IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE:	)	
	)	
PETITION OF NAVITAS TN NG, LLC FOR AN ADJUSTMENT TO ITS NATURAL GAS RATES AND APPROVAL OF REVISED TARIFFS	))))	**DOCKET NO. 12-00068**

AMENDMENT TO STIPULATION AND SETTLEMENT AGREEMENT DATED DECEMBER 17, 2012

For the sole purpose of settling this case, Tennessee Regulatory Authority ("TRA" or "Authority") Docket No. 12-00068, Robert E. Cooper, Jr., the Tennessee Attorney General and Reporter, through the Consumer Advocate and Protection Division ("Consumer Advocate") and Navitas TN NG, LLC ("Navitas" or "Company") respectfully submit this Amendment to the Stipulation and Settlement Agreement ("Settlement Agreement") filed in this Docket on December 17, 2012. Subject to Authority approval, the Consumer Advocate and Navitas (collectively, the "Parties") agree to the following amendments:

1. To remove depreciation and amortization expense from line 5 of Schedule 4 of Settlement Agreement Ex. A. This revision reduces the revenue deficiency from $272,601 to $231,703. Ex. A is replaced in its entirety and is attached.

2. To replace the proposed three-step phase in with a two-step phase in. The first step, which is approximately 56% of the revenue deficiency, would go into effect upon approval by the TRA. The second step would include the remaining 44% of the revenue deficiency and go into effect in October 2013. The rate design in Ex. B is replaced in its entirety and is attached.

3. To amend the text of the Settlement Agreement as follows:

- Paragraph 14 is amended to reflect that the attrition period revenue deficiency is $231,703 rather than $272,601. The overall increase in revenue billed to customers is decreased from 63% to 53%. And the residential customer charge "phase-in" from $6.00 to $9.00 increases over the time period ending with the October 2013 billing period.
- Paragraph 15H is amended from $272,601 to $231,703.
- Paragraph 20 is amended to change the dollar amounts from $272,601 to $231,703.
- Paragraph 20A is amended to 56% of $231,703.
- Paragraph 20B is amended to the remaining 44% of the revenue deficiency and goes into effect in October 2013.
- Paragraph 20C is deleted.
- Paragraph 21 is amended to reflect that the rates in the second step, rather than the third step, are applicable to new customers.

All other terms of the Settlement Agreement remain the same.

The foregoing is agreed and stipulated to this 7th day of January, 2013.

NAVITAS TN NG, LLC

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CONSUMER ADVOCATE AND PROTECTION DIVISION

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AMENDED EXHIBIT A

TO AMENDMENT TO STIPULATION

AND

SETTLEMENT AGREEMENT

NAVITAS TN NG, LLC
INDEX TO SCHEDULES
For the 12 Months Ending December 31, 2013

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

NAVITAS TN NG, LLC
Results of Operations
For the 12 Months Ending December 31, 2013

Line No.		Settlement		Company E/		Difference
1	Rate Base	$ 827,560	A/	$ 1,490,326		$ -662,766
2	Operating Income At Current Rates	-157,755	B/	-97,000		-60,755
3	Earned Rate Of Return	-19.06%		-6.51%		-12.55%
4	Fair Rate Of Return	8.71%	C/	9.20%		-0.49%
5	Required Operating Income	72,047		137,080		-65,033
6	Operating Income Deficiency	229,802		234,080		-4,278
7	Gross Revenue Conversion Factor	1.008274	D/	1.666795		-0.658521
8	**Revenue Deficiency**	$ **231,703**		$ **390,164**		$ **-158,460**
	Analysis					
9	Total Revenue (Current Rates)	435,987.63	F/	484,183.00	F/	(48,195.37)
10	Increase in Total Revenue	53%	G/	81%	G/	-27%

A/ CAPD Exhibit, Schedule 2.
B/ CAPD Exhibit, Schedule 4.
C/ CAPD Exhibit, Schedule 10.
D/ CAPD Exhibit, Schedule 11.
E/ Company Filing. CAPD requests that Navitas files all documents provided to CAPD to the TRA to help ensure confidentical documents are not indavertently filed.
F/ Settlement Exhibit, Schedule 5.
G/ This amount is the percentage increase to the customer's bills based on the PGA rate effective from the CAPD's test year of April 1, 2011 to March 31, 2012, calculated as Revenue Deficiency (Line 8) divided by Total Revenue (Current Rates) (Line 9).

