

**COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION**

In the Matter of:

THE JOINT ELECTRONIC)	
APPLICATION OF NAVITAS)	
KY NG, LLC, JOHNSON)	CASE NO. 2020-00396
COUNTY GAS COMPANY,)	
AND B&H GAS SYSTEM)	
FOR APPROVAL OF)	
ACQUISITION, TRANSFER)	
OF OWNERSHIP, AND)	
CONTROL OF NATURAL)	
GAS UTILITY SYSTEMS)	

JOINT APPLICATION

COMES NOW, Joint Applicants Navitas KY NG, LLC¹ ("Navitas"), by and through counsel, B&H GAS COMPANY ("B&H") and JOHNSON COUNTY GAS COMPANY ("JCG"), by and through counsel, and hereby requests, pursuant to KRS 278.020 (6) and (7), an Order from the Kentucky Public Service Commission (the "Commission") for approval of the acquisition of ownership, transfer and control of certain gas utility systems in Floyd and Johnson Counties owned by Bud Rife, an individual ("Seller") to Navitas. The proposed acquisition and transfer of ownership and control will occur, subject to the approval of the Commission and other regulatory agencies, under the terms of the accompanying Asset Purchase Agreement ("APA") dated November 30, 2020, by and between Bud Rife and Navitas. A copy of the redacted APA is attached hereto as **Exhibit B** and marked **CONFIDENTIAL**. A copy of the executed Equipment Purchase

¹ A Corporate Resolution of Navitas Assets, LLC assigning all rights and privileges under the Asset Purchase Agreement to Navitas is attached hereto as **Exhibit A**.

Agreement (“EPA”) and a copy of the executed Commercial Building Lease Agreement (“Lease Agreement”) are included in **Exhibit B**.²

The proposed acquisition and transfer of control satisfies the requirements of KRS 278.020 (6) and (7). For the reasons set forth below in this Application, the proposed acquisition and transfer of control will be made by a person with the financial, technical and managerial abilities to provide reasonable service, it will be made in accordance with law and for a proper purpose, and it will be consistent with the public interest. The Applicants respectfully request that the Commission accept the filing of this Application and enter a final order approving the proposed acquisition and transfer of control as expeditiously as possible pursuant to KRS 278.010 (6).

In support of this Application, the Applicants state as follows:

I. THE APPLICANTS

1. Navitas KY NG, LLC (“Navitas”) is a Kentucky limited liability company. Navitas’ principal place of business is 3186 Airway Avenue, Suite D, Costa Mesa, California 92626. Navitas Assets, LLC (“NALLC”) is the parent company of Navitas and is a Delaware limited liability company.

2. B&H Gas System (“B&H”) is a Kentucky regulated utility company. B&H’s principal place of business is PO Box 155, Harold, Kentucky 41635. B&H furnishes natural gas to approximately 250 customers in Floyd County, Kentucky.

3. Johnson County Gas Company, Inc. (“JCG”) is a Kentucky regulated utility company. JCG’s principal place of business is 54th and 2nd St., Harold, Kentucky 41635.

² Both the EPA and Lease Agreement are subject to Commission approval and are only enforceable pursuant to Commission approval of the APA.

JCG's mailing address is: P.O. Box 339, Harold, Kentucky 41635. JCG furnishes natural gas to approximately 274 customers in Johnson County, Kentucky.

4. On May 17, 1989, the Commission entered an order approving Seller's acquisition of B&H and its Application for a Certificate of Public Convenience and Necessity ("CPCN") to provide local gas distribution service to customers in Floyd County, Kentucky.³ Mr. Bud Rife acquired B&H after the state of Kentucky approached Mr. Rife about purchasing and operating the pipeline system. At the time of acquisition Mr. Rife owned and operated Bud Rife Construction Company, whose operations are based in Stanville, Kentucky.⁴

5. Seller has substantially rebuilt the B&H system.

6. On March 3, 1999, the Commission entered an Order approving Seller's acquisition of JCG and its Application for a Certificate of Public Convenience and Necessity ("CPCN") to provide local gas distribution service to customers in Johnson County, Kentucky.

