

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

In the Matter of:

ELECTRONIC APPLICATION OF NAVITAS KY)	
NG, LLC FOR AN ALTERNATIVE FILING)	CASE NO. 2024-00252
PURSUANT TO 807 KAR 5:076)	

**RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF’S
THIRD REQUEST FOR INFORMATION**

Navitas KY NG, LLC (“Navitas”), by counsel, files its responses to Commission Staff’s
Third Request for Information, issued in the above-captioned case on December 9, 2024.

FILED: December 26, 2024

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-1: Refer to the Application, Attachment 1, Customer Notices.

a. Based on the present rates and the average usage as provided in the Customer Notice, provide the average monthly bill for each of the proposed customer classifications.

b. Based on the proposed rates and the average usage as provided in the Customer Notice, provide the average monthly bill for each proposed customer classifications to which the proposed rates will apply for each of the proposed phases.

RESPONSE: (a) Please see Exhibit PSC 3-1.

(b) Please see Exhibit PSC 3-1.

Witness: Carlos A Gonzalez Meixueiro

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-2: Refer to the Application, Attachment 9, the Statement of Disclosure of Related Party Transactions. Explain why Navitas provides rent payments for 2022-2023 to both the related parties of "Fort Cobb Fuel Authority LLC" and "Navitas Assets, LLC." Provide documented proof or supplemental documentation to support the response.

RESPONSE: As Navitas KY NG, LLC does not own a building it depends on buildings owned by related parties. Fort Cobb Fuel Authority, LLC (FCFA) allocates a portion of the building where customer service representatives attend to Navitas KY NG, LLC customers. Navitas Assets, LLC (NALLC) allocates a portion of the building where administrative services are rendered for Navitas KY NG, LLC. Attached as Exhibit PSC 3-2 are copies of the rent invoices from FCFA and NALLC.

Witness: Carlos A Gonzalez Meixueiro

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-3: Refer to Navitas's response to Commission Staffs First Request for Information (Staffs First Request), Item 23a.

a. Explain, in detail, the steps in the process for new customers requesting service from Navitas beginning with the initial request and ending with the beginning of service to the requested location.

b. Explain how Navitas determines the customer classification for new customers requesting service.

RESPONSE: (a) The following is a basic, standard, new customer, existing location, service turn on:

- Customer contacts the office for service.
- The customer service representative checks the location to ensure it is in the Navitas service area and there is an existing service. If there is uncertainty regarding the precise service location, we have a field service person verify.
- Customer service requests completion of a Service Agreement, a copy of the driver's license of the new customer, and a \$200.00 security deposit. The service agreement can be emailed, mailed, or obtained from the office or the field service person. Completed forms can be emailed, mailed, or returned in person to either the office or the field service person. Payment may be made remotely by credit card; check and cash are also accepted via mail or in person.

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

- **Once all the required paperwork is in the office and the deposit is received a service check sheet is issued to the field service person who arranges to meet the customer and initiate the meter.**

(b) Customer service verifies with the customer if the account will be residential, commercial, or another classification at the time of the service request. An existing location will generally carry a classification with it. Navitas confirms the proposed customer appears to meet the tariff-based qualifications of the designated customer classification.

While classification is generally self-reported, residential designation requires the building appear to be a legal domicile. In addition, residential customers are required to complete a tax document attesting the location is their primary residence. A copy of the attestation form is attached as Exhibit PSC 3-3(b). Conversely, from time to time, we do have customers operating businesses from their residence, particularly farmers. These instances require communication with the customer to determine the most appropriate classification under the tariff, but Navitas is generally flexible based on the usage and needs of its customers (this occurrence is infrequent).

Due to the differentiating characteristics of the classifications, misclassification is generally not advantageous. For example, without sufficiently large flow, claiming industrial classification is more expensive than commercial classification. Navitas works with businesses to move them to the most appropriate classification consistent with Navitas's filed tariff.

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

Witness: **Thomas Hartline**

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-4: Refer to Navitas's Response to Staff's First Request, Item 23b, Exhibit PSC 1-23(b), Page 8 of 31, regarding the section titled "Applicability". Explain if Navitas uses a standard Agreement for Gas Service form for its customers.

- a. If so, provide the standard Agreement for Gas Service form.
- b. If not, explain why Navitas does not have a standard Agreement for Gas Service form.