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NAVITAS TN NG, LLC
Average Rate Base
For the 12 Months Ending December 31, 2013

Line No.		Test Period A/	Adjustments B/	Attrition Period
	Additions:			
1	Utility Plant in Service	$ 1,755,227	$ 182,766	$ 1,937,993
2	Other Long-Term Assets	214,438	-149,431	65,007
3	Working Capital	37,578	-501 *	37,077
4	**Total Additions**	**$ 2,007,243**	**$ 32,834**	**$ 2,040,077**
	Deductions:			
5	Accumulated Depreciation	$ 907,049	$ 73,719	$ 980,768
6	Accumulated Amortization of Other Long-Term Assets	19,257	-12,420	6,837
7	Acquisition Adjustment	251,338	-26,426	224,912
8	**Total Deductions**	**$ 1,177,644**	**$ 34,873**	**$ 1,212,517**
9	**Rate Base**	**$ 829,599**	**$ -2,039**	**$ 827,560**

* Utility Plant in Service, Other Long Term Assets, Accumulated Depreciation, and Plant Acquisition Adjustment are from the Navitas TN NG Trial Balance as of 12/31/2011. The calculation for working capital in this Settlement is the "one-eighth method", which presumes that cash working capital necessary equals 1/8 (or 45 days/360 days) of the O&M expense, which is the NUC Crews charge on Schedule 4.A.

** Other Long Term Assets recorded in Navitas's financial statements

A/ Company Filing.
B/ CAPD Exhibit, Schedule 2.A.

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NAVITAS TN NG, LLC
Adjustments to Rate Base
For the 12 Months Ending December 31, 2013

Line No.	Adjustments to Additions		
1	Reverse journal entry transfering meters to NUC from TN	9,000.00	A/
2	New Meters from 2011	3,990.00	B/
3	New Meters for 2012	1,976.00	B/
4	New Meters for 2013*	11,520.00	B/
5	2012 Non-meter Capital Expenditures	16,359.76	C/
6	2013 Non-meter Capital Expenditures*	8,568.38	C/
7	California Land	53,009.19	E/
8	California Building	58,729.90	E/
9	Eakley Land	1,845.22	E/
10	Eakley Building	17,767.32	E/
11	Other Long Term Assets	(149,431.38)	F/
12		33,334.39	
13			
14	**Adjustments to Deductions**		
15	Accumulated Depreciation increase for Meters in 2011	1,083.35	D/
16	Accumulated Depreciation increase for 2012 Depreciation	47,987.02	D/
17	Accumulated Depreciation increase for 2013 Depreciation*	24,648.47	D/
18	Amortization of the Acquisition Adjustment 2012 & 2013*	(26,425.64)	E/
19	Amortization of the Other Long Term Assets 2012 & 2013*	(12,420.06)	F/
20		34,873.13	

* The estimated acquistions and related depreciation and amortization for 2013 are reduced by half to arrive at the Average Rate Base on Schedule 2.A. The meters expected to be replaced in March 2013 are added in full since the replacement occurs in the first part of the year.

Notes:

A/ This amount reflects the reversal of a journal entry recorded to transfer the cores of the meters from TN's fixed assets to NUC's fixed asset, as shown and explained on CAPD Exhibit, Schedule 2.A.

B/ This amount reflects the acceleration of replacing meters, as shown and explained on CAPD Exhibit, Schedule 2.A.

C/ This amount reflects the estimated capital expenditures that are not related to meter replacement as calculated by the CAPD on CAPD Exhibit, Schedule 2.A.

D/ Accumulated Depreciation increase for 2012 and 2013 were calculated on the Depreciation Schedule, Schedule 4.A.2. This amount is also described in CAPD Exhibit, Schedule 2.A.

E/ See Depreciation Schedule, Schedule 4.A.2.

F/ See Amortization Schedule, Schedule 4.A.3.

