

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

| | | |
|---------------------------------------|---|------------|
| APPLICATION OF NAVITAS KY NG, LLC FOR |) | |
| AN ORDER GRANTING THE ISSUANCE OF A |) | CASE NO. |
| CERTIFICATE OF PUBLIC CONVENIENCE AND |) | 2012-00114 |
| NECESSITY |) | |

O R D E R

On March 22, 2012, Navitas KY NG, LLC, (“Navitas”) filed an application with the Commission requesting a Certificate of Public Convenience and Necessity (“CPCN”) in connection with the Highway 127 Albany bypass project and the relocation of Navitas’s natural gas distribution lines serving Albany, Kentucky.¹ By letter dated April 4, 2012, the Commission notified Navitas that its application was rejected as deficient because it did not include the information necessary to satisfy the filing requirements contained in 807 KAR 5:001, Section 9(2) and KRS 322.340.

In response to the Commission’s deficiency letter, on April 20, 2012, Navitas provided the information cited in the April 4, 2012 letter. The Commission accepted the information and the application was deemed filed as of April 20, 2012.

On February 21, 2012, Navitas had requested an opinion from the Commission on whether relocation of the lines in question could be considered in the ordinary course of business or if a CPCN was required. PSC Staff Opinion 2012-008 was issued on March 8, 2012, stating that a CPCN was required since the project would affect the customer rates and, therefore, would not be considered in the ordinary course of

¹ Kentucky Transportation Cabinet (“KTC”) projects: 8-260.01, 0.02 and 0.10 together comprise the bypass work.

business. The purpose of Navitas's application in this proceeding is to comply with this PSC Staff Opinion.

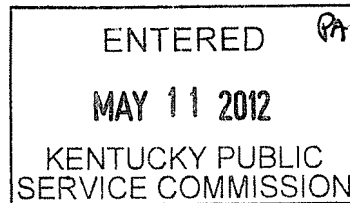
Navitas states that, in accordance with the regulations covering the relocation of natural gas distribution lines, the KTC is responsible for the cost of relocating facilities from private rights-of-way and Navitas is responsible for relocating facilities from public rights-of-way. According to the information provided by Navitas in its filing of April 20, 2012, the majority of its proposed construction consists of relocating the natural gas distribution lines from their existing location to a new alignment outside the new highway right-of-way. The new pipeline will be constructed in substantially the same manner as the existing pipeline and will consist of 2" to 6" polyethylene pipe. Navitas has provided maps showing the location and route of the proposed construction work. On February 16, 2012, according to Navitas, the project was competitively bid. It estimates it will be responsible for approximately \$60,000.00 of the total estimated cost of the project of \$437,000.00, and that the potential impact of this project per customer is approximately \$480.00 of net plant. Navitas states that it plans to finance the construction through continuing operations.

Based on the evidence of record and being otherwise sufficiently advised, the Commission finds that Navitas's request for a CPCN for the construction proposed herein should be approved and that, no later than 90 days after the completion of the project, Navitas should file with the Commission a statement of the actual costs of the construction. In the event that financing of this project is required, Navitas should apply to the Commission for approval of the financing pursuant to KRS 278.300 unless the term of the financing is less than that set out in KRS 278.300(8).

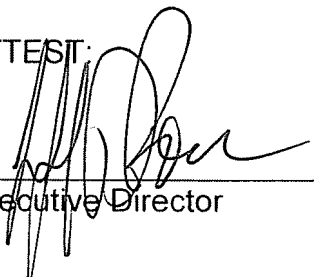
IT IS THEREFORE ORDERED that:

1. Navitas is granted a CPCN for the construction project set forth in the plans and specifications of the record herein.
2. Navitas shall, no later than 90 days after completion of the project, file with the Commission a statement of the actual costs of the construction.
3. Navitas shall not incur any indebtedness associated with this project without applying to the Commission for approval pursuant to KRS 278.300 unless the term of the financing is less than that set out in KRS 278.300(8).

By the Commission



ATTEST:



Executive Director

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