RESPONSE: (a) The standard Agreement for Gas Service for Residential service is attached as Exhibit PSC 3-4 (Part 1) and the standard Agreement for Gas Service for Non-residential service is attached as Exhibit PSC 3-4 (Part 2).

(b) Please see Response to PSC No. 3-4(a).

Witness: Thomas Hartline

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-5: Refer to Navitas's Response to Staff's First Request, Item 23b, Exhibit PSC 1-23(b), page 8 of 31, regarding the section titled "Customer Inquiries."

- a. Explain if Navitas maintains any local offices located in Kentucky. If so, identify the location of those local offices.
- b. Explain how Navitas typically performs the following: meter reading, maintenance, and addresses emergency issues.
- c. Explain if Navitas utilizes contract labor to perform meter reading and other emergency services within the service territory of Kentucky. If not, explain how the labor is compensated when those tasks are required.

RESPONSE: (a) Navitas does not presently maintain a local customer service office in Kentucky, but does maintain operations and storage yards in Albany, Kentucky, and eastern Kentucky. Navitas formerly maintained an office in Betsy Lane, Kentucky, but that office (rented from Bud Rife) was lost by a suspected arson fire in late June, 2022.

(b) Navitas has a number of employees and contractors to perform meter reading, maintenance, and emergency issues, as well as the ability to dispatch supplemental personnel from the operational headquarters of Navitas Utility Corporation, if necessary. Navitas is currently staffed as follows:

- Nathan Goble, Field Supervisor (Navitas Utility Corporation employee – fulltime):
Based in eastern Kentucky. Nathan is a working manager of all our Kentucky operations.

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

- **Jimmy Lawson, Field Service person (Navitas Utility Corporation employee - fulltime): Based in eastern Kentucky. Jimmy provides field service for our eastern Kentucky operations.**
- **Steve Jolley, Field Service person (Navitas Utility Corporation employee – part time): Based in Livingston, TN. Steve provides emergency services for our Albany, KY operations.**
- **Jerry Walker, Field Service person (Navitas Utility Corporation employee – fulltime): Based in Jellico, TN. Jerry is part of a reciprocal emergency services arrangement for our eastern Kentucky operations.**
- **Tim Hull, Contractor based in Jamestown, TN. Tim provides equipment and personnel for repairs, maintenance, or new services to Navitas.**
- **Navitas Utility Corporation Crew: Employees based out of Oklahoma. Provide periodic maintenance, repairs, and/or expansions.**
- **Martin Contracting: Contractor to read pressure at the chicken processing facility in Albany, Kentucky.**

	Albany, KY	Eastern Kentucky
Meter reading	Nathan Goble	Nathan Goble & Jimmy Lawson
Maintenance	Nathan Goble & Tim Hull	Nathan Goble, Jimmy Lawson, & Tim Hull

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

Emergency Service	Steve Jolley	Nathan Goble & Jimmy Lawson
-------------------	--------------	--------------------------------

(c) Generally, for day-to-day maintenance and operations, work on the Kentucky systems is performed by an employee of Navitas Utility Corporation. The two exceptions to this are the engagement of Tim Hull for the performance of contracted maintenance or new services and the engagement of Martin Contracting to read the pressure for the chicken processing facility.

Witness: Thomas Hartline

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-6: Refer to Navitas's Response to Staffs First Request, Item 23c.

Explain whether the meters used by Navitas are read in thousand cubic feet (Mcf) or hundred cubic feet (Ccf).

RESPONSE: The meters used by Navitas read in cubic feet which is 0.01 Ccf and 0.001 Mcf.

Witness: **Thomas Hartline**

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-7: Refer to Navitas's Response to Staffs First Request, Item 23c. Also, refer to Navitas's Response to Staffs First Request, Item 23(b), Exhibit PSC 1-23(b), page 31 of 31. Explain if Navitas's proposed change in billing and rate design would result in a change to the billing sample in Navitas's Tariff. If so, provide an update to the billing sample that would reflect the change in the proposed rate design.

RESPONSE: No, we do not believe the proposed change in billing rate design would result in a change to the billing sample in the Navitas Tariff. The reasoning behind this belief is that the Navitas billing software is set up and currently bills in tenths of an Mcf (i.e. – a Ccf). Thus, the billing sample already reflects the proposed rate design.

Witness: **Thomas Hartline**

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-8: Refer to Navitas's Response to Staff's First Request, Item 29.

