

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NAVITAS KY NG, LLC's APPLICATION ) CASE NO. 2019-00430  
FOR ALTERNATIVE RATE ADJUSTMENT )

PETITION OF NAVITAS UTILITY CORPORATION  
FOR CONFIDENTIAL TREATMENT

1. Navitas KY NG, LLC ("Navitas KY" or "the Company") hereby petitions the Kentucky Public Service Commission (the "Commission"), pursuant to 807 KAR 5:001, Section 13, and KRS 61.878, to grant confidential treatment to the Audit Report Navitas KY is contemporaneously filing with its application for an alternative rate adjustment (the "Application"). In support of this Petition, Navitas KY states as follows:

Notification of Information at Issue

2. **The information Navitas KY seeks to protect as confidential is the whole of the Audit Report**, including all information produced within Audit Report, and is hereinafter referred to as the "Confidential Information."

Confidential or Proprietary Commercial Information

3. The Kentucky Open Records Act exempts from disclosure certain commercial information.<sup>1</sup> To qualify for the exemption and maintain the confidentiality of the information, a party must establish that the material is of a kind "generally recognized as confidential or proprietary, which if openly disclosed would permit

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<sup>1</sup> KRS 61.878(1)(c).

1 an unfair commercial advantage to competitors of the entity that disclosed the  
2 records."<sup>2</sup> The Commission has routinely relied on this section of the Kentucky  
3 Records Act to grant confidential protection to third-party documents when  
4 disclosure would disadvantage the Company.<sup>3</sup>  
5

- 6 4. The Confidential Information in the Audit Report consists of information related  
7 to the inner workings of Navitas KY's parent company, Navitas Assets, LLC  
8 ("Navitas Assets"). This confidential information includes financial and service  
9 usage details of Navitas Assets, including other companies owned by Navitas  
10 Assets not located in Kentucky, as well as the personal information of Navitas  
11 Assets owners. This information "if openly disclosed would present an unfair  
12 commercial advantage to competitors" of Navitas Assets nationwide, and it  
13 therefore qualifies as protectable confidential information pursuant to KRS  
14 61.878(1)(c)(1).  
15  
16 5. This Confidential Information is not publicly available. It would be difficult or  
17 impossible for someone to discover this information from other sources. The  
18 disclosure of this proprietary information would result in significant or irreparable  
19 competitive harm to Navitas KY parent company Navitas Assets by providing its  
20 competitors with non-reciprocal competitive advantage. No public purpose is  
21 served by the disclosure of such Confidential Information.  
22  
23  
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26  
27 <sup>2</sup> *Id.*

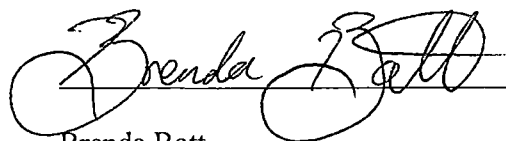
28 <sup>3</sup> See, e.g., In the Matter of Electronic Application of Kentucky Utilities Company for an Order Authorizing the Issuance of Securities and Assumption of Obligations and an Order Amending and Extending Existing Authority with Respect to Revolving Line of Credit, Case No. 2018-00153, Order (Ky. PSC Aug. 22, 2018)

1 Timeframe for Confidential Treatment

- 2 6. Pursuant to 807 KAR 5:001, Section 13(2)(a)(2), Navitas KY requests that  
3 confidential protection of the Audit Report be granted indefinitely, subject to  
4 future orders of the Commission, due to the sensitive nature of the information at  
5 issue. Should the Commission determine that some or all of the material is not to  
6 be given confidential protection, Navitas KY requests a hearing prior to any  
7 public release of the information to preserve its rights to notice of the grounds for  
8 the denial and to preserve its right of appeal of the decision.  
9  
10 7. WHEREFORE, Navitas KY NG, LLC respectfully requests that the Commission  
11 grant confidential protection to the information designated as confidential.  
12

