

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF NAVITAS KY NG, LLC	)	2025-00316

ORDER

On September 30, 2025, Navitas KY NG, LLC (Navitas KY) filed its Gas Cost Recovery (GCR) rate report with a proposed effective date of November 1, 2025. An informal conference between Commission Staff and Navitas KY was held on October 24, 2025.¹ On October 31, 2025, the Commission suspended Navitas KY's proposed GCR rate, for one day, until November 2, 2025, to give the Commission time to investigate the proposed GCR rates, and to allow Navitas KY to begin charging their proposed GCR rates, pending a final Order and subject to refund, pursuant to KRS 278.190(2). Navitas KY filed its Notice of Intent pursuant to KRS 278.190(2) on October 31, 2025.² There are no intervenors in this proceeding.

On December 16, 2025, Navitas KY filed with the Commission a Notice of Intent to File a Purchased Gas Adjustment Using Electronic Filing Procedures, which opened Case No. 2025-00405.³ Navitas KY set January 1, 2026, in the Notice of Intent as the date by which they would file. Pursuant to its Gas Cost Recovery tariff the calendar quarters establish the upcoming quarter period with proposed rates effective for February,

¹ The Informal Conference Memo was filed into the record on November 3, 2025.

² Navitas filed its Notice of Intention to Implement Rates on October 31, 2025.

³ Case No. 2025-00405, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC*.

March, and April 2026. Due to the automatic recovery mechanism nature of the GCR, the findings made herein may impact Navitas KY's subsequent quarterly GCR rate report filings, including what is to be filed in Case No. 2025-00405.

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.⁴ 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), 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.⁵

⁴ KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

⁵ 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. 2010-00468.⁶ Navitas Assets, LLC, which is the parent company of Navitas KY, also owns and operates an affiliate in Tennessee, known as Navitas TN NG, LLC (Navitas TN). Navitas KY's Clinton County, Kentucky, customers are served from a pipeline located in Tennessee, which supplies transportation services of natural gas to customers located in Tennessee and Kentucky. Navitas TN has been granted the authority to service select customers within Whitley County, Kentucky, due to their close proximity to Navitas TN and the small number of customers involved.⁷

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 county names 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). In Case No. 2020-00396,⁸ Navitas KY was granted Commission approval for the acquisition, transfer of ownership, and

⁶ 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).

⁷ 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.

⁸ 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).

control of the B&H and Johnson County natural gas systems to Navitas KY with the final acquisition being completed on April 30, 2021.⁹

Navitas KY's quarterly GCR rate report, Case No. 2023-00428 for proposed GCR rates to be effective February 1, 2024, was suspended by the Commission for the purpose of investigating the reasonableness of the proposed GCR rates and the types of expenses being included in Navitas KY's GCR mechanism.¹⁰ In its next two GCR mechanism cases, Case Nos. 2024-00079 and 2024-00184, Navitas KY continued to timely file its quarterly GCR rate reports with the Commission with at least thirty days' notice prior to the beginning of each established calendar quarter. The GCR rate report filings in those two cases were suspended because of the ongoing proceeding of Case No. 2023-00428 and the Commission's final Order would impact the subsequent GCR rate reports.

The October 31, 2024 final Order in Case No. 2023-00428 found Navitas KY's GCR rate report filing format to be unreasonable and that it demonstrated a lack of transparency necessary to allow the Commission to review Navitas KY's gas purchasing practices pursuant to KRS 278.274(1) in a timely manner.¹¹ Additionally, the Commission reiterated its directive that Navitas KY use the calculation methodology for quarterly Gas Cost Recovery Rate Calculations originally ordered in Case No. 2020-00396.¹² The

⁹ 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* (filed. May 10, 2021) Navitas KY Notice of Transfer of Assets, in post-case correspondence.

¹⁰ Case No. 2023-00428, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Feb. 2, 2024), suspension Order.

¹¹ Case No. 2023-00428, October 31, 2024, final Order at 12–14.

