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Angie Hatton
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Andrew W. Wood
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October 1, 2025

PARTIES OF RECORD

Re: Case No. 2025-00204

Notice is given to all parties that the attached Informal Conference Memorandum and attendance list has been filed into the record of this proceeding.

If you have any comments you would like to make regarding the contents of the document, please do so within five days of receipt of this letter. If you have any questions, please contact Jason Colyer, Staff Attorney, at Jason.Colyer@ky.gov.

Sincerely,


Linda C. Bridwell, PE
Executive Director

Attachment

INTRA-AGENCY MEMORANDUM

KENTUCKY PUBLIC SERVICE COMMISSION

TO: Case File Nos. 2025-00010, 2024-00401, 2025-00084, 2025-00204

FROM: Jason Colyer, Staff Attorney III
Sarah Jankowski, Financial Analyst IV
Sangeetha Mahadevaswamy, Financial Analyst I

DATE: September 16, 2025

RE: Case No. 2025-00010, Navitas NG KY, LLC (Navitas KY) Informal Conference of September 10, 2025

An informal conference (IC) was conducted on September 10, 2025 at 1:00 p.m. An Order officially scheduling the IC was issued September 8, 2025. Attached is a copy of the attendance roster.

The purpose of the IC was to discuss the resolution of pending Gas Cost Adjustment (GCA) cases and the investigation (Case No. 2025-00010) against Navitas KY, alleging several violations of Navitas KY's tariff, Commission regulations, and KRS Chapter 278. Navitas KY formally requested an IC in Case No. 2024-00401 and informally discussed the possibility of an holding an IC addressing the resolution all pending Navitas cases with Commission Staff at the hearing held in Case No. 2025-00010.

The IC included discussion of a proposed stipulation of facts and recommended findings intended to resolve Case No. 2025-00010. The proposed stipulation where Navitas KY would agree that the evidence in the record was sufficient to establish that:

1. Inclusion of pressure testing expenses paid to Russmar Utility Management through the GCA mechanism was a violation of Navitas KY's tariff and was subject to refund;
2. Navitas KY's Expected Gas Cost (EGC) estimates improperly expedited the balancing of the GCR mechanism's over-recovery or under-recovery instead of estimating gas cost, in violation of its tariff;
3. Navitas KY will not attempt to collect greater than the index rate credited to Bud Rife via the GCA mechanism (discussed below) and will file any judgment of the Floyd Circuit Court regarding this matter into the record of the present case;
4. Navitas KY failed to file with the Commission all required annual reconciliations of monthly surcharge collections and reimbursement in violation of the final Order in Case No. 2019-00430, *Electronic Application of Navitas KY NG, LLC For an Alternate Rate Adjustment* (Ky. PSC June 17, 2020), Order; and
5. Navitas KY failed to provide the Commission with tracker updates and notice that recovery of acquisition-related costs had been fully recovered by surcharges in its quarterly GCR rate report filings cover letter, in violation of

Orders in Cases No. 2022-00109, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 29, 2022), Order at 4; Case No. 2023-00002, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Feb. 9, 2023) Order; Case No. 2023-00091, *Electronic Purchased Gas Adjustment Filing of Navitas KY NG, LLC* (Ky. PSC Apr. 28, 2023), Order.

Commission Staff also discussed Navitas KY requesting guidance from the Commission, in the form of email to the Executive Director, for any gas costs that do not clearly meet the tariff definition of gas cost or gas transportation cost;

Commission Staff stipulated that although it cannot bind the Commission and that the Commission only speaks through its orders, Staff would recommend to the Commission that:

1. The four violations stipulated to as set out above would constitute Four individual violations, with a recommended civil penalty of \$2,500 for each of the four violations, with the entirety of the penalties suspended upon the condition that Navitas KY incur no further violations of the same authorities for a period of five years;
2. No violation be found for use of liquid natural gas (LNG) passed through the GCA mechanism in the above-referenced cases, and that these sums be permitted for recovery for the applicable recovery periods;
3. No violation be found for crediting Bud Rife at an index rate for gas received for which it has paid no compensation and passing those credited amount through the GCA mechanism;
4. No violation be found for spreadsheet errors alleged in the Opening Order; and
5. No violation be found for Navitas KY allegedly filing GCR filings that were late and/or included proposed effective dates that did not correspond with the first of each calendar quarter period in violation of its GCR tariff or were filed with less than 30 days' notice from the proposed effective date in violation of KRS 278.180(1).

Commission Staff indicated it would submit a draft of all stipulations to Navitas KY's counsel.

Commission Staff then discussed with Navitas personnel and counsel various options for improving operations and financial stability, submitting GCA filings, and inconsistencies in filings with the Commission, and answered questions from Navitas personnel and counsel. The topics discussed included:

- Whether Navitas KY should consider utilizing a Pipeline Replacement Program for accelerated recovery of pipeline upgrades;
- Requesting waivers for the five percent line-loss limiter;
- Advising the Commission of proposed changes to GCA filings via cover letter and how to communicate with Commission Staff;
- Using consistent measurement units across filings; and
- Annual report inconsistencies that Navitas KY explained involved omitting gas transportation costs.

There being no further discussion, the IC was then adjourned.

cc: Parties of Record

Attendance Roster

Name	Appearing for:
Brian Thomas	Commission Staff, General Counsel
Ben Bellamy	Commission Staff, Assistant General Counsel
Jason Colyer	Commission Staff, Staff Attorney
Sarah Jankowski	Commission Staff, Financial Analyst
Mary Whitaker	Commission Staff, Financial Analyst
Sangeetha Mahadevaswamy	Commission Staff, Financial Analyst
Melissa Holbrook	Commission Staff, Assistant Director, Division of Inspections
Evan Buckley	Counsel for Navitas KY
Thomas Hartline	Navitas KY, President
Julie Loving	Navitas KY, Regulatory Compliance

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