13 One this the 5<sup>th</sup> day of December, 2019

14 Respectfully submitted,

15  
16 

17  
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19 Regulatory and Compliance  
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27  
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PUBLIC SERVICE  
COMMISSION

NAVITAS ASSETS, LLC  
CONSOLIDATED FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 2018

Includes Independent Auditor's Report Issued By



CPAs & Advisors

NAVITAS ASSETS, LLC  
CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018

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**CPAs & Advisors**

**INDEPENDENT AUDITOR'S REPORT**

To the Members  
Navitas Assets, LLC

We have audited the accompanying financial statements of Navitas Assets, LLC which comprise the consolidated balance sheet as of December 31, 2018, and the related consolidated statements of income and members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Navitas Assets, LLC as of December 31, 2018, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Oklahoma City, Oklahoma  
November 4, 2019

NAVITAS ASSETS, LLC  
CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2018

OPERATING ACTIVITIES

Net income (loss)  
Adjustments to reconcile net income  
to net cash provided by operations:  
    Depreciation and amortization  
    (Increases) decreases in:  
        Accounts receivable  
        Notes Receivable  
        Inventories  
        Underbillings and other prepaids  
    Increases (decreases) in:  
        Accounts payable  
        Customer deposits  
        Payable to affiliate  
        Overbillings and other accruals  
Net cash provided by operating activities

INVESTING ACTIVITIES

Purchase of property and equipment  
Disposal of property and equipment  
Acquisition costs  
Net cash provided by investing activities

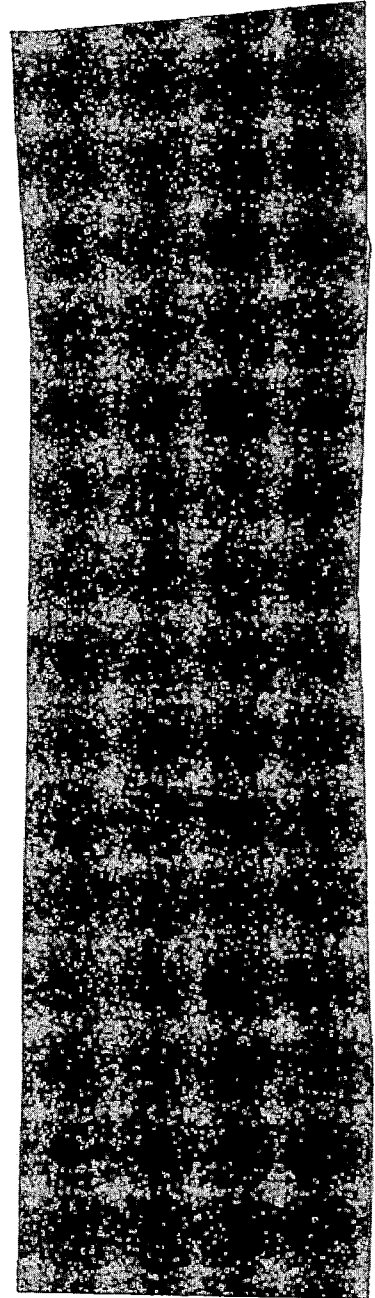
FINANCING ACTIVITIES

Loan activity to and from members  
Proceeds from long-term debt  
Repayment of long-term debt  
Capital contributions  
Net cash provided by financing activities

