

**BAKER DONELSON**  
BEARMAN, CALDWELL & BERKOWITZ, PC

BAKER DONELSON CENTER, SUITE 800  
211 COMMERCE STREET  
NASHVILLE, TENNESSEE 37201

MAILING ADDRESS:  
POST OFFICE BOX 190613  
NASHVILLE, TENNESSEE 37219

PHONE: 615.726.5600  
FAX: 615.726.0464

V. AUSTIN SHAVER  
Direct Dial: 615.726.5761  
Direct Fax: 615.744.5761  
E-Mail Address: vshaver@bakerdonelson.com

www.bakerdonelson.com

**RECEIVED**

**FEB 29 2016**

**PUBLIC SERVICE  
COMMISSION**

February 26, 2016

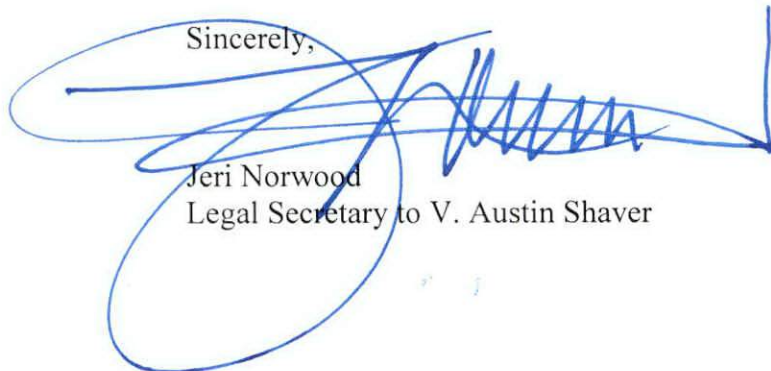
**VIA FEDERAL EXPRESS**

Dear Mr. Gardner:

Enclosed for filing is an original and nine (9) copies of Navitas KY NG, LLC's Responses to Commission Staff's First Request for Information. Please file and return a stamped received copy in the enclosed, self-addressed stamped envelope.

Thank you so much for your assistance.

Sincerely,



Jeri Norwood  
Legal Secretary to V. Austin Shaver

/jn  
Enclosures

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:	)	
	)	
APPLICATION OF NAVITAS KY NG, LLC	)	CASE NO. 2016-00065
FOR APPROVAL OF TRANSPORTATION	)	
AGREEMENT WITH FSR SERVICES, LLC	)	
TO CONSTRUCT PIPELINE EXTENSION	)	
IN ALBANY, CLINTON COUNTY, KENTUCKY	)	

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**NAVITAS KY NG, LLC’S RESPONSES TO COMMISSION STAFF’S FIRST  
REQUEST FOR INFORMATION**

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COMES NOW Navitas KY NG, LLC (“Navitas”), by and through undersigned counsel, and hereby serves this response to the Commission Staff’s First Set of Data Requests. Navitas states as follows:

**DATA REQUESTS**

**REQUEST NO. 1:** Provide a complete description of the pipeline route, the length of the planned FSR Services, LLC (“FSR”) pipeline extension, and an indication of the point of interconnection with Navitas’s existing system.

**RESPONSE:** The proposed pipeline will connect to the existing pipeline at the southwest corner of Hwy 90 and Hwy 127. It will travel east for two miles along the south side of Hwy 127. It will have two laterals, one at the first mile, the other at the second mile terminating at the Albany industrial park.

**REQUEST NO. 2:** Describe the design and capacity of the planned FSR pipeline.

**RESPONSE:** The pipeline will be six-inch poly with a theoretical capacity far in excess of the anticipated load at the industrial park.

**REQUEST NO. 3:** Provide a complete breakdown of all costs Navitas expects to incur in conjunction with the FSR pipeline project.

**RESPONSE:** The estimated cost of the project is \$100,000 per mile. It includes design and engineering, 10,000; materials, 35,000; dig, lay, & backfill, 35,000; boring, 10,000; and contingency, 10,000.

**REQUEST NO. 4:** Provide a complete breakdown of all ongoing annual expenses Navitas expects to incur with the operation of the FSR pipeline project.

**RESPONSE:** The incremental cost of serving an additional handful of buildings is very small. The major costs will be property taxes, 5000; and depreciation, 5000.

**REQUEST NO. 5:** Provide calculations showing an estimate of the annual revenues Navitas expects to collect from FSR for the ten-year term of the Transportation Agreement.

**RESPONSE:** Of the initial three buildings, two are anticipated to use 13,500 CCF each annually, and the third to use 40,000 CCF annually. Thus annual revenue is initially expected to be approximately \$31,000 or \$310,000 over the ten-year term.

**REQUEST NO. 6:** Refer to the application, pages 2-3, paragraph 6. Provide the intended effective date of the proposed Transportation Agreement, which set out as January \_\_\_, 2016, in the Transportation Agreement provided in Exhibit A.

**RESPONSE:** January 18, 2016

**REQUEST NO. 7:** Refer to the application, page 4, paragraph 11. Provide an estimate of the potential impact of the FSR pipeline project on Navitas' customers, which is characterized in this paragraph as "minimal."

