

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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

COMMISSION STAFF'S SECOND REQUEST FOR INFORMATION  
TO NAVITAS KY NG, LLC

Navitas KY NG, LLC (Navitas), pursuant to 807 KAR 5:001, shall file with the Commission an electronic version of the following information. The information requested is due on November 22, 2024. The Commission directs Navitas to the Commission's July 22, 2021, Order in Case No. 2020-00085<sup>1</sup> regarding filings with the Commission. Electronic documents shall be in portable document format (PDF), shall be searchable, and shall be appropriately bookmarked.

Each response shall include the question to which the response is made and shall include the name of the witness responsible for responding to the questions related to the information provided. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association or a governmental agency, be accompanied by a signed certification of the preparer or the person supervising the preparation of the response on behalf of the entity that the

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<sup>1</sup> Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Navitas shall make timely amendment to any prior response if Navitas obtains information that indicates the response was incorrect or incomplete when made or, though correct or complete when made, is now incorrect or incomplete in any material respect.

For any request to which Navitas fails or refuses to furnish all or part of the requested information, Navitas shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

Careful attention shall be given to copied and scanned material to ensure that it is legible. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request. When applicable, the requested information shall be separately provided for total company operations and jurisdictional operations. When filing a paper containing personal information, Navitas shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Refer to the Application, page 3 and Attachment 4. Also refer to Navitas's response to Commission Staff's First Request for Information (Staff's First Request), Item 8.

- a. Explain why Navitas did not provide a Schedule of Adjusted Operations with the Application, given that it now proposes adjustments to the test year.

b. Explain why Navitas did not use the pro forma test year expenses to calculate its revenue requirement.

2. Refer to Navitas's response to Staff's First Request, Item 3 and Item 8. Reconcile the miscellaneous service revenues shown in these responses. Include in the explanation a list of all items included in the miscellaneous service revenues.

3. Refer to Navitas's response to Staff's First Request, Item 8.

a. Provide a schedule that calculates the test-year depreciation expense.

b. Provide the calculation and supporting documentation for Navitas's proposed adjustments to Natural Gas Production Expenses, Distribution Expenses, Customer Accounts Expenses, Customer Service and Informational Expenses, and Administrative and General Expenses. Provide all supporting calculations and documentation in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible.

c. Provide the items and amounts for Taxes Other than Income. Provide all supporting calculations and documentation in Excel spreadsheet format, with all formulas, columns, and rows unprotected and fully accessible

d. Explain why Other Gas Revenues are (\$222,737.51) and provide the items that are recorded in this account.

4. Refer to Navitas's response to Staff's First Request, Item 8. Explain whether Natural Gas Production Expenses are recovered through Navitas's Gas Cost Adjustment. If not, generally explain these expenses.

5. Refer to Navitas's response to Staff's First Request, Item 2(b). Also Refer to Navitas's response to Staff's First Request. Item 37, Exhibit PSC 1-37.

a. Explain why Navitas considers the initial acquisition of its system in Case No. 2010-00468<sup>2</sup>, the acquisition of its Floyd County and Johnson County systems in Case No. 2020-00396<sup>3</sup>, and the increase in the number of customers per class by year since 2012 is not a significant enough growth in its customers or revenue that would require a cost-of-service study (COSS) to be performed.

b. Identify and explain how many additional customers or how much additional revenue growth would be required for Navitas to justify a COSS to be performed.

6. Refer to Navitas's response to Staff's First Request, Item 5(a) and the Annual Report of Navitas to the Public Service Commission for the Year Ending December 31, 2023 (2023 Annual Report). Explain why Navitas included this error in its 2023 Annual Report.

7. Refer to Navitas's response to Staff's First Request, Item 6(a). Also, refer to 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), Account 482 Other sales to public

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<sup>2</sup> Case No. 2010-00468, *Joint Application of Navitas KY NG, LLC And GASCO Distribution Systems, Inc. For Approval of An Acquisition of Ownership and Control of Gas Utility Systems* (Ky. PSC Feb. 11, 2011).

<sup>3</sup> 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).

authorities.<sup>4</sup> Explain why Navitas deviated from the FERC Uniform Systems of Accounts for Natural Gas when it delegated its Agricultural customers to the Public Authority Customers designation.

8. Refer to Navitas's response to Staff's First Request, Item 6(b). Also refer to Navitas's 2023 Annual Report, page 5 of 131. Explain why the six Agricultural customers referenced in the response were not included in the Annual Report under Commercial and Industrial Sales (481) as defined by the FERC Uniformed Systems of Accounts for Natural Gas if those Agricultural customers were being billed by Navitas under its Commercial rate class.

