

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

In the Matter of:

**ELECTRONIC APPLICATION OF NAVITAS)
KY NG, LLC FOR AN ALTERNATIVE RATE) CASE NO. 2025-00332
FILING PURSUANT TO 807 KAR 5:076)**

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

Navitas KY NG, LLC (“Navitas”), by counsel, files its responses to Commission Staff’s First Request for Information, issued in the above-captioned case on November 18, 2025.

FILED: December 1, 2025

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
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REQUEST NO. 1-1: Refer to 807 KAR 5:001, Section 17(b). Provide evidence that Navitas KY complied with the referenced regulation.

RESPONSE: Commission Staff's Request No. 1-1 refers to a Section 17(b), which is not contained within 807 KAR 5:001. As a result, it is unclear to which subsection of 807 KAR 5:001, Section 17 the Commission Staff refers.

The public notice and hyperlink to the Commission's website is posted on Navitas website at: <https://navitasutility.com/kentucky.html>.

Navitas mailed written notice of the rate case application to each customer. On November 26, 2025, Navitas filed in the case record an affidavit from an authorized representative verifying the revised customer notice provided to Navitas customers.

Available at: [https://psc.ky.gov/pscecf/2025-00332/evan.buckley%40dinsmore.com/11262025043702/Proof of Customer Notice.pdf](https://psc.ky.gov/pscecf/2025-00332/evan.buckley%40dinsmore.com/11262025043702/Proof%20of%20Customer%20Notice.pdf).

Witness: Thomas Hartline

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REQUEST NO. 1-2: Refer to 807 KAR 5:076, Section 4(2)(b). Provide evidence that Navitas KY complied with the referenced regulation.

RESPONSE: Please see Exhibit PSC 1-2 for a copy of the electronic mail notice to the Office of Rate Intervention, Office of the Attorney General.

Witness: Thomas Hartline

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REQUEST NO. 1-3: Provide a schedule listing the number of occurrences for each nonrecurring charge that was recorded during the test year and the total amount recorded for each nonrecurring charge. If the revenue for any nonrecurring charge was zero, include that charge and indicate that no revenue was recorded. Include the general ledger account numbers where each nonrecurring charge is recorded. Provide in unlocked Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected.

RESPONSE: Please see Exhibit PSC 1-3.

Witness: Thomas Hartline

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REQUEST NO. 1-4: A Nonrecurring Charge Cost Justification form is available on the Commission's website.¹ Fill out the form separately for each of Navitas KY's nonrecurring charges to support each nonrecurring charge listed in the tariff.

RESPONSE: Please see Exhibit PSC 1-4.

Witness: Thomas Hartline

¹ The Nonrecurring Charge Cost Justification form is located on the Kentucky Public Service Commission's website at <https://psc.ky.gov/Home/UtilForms>.

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REQUEST NO. 1-5: Provide the number of occurrences and dollar amounts for late fees that were recorded during the calendar years 2023 and 2024.

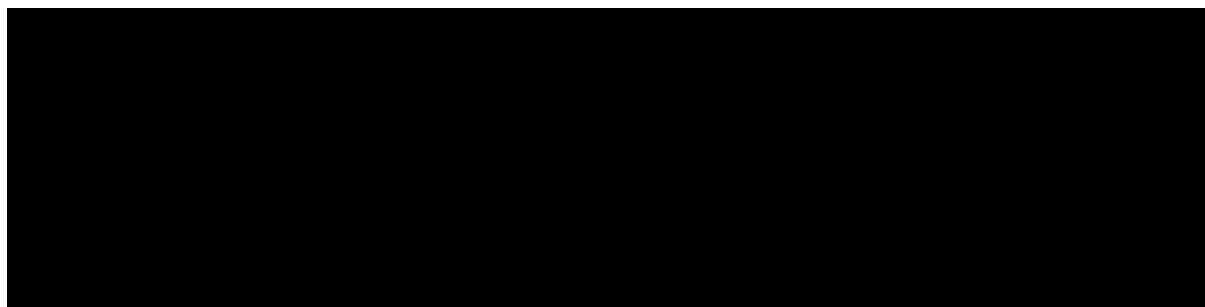
RESPONSE: Please see Exhibit PSC 1-5.