¹² Case No. 2023-00428, October 31, 2024, final Order at 18, and ordering paragraph 3.

methodology can be found on the Commission's website under Utility Information specific to natural gas utilities.¹³

Having considered the evidence of record and being otherwise sufficiently advised, the Commission found that given the gas expense pass through and transparency issues, as discussed in the final Order for Case No 2023-00428, the proposed GCR rates of Case Nos. of 2023-00428; 2024-00079; 2024-00184; and 2024-00308, were to be denied and the cases closed.¹⁴ The Commission also issued discovery to Navitas KY¹⁵ to determine 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. Furthermore, the Commission ordered that it would open a separate proceeding for the purposes of investigating the alleged violation of Commission Orders, Navitas KY's tariff, KRS Chapter 278 or 807 KAR Chapter 5.¹⁶

Pursuant to the final Order in Case No. 2023-00428, Navitas KY filed its GCR rate report filing in Case No. 2024-00401 with a proposed effective date of February 1, 2025, along with responses to the request for information included in the final Order of Case No. 2023-00428.¹⁷ On January 31, 2025, the Commission suspended Navitas KY

¹³ 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."

¹⁴ Case No. 2023-00428, October 31, 2024, final Order at 18 and 22.

¹⁵ Case No. 2023-00428, October 31, 2024, final Order, ordering paragraph 13 and Appendix B.

¹⁶ Case No. 2023-00428, October 31, 2024, final Order, ordering paragraph 14.

¹⁷ Case No. 2024-00401, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed Dec. 31, 2024), GCR rate report and Supplemental Documents.

proposed GCR rates for one day, until February 2, 2025, to give the Commission time to investigate the proposed GCR rates, and to allow Navitas KY to begin charging the GCR rates subject to refund, pending a final Order pursuant to KRS 278.190(2). On January 31, 2025, Navitas KY provided the Commission with its Notice of Intent to Implement Rates. Previously in Case No. 2023-00428, the information provided by Navitas KY in the record indicated that the supplier known as Kinetrix provided “Liquified Natural Gas [(LNG)] Equipment” service to Navitas KY. Navitas KY labeled this as ‘Other’ instead of either Supply or Transportation.¹⁸ Subsequently in Case No. 2024-00401, Navitas KY claimed that “Navitas [KY] did not purchase any LNG equipment from Kinetrix, but rather contracted for the delivery of supplemental LNG.”¹⁹ Given the discrepancies and inconsistent information provided in the filings, Case No. 2024-00401 remained pending.

On February 3, 2025, the Commission opened Case No. 2025-00010 to investigate the alleged failure of Navitas KY to comply with KRS 278.030, KRS 278.180(1), KRS 278.274, the Commission’s orders, its tariff, and to what extent Navitas KY had incorrectly assessed GCR amounts.²⁰ Navitas KY responded to three requests of information from Commission Staff. A hearing was held on August 12, 2025, and an informal conference with Commission Staff was held on September 10, 2025. The

¹⁸ Case No. 2023-00428, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed Mar. 1, 2024) Navitas KY’s Response to Commission Staff’s Second Request for Information, Item 2.

¹⁹ Case No. 2024-00401, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed Feb. 28, 2025) Navitas KY’s Response to Commission Staff’s Second Request for Information, Item 1a.

²⁰ Case No. 2025-00010, *Electronic Alleged Failure of Navitas KY NG, LLC To Comply With KRS 278.030, KRS 278.180(1), KRS 278.274, Commission Orders, and Its Gas Cost Recovery Tariff* (KY. PSC Feb. 2, 2025), Opening Order.

purpose of the September 10, 2025 informal conference as for Commission Staff and Navitas KY to discuss the resolution of pending GCR cases and the investigation, Case No. 2025-00010.²¹

During the pendency of Case No. 2025-00010, Navitas KY continued to file its quarterly GCR rate reports with the Commission with at least 30 days' notice prior to the beginning of each established calendar quarter. The GCR rate report filings in Case Nos. 2024-00401;²² 2025-00084;²³ and 2025-00204²⁴ were each suspended, for one day, to give the Commission time to investigate the proposed GCR rates, and to allow Navitas KY to begin charging the GCR rates, pending a final Order and subject to refund, pursuant to KRS 278.190(2). In all proceedings, Navitas KY complied with KRS 278.190(2) and filed a Notice of Intent to place its proposed GCR rates into effect following the one day suspension, subject to refund.²⁵

On October 14, 2025, Navitas KY tendered its application to the Commission requesting an alternative adjustment to its natural gas rates pursuant to 807 KAR 5:076, in Case No. 2025-00332. In addition, Navitas KY filed a motion requesting emergency

²¹ Case No. 2025-00010, *Electronic Alleged Failure of Navitas KY NG, LLC to Comply with KRS 278.030, KRS 278.180(1), KRS 278.274, Commission Orders, and Its Gas Cost Recovery Tariff* (filed. October 1, 2025), Informal Conference Memo.