9. Refer to the Navitas's 2023 Annual Report, and FERC Uniform Systems of Accounts for Natural Gas. For each line in the filed 2023 Annual Report, with an Account number in parentheses, confirm that the information provided is in correspondence to the FERC Uniformed System of Accounts for Natural Gas. If not, then:

- a. Identify each correction needed,
- b. Explain why Navitas failed to provide the correct information,
- c. Provide a corrected 2023 Annual Report to the Commission,<sup>5</sup> and
- d. File the corrected 2023 Annual Report as supplemental documentation in this case proceeding.

10. Refer to Navitas's response to Staff's First Request, Item 15. Provide a response to the request in full as the provided information is not sufficient. Provide the

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<sup>4</sup> A copy of the FERC Uniform System of Accounts Prescribed for Natural Gas Companies Subject to The Provisions of The Natural Gas Act can be found on the Commission's website under Utility Information > Utility Forms > All Utilities > Uniform System of Accounts. <https://psc.ky.gov/Home/UtilForms#All?btnUniform>

<sup>5</sup> Navitas can email [PSC.Reports@ky.gov](mailto:PSC.Reports@ky.gov) to request for its annual report be placed back into edit.

name, dates, and installation requested as well as the contract referenced in response to Item 15.

11. Refer to Navitas's response to Staff's First Request, Item 16. Also, refer to the Application, Attachment 9.

a. Provide a detailed description of the relationship and corporate structure of Navitas, including any subsidiaries, parent companies, related parties, and affiliates.

b. Provide the cost allocation manual used by Navitas, or any of its related parties, that documents the approach to cost allocation and transfer pricing of affiliate transactions.

12. Refer to Navitas's response to Staff's First Request, Item 23(a). Explain if Navitas has considered using an estimated annual or average monthly usage to differentiate between the Residential, Commercial, Industrial, and Agricultural rate classes.

13. Refer to Navitas's response to Staff's First Request, Item 23(b), Exhibit PSC 1-23(b), page 8 of 31.

a. Explain why Navitas plans to include the additional language to the Industrial class classification.

b. Explain the purpose of a "Mini-Max Corrector".

c. Explain how many Industrial customers currently have a "Mini-Max Corrector."

14. Refer to Navitas's response to Staff's First Request, Item 23(b), Exhibit PSC 1-23(b), page 14 of 31, regarding an increase in the deposit amount required for Residential Customers from \$95.00 to \$200.00.

a. Explain why Navitas is including this change in its proposed tariff.

b. Explain why this proposed increase was not included in the Customer Notice.

15. Refer to Navitas's response to Staff's First Request, Item 23(b), Exhibit PSC 1-23(b), page 18 of 31, regarding the increase to the advance amounts based on meter capacity.

a. Explain why Navitas is including this change in its proposed tariff.

b. Explain why this proposed increase was not included in the Customer Notice.

16. Refer to Navitas's response to Staff's First Request, Item 23(c), regarding the statement, "Navitas hopes the transition to usage charges being measured by the Ccf will better allow Navitas' customers to control their utility costs by more closely tying the usage charge metric and the actual usage." Explain in detail how Navitas's proposed rate design helps customers to better control their utility costs over the current rate design method used.

17. Refer to Navitas's response to Staff's First Request, Item 37. Also, refer to Navitas's 2023 Annual Report, page 5 of 131. Reconcile the discrepancy between the customer count for year 2023 in the Exhibit PSC 1-37 and the 2023 Annual Report. Include in the response an explanation for the discrepancy.

18. Refer to Navitas's response to Staff's First Request, Item 37. Also, refer to Navitas's Annual Report of Navitas to the Public Service Commission for the Year Ending December 31, 2022 (2022 Annual Report), page 5 of 131.

a. Reconcile the discrepancy between the customer count for year 2022 in the Exhibit PSC 1-37 and the 2022 Annual Report. Include in the response an explanation for the discrepancy.

b. Explain if Navitas needs to make any corrections to its 2022 Annual Report on file with the Commission.



Linda C. Bridwell, PE  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

DATED NOV 07 2024

cc: Parties of Record



\*Alexander Gardner  
Dinsmore & Shohl, LLP  
City Center, 100 W. Main Street  
Suite 900  
Lexington, KENTUCKY 40507

\*R. Brooks Herrick  
Dinsmore & Shohl, LLP  
101 South Fifth Street  
Suite 2500  
Louisville, KENTUCKY 40202

\*M. Evan Buckley  
Dinsmore & Shohl, LLP  
City Center, 100 W. Main Street  
Suite 900  
Lexington, KENTUCKY 40507

\*Navitas KY NG, LLC  
3186-D Airway Avenue  
Costa Mesa, CA 92626