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March 30, 2012

Thomas Hartline, President
Navitas Utility Corporation
18218 East McDermott, Suite I
Irvine, CA 92614

RE: GCA rates established effective February 12, 2012 by Commission Order in Case No. 2012-00019

Dear Mr. Hartline:

I appreciate your on-going efforts to resolve Navitas KY NG, LLC's ("Navitas") Gas Cost Recovery ("GCR") methodology with Commission Staff. If at any time you require assistance in preparing a GCR application, please do not hesitate to contact Leah Faulkner and Daryl Newby of the Commission's Financial Analysis Division, and Virginia Gregg of the Legal Division.

It is my understanding that Navitas is currently charging unauthorized rates, in violation of the Commission's Order in Case No. 2012-00019 which established rates to be charged by Navitas on and after February 12, 2012. Staff attending the meeting to discuss your next GCR filing informed me that, because you did not understand the revisions made in the GCR rates proposed by Navitas and were unable to reproduce the calculations, the revised rates approved by the Commission were not implemented.

As a public utility under the jurisdiction of the Kentucky Public Service Commission, Navitas is subject to the provisions of KRS 278.160(2) which states in part that "No utility shall charge, demand, collect, or receive from any person a greater or less compensation for any service rendered ... that that prescribed in its filed schedules...." The only legal rates that Navitas can charge are those which have been approved by Order of the Commission. Navitas must immediately begin charging the rates contained in the Appendix of the Commission's Order in Case No. 2012-00019. Please indicate

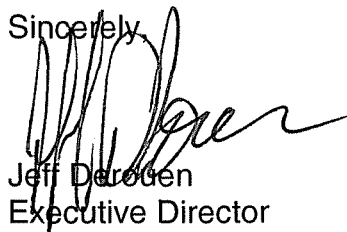
March 30, 2012

Page 2 of 2

Navitas's intent to comply with that Order by filing a tariff sheet containing the approved rates within 10 days. Failure to charge authorized rates could subject Navitas to an investigation and a possible show cause action, which could lead to penalties pursuant to KRS 278.990.

If you have questions in the future about rate revisions and rates approved in a Commission Order, you may notify my office or Staff and request an explanation. If final rates approved in a Commission Order are in error, an Order with corrected rates will be issued. If a revision in rates is made with which you disagree, you may request rehearing of the Order and the Commission will consider your request, as long as your request is made within 20 days of the Order issue date pursuant to KRS 278.400.

Sincerely,



Jeff Deroen
Executive Director

JD/lf