²² Case No. 2024-00401, January 31, 2025 Order.

²³ Case No. 2025-00084, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (KY. PSC Apr. 30, 2025), Order.

²⁴ Case No. 2025-00204, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (KY. PSC July 31, 2025), Order.

²⁵ Case No. 2024-00401, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed. Jan. 31, 2025), Notice of Intent to Implement Rates; Case No. 2025-00084, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed. May 1, 2025), Notice of Intent to Implement Rates; and Case No. 2025-00204, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed. Aug. 1, 2025), Notice of Intent to Implement Rates.

rate relief pursuant to KRS 278.190(2).²⁶ As part of its motion, Navitas KY stated that it would not be able to continue operations in the near-term due to insufficient cash flow to pay vendors and creditors and thus was at risk of no longer having natural gas during the upcoming winter months.²⁷ Navitas KY further stated that it is “facing roughly \$415,000.00 in uncollected gas costs because of its previously suspended [GCR] rates.”²⁸ As of December 8, 2025, Navitas KY explained that it collectively owes \$553,335 to gas suppliers and transporters for its natural gas service.²⁹ Of that total Navitas KY reports:

Gas Suppliers	Balances recorded as of Dec. 8, 2025
Diversified Energy Marketing, LLC	\$ 24,281
Petrol Energy, LLC	\$ 332,453
Sparta Energy	\$ 81,372
Gas Transporters	
B&W Pipeline	\$ 115,229
East Tennessee Natural Gas, LLC	\$ <u>0</u>
Total	\$ 553,335

Further supporting its assertions of financial woes, Navitas KY provided disconnection notices for an affiliate company although it did not provide any disconnection notices for gas suppliers in Kentucky.³⁰ On December 22, 2025, a public comment was filed on behalf of B&W Pipeline, LLC (B&W) and its affiliate Sparta Energy, LLC (Sparta), which

²⁶ Case No. 2025-00332, *Electronic Application of Navitas KY NG, LLC For An Alternative Rate Filing Pursuant To 807 Kar 5:076* (filed. Oct. 14, 2025), Navitas KY’s Motion for Emergency Rate Relief.

²⁷ Case No. 2025-00332, October 14, 2025 Navitas KY’s Motion for Emergency Rate Relief at 1–2.

²⁸ Case No. 2025-00332, October 14, 2025 Navitas KY’s Motion for Emergency Rate Relief at 2.

²⁹ Case No. 2025-00332, *Electronic Application of Navitas KY NG, LLC for an Alternative Rate Filing Pursuant To 807 KAR 5:076* (filed. Dec. 12, 2025), Navitas KY’s Response to Commission Staff’s Post-Hearing Request for Information, Item 15.

³⁰ Case No. 2025-00332, *Electronic Application Of Navitas KY NG, LLC for an Alternative Rate Filing Pursuant To 807 KAR 5:076* (filed. Oct. 27, 2025), Navitas KY’s Response to Commission Staff’s Informal Conference Request for Information, Notices of Termination, and Hearing Video Transcript (HVT) of the Dec. 5, 2025 Hearing at 09:43:30–09:44:04.

provided attached exhibits showing that Navitas KY owes B&W \$154,576.61 for gas transportation from Tennessee to Kentucky during 2025, and Sparta approximately 92 percent of \$130,457.90 for gas supplied to Kentucky customers.³¹

Navitas KY's current Gas Cost Recovery Tariff calculates the GCR³² 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 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.³³

³¹ The Public Comments for this case are available at psc.ky.gov.

³² 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.

³³ 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 true-up over a year such that the total BA is made up of four quarterly BAs.

DISCUSSION

Beginning on February 1, 2024, with the Commission's suspension and denial of Navitas KY's proposed GCR rates in Case Nos. 2023-00428, 2024-00079, 2024-00184, and 2024-00308, the GCR rate as charged to customers had not been updated to reflect expected and actual gas costs for the suspended quarters which are typically used to determine the EGC component, quarterly ACA components, and quarterly BA components. From the period of February 1, 2024, through January 31, 2025, Navitas KY had been charging its customers the GCR rate of \$4.0691 per Mcf as approved by the Commission in Case No. 2023-00325.³⁴ The ACA and BA are separately made up of four distinct quarters each incorporating a three-month period, which in total equate to a full 12-month period which coincides with the reporting period used in each quarterly GCR rate report. Each of the ACA and BA quarters are intended to be in effect for a 12-month period. After a quarter ACA and BA have been in effect for a 12-month period they are removed from the calculation and a new quarter based on the updated reporting period is placed into effect.