7. Seller has substantially rebuilt the Johnson County system.

8. On or about August 6, 2020, Seller contacted Navitas to express his interest in selling B&H and JCG to Navitas. Seller was interested in finding an established natural gas utility purchaser for the two systems to continue providing natural gas service to customers in Floyd and John Counties. Given its success in Albany, Clinton County, Kentucky and its history of rehabilitating small, rural economically challenged systems, Navitas agreed to acquire the systems.

9. By Agreement dated November 30, 2020 (the "APA"), Seller agreed to sell, and Navitas agreed to purchase the B&H and JCG systems, subject to the approval of the applicable regulatory authorities, including the Commission. The proposed sale will result in a change in

³ KY PSC Case No. 89-018.

⁴ As of time of this Application, Mr. Rife continues to own and operate Bud Rife Construction Company.

ownership and control of the two systems. The gas system is comprised of customers and master meters, mains and regulators, pipelines, easements, rights-of-way, tools, equipment, supplies and other personal property used in the operation of the gas utility system.

10. Navitas and its affiliate companies have the requisite managerial and technical expertise to own and operate the B&H and JCG systems. The Navitas companies have extensive knowledge and expertise in operating rural regulated gas utility systems by virtue of its ownership of Navitas KY NG, LLC in Albany Kentucky, Navitas TN NG, LLC in Byrdstown and Jellico Tennessee, Fort Cobb Fuel Authority, LLC in the state of Oklahoma, and Navitas Utility Texas in Rosenberg and Texarkana, Texas. The Navitas companies are also familiar with federal and state utility regulations and currently work closely with the various state Public Utility Commissions, including the Kentucky Commission, to maintain properly functioning and legally compliant rural utility systems in Kentucky, Tennessee, Oklahoma and Texas.

11. Similar to the structure of many utilities, the Navitas companies are comprised of two sister entities, Navitas Assets, LLC (“NALLC”) and Navitas Utility Corporation (“NUC”). A diagram of the corporate structure of the Navitas companies is attached hereto as **Exhibit C**. NALLC is a holding company created to retain certain energy assets. NALLC maintains four field offices and two additional customer service locations including our operational headquarters in Eakly, Oklahoma which, along with customer service and field service personnel, houses Navitas’ meter shop, construction group, and pipeline integrity staff. NALLC is the parent company of Navitas KY NG, LLC, Navitas TN NG, LLC, Fort Cobb Fuel Authority, LLC, and Navitas Utility Texas, LLC. Navitas Assets (“NALLC”) maintains four field offices and two additional customer service locations including our operational

headquarters in Eakly, Oklahoma which, along with customer service and field service personnel, houses our meter shop, our construction group, and our pipeline integrity staff. NALLC is the parent company of Navitas KY NG, LLC, Navitas TN NG, LLC, Fort Cobb Fuel Authority, LLC, and Navitas Utility Texas, LLC.

12. NUC is an operating entity primarily engaged in providing necessary support services for the operations of NALLC. NUC provides the employees, the rolling stock, information systems, hardware and software, insurance, and other equipment & activities for operating the assets of NALLC. These operating services are provided at cost, billed monthly, and reviewed regularly. Both NALLC and NUC are owned by the same two shareholders - Mr. Thomas Hartline and Mr. Richard Varner (though with differing percentage interests). The vitae's of Messrs. Varner and Hartline are attached hereto as **Exhibit D**.

13. NALLC and NUC have the requisite financial stability to operate the B&H and JCG systems. NALLC and NUC are not publicly held companies, and therefore its Independent Auditor's Report from the years ending in 2018 and 2019 are confidential and are being provided herewith as **Exhibit E** marked '**CONFIDENTIAL**.' Some billing, bookkeeping, I.T., compliance and other functions will be provided by NALLC employees in Eakly, Oklahoma and in Costa Mesa, California where its operational and corporate offices are located respectively. Accounting and regulatory matters will be conducted out of Navitas' principal office in Costa Mesa, California, while billing, meter proving and compliance will be handled by Navitas' office in Eakly, Oklahoma.