Net cash increase for year

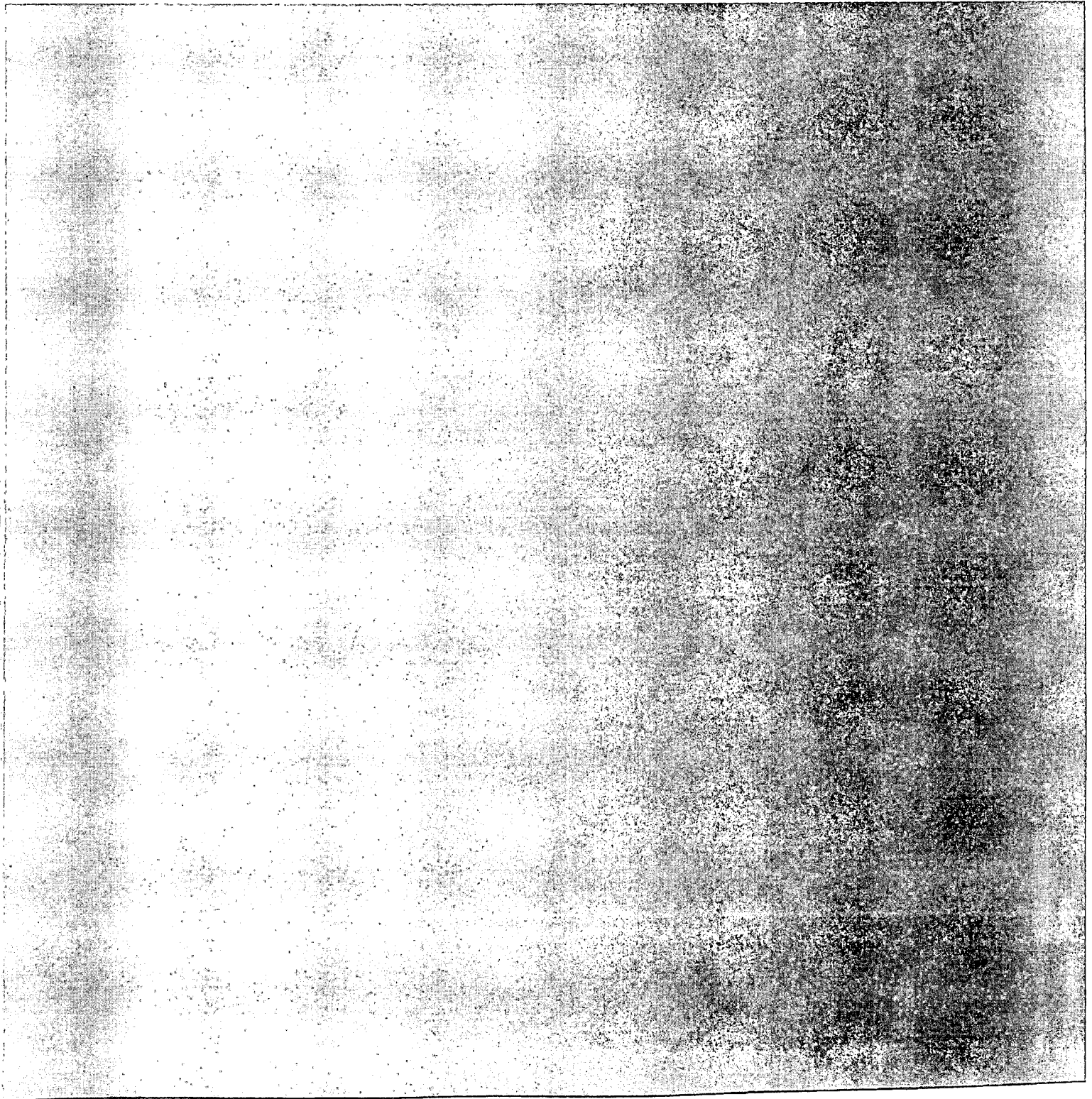
Cash at beginning of year

Cash at end of year