When asked about the monthly GCR rate that was charged to Navitas KY's customers following the suspension of the February 2024 period, Navitas KY explained that it charged its customers the \$4.0691 per Mcf rate as approved by the Commission in Case No. 2023-00325, but understood that all the quarter ACA and BA rates originally approved in Case No. 2023-00325, would have expired by the time of filing for Navitas

³⁴ Case No. 2023-00325, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (KY. PSC Oct. 30, 2023), Order.

KY's GCR rate report implemented on and after the February 1, 2025 period.³⁵ As such when Navitas KY filed Case No. 2024-00401, for proposed GCR rates beginning February 2025, the proposed GCR rate of \$10.3948 per Mcf was made up of the EGC of \$8.4110 per Mcf; plus, one new quarter ACA of \$1.3682 per Mcf; and plus, one new quarter BA of \$0.6156 per Mcf.³⁶ Navitas KY continued to roll in new quarters in its subsequent filings, which it was also able to begin collecting from customers, subject to refund, following the single day suspension period pursuant to KRS 278.190(2).

Case No.	Date filed	Period in effect	Proposed GCR Rate
2025-00084 ³⁷	December 31, 2024	May 2, 2025 to August 1, 2025	\$ 10.8259 per Mcf
2025-00204 ³⁸	March 31, 2025	August 2, 2025 to November 1, 2025	\$ 12.9969 per Mcf
2025-00316	June 30, 2025	Beginning November 2, 2025	\$ 12.3591 per Mcf

While Navitas KY was able to collect an amount for gas costs, the GCR rate charged to customers did not reflect the rate necessary to recover actual gas costs incurred during the period in which the GCR rate reports were suspended. During the suspension period of February 1, 2024 through January 31, 2025, in which Navitas KY was charging the \$4.0691 per Mcf GCR rate, Navitas KY reported GCR sales of

³⁵ Case No. 2024-00401, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed. Dec. 31, 2024), Navitas KY's response to Commission Staff's Request for Information in Case No. 2023-00428, Item 6.

³⁶ Case No. 2024-00401, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed. Dec. 31, 2024), GCR rate report and Supplemental Documents

³⁷ Case No. 2025-00084, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed. Mar. 31, 2025), GCR rate report.

³⁸ Case No. 2025-00204, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (filed. June 30, 2025), GCR rate report.

approximately 76,725 Mcf, which would have resulted in a gas cost revenue of approximately \$312,201.70. Based on the supplier and transporter invoices provided in the record of this proceeding, and in Case Nos. 2024-00401; 2025-00084; and 2025-00204, the amount of gas cost purchased by Navitas KY during the period was approximately \$601,329.48.³⁹ However, based on the information presented in Navitas KY's GCR rate report in this proceeding and in Case No. 2025-00204, Navitas KY reports a gas cost during this period of approximately \$748,627.04.⁴⁰ The information presented in the GCR rate report at times differs from the information presented in the supplier invoices. This would have placed the one-for-one amount under collected during this period to be roughly between \$289,127.78 and \$436,425.34.

In Case No. 2025-00332, Navitas KY's ongoing Alternative Rate Filing pursuant to 807 KAR 5:076, Navitas KY reports as part of its motion for emergency rate relief, that the amount in under-collected gas costs that Navitas has thus far been unable to recoup equates to approximately \$415,880.55.⁴¹ Navitas KY justified this amount by providing an Excel sheet in its GCR rate report filing depicting how the amount was calculated.⁴² The \$415,880.55 is based on the residual gas cost recovery amounts used to determine each of the quarter ACA and quarter BA Components that were remaining with the suspension of Navitas KY's GCR for the period of February 1, 2024, through January 31,

³⁹ Some invoices were missing.

⁴⁰ Based on the supplied invoices and Navitas KY's GCR Rate Report filing, Navitas_PGA_-_Case_No._2025-00316.xlsx, Tab labeled, "Sch II EGC".

⁴¹ Case No. 2025-00332, October 14, 2025 Navitas KY's Motion for Emergency Rate Relief at 4 and 10.

⁴² Navitas KY's GCR Rate Report filing, Navitas_PGA_-_Case_No._2025-00316.xlsx, Tab labeled, "AA BA Ladder".