14. Navitas TN NG, LLC ("TNNG") was formed in 2010 to acquire the LDC assets of Gasco from the U.S. Bankruptcy Court in Ohio. It is comprised of the Byrdstown system in

northcentral Tennessee near Dale Hollow Lake. The Jellico system located north of Knoxville, which, with 550 meters, is Navitas' single largest system by customer count.

15. Navitas KY NG, LLC Navitas KYNG, LLC ("KYNG") was also obtained from Gasco out of bankruptcy. The system in the Clinton County area, serving the Albany population of approximately 3,500, is our largest discrete town. In 2014 KYNG constructed a 9-mile pipeline to the Keystone Foods. This chicken processing facility provides 1,500 jobs in the regional community, which had been trying to get gas service for several decades.

16. Fort Cobb Fuel Authority ("FCFA") began operation in 1969 serving natural gas from local well to local irrigation farmers. In 2007 it became the inaugural system of Navitas Assets, LLC and the basis for seven additional acquisitions in Oklahoma including Krebs⁵, City of Velma, Rimrock from CenterPoint Energy, TKO, City of Kinta, City of Dustin, with the dozen sub-systems of LeAnn Gas in the northeast being the largest in 2009. In 2012, NALLC entered a joint venture with the Chickasaw Nation to construct a 16-mile natural gas system from Marietta to Thackerville, Oklahoma.

17. Navitas Utility Texas, LLC ("TXNG") was formed in 2017 for the purpose of constructing a new pipeline system on the former Red River Army Depot adjacent to the town of Hooks. In 2019 TXNG acquired a transmission system in Rosenberg.

The APA and Status of the Two Systems

18. The B&H & JCG systems will operate under the name of Navitas KY NG, LLC and will be fully integrated/incorporated into Navitas KY NG, LLC.

⁵ From U.S. Bankruptcy Court in Oklahoma.

19. To assist with the transition of ownership and control of the two systems and the future operation of the systems, Navitas is seeking to retain two long-time current employees. Additionally, Navitas has reached an agreement to hire one additional employee in Kentucky. No employees currently employed in either the B&H or JCG systems will be losing their employment.

20. On November 5, 2020, B&H filed a rate case with the Commission. B&H has not completed a rate case since 1991. Since 1991, customer sales have declined due to loss of industry in the region. As a standalone entity, B&H does not generate sufficient revenue to maintain safe and reliable gas service to its customers.

21. JCG completed its last rate case in 2012.⁶ In 2012-00120, JCG assumed a *pro rata* share of the costs associated with operating both the Johnson County and B&H systems. Accordingly, the *pro rata* share attributed to B&H generates the same rates.

22. Navitas intends to adopt the tariff rates on file with the Commission and will subsequently file a separate rate proceeding to revise the rates and terms and conditions of service of the utility as appropriate. It is Navitas' desire that the Commission approve a single tariff rate for the B&H and Johnson County systems. The adoption of Johnson County rates across both systems, which are physically adjacent, is critical to the overall health and safety of B&H, and strategically important to alleviate the burden on other affiliated sub-systems. Additionally, it avoids the cost of pursuing a sub-system rate case, only to be followed by a full system rate case.

23. Navitas seeks to use its current accounting and billing practices in connection with the acquisition, transfer and control of B&H and JCG. Navitas bills customers once per month

⁶ KY PSC Case No. 2012-00120

either on the 1st, the 7th, or the 15th of each month, depending on location. Its Kentucky operations are billed on the 7th day of the month. Going forward, Navitas intends to integrate the assets of the current separate entities of Johnson County Gas and B&H Gas Company into the books of Navitas KY NG, billing all Kentucky customers on the 7th day of the month and accounting for all Kentucky customers under a single entity.

