

Henry Walker
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615.252.2363 direct



June 18, 2019

Navitas Utilities Corporation
Mr. Thomas Hartline, President
3186 Airway Avenue
Costa Mesa, CA 92626

Dear Mr. Hartline:

On June 6, 2019, B&W Pipeline LLC ("B&W" or the "Company") filed the enclosed Statement of Operating Conditions ("SOC") with the Federal Energy Regulatory Commission ("FERC"). The SOC provides in Section 2 that B&W's interstate rate for interruptible transportation service is \$2.7172 per Mcf. I have also enclosed an order from the FERC approving the rate and stating that the tariff is effective retroactively to July 17, 2017.¹ You may find additional information about the FERC decision, which resulted from a settlement agreement between B&W and the FERC staff, on the FERC website under Docket No. PR17-54-00.

As required by law, B&W will now begin billing Navitas for interstate transportation at the tariffed rate. Your invoice for May, 2019 is enclosed. In accordance with the FERC order, we have also included an invoice for interstate transportation for the period July 17, 2017 through April 30, 2019. In accordance with Section 6.12 of the SOC, interest has been calculated in accordance with Section 154.401(d) of FERC's regulations.

B&W expects prompt payment of the invoice for May, 2019. Because of the large amount owed from the prior period, B&W is willing, if Navitas requests, to discuss payment over a reasonable time. You or Mr. Miranda may contact Juan Jose Duran or Frank Cash to discuss this issue.

Finally, as you are aware, Navitas has not paid anything to B&W for interstate transportation since December, 2015. Because the FERC order is retroactive only to July 17, 2017, B&W's interstate services provided to Navitas from January 1, 2016 until July 17, 2017 are not reflected on this invoice at this time.

Sincerely,

A handwritten signature in black ink that reads "Henry M. Walker".

Henry M. Walker

cc: Roberto Miranda
Don Baltimore

Enclosures

¹ As you may recall, you wrote B&W on June 21, 2016 stating that Navitas would not pay for the interstate transportation of gas to Kentucky until the FERC had approved a tariff for those services. As B&W responded on June 24, 2016, "Once our filing with the FERC has been made, we anticipate collecting a transportation charge for gas delivered to the Albany [Kentucky] meter retroactively to January 1, 2016."