Provide an expanded response to the previous request of Staff's First Request, Item 29, by providing the following information:

- a. A general description of each project;
- b. A timeline of project start date to project completion date;
- c. If applicable; a projected project completion date;
- d. If applicable; overall associated project costs; and generalized location for

each project; and

- e. If Navitas cannot provide any of the listed information in this item, explain

why it is not able to fully respond to the request.

RESPONSE:

(a) – (e)

Description	Initiation	Complete	Cost	Location
Nine-mile 6" poly pipeline extension to Chicken processing facility	2012 Case 2014-00027	2015	\$1,676,631.31	Albany, KY (city gate) to Hwy 90 & Hwy 127N
One mile 8" poly pipeline extension to Fitzgerald industrial facility	2015 Case 2016-00065	2017	\$176,746.20	Hwy 127S & Hwy 90 going east
Two-mile 8" poly pipeline extension to Albany Industrial Park	2018 Case 2019-00240	2021	\$373,951.52	Continuing east on Hwy 90 to Upchurch Road
Acquisition of Johnson County and Floyd County gas systems	2020 Case 2020-00396	2021	\$660K	Johnson County & Floyd County
Relocate 2" and add service	2011	2011	\$3,326.40	Albany, KY
Services to Dollar Store and Dairy Queen	2012	2012	\$3,014.70	Albany, KY
Services to Residence, Sonic Burger, Residence, Fire Station, Cobb Mill, Apostolic Church	2014	2014	\$22,868.92	Albany, KY

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

Services to (2) Residences, Metal shop, Best Western, Medical office, Board of Education	2015	2015	\$16,058.99	Albany, KY
3,360' Wood St. extension Services to (3) Residences	2016	2016	\$24,594.40 \$4,289.79	Albany, KY
520' 2" extension Service to Residence and Pizza Hut, Relocate Middle School and High School services, upgrade Hospital service	2017	2017	9,596.50	Albany, KY
Service to (3) Residence, shop, Mill, Bank, City bus stop	2018	2018	\$10,115.93	Albany, KY
3170' 2" extension to chicken grow house	2019	2019	\$15,315.00	Albany, KY
Navitas Albany Yard	2022	2022	\$49,967.50	Tuggle Road at High School, Albany, KY
Main replacement (2) Services	2023	2023	\$9,296.35	Betsy Lane, KY Albany, KY

Witness: **Thomas Hartline**

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-9: Refer to Navitas's Response to Staffs First Request, Item 31a.

Provide the annual line loss for each year beginning in 2020 to the present as calculated for 2024 as of the date of this request, on a jurisdiction-wide basis for Kentucky.

RESPONSE:

Year	PHMSA 7100	GCR
2020	2.12%	N/A
2021	2.42%	2.8%
2022	0.2%	3.5%
2023	0%	0.2%
2024	N/A	
LTM JAN24		4.8%
LTM APR24		12.7%
LTM JUL24		14.4%
LTM OCT24		21.7%

Note – Johnson County experienced a major leak beginning in November 2023, which resolved in April 2024. We expect LTM line loss to ramp back down as these months fall off.

Witness: Thomas Hartline

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-10: Refer to Navitas's Response to Staff's First Request, Item 44.

Provide the Bill Edits for the year 2023 by the monthly reports, as referenced in the response.

RESPONSE: Please see Exhibit PSC 3-10 (Part 1) for the Clinton County Bill Edits, Exhibit PSC 3-10 (Part 2) for the Johnson County Bill Edits, and Exhibit PSC 3-10 (Part 3) for the Floyd County Bill Edits.

Witness: Carlos A Gonzalez Meixueiro

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-11: Refer to Navitas's response to Staff's First Request, Item 46, pages 3 and 4 of 6, the chart indicating the difference in meter size for each proposed customer classification.

a. Provide a breakdown of the type of the natural gas meters used (i.e., Diaphragm meter, Ultrasonic meter, Rotary meter, and/or Turbine meter), meter cost, annual maintenance requirements, the specifications of the meters typically used for the Residential customer classification.

b. Provide a breakdown of the type of the natural gas meters used (i.e., Diaphragm meter, Ultrasonic meter, Rotary meter, and/or Turbine meter), meter cost, annual maintenance requirements, the specifications of the meters typically used for the Commercial customer classification.

c. Provide a breakdown of the type of the natural gas meters used (i.e., Diaphragm meter, Ultrasonic meter, Rotary meter, and/or Turbine meter), meter cost, annual maintenance requirements, the specifications of the meters typically used for the Industrial customer classification.

d. Provide a breakdown of the type of the natural gas meters used (i.e., Diaphragm meter, Ultrasonic meter, Rotary meter, and/or Turbine meter), meter cost, annual maintenance requirements, the specifications of the meters typically used for the Agricultural customer classification.