24. Navitas is a net plant utility whereas both B&H and JCG are cost of service utilities. In the absence of audited financial statements and in the event of the records being destroyed fire, a forensic reconstruction of the net plant is problematic. However, a fair estimate of net plant, based on the known polyconstruction of the systems, can be used to establish net plant amounts for the pipeline assets. Navitas intends for the assets acquired under the APA to be converted from cost of service systems to net plant systems. Navitas plans to establish a net plant for the systems to be utilized in future rate cases in Kentucky as well as to be utilized in their monthly allocations.

25. Navitas submits GCA updates quarterly for its Kentucky, Texas, and Oklahoma operations utilizing the Kentucky method in all three states. Navitas has unified GCAs in both Texas and Oklahoma, where Navitas operates multiple sub-systems utilizing numerous suppliers, transporters, and city-gate equipment. Absent their unified GCAs, Navitas believes it would be costly and cumbersome to calculate individual sub-system GCAs and would likely require the employment of additional personnel to perform the task, which would be costly to the rate payer. Navitas requests a unified GCA for the various sub-systems in Kentucky. It is Navitas' belief that any month-to-month commodity cost difference between locations converges to zero over time as long-term arbitrage in commodities is unlikely and individual cost saving will be taken up by increases in overhead.

26. Certain liabilities and contractual obligations to which B&H and JCG are bound, such as executory contracts, and consumer deposits and credits, will transfer to NALLC as set forth in the APA. All franchise agreements, licenses, permits, rights-of-way, and authorizations under which B&H and JCG conduct business will transfer to NALLC.

27. The gas suppliers and transporters will not change as a result of the acquisition.

28. Once the acquisition and transfer of ownership and control is approved, Navitas will ensure that safe, reliable gas service is not interrupted to the rural customers it seeks to serve.

29. Navitas' members have read and understand the Commission's current gas service rules applicable to B&H and JCG, and they will continue to abide by the rules. Navitas' members are familiar with the Commission's Pipeline Safety Division and will work closely with the Commission's personnel to ensure that the system is maintained properly, the gas system is checked regularly for leaks and damage, and meters are checked to ensure that safe reliable gas service is provided to its customers.

30. Navitas will submit to the Commission all annual reports and other filings in a timely fashion. Navitas states that to the best of its knowledge, it is in good standing in Kentucky, Tennessee, Oklahoma and Texas, and all annual reports and monthly fuel filings and reports required by the authorities there are current. At present, Navitas KY NG, Navitas TN NG, Fort Cobb Fuel Authority and Navitas Utility Texas have no outstanding fines, public utility fee assessments or other deficiencies that have been identified by the regulatory Commissions.

31. Approving the acquisition and transfer of control and authority of the B&H and JCG systems to Navitas is in the public interest and will enhance the rural communities in

which it serves. Navitas is committed to the rural communities in which it serves and helps to ensure that these communities stay viable through their investment in rural America. Accordingly, this Application seeking the Commission's approval of the transfer of ownership and control of the B&H and JCG systems is in the public's interest.

32. Approval of this Application in an expeditious manner is also in the public interest due to the current financial difficulties the B&H and JCG systems are currently facing. To ensure that gas service is maintained and provided to the customers of Johnson and Floyd Counties, the transfer of ownership and control of the B&H and JCG systems to Navitas is critical.

33. Once the acquisition and transfer of control is authorized by the Commission, Navitas stands ready to ensure that its Kentucky customers receive safe reliable natural gas service immediately. Navitas has the resources and the managerial and technical expertise to ensure a smooth transition and meet the expectations of its suppliers and customers.

Liabilities, Obligations and Penalties Owed by the B&H and JCG Systems

34. Pursuant to the terms of the APA, the Parties are seeking that the Commission dismiss all ongoing litigation, investigations, or cases involving B&H, JCG, and B&S Gas Company, including all fees, fines, and penalties. Specifically, the parties are seeking that the fines and penalties associated with Case No. 2019-00055 and Case No. 2019-00056 be dismissed with prejudice and that Navitas not be required to assume any obligation or responsibility associated with any fines, fees or penalties assessed against B&H, JCG or Seller individually, or as an officer of these companies.