Witness: Thomas Hartline

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REQUEST NO. 1-6: Explain whether Navitas KY has any special contract customers that are being billed a rate different from the current tariffed rates. If so, provide the contract and provide the monthly and annual usage for each special contract customer.

RESPONSE: Navitas has a single special contract associated with the pipeline extension to the chicken processing plant in Clinton County. This contract was approved in Case No. 2014-00027. A copy of the Agreement between Navitas and Keystone is attached as PSC Exhibit 1-6. Keystone's usage is as follows:



A 10-year agreement with FSR Services, LLC was approved in Case No. 2016-00065. However, that particular FSR operation was shuttered by the EPA, FSR closed that facility and forfeited their take deposit.

Witness: Thomas Hartline

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REQUEST NO. 1-7: Provide copies of each of the following, and when appropriate, provide in Excel spreadsheet format with all formulas, rows, and columns fully accessible and unprotected. Employee names should be redacted from all documents.

a. The general ledger in Excel spreadsheet format for the year ended December 31, 2024, and through September 30, 2025.

b. The trial balance in Excel spreadsheet format for the year ended December 31, 2024, and through September 30, 202[5].

RESPONSE:

a. Attached as **CONFIDENTIAL Exhibit PSC 1-7(a)** are two Comma-Separated Values (CSV) files generated from our accounting software containing the General Ledger for Navitas KY NG, LLC for the year ended December 31, 2024 (Exhibit PSC 1-7(a), Part 1), and through June 30, 2025 (Exhibit PSC 1-9(a), Part 2). Financial reports for Navitas KY NG, LLC have been finalized and closed through Q2 2025, thus General Ledger transactions for Q3 are not yet available. Navitas will supplement this Response with the general ledger through September 30, 2025 as soon as it becomes available.

b. Attached as **CONFIDENTIAL Exhibit PSC 1-7(b)** are two Comma-Separated Values (CSV) files generated from our accounting software containing the Trial Balance for Navitas KY NG, LLC for the year ended December 31, 2024 (Exhibit PSC 1-7(b), Part 1), and through June 30, 2025 (Exhibit PSC 1-7(b), Part 2). Financial reports for Navitas KY NG, LLC have been finalized and closed through Q2 2025, thus the Trial Balance report for Q3 is not yet available. Navitas will supplement this Response with the Trial Balance through September 30, 2025 as soon as it becomes available.

Witness: Thomas Hartline

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REQUEST NO. 1-8: Provide certificates of insurance and most recent invoices for general liability, workers' compensation, automobile, property, and casualty for 2024 and 2025.

RESPONSE: Please see **CONFIDENTIAL Exhibit PSC 1-8.**

Witness: Thomas Hartline

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REQUEST NO. 1-9: Provide a description of all employee benefits paid to or on behalf of each employee for the calendar year 2024. Supplemental coverage for which the employee pays 100 percent of the cost should also be included. Employee names should be redacted from all documents.

RESPONSE: Navitas does not have any employees. Navitas Utility Corporation, the manager of Navitas, provides the following benefits to all full-time employees:

- **Health, Dental, Vision, Group term life, AD&D, and Dependent life insurance start after 60 days of employment; paid 100% by Navitas**
- **Supplemental Life Insurance starts after 60 days of employment; paid 100% by EE only**
- **Air lift coverage if injured starts after 60 days of employment; paid by Navitas (75%) and EE (25%)**
- **PTO – Vacation, Personal, Sick, Bereavement, Holiday – starts from day 1 of employment; paid 100% by Navitas**
- **401(K) – Retirement starts from day 1 of employment; % EE wants to contribute and Navitas contribution match 100% for first 3% and 50% for next 2%**

Witness: Thomas Hartline

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REQUEST NO. 1-10: Provide a copy of the most recent invoice for each employee benefit(s) described and provided in the response to Item 9.

RESPONSE: Please see **CONFIDENTIAL Exhibit PSC 1-10** for the employees of Navitas Utility Corporation, the manager of Navitas. Note that PTO and 401K benefits are not invoiced.