2025.⁴³ Notably, the \$415,880.55 falls within the range of the amount owed and calculated as the difference in amount of gas cost revenue collected and the amount of gas costs acquired based on the actual provided invoices,⁴⁴ which makes it the most valid amount.

FINDINGS

Having reviewed the record and being sufficiently advised, the Commission finds that the amount of \$415,880.55, subject to refund, on an interim basis as reported by Navitas KY should be used to establish a surcharge that can allow Navitas KY to begin collecting on residual gas costs that were unrecovered during the GCR suspension period. The Commission understands that the under-collected total may be more or less than the \$415,880.55 amount discussed in this Order, and the Commission reserves the right to make changes to the amount in Navitas KY's future GCR rate reports should there be improvements to the record in these proceedings. Based on the total monthly sales reported through Navitas KY's GCR rate report for the calendar year 2024 of 71,723.93 Mcf⁴⁵ and actual invoiced sales, the Commission finds an appropriate temporary residual surcharge to be \$4.5000 per Mcf, subject to refund, to be reasonable.

The Commission finds that given the emergency circumstances as identified in Case No. 2025-00332, Navitas KY should be granted a residual surcharge of \$4.5000 per Mcf, subject to refund, for service rendered beginning on and after January 1, 2026,

⁴³ Case No. 2025-00010, *Electronic Alleged Failure of Navitas KY NG, LLC To Comply With KRS 278.030, KRS 278.180(1), KRS 278.274, Commission Orders, And Its Gas Cost Recovery Tariff* (filed. Aug. 29, 2025), Navitas KY's response to Commission Staff's Post-Hearing Request for Information, Item 6.

⁴⁴ The record is incomplete due to the missing invoices.

⁴⁵ Navitas KY's GCR Rate Report filing, Navitas_PGA_-_Case_No._2025-00316.xlsx, Tab labeled, "Sales", Column AD, Row 58.

until further Order of the Commission to cease collecting the residual surcharge or up to December 31, 2027, whichever occurs sooner. For the purpose of transparency and to maintain a record of information, the Commission finds that Navitas KY should provide monthly reports to the Commission detailing: (1) The record of the total amounts recovered through this residual surcharge; (2) the total amount of remaining debt owed to each natural gas supplier and transporter used to serve Kentucky customers; (3) the amount paid to each natural gas supplier and transporter serving Kentucky customers; (4) the usage report for the month; and (5) proof of payment to each natural gas supplier and transporter serving Kentucky customers.

Should Navitas KY experience significant changes to its monthly sales, it should notify the Commission in the cover letter of its quarterly GCR rate report filings how the change in sales will impact the expected recovery period of the GCR residual surcharge. Additionally, the Commission finds that in the event of natural gas costs rising meaningfully, before the total amount is recovered, the Commission reserves the right to initiate an investigation to determine whether a change to the surcharge rate is necessary. Furthermore, the Commission can, at any time, order Navitas KY to stop charging the residual surcharge or order a change to the residual surcharge amount. The Commission cautions Navitas KY that any amount recovered through this residual surcharge is intended to be used for the amount of debt owed to each of Navitas KY's natural gas suppliers and transporters serving Kentucky customers as the amount used to determine the surcharge was based on gas purchased costs or transportation costs that are allowed to be recovered through the GCR mechanism pursuant to KRS 278.274(1).

The calculation of the GCR rates and its components proposed in Case Nos. 2024-00401, 2025-00084, 2025-00204, and 2025-00316 used the Commission's preferred GCR rate report format.^{46 47} Furthermore, Navitas KY and Commission Staff participated in an informal conference on September 10, 2025, in Case Nos. 2025-00010, 2024-00401, 2025-00084, and 2025-00204 to discuss, among other things, a resolution of all pending Navitas KY GCR cases; options for improving operations and financial stability; submitting GCR filings; inconsistencies in filings with the Commission; requesting waivers for the five percent line-loss limiter; advising the Commission of proposed changes to GCR filings via cover letter; communicating with Commission Staff; and using consistent measurement units across filings.⁴⁸ Upon review of Navitas KY's GCR rate report filings, the Commission finds that the GCR component charges and credits applied by Navitas KY, through its GCR mechanism, as proposed, beginning with usage on and after February 2, 2025, through October 31, 2025, for Case Nos. 2024-00401; 2025-00084; and 2025-00204, should be accepted. The proposed GCR rates in these proceedings have already been charged to customers for the intended three-month usage period, except for the rates proposed in Case No. 2025-00316, which will remain in effect for service rendered until February 2026. Accordingly, the Commission finds that a copy of this Order should be entered into the record of the active Case Nos. of 2024-00401, 2025-00084, and 2025-00204 and those cases should be closed.