35. On August 19, 2019, an Order was issued in Case No. 2019-00056 assessing penalties against JCG and Seller in the amount of \$7,500 per offense for willful violations of

KRS §278.300, and \$62,500 jointly for willful violations of Johnson County's tariff and a previous Commission Order. In addition, an Order was issued in Case No. 2019-00055 assessing penalties against B&H and Seller in the amount of \$15,000 each for respective violations of KRS § 278.300. In total, the fines amount to approximately \$107,500.

36. The transfer of ownership and control of the two utilities to Navitas is conditioned upon these fines and penalties imposed against B&H, JCG, and Seller not being transferred nor imputed to Navitas in Case No. 2019-00055 and Case No. 2019-00056. Upon transfer of ownership and control of the assets to Navitas, the actors and actions that gave rise to these investigations will no longer be associated with the system assets, and the system assets will only exist under the control of Navitas KY NG, LLC, a separate entity. Moreover, it is not in the public's interest to burden Navitas' other customers with these fines and penalties, nor is it prudent to deter third party entities like Navitas from seeking to acquire the assets of troubled utilities in the marketplace.

37. The rate payer has an interest in safe and reliable gas service, as does the community as a whole. Safe and reliable gas service lends the community to new opportunities for growth, expansion, and opportunity that it would not exist otherwise. The Commission and the public have an interest in the gas systems' stability, financial health, and ability to provide safe and reliable gas.

Pending Proceedings Involving B&H and JCG

38. Pursuant to the APA, Navitas will purchase the assets of B&H and JCG, which will cease to be separate entities. To that end, with these systems no longer in existence, the Commission's investigation pursued in Case No. 2020-00122 is moot. Accordingly, the

Commission's dismissal of the case is appropriate pursuant to KRS §278.2207 and KRS §278.274.

39. In 2015, B&H was subject to a gas price investigation under Case No. 2015-000367 pursuant to KRS §278.274. At the conclusion of the Investigation, the Commission Ordered B&H to refund to its customers \$101,876.00, which was to be paid out to customers over a period of 24-months using a formula set forth by the Commission in the May 4, 2017 Final Order.

40. Pursuant to the APA, Navitas will purchase the assets of B&H and JCG, which will cease to be separate entities. To that end, with these systems no longer in existence, the Commission's investigation pursued in Case No. 2015-00367 is moot. Accordingly, the refund to customers and penalties associated with Case No. 2015-00367 should not attach to the system assets acquired under the APA and that Navitas should have no obligation or responsibility to pay this refund to customers and associated penalties, and that the payback period of 24-months in the May 17, 2019 Order is no longer feasible for B&H.⁷ Thus, the Commission's dismissal of the case is appropriate pursuant to KRS §278.2207 and KRS §278.274.

Citation Forbearance for One-Year for Non-conformity with Approved Plans

41. NUC, the operator of each of the Navitas LDCs, has a unified Distribution Integrity Management Plan, unified Operations and Maintenance Manual, and unified Emergency Plan across all of the Navitas systems (of course tailored to that specific system as appropriate).

⁷ Further, the current payback period of 24-months gives Navitas concern that it would be unable to obtain gas as B&S may be unable to sustain the ability to operate at the ordered prices at such an aggressive rate of payment. Should B&S fall into bankruptcy, Navitas would lose a safe and reliable source of gas.

The required five-year review of these plans is scheduled for 2021 using 2020 data. It is Navitas' intent to incorporate the B&H and JCG systems in their review and the subsequent inspection audit of these plans in 2021.

42. Navitas' field due diligence conducted by Keven Percy, Navitas Operations Manager, and Jerry Foreman, Compliance Consultant with Tri-Star Energy, does not indicate major issues with either system. However, it will take some time to change and modify all the practices and methodologies to conform with the Navitas O&M Manual. Navitas, therefore, is seeking citation forbearance for one-year for non-conformity with its approved Plan or the outgoing Plan currently in place.