Witness: Thomas Hartline

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REQUEST NO. 1-11: Using a table format, provide an Excel spreadsheet with all formulas, rows, and columns fully accessible and unprotected that lists each position (Position 1, Position 2, etc.) job titles, hours worked, pay rates, total wages paid, and total FICA cost for each employee for the year ended December 31, 2024 and 2025 year to date. Include the date each employee was hired and, if applicable, the employee's termination date. If a position is recently vacated but the intent is to fill it, note the vacancy and the amount of time that it has been vacant. The table should include a column for total wages by employee (regular wages and overtime) and a row for total hours worked, wages paid, and FICA for all employees. Employee names should be redacted from all documents.

RESPONSE: Please see **CONFIDENTIAL Exhibit PSC 1-11 (Parts 1 and 2)** for the employees of Navitas Utility Corporation, the manager of Navitas.

Witness: Thomas Hartline

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REQUEST NO. 1-12: Using the same table created in response to Item 11, list each employee benefit (medical, dental, life, and others) the employee's contribution, and the employer premium contribution. If medical insurance is provided, designate the coverage type (i.e., single, family, couple, or parent plus). If benefits other than medical insurance are provided, include a total column for the cost of all benefits.

RESPONSE: Please see **CONFIDENTIAL Exhibit PSC 1-12 (Parts 1 and 2)**, which uses the same format as the tables provided in Exhibit PSC 1-11.

Witness: Thomas Hartline

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
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REQUEST NO. 1-13: Provide a document listing the name of each Navitas KY (or its parent company) director for each of the calendar years 2024 and 2025 to date. State, individually, the total amount of each benefit paid to, or on the behalf of, each director during each year (i.e., wages, health insurance premiums, life insurance premiums, FICA taxes, etc.), their term (beginning and ending), and current authorized annual compensation.

RESPONSE: Navitas KY NG, LLC is a wholly owned subsidiary of Navitas Assets, LLC. The directors for both are Richard Varner and Thomas Hartline. There are no outside directors. Neither individual is afforded any compensation for their performance as directors of any Navitas entity. Both are compensated as employees and officers of the operating company and this compensation includes the benefits afforded to all employees of the operating company, Navitas Utility Corporation. Please see Exhibit PSC 1-13.

There is a \$50,000 life insurance policy on each director, payable to the company, in part to offset the cost of hiring a non-owner officer in the event of an untimely demise.

Witness: Thomas Hartline

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REQUEST NO. 1-14: Provide minutes from Navitas KY's (or its parent company) directors' meetings that authorized current salaries and wages for all current employees.

RESPONSE: Pursuant to the KYNG Operating Agreement the obligations of the members and the affairs of the company shall be governed first by the mandatory provisions of the Kentucky Limited Liability Company Act. The Act provides that Mr. Hartline as a member and manager of KYNG has the exclusive power to manage the business and affairs of KYNG. All of the salaries and wages on the books and records of KYNG are allocated from NUC because KYNG has no employees. NUC is a Nevada corporation and Mr. Hartline is its President. As President of NUC, Mr. Hartline sets the salaries and wages of the employees whose expenses are then allocated to KYNG.

Witness: Thomas Hartline

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REQUEST NO. 1-15: Provide the minutes from Navitas KY's (or its parent company) directors' meetings for the calendar years 2023, and 2024, and 2025 to date.

RESPONSE: Typically, Navitas holds its annual board meeting in the new year after the receipt of the Audited Financial Report for the prior year, which is normally expected by Thanksgiving. However, for a group of reasons, Navitas has yet to have its 2023 directors meeting in 2024 and has yet to hold its 2024 meeting in 2025. These reasons include:

- Limited funds with which to procure an audit.
- Limited staffing at our long-time CPA firm performing the audit.
- A desire to be able to demonstrate improving financial results in order to avoid a 'going concern' finding.

Witness: Thomas Hartline

RESPONSE OF NAVITAS KY NG, LLC TO COMMISSION STAFF'S
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REQUEST NO. 1-16: Provide copies of the most recent reports or internal audits, prepared by Navitas KY and outside auditors, that have been conducted within the last ten years.

RESPONSE: Attached as Exhibit PSC 1-16 (Parts 1 and 2) are copies of the most recent 2021 Audited Financials for Navitas Assets, LLC and Navitas Utility Corporation prepared by HBC CPAs & Advisors.