See accompanying notes

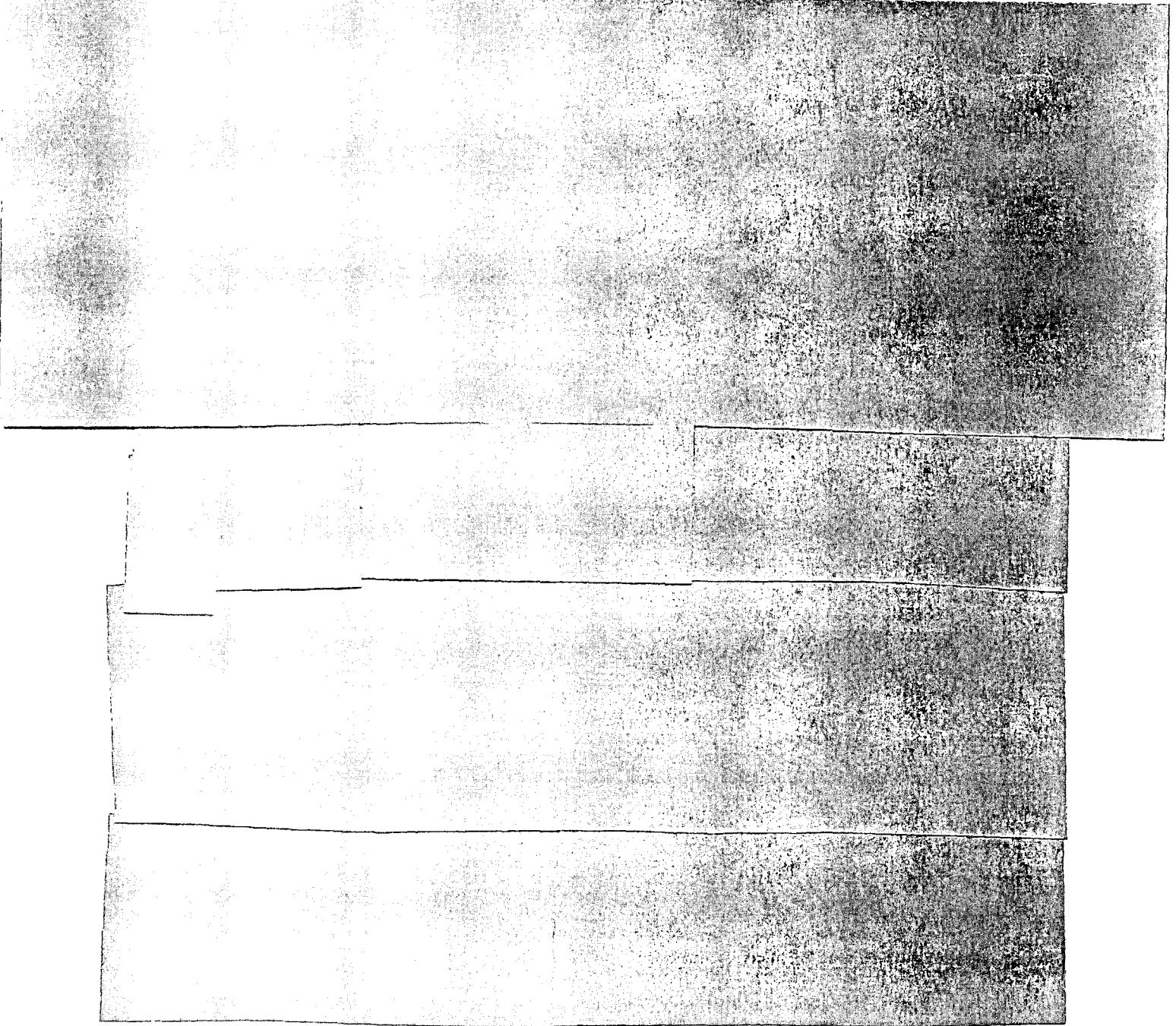
NAVITAS ASSETS, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018