RESPONSE: (a) – (d)

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

Type	<u>a. Residential</u>	<u>b. Commercial</u>	<u>c. Industrial</u>	<u>d. Agricultural</u>
Diaphragm	Yes	Yes	*****No*****	Yes
Manufacturer(s) American Rockwell Lancaster				
Specification (size)	175 to 400 cfh	175 to 2000 cfh		400 to 2000 cfh
Cost	\$175 to \$800	\$175 to \$2500		\$1000 to \$2500
Proof period	10 years	5 to 10 years		5 years
Annual 3 rd party maintenance		\$0 to \$20		\$20
Ultrasonic	*****No*****	Yes	Yes	*****No*****
Manufacturer(s) Sensus				
Specification (size)		600 to 3000 cfh	600 to 3000 cfh	
Cost		\$2000 to \$5000	\$2000 to \$5000	
Proof period		5 years	1 (hospital) to 5 yr	
Annual 3 rd party maintenance		\$20 + \$100 = \$120	\$120 to \$220	
Rotary	*****No*****	Yes	Yes	*****No*****
Manufacturer(s) Dresser Roots Honeywell				
Specification (size)		800 to 5000 MBH	800 to 25,000 MBH	
Cost		\$1700 to \$7500	\$1700 to \$15,000	
Proof period		5 years	5 years	
Annual 3 rd party maintenance		\$20 + \$100 = \$120	\$20 + \$100 = \$120	
Turbine	*****No*****	*****No*****	*****No*****	*****No*****

- Navitas has no turbine type meters deployed in Kentucky.
- The Annual 3rd party maintenance set forth above is the amortized cost of periodic field reproving which is done by Larry Cox (who is certified with the PSC) at a cost of \$100

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

per meter plus the amortized cost of replacing the battery and board periodically (\$1000/10 years).

- The annual 3rd party cost does not include the amortization of the initial purchase price or installation, nor does it include in-house maintenance (i.e. – riser painting, regulator check, etc.).

Witness: **Thomas Hartline**

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-12: Refer to Navitas's response to Staffs First Request, Item 42. Also refer to Navitas's response to Commission Staffs Second Request for Information (Staffs Second Request), Item 3d. The response to Item 42 as referenced in Item 3d states:

[...] (\$222,737) in 414 — Other Utility Operating Income. 414 — Other Utility Operating Income consists of adjustments to the amounts charged for Past Gas Cost Adjustment (GCA) to B&H and Johnson County Gas customers, pursuant to the Final Order issued in Case No. 2020-00396 on April 28, 2021, and the normal quarterly adjustments for Over and Under-collections for the GCA. Navitas considers the adjustments and charges to be representative of future Other Revenues to be collected, though the amounts will vary quarter to quarter due to the fluctuation of the GCA and customer behavior for penalties and service charges.

a. State whether a portion of the (\$222,737) consists of amounts yet to be recovered from Bud Rife to compensate Navitas for refunds Navitas made to customers on behalf of the former B&H and Johnson County Gas companies as ordered by the Commission in Case No. 2020-00396¹. If so, provide the amounts in 414 — Other Utility Operating related to each of

¹ Case No. 2020-00396, *Electronic Application of Navitas Ky Ng, Johnson County Gas Company, and B & H Gas Company for Approval of Acquisition, Transfer of Ownership, and Control of Natural Gas Utility Systems*, (Ky. PSC Apr. 27, 2021), at 22, Ordering Paragraph 9.

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

the former companies for this purpose, and explain why it is appropriate for these amounts to be included in Navitas's revenue requirement. If not, explain the amounts referenced in the response.

b. Explain why over/under-collections of gas cost are included in this account instead of Account 191 — Unrecovered Purchased Gas Cost.

RESPONSE: (a) No, none of the \$222,737 consists of amounts yet to be recovered from Bud Rife to compensate Navitas for refunds Navitas made to customers on behalf of the former B&H and Johnson County Gas companies as ordered by the Commission in Case No. 2020-00396. The ordered refund of \$111,326 was booked as another-long-term asset and had a repayment mechanism tied to the rent of the building in Betsy Lane.