43. Accordingly, the parties request that the assets acquired under the APA adopt the Navitas' distribution integrity management plan, operations & maintenance plan, and emergency plan, and order that Navitas be given one year to correct any compliance documentation issues.

Waiver of Inspection Requirements for Meters

44. The Commission regulations require an inspection of meter proving shops. The remote location of the Navitas meter shop in Eakly, Oklahoma is an impediment to achieving this inspection. Since 2012, Navitas and the Commission have operated under an agreement whereby Navitas only places new meters in Albany, redeploying meters from Kentucky to other locations after they are tested and rebuilt. With so few small meters (ten-year change out cycle) and larger meters checked in situ as often as annually, this agreement worked well. However, with the addition of 500 small meters, Navitas seeks a waiver of the inspection requirement or, in the alternative, to dispatch an inspector to review Navitas' facilities.

Approval for Debt

45. Navitas requests that the Assets be acquired using a similar financial structure to other Navitas acquisitions. For rate making, credit worthiness, and financial presentation purposes, Navitas Assets, LLC presents consolidated financial statements across all its four regulatory jurisdictions. Navitas Assets funded its initial acquisitions with a combination of equity and debt. Having established itself, Navitas funded further acquisitions with a combination of debt and retained earnings. One of our most recent projects involved 100% aid to construct. The debt carried by Navitas Assets takes two form, first the system debt, and second the various lines of credit. The debt on the systems is a unified loan document with separate schedules for each individual loan. The general terms of this loan are 20-year amortization, with a floored interest rate adjustable every five years, and personal guarantees. Each jurisdiction has its own line of credit. This line is set based on the annual revenue of the particular system and must be cycled every 12-months and also carries personal guarantees. The line of credit is used to fund through the summer months when billed revenues are insufficient to cover the operating costs. Both the system loans and the lines of credit are held by Bank 7 based in Oklahoma City with whom we've been with for since 2010. Navitas has a unified maximum debt bank covenant of 4:1.

46. Separately, the operator of the systems, Navitas Utility Corporation, carries debt on equipment. Generally, this is manufacturer sponsored debt, often with factory incentives.

47. For this acquisition Navitas Assets will implement a third schedule in Kentucky, the first being the acquisition and the second being the expansion to Keystone

foods. Navitas will likely increase the line of credit for Kentucky. Additionally, Navitas Utility will place debt to acquire new trucks and other new rolling stock.

48. Notices and Communications Regarding the Application should be sent to:

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WHEREFORE, Applicants request that the Commission enter a final order as follows:

1. Granting this Application requesting approval for the acquisition of the B&H and JCG system assets by Navitas and transfer of ownership and control of the B&H and JCG systems currently owned by Seller, Mr. Bud Rife, to Navitas, and a determination that Navitas will have the suitability, the financial responsibility, and the capability to perform efficiently the utility services to be transferred, and that the transfer of control and authority to Navitas to

provide retail natural gas utility services will benefit the consuming public and will further the public interest;

2. Approving the acquisition of the B&H and JCG system assets by Navitas and transfer of ownership and control from B&H and JCG to Navitas, including its authority to provide utility services in Floyd County and Johnson County, Kentucky deriving from its Certificate of Public Convenience and Necessity and related orders, approvals and actions of the Commission pursuant to KRS 278.020 (6) and (7);

3. Approving the Acquisition of the B&H and Johnson County Gas system assets by Navitas and finding that the executed Assets Purchase Agreement, and all other agreements between Navitas and Bud Rife, are valid and effective agreements approved by the Commission;

4. Approving the adoption of the current B&H tariff rates and JCG tariff rates for both B&H and JCG gas customers pending the filing of a subsequent rate case by Navitas pursuant to KRS §278.190;

5. Approving the adoption of the current Navitas accounting and billing practices in connection with the acquisition and transfer of control of B&H and JCG to Navitas.