Witness: Thomas Hartline

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REQUEST NO. 1-17: Provide the following with respect to new tap installations:

- a. Number of installations during the test year.
- b. State whether labor costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.
- c. State whether material costs were capitalized and, if so, provide the total amount and designate the line in the fixed assets listing that reflects the capitalization.

RESPONSE:

- a. **There are a number of different levels of taps able to serve distribution customers.**
 - i. **New connection to a high pressure large diameter interstate or intrastate transmission pipeline. Typically these are quite expensive, many hundreds of thousands of dollars.**
 - ii. **Restoration of an existing tap.**
 - iii. **Addition of a city gate to a low pressure pipeline.**
 - iv. **Connection to a low pressure well gas system.**

During its tenure in Kentucky, Navitas has or is pursuing types (ii) in Floyd County 2021, (iii) in Clinton County in 2015, and (iv) in Clinton County in 2026. In particular, during the test year (as well as the prior and subsequent years), Navitas assumed a handful of domestic tap customers of Diversified Energy in Pike County, Kentucky, proximate to the Floyd County line. Due to the servicing well shutting in, Diversified is no longer available to serve these customers under its tariff. To effectuate the change, Diversified transfers ownership of the gathering line, which typically runs cross county, to Navitas along with the handful of meter sets. A city-gate (type (iii) above) is created to

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measure the incoming gas and Navitas treats the subsystem as a new route.

b. Internally, Navitas has a \$1000 minimum (inclusive of labor and equipment) for net plant additions. Costs incurred by Navitas with regard to this event in the test case year were incidental and performed by existing personnel. Navitas does not believe it met the capitalization threshold, likewise for 2023 and 2025.

c. Please see b., above, though note that new meters are capitalized in bulk, thus while an individual meter does not meet the threshold, the group purchases likely are capitalized in the operating company.

Witness: Thomas Hartline

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REQUEST NO. 1-18: Refer to Navitas KY's request for emergency rate relief, page 4.

a. Provide the calculation for the approximately \$137,000 in additional revenue in Excel spreadsheet format with all formulas, columns, and rows unprotected and fully accessible.

b. State how Navitas KY determined its minimum increase amount. Include in the response the expenses included in the determination and the amount of those expenses for the test year.

RESPONSE:

a. Please see the attachment titled, "IC(e) – Case No. 2025-00332 - Billing Analysis for Customer Notice.xlsx", which was filed in this matter on October 27, 2025, in connection with the Informal Conference held October 24, 2025.

b. The magnitude of the need to remain a going concern is quite substantial. The following can be posited: the total required revenue increase less the allowed return portion and less the calculated depreciation expense is the minimum amount required to remain solvent over the long term. However, in view of the rate shock cited in the Commission's Final Order of Case No. 2024-252, Navitas thought it prudent to request less than a 10% increase on its Floyd and Johnson County customers (which represents a supermajority of our residential customers) each phase. This limitation on annual residential increases for Floyd and Johnson County coupled with a goal of rate unification at year four applying to Clinton County customers created the parameters of the requested emergency rate relief.

Witness: Thomas Hartline

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REQUEST NO. 1-19: Provide Navitas KY's gas cost recovery revenues for 2024.

RESPONSE: The total amount of Navitas' gas cost recovery revenues for 2024 were \$427,863.20. These amounts are broken down as such on Navitas' P&L:

•	480.09 · Residential PGA	92,652.20
•	480.10 · Residential Past GCR	2,396.10
•	481.19 · Commercial PGA	100,427.27
•	481.20 · Commercial Past GCR	21,798.00
•	481.29 · Industrial PGA	145,224.59
•	481.30 · Industrial Past GCR	35,686.70
•	481.39 · Agricultural Heat PGA	23,834.74
•	481.40 · Agricultural Heat Past GCR	5,843.60

Witness: Thomas Hartline

CALIFORNIA JURAT

GOVERNMENT CODE § 8202

NOTARY PUBLIC - CALIFORNIA

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 15th day of December, 2025, 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.

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: Ry Case 2025-00332 15th Request

Document Date: 12/01/2025 Number of Pages: 20

Signer(s) Other Than Named Above: _____