Throughout the books of the Navitas companies, account 414.96 unbilled revenues generally consist of two components. First is total unbilled revenue for the month, and second is the quarterly balance of its Gas Costs. Because Navitas' customers are billed on the 7th, Navitas deems that the meters are read on the last day of the month (or near enough). Thus, Kentucky has no unbilled monthly revenue component.

This leaves the second component, the change in Gas Costs balance. Under the rules of accrual accounting, Navitas recognizes revenue when it is earned, as opposed to when it is collected. In this manner, if Navitas Actual Adjusted gas costs are \$5, but its Expected Gas Cost is \$4, then it must recognize (and pay income tax on) the \$1 delta as opposed to just the revenue it collects during the period. Of course, this works the opposite way as well, such that if it over collected from customers it would reduce its revenue recognition as the over

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

collection creates a refund liability to the customer. The adjustments are dictated by the change in the balance of the under/over collection.

Abnormally, there is a third component represented in the total figure, which is the collection of a portion, \$50,101.20, of the residuals determined in Case No. 2020-00396.

The total Unbilled Revenue of -\$222,717.20 breaks down as follows: in addition to the aforementioned Db \$50,101.20, a collection of under billing of Db \$47,996 in the first quarter, a collection of underbilling of Db \$118,703 in the second quarter, an overbilling of Db \$40,873 in the second quarter, an overbilling of Db \$46,970 in the third quarter, and a refund of overbilling of Cr \$81,896 in the fourth quarter.

(b) As part of a settlement, some years ago, a Navitas affiliate was subject to an order in another jurisdiction to work with the Consumer Advocate Protection Division of the Tennessee Attorney General's ("CAPD") office to establish NARUC accounting standards. The Navitas affiliate mapped its chart of accounts, submitted it to the CAPD, which suggested some modifications, and then implemented a final version. This was subsequently reviewed as part of a later rate case in the Tennessee jurisdiction and has been reviewed by one other jurisdiction (also as part of a rate case). The final version implemented included over/under-collections of gas cost in Account 414, which accounting mechanism has been implemented across all Navitas affiliated entities to ensure continuity of proper and accurate recordkeeping.

Note that, due to the number of accounts, Navitas elected to add a fourth digit to the balance sheet accounts. Thus, Account 1500 Costs in Excess of Billings (current asset) and

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

2500 Billings in Excess of Costs (current liability) are the corresponding balance sheet accounts associated with 414.96 Unbilled Revenue account on the Income Statement.

Finally, Navitas is open to any suggested modifications to its accounting. It does request however that changes be memorialized in an order in the event there are questions in other jurisdictions, as any changes would need to be across all Navitas affiliated entities to ensure complete and accurate recordkeeping, as explained above.

Witness: Thomas Hartline

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-13: Refer to Navitas's response to Staffs Second Request, Item 1a.
Explain whether Navitas is amending its Alternative Rate Adjustment filing (ARF) application
based on the proposed adjustments.

RESPONSE: At the time of the initial application, Navitas did not see a need to make
any adjustments to the 2023 financial values and only submitted the Schedule of Adjusted
Operations when requested by the Commission Staff in its Requests for Information. Navitas
continues to see no need to make any adjustment to financial values or amendments to the
ARF.

Witness: Carlos A Gonzalez Meixueiro

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-14: Refer to Navitas's response to Staff's Second Request, Item 9. The information as provided in the Annual Report of Navitas to the Public Service Commission for the Year Ending December 31, 2023 (2023 Annual Report), should correctly correspond with the Federal Energy Regulatory Commission (FERC) Uniform System of Accounts Prescribed for Natural Gas Companies Subject to the Provisions of the Natural Gas Act (FERC Uniform System of Accounts for Natural Gas). Provide an expanded response for each part of the request, as the provided information is not sufficient. If Navitas cannot provide a complete response to each part of the request, explain why it is not able to fully respond to the request.

RESPONSE: Please find attached Exhibit PSC 3-14, which is printed from the PSC's online system and discloses all changes that will be made to the annual report for 2023. Exhibit PSC 3-14 includes handwritten annotations to indicate the revised figure(s), which identifies each correction needed in response to PSC No. 2-9(a). As to the reason for the misclassification, the Navitas Regulatory Analyst simply placed the figure in the incorrect box (see PSC No. 2-9(b)). Navitas will contact the Commission as directed in the footnote to PSC No. 2-9 and provide the corrected 2023 Annual Report in compliance with PSC No. 2-9(c) to include the revisions set forth in Exhibit PSC 3-14.