**RESPONSE:** Current customers of the Albany system should see no impact to their gas service in terms of supply or cost. Speculatively, the addition of gas service at the industrial park could draw in new businesses and jobs to the community. Additionally, large enough increases in flow should have the effect of reducing GCA costs and holding down future tariff increases.

**REQUEST NO. 8:** Refer to the application, Exhibit A, the Transportation Agreement.

a. Refer to page 8, Section 4.2. Provide the maximum monthly capacity of the pipeline to which the FSR pipeline is to be connected

**RESPONSE:** According to a study done by Bell Engineering and subsequent improvements, the pipeline has in excess of 16,000 MCF monthly.

b. Refer to page 8, Section 4.3. Provide the expected daily and annual load represented by the FSR contract.

**RESPONSE:** The expected annual load is 67,000 CCF and the expected daily load ranges from 60 CCF to 600 CCF

c. Refer to page 8, Sections 4.2 and 4.3. Considering the combined potential load of the Keystone Plant and FSR, state whether Navitas's existing pipeline system will be able to deliver the expected full requirements of both customers. If not, state whether Navitas expects to add pipeline capacity or if the customers have alternate fuel capability for their remaining fuel requirements.

**RESPONSE:** Currently, based on the projected usage of Keystone, the existing pipeline has sufficient capacity to serve both customers. The pipeline supplying the Navitas system also has the potential to significantly increase our capacity through uprating, additional injection points, and additional compression; all at relatively low cost.

d. Refer to page 8, Section 4.4. State whether Navitas will be required to provide any sales gas from its system supply to FSR. If so, state whether FSR will pay Navitas's approved Gas Cost Recovery rate.

**RESPONSE:** FSR will pay the approved GCR of Navitas. This agreement is not structured as a transport only agreement and thus FSR will not be procuring its own commodity. Navitas believes its tariffs and charges are competitive with propane prices available to FSR.

e. Refer to page 9, Section 5, Transportation Rate.

(1) The \$4.62 per Mcf Transportation Fee referenced in this section is equal to Navitas's Residential Base Rate on page 1 of its tariff on file with the Commission. State whether FSR's special contract rate will always be equal to the Residential Base Rate, and whether it will increase commensurate with any future increase to the Residential Base Rate approved by the Commission.

**RESPONSE:** Yes, the tariff charged FSR will always be the greater of \$4.62 per MCF or the approved rate from the Public Service Commission.

(2) State whether FSR will pay any other rate or charge in addition to the per MCF tariff rate.

**RESPONSE:** Yes, they will pay the monthly customer charge as well.

(f) Following the Transportation Agreement, there is a page labeled Exhibit A, The Pipeline, and a page labeled Exhibit A-1, Pipeline Map. Provide all pages included in these documents, which are not included in the application.

**RESPONSE:** The pipeline map is being created by Bell Engineering. A copy will be supplied as soon as it is available.

(9) State whether any improvements are required within the existing Navitas system to provide service to the planned pipeline extension and FSR.

**RESPONSE:** No improvements are necessary to the existing system to provide service to this customer.

Dated this 26th day of February, 2016.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Klint Alexander", with a date "(10/4/8)" written below it.

Klint Alexander (#20420)

V. Austin Shaver (#26581)

**BAKER DONELSON, BEARMAN, CALDWELL &  
BERKOWITZ, P.C.**

211 Commerce Street, Suite 800

Nashville, Tennessee 37201

(615) 726-5600

[kalexander@bakerdonelson.com](mailto:kalexander@bakerdonelson.com)

*Counsel for Navitas KY NG, LLC*

**VERIFICATION OF NAVITAS KY NG, LLC**

STATE OF CALIFORNIA   )  
                                  )  
COUNTY OF ORANGE   )       ss:

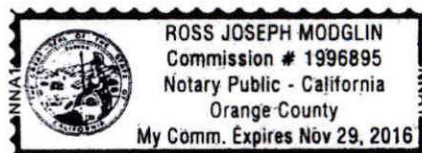
I, Thomas Hartline, Secretary of Navitas TN NG, LLC, being duly sworn according to law, makes oath and affirm that I have read the foregoing documentation, know the contents thereof, and that same is true and correct to the best of my knowledge, information and belief.

  
THOMAS HARTLINE

Subscribed and sworn to (or affirmed) before me on this 26<sup>th</sup> day of February, 2016, by Thomas Hartline, proved to me on the basis of satisfactory evidence to be the person who appeared before me.

  
Notary Public Signature

Notary Public Seal



**CERTIFICATE OF SERVICE**

I hereby certify that on February 26, 2016, a true and correct copy of the foregoing was served via U.S. Mail upon the following:

Jennifer Hans, Esq.  
Office of the Attorney General  
Capitol Suite 118  
700 Capitol Avenue  
Frankfort, Kentucky 40601-3449

James W. Gardner  
Acting Executive Director  
Public Service Commission  
PO Box 615  
Frankfort, KY 40602

  
V. Austin Shaver