect the timely processing of Navitas KY's GCR rate reports.

For the purpose of transparency and to maintain a record of information for future use the Commission finds that Navitas KY should submit all invoices it receives, along with its monthly usage reports as attachments to its future GCR rate reports. 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 should be documented in its cover letter to the Commission.

Non-Gas Procurement and Transportation Related Expenses

The GCR is not the mechanism for an LDC to recover operation and maintenance expenses. Pursuant to KRS 278.274(1), the Commission finds that expenses not related to the purchase or transportation of natural gas and should not be included in the GCR for recovery. Any further inclusion of costs not related to the procurement or transportation fees for natural gas in the GCR may result in an investigation and show cause. The Commission finds that the expenses not associated with the gas purchase or transportation related expenses should be removed from Navitas KY's future GCR rate report filings. Furthermore, Navitas KY should provide a report to the Commission identifying the costs of LNG equipment purchased from Kinetrix, the costs of physical LNG purchased from Kinetrix, and the expenses related to RussMar already passed along to Navitas KY customers through the GCR for the period of time beginning at first inclusion and through the last instance an item listed was included in the report, as requested in Appendix B to this Order, to be filed in Navitas KY's next GCR rate report filing for February 1, 2025. Furthermore, Navitas KY should provide the Commission with a plan describing how Navitas KY intends to refund the over collected non-gas procurement and transportation related expenses to its customers, as requested in Appendix B to this Order, to be filed in Navitas KY's next GCR rate report filing for February 1, 2025. Any further inclusion of costs not related to the procurement or transportation fees for natural gas in the GCR may result in an investigation and show cause. The Commission finds that Navitas KY should strive to maintain transparency and

reasonableness in the pass through of costs related to the procurement and transportation of natural gas.

Next Gas Cost Recovery Rate Report Filing

The Commission has determined that further information is necessary to recapture any over- or -under collection of gas costs beginning on and after February 2024 following the Commission's suspensions of Case Nos. 2023-00428; 2024-00079; 2024-00184; and 2024-00308, pertaining to Navitas KY's future GCR rate reports. Therefore, the Commission finds that Navitas KY should file responses to the Request for Information attached herein as Appendix B of this Order, when it files its next GCR report for rates effective for February 1, 2025, to assist in the timely processing of the case. Additionally, the Commission will be reviewing the quality, accuracy, and transparency of the information Navitas KY should be filing in its quarterly reports beginning in Navitas KY's next GCR rate report filing for February 1, 2025.

IT IS THEREFORE ORDERED that:

1. The proposed GCR rates in Case Nos. 2023-00428; 2024-00079; 2024-00184; and 2024-00308, are denied.
2. A copy of this Order shall be entered into the record in Case Nos. 2024-00079; 2024-00184; and 2024-00308.
3. Navitas KY shall use the GCR rate report format as originally ordered in Case No. 2020-00396, and readily available on the Commission's website under Utility Information specific to natural gas utilities.

4. When filing its future GCR rate reports, Navitas KY shall file a version in portable document format (PDF) and a version in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

5. Navitas KY's future GCR filings shall include an updated report on the amount recovered for the \$1.00 per Mcf surcharge as approved in Case No. 2022-00109, until any remaining under- or over-recoveries of gas costs is individually reconciled for each month on and after May 1, 2022. Navitas KY shall include in the cover letter when the total amount for each legacy gas system has been collected and the \$1.00 per Mcf separate line item for that system will no longer be included in those customer's bills.

6. Navitas KY's future GCR filings shall include an updated report on the amount recovered for the \$0.24 per Mcf surcharge as approved in Case No. 2019-00430 to the Clinton County customers.

7. Navitas KY's future GCR filings shall include an updated report on the amount refunded for the \$6.80 per customer credit as approved in Case No. 2020-00396 to the Floyd County customers.