6. That the assets acquired under the Asset Purchase Agreement are transmuted from cost of service systems to net plant systems with a recognized total net plant of \$660,000⁸;

7. That the assets acquired under the Asset Purchase Agreement shall have a unified GCA and unified GCA filings with Navitas KY NG, LLC;

⁸ See the Net Plant Calculations Sheet, attached hereto as **Exhibit F**.

8. That the refund to customers and penalties associated with Case No. 2015-00367 does not attach to the system assets acquired under the Asset Purchase Agreement and that Navitas KY NG, LLC or any other Navitas Company shall not be liable nor have no obligation to pay this refund to customers or accompanying penalties, and that the payback period of 24-months in Case No. 2015-00367 is not financially feasible or sustainable for the B&S Gas Company;

9. That the Commission dismiss all other ongoing litigation, investigations, or cases involving B&H Gas Company, Johnson County Gas Company, Mr. Bud Rife, individually and/or as an officer of the companies, and B&S Gas Company, and that the Commission waive all fees, fines, and penalties attached to B&H Gas Company, Johnson County Gas Company, Mr. Bud Rife, individually and or as an officer of the companies, and B&S Gas Company, including, but not limited to the following matters:

- a. Case No. 2019-00055, or in the alternative, that any fines and penalties associated with Case No. 2019-00055 not attach to the system assets acquired under the Asset Purchase Agreement and that Navitas KY NG, LLC or any other Navitas affiliated company shall have no liability or obligation to pay these fines or penalties;
- b. Case No. 2019-00056, or in the alternative, that any fines and penalties associated with Case No. 2019-00056 not attach to the system assets acquired under the Asset Purchase Agreement and that Navitas KY NG, LLC or any other Navitas affiliated company shall have no liability or obligation to pay these fines or penalties;

- c. Case No. 2020-00122, or in the alternative, that any fines and penalties associated with Case No. 2020-00122 not attach to the system assets acquired under the Asset Purchase Agreement and that Navitas KY NG, LLC or any other Navitas affiliated company shall have no liability or obligation to pay these fines or penalties;

10. Approving the adoption and unification under the APA of the Navitas' distribution integrity management plan, operations & maintenance plan, and emergency plan, and ordered that Navitas KY NG, LLC be granted citation forbearance for one year for non-conformity with any approved plans in order to correct any compliance documentation issues.

11. Approving a waiver of the inspection requirement for new meters or, in the alternative, to dispatch an inspector to review Navitas' facilities;

12. Approving that the Assets be acquired using a similar financial structure to other Navitas acquisitions. The debt portion will be provided by Bank 7 in similar terms and notes to Navitas' prior two Kentucky notes; and

13. Granting any other necessary or appropriate authorizations, approvals and further relief as the Commission deems appropriate.

Dated this the 23rd day of December, 2020.

/s/ Klint W. Alexander

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/s/ Joe F. Childers

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Counsel for B&H and JCG

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 23rd day of December, 2020, a true and correct copy of the foregoing instrument was deposited in the United States Mail with postage prepaid, and addressed to the following:

Lindsey Flora

Executive Director
Public Service Commission
Commonwealth of Kentucky
211 Sower Blvd.
Frankfort, KY 40601

J.E.B. Pinney, Esq.

General Counsel
Public Service Commission
Commonwealth of Kentucky
211 Sower Blvd.
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Larry Cook

Office of the Attorney General
Rate Intervention
700 Capitol Ave. Suite 20
Frankfort, KY 40601

/s/ Klint W. Alexander
Klint W. Alexander

LIST OF EXHIBITS

- Exhibit A** NALLC's Corporate Resolution assigning all rights under the APA to Navitas.
- Exhibit B** Redacted APA (**CONFIDENTIAL**)
- Exhibit C** Navitas Companies Corporate Structure Chart (**CONFIDENTIAL**)
- Exhibit D** Management Biographies
- Exhibit E** Redacted 2018 and 2019 Independent Auditor's Report (**CONFIDENTIAL**)
- Exhibit F** Net Plant Calculations Sheet