⁴⁶ Case No. 2020-00396, April 27, 2021 final Order at 14.

⁴⁷ Case No. 2023-00428, October 31, 2024, final Order at 18, and ordering paragraph 3.

⁴⁸ 2024-00401, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC October 2, 2025), Informal Conference Memo.

Beginning in 2020, Kentucky Local Distribution Companies are ordered by the Commission in their respective quarterly GCR final orders to file supplier invoices and usage reports as a part of transparency in the GCR rate calculations. Navitas KY has been ordered to provide these reports in its quarterly GCR rate report cases.⁴⁹ During the Commission's review of the case record in this proceeding, and the case records in Case Nos. 2024-00401, 2025-00084, and 2025-00204, it has determined a number of monthly invoices for natural gas suppliers and transporters that service Kentucky customers to be missing from the respective records. The Commission finds that the missing monthly invoices include:

Case No.	Invoices for	Periods Missing
2024-00401	B&W Pipeline	January 2024 through October 2024
	Diversified Gas & Oil	August 2024 through October 2024
	Petrol TCO	October 2024
2025-00204	Diversified Gas & Oil	February 2025 through April 2025
2025-00316	Diversified Gas & Oil	May 2025 through July 2025
	Petrol ETGP	May 2025 and July 2025

During the January 2024 through July 2025 period, Navitas KY reported volumes purchased and invoiced cost for these suppliers and transporters listed above that were not validated with a respective invoice. The Commission directs Navitas KY to provide these missing invoices, file future invoices appropriately and warns Navitas KY to follow all Commission directives to ensure continued compliance.

IT IS THEREFORE ORDERED that:

1. The residual surcharge of \$4.5000 per Mcf is approved for service rendered on and after January 1, 2026, subject to refund, until further Order of the Commission to

⁴⁹ See example, Case No. 2023-00325, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Oct. 30, 2023), Order at 2, and ordering paragraph 2.

cease collecting the residual surcharge or up to of December 31, 2027, whichever occurs sooner.

2. Navitas KY shall maintain its records in such a manner as will enable it, the Commission, and any of Navitas KY's customers, to determine the amounts to be refunded and to whom any refund is due in the event that a refund of any portion of the GCR or residual surcharge is ordered by the Commission.

3. Navitas KY shall file monthly reports to the Commission detailing: (1) The record of the total amounts recovered through this residual surcharge; (2) the total amount of remaining debt owed to each natural gas supplier and transporter serving Kentucky customers; (3) the amount paid to each natural gas supplier and transporter serving Kentucky customers; (4) the usage report for the month; and (5) proof of payment to each natural gas supplier and transporter serving Kentucky customers to which debt is owed.

4. The GCR component charges and credits applied by Navitas KY, through its GCR mechanism, as proposed, beginning with usage on and after November 2, 2025, through January 31, 2026, for Case No. 2025-00316, is accepted.

5. The GCR component charges and credits applied by Navitas KY, through its GCR mechanism, as proposed, beginning with usage on and after February 2, 2025, through October 31, 2025, for Case Nos. 2024-00401; 2025-00084; and 2025-00204, are accepted.

6. A copy of this Order shall be entered into the record in Case Nos. 2024-00401, 2025-00084, and 2025-00204 and those cases shall be closed and removed from the Commission's docket.

7. In the event of natural gas costs rising meaningfully, before the total amount is recovered, the Commission reserves its right to initiate an investigation to determine whether a change to the surcharge rate is necessary.

8. The Commission can, at any time, order Navitas KY to cease charging the residual surcharge approved herein or order a change to the residual surcharge amount.

9. If Navitas KY fails to comply with the monthly reporting requirements as set forth in this Order, then the Commission may revoke the residual surcharge and may open an investigation into noncompliance.

10. Navitas KY shall submit the missing invoices as identified on page 16 of this Order.

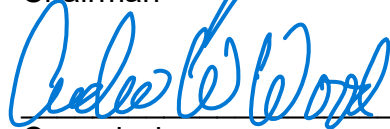
11. Navitas KY shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files future GCR rate reports.

12. 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.

13. Case No. 2025-00316 is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION


Chairman


Commissioner


Commissioner

ATTEST:


Executive Director



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