

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF NAVITAS KY NG, LLC FOR)	
APPROVAL OF LONG-TERM FINANCING PLAN)	CASE NO.
FOR ITS OPERATIONS IN ALBANY, CLINTON)	2018-00149
COUNTY, KENTUCKY)	

ORDER

On May 1, 2018, Navitas KY NG, LLC (“Navitas”) filed with the Commission an application for approval of long-term financing for its operations in Kentucky pursuant to KRS 278.300. As a basis for its application, Navitas states that Navitas Utility Corporation (“NUC”), which is a sister company of Navitas’s parent company, Navitas Assets, LCC (“NALLC”), currently holds a \$1.2 million line of credit for all of its operating companies in several states, including Kentucky. Navitas states that NUC seeks to alter its current debt structure by transitioning from a single line of credit for all its operations to separate lines for credit for each of its operations in Kentucky, Oklahoma, Texas, and Tennessee. NALLC proposes to have its own line of credit of \$150,000 for Navitas’s Kentucky operations.

The Promissory Note establishing the line of credit¹ provides that, beginning January 15, 2018, Navitas is to make monthly payments of only interest, with the balance of the note due in full on the maturity date of November 15, 2018. Thus, the full term of the note is less than one year.

¹ Application, Exhibit B.

Even though the Application states that it is for long-term financing, it appears to the Commission that the proposed Promissory Note does not require Commission approval. KRS 278.300(8) provides that the required approval under KRS 278.300 is not required for notes “that are payable at periods of not more than two (2) years from the date thereof” Accordingly, assuming that the Promissory Note attached to Application is the note that Navitas intends to execute, no Commission approval is necessary as it is payable for less than a period of two years. Navitas’s Application, therefore, should be denied because it is seeking relief that the Commission does not need to provide.

IT IS THEREFORE ORDERED that Navitas’s Application to approve long-term financing is denied and that this case is closed and removed from the Commission’s docket.

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By the Commission



ATTEST:


Executive Director

*Klint W. Alexander
Attorney
1767 Nottage Ct
, WYOMING 82072

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

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