Witness: Carlos A Gonzalez Meixueiro

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-15: Refer to Navitas's response to Staff's Second Request, Item 14.

Explain whether Navitas is amending its ARF application based on the inclusion of the proposed rates.

RESPONSE: Navitas is not amending its ARF application based on the inclusion of the proposed terms. Navitas filed its ARF Application utilizing the required ARF forms promulgated by the Commission. Navitas' ARF Application met all established filing requirements, as evidenced by the September 18, 2024 letter entered in the case record. The forms promulgated by the Commission and required for use in an ARF proceeding do not allow for disclosure of changes to specific tariff terms for which Customer Notice is not required.

To the extent the Commission believes an amendment is required in order to consider the referenced terms as part of this matter, Navitas respectfully requests that the Commission consider Navitas's Application amended, grant a deviation from any requirement to provide notice of amended proposed rates, and deem the Application amended as of the date the Application was accepted for filing, September 18, 2024. If necessary, Navitas will forego this specific update to its tariff if the alternative is the delay or denial of the balance of its application.

Witness: Thomas Hartline

IN THE MATTER OF:
ELECTRONIC APPLICATION OF NAVITAS KY NG, LLC
FOR AN ALTERNATIVE FILING PURSUANT TO 807 KAR 5:076
CASE NO. 2024-00252

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
THIRD REQUEST FOR INFORMATION

REQUEST NO. 3-16: Refer to Navitas's response to Staffs Second Request, Item 15.

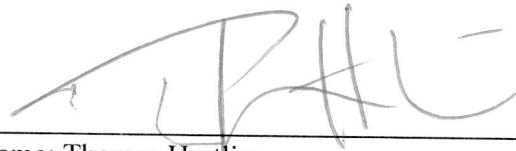
Explain whether Navitas is amending its ARF application based on the inclusion of the proposed rates.

RESPONSE: Please see Response to PSC No. 3-15.

Witness: **Thomas Hartline**

VERIFICATION

I, Thomas Hartline, verify, state, and affirm that the information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.

A handwritten signature in dark ink, appearing to read 'THARTLINE', is written over a horizontal line.

Name: Thomas Hartline
Title: Secretary for Navitas KY NG, LLC and
President of Navitas Utility Corporation

CALIFORNIA JURAT

GOVERNMENT CODE § 8202

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

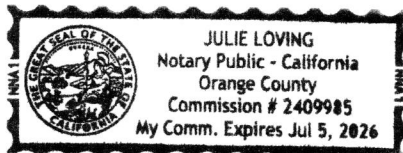
County of Orange

Subscribed and sworn to (or affirmed) before me on
this 20th day of December, 2024, by
Date Month Year

(1) Thomas Hartline

(and (2) _____),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to
be the person(s) who appeared before me.



Place Notary Seal and/or Stamp Above

Signature Julie Loving
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or
fraudulent reattachment of this form to an unintended document.

Description of Attached Document

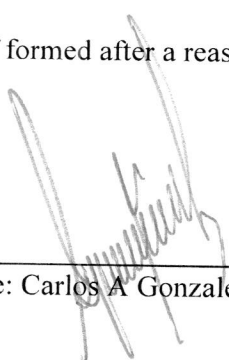
Title or Type of Document: 3rd Data Request Rate Case Ky

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

VERIFICATION

I, Carlos A Gonzalez Meixueiro, verify, state, and affirm that the information request responses filed with this verification for which I am listed as a witness are true and accurate to the best of my knowledge, information, and belief formed after a reasonable inquiry.



Name: Carlos A Gonzalez Meixueiro
Title:

CALIFORNIA JURAT

GOVERNMENT CODE § 8202

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Orange

Subscribed and sworn to (or affirmed) before me on
this 20th day of December, 2024, by
Date Month Year

(1) Carlos A Gonzalez Meixueiro

(and (2) _____),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to
be the person(s) who appeared before me.

Signature Julie Loving
Signature of Notary Public

Place Notary Seal and/or Stamp Above



OPTIONAL

Completing this information can deter alteration of the document or
fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: 3rd Data Request Rate Case Ky

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____