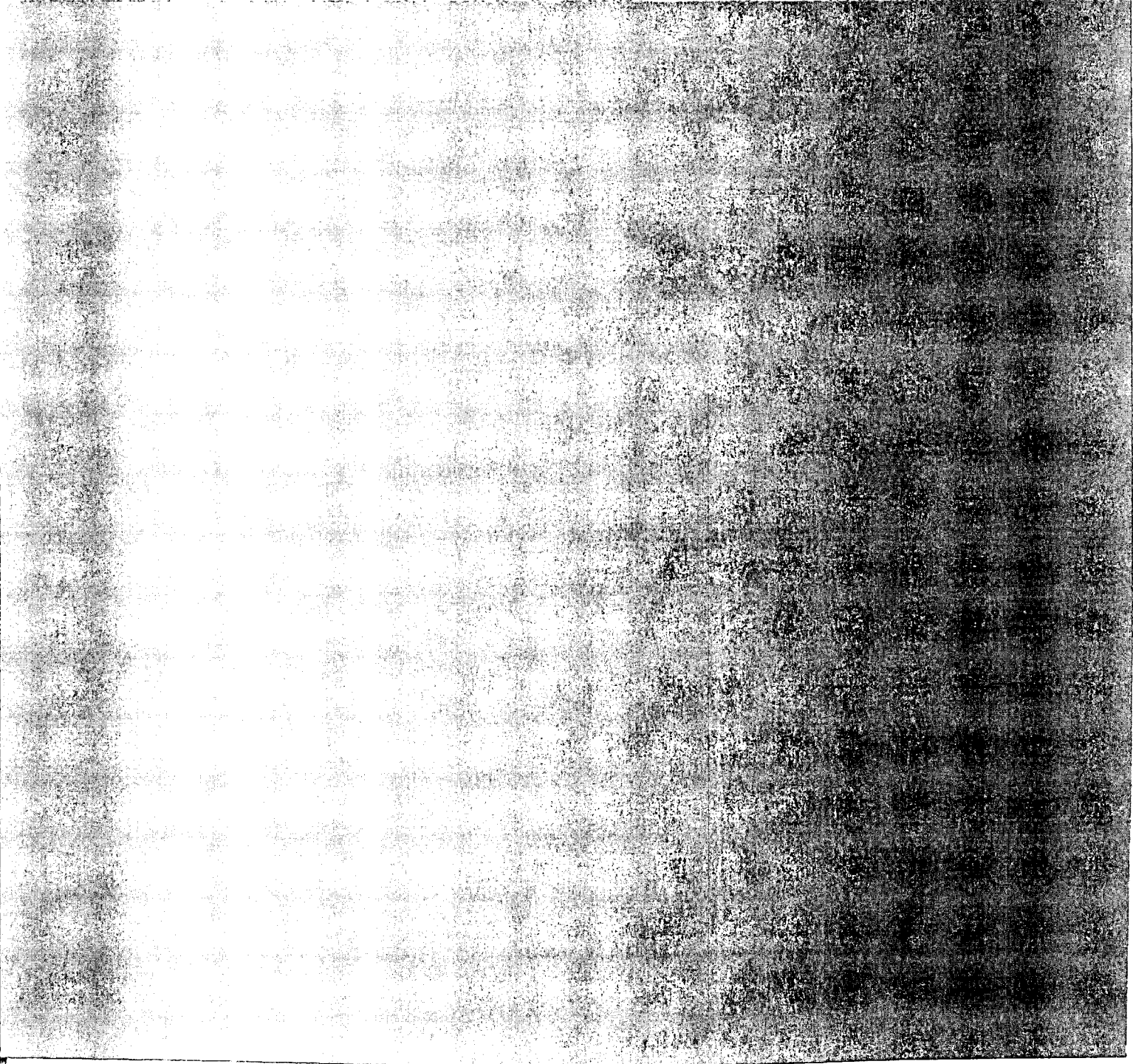


NAVITAS ASSETS, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018

(1) Summary of Significant Accounting Policies (continued)



NAVITAS ASSETS, LLC  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2018



NAVITAS ASSETS, LLC  
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DECEMBER 31, 2018

(6) Transactions With Affiliates and Related Parties (continued)