8. Navitas KY's future GCR filings shall include an updated report on the amount refunded for the \$1.00 per Mcf credit as approved in Case No. 2020-00396 to the Johnson County customers.

9. Navitas KY shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files future GCR rate reports.

10. Navitas KY shall file with the Commission its subsequent quarterly GCR rate report filings with at least 30 days' notice prior to the beginning of each calendar as established in its Gas Cost Recovery Tariff.

11. 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 shall be documented in its cover letter to the Commission.

12. The expenses not associated with gas purchase or transportation related expenses are to be removed from Navitas KY's future GCR rate report filings.

13. Navitas KY shall file its responses to the Request for Information included as Appendix B, when it files its next GCR report for rates effective for February 1, 2025.

14. Pursuant to KRS 278.250, KRS 278.260, KRS 278.270, and KRS 278.990, the Commission will open a separate proceeding for the purposes of investigating the alleged violation of Commission Orders, its tariff, KRS Chapter 278 or 807 KAR Chapter 5.

15. Case No. 2023-00428 is closed and removed from the Commission's docket.

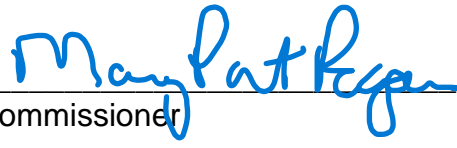
PUBLIC SERVICE COMMISSION



Chairman



Commissioner



Commissioner

ENTERED
OCT 31 2024
rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00428 DATED OCT 31 2024

Prior Navitas KY quarterly GCR rate reports that have been corrected due to error:

Case No. 2015-00001, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Jan. 15, 2015): proposed effective date of February 1, 2015; 27 days' notice provided to the Commission; the proposed GCR rate was denied due to spreadsheet error in the ACA.

Case No. 2015-00096, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 22, 2015): proposed effective date of May 1, 2015; 32 days' notice provided to the Commission; the proposed GCR rate was denied due to spreadsheet error in the ACA.

Case No. 2015-00214, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 20, 2015): proposed effective date of August 1, 2015; 33 days' notice provided to the Commission; the proposed GCR rate was denied due to spreadsheet error in the ACA.

Case No. 2015-00427, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Jan. 26, 2016): proposed effective date of February 1, 2016; 34 days' notice provided to the Commission; the proposed GCR rate was denied due to not using the correct Previous Quarter Actual Adjustment rate.

Case No. 2016-00149, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 13, 2016): proposed effective date of May 1, 2016; 20 days' notice provided to the Commission; the proposed GCR rate was denied due to a spreadsheet error in the ACA.

Case No. 2016-00218, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 21, 2016): proposed effective date of August 1, 2016; 38 days' notice provided to the Commission; the proposed GCR rate was denied due to a spreadsheet error in the GCR rate.

Case No. 2016-00333, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Oct. 18, 2016): proposed effective date of November 1, 2016; 43 days' notice provided to the Commission; the proposed GCR rate was denied due to a spreadsheet error in the GCR rate.

Case No. 2016-00446, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Jan. 20, 2017): proposed effective date of February 1, 2017; 34 days' notice provided to the Commission; the proposed GCR rate was denied due to a spreadsheet error in the ACA and GCR rate.

Case No. 2017-00151, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 25, 2017): proposed effective date of May 1, 2017; 34 days' notice provided to the Commission; the proposed GCR rate was denied due to a spreadsheet rounding error in the BA.

Case No. 2017-00238, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 6, 2017): proposed effective date of August 1, 2017; 50 days' notice provided to the Commission; the proposed GCR rate was denied due to a spreadsheet rounding error in the BA.

Case No. 2018-00336, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Oct. 30, 2018): proposed effective date of November 1, 2018; 31 days' notice provided to the Commission; the proposed GCR rate was denied due to incorrect sales volume for the EGC and ACA.

Case No. 2019-00013, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Jan. 28, 2019): proposed effective date of February 1, 2019; 25 days' notice provided to the Commission; the proposed GCR rate was denied due to incorrect sales volume for the ACA and BA.

Case No. 2019-00116, *Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 25, 2019): proposed effective date of May 1, 2019; 27 days' notice provided to the Commission; the proposed GCR rate was denied due to incorrect sales volume and purchases for the EGC, ACA and BA and the prior approved BA quarters were incorrect.

Case No. 2020-00103, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 30, 2020): proposed effective date of May 1, 2020; 31 days' notice provided to the Commission; the proposed GCR rate was denied due to incorrect application of a Commission approved refund into the RA.

Case No. 2020-00200, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 29, 2020): proposed effective date of August 1, 2020; 32 days' notice provided to the Commission; the proposed GCR rate was denied due to incorrect application of a separate billing line item into the EGC, incorrect application of a refund into the ACA, and incorrect BA.

Case No. 2021-00136, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 28, 2021): proposed effective date of May 1, 2021; 36 days' notice provided to the Commission; the proposed GCR rate was denied due to failing to include the correct third previous quarter BA.

Case No. 2021-00278, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 30, 2020): proposed effective date of August 1, 2021; 30 days' notice provided to the Commission; the proposed GCR rate was denied due to incorrect supplier rate used in the EGC.

Case No. 2022-00189, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Aug. 4, 2022): proposed effective date of August 5, 2022; 30 days' notice provided to the Commission; the proposed GCR rate was denied due to failure to include the correct quarter ACA in the calculation of its total ACA.

Case No. 2023-00002, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Feb. 9, 2023): proposed effective date of February 8, 2023; 28 days' notice provided to the Commission; the proposed GCR rate was denied due to including incorrect amount for the Previous Quarter ACA.

Case No. 2023-00215, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC July 31, 2023): proposed effective date of August 4, 2023; 30 days' notice provided to the Commission; the proposed GCR rate was denied due to spreadsheet error for the GCR.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2023-00428 DATED OCT 31 2024

COMMISSION STAFF'S FIRST REQUEST FOR INFORMATION TO NAVITAS KY NG, LLC

Navitas KY NG, LLC (Navitas KY), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due when it files its next GCR report for rates effective for February 1, 2025. The Commission directs Navitas KY to the Commission's July 22, 2021 Order in Case No. 2020-00085⁶² regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and 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 association or a governmental agency, be accompanied by a signed certification of the preparer or the 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.

Navitas KY shall make timely amendment to any prior response if Navitas KY obtains information that indicates the response was incorrect or incomplete when made

⁶² 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).

or, though correct or complete when made, is now incorrect or incomplete in any material respect.

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.

Careful attention shall be given to copied and scanned 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. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. 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 personal information cannot be read.

1. Provide a detailed report identifying the costs of Liquid Natural Gas (LNG) equipment purchased from Kinetrix, the costs of physical LNG purchased from Kinetrix, and the expenses related to RussMar Utility Management (RussMar) that have already been passed along to Navitas KY customers through the GCR for the period of time beginning at first inclusion and through the last instance an item listed was included in the report. Identify the amount separately by report.

2. Provide all invoices related to the expenses from RussMar and Kinetrix that have already been passed along to Navitas KY customers through the GCR for the period of time beginning at first inclusion and through the last instance an item listed was included in the report. Identify the amount in each previously filed report.

3. Provide a detailed plan describing how Navitas KY intends to refund the over collected non-gas procurement and transportation related expenses to its customers.

4. Provide all invoices received from gas suppliers for each month following the February 2024 period to the most recent reporting period.

5. Provide a monthly usage report detailing the amounts sold in Mcf for the total unified gas system, Clinton County customers, Johnson County customers, and Floyd County customers beginning in February 2024 period to the most recent reporting period.

6. State the monthly GCR rate that was charged to Navitas KY's customers following the February 2024 period to the most recent reporting period.

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