NAVITAS TN NG, LLC
Comparative Rate Base
For the 12 Months Ending December 31, 2013

Line No.		Settlement A/	Company B/	Difference
	Additions:			
1	Utility Plant in Service	$ 1,937,993	$ 2,443,206	$ -505,213
2	Other Long-Term Assets	65,007	27,300	37,707
3	Working Capital	37,077	37,866	-789
4	**Total Additions**	**$ 2,040,077**	**$ 2,508,372**	**$ -468,295**
	Deductions:			
5	Accumulated Depreciation	$ 980,768	$ 1,018,046	$ -37,278
6	Accumulated Amortization of Other Long-Term Assets	6,837	0	6,837
7	Acquisition Adjustment	224,912	0	224,912
8	**Total Deductions**	**$ 1,212,517**	**$ 1,018,046**	**$ 194,471**
9	**Rate Base**	**$ 827,560**	**$ 1,490,326**	**$ -662,766**

A/ CAPD Exhibit, Schedule 2.
B/ Company Filing.

NAVITAS TN NG, LLC
Income Statement at Current Rates
For the 12 Months Ending December 31, 2013

Line No.		Test Period A/	Adjustments	Settlement Attrition Amount
	Operating Revenues:			
1	Gas Sales & Transportation Revenues	$ 456,860	$ -28,667	$ 428,193 B/
2	Other Revenues	27,323	-19,529	7,794 C/
3	**Total Revenue**	**$ 484,183**	**$ -48,195**	**$ 435,988**
	Operating & Maintenance Expenses:			
4	Purchased Gas Expense	$ 224,324	$ -5,164	$ 219,160 B/
5	Operations & Maintenance	302,949	10,979	313,928 D/
6	**Total Operating & Maintenance Expenses**	**$ 527,273**	**$ 5,816**	**$ 533,089**
	Other Expenses:			
7	Depreciation & Amortization Expense	$ 55,094	$ -5,351	$ 49,743 D/
8	General Taxes	10,469	442	10,911 E/
9	State Excise Taxes	0	0	0 F/
10	Federal Income Taxes	0	0	0 G/
11	**Total Other Expenses**	**$ 65,563**	**$ -4,909**	**$ 60,654**
12	**Total Operating Expenses**	**$ 592,836**	**$ 906**	**$ 593,742**
13	**Utility Operating Income**	**$ -108,653**	**$ -49,102**	**$ -157,755**

A/ Company Filing.
B/ CAPD Exhibit, Schedule 6.
C/ Navitas TN NG account # 4199, Penalties & Service Charges

12/31/2011:	$6,174.20
Less Q1 2011:	3,962.23
Add Q1 2012:	5,582.21
Total	$7,794.18

D/ CAPD Exhibit, Schedule 4.A.
E/ CAPD Exhibit, Schedule 7.
F/ CAPD Exhibit, Schedule 8.
G/ Federal Income Taxes are passed through to the owner's personal return.

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12-00068
Amended Settlement Exhibit A
Schedule 4.A

NAVITAS TN NG, LLC
TN Expense Adjustments
For the 12 Months Ending December 31, 2013

	Company P&L 12/31/2011*	Deduct P&L 1/1/2011 to 3/31/2011*	Add P&L 1/1/2012 to 3/31/2012*	Company P&L 4/1/2012 to 3/31/2012	Settlement Adjustments	Settlement Adjusted Expenses for 4/1/2012 to 3/31/2012	Inflation (2012 & 2013) G/	Total Expenses
5900 Direct Costs								
5921 NUC-Crews	278,164.98	50,060.01	88,590.00	316,694.97	A/	A/		296,613.22 A/
5923 NUC-asset billing	15,447.65	2,173.75	4,977.00	18,250.90	(18,250.90) B/	-		-
5999 Depreciation	49,634.18	10,371.16	14,240.61	53,503.63	(17,434.33) C/	36,069.30		36,069.30
5999 Amortization					13,673.31 D/	13,673.31		13,673.31
6000 Overhead								
6300 Bank Fees	1,372.82	169.70	590.92	1,794.04		1,794.04	1.038	1,861.78
6408 Advalorem Tax Expense	6,976.83		1,740.00	8,716.83		8,716.83	1.038	9,045.95
6410 Lic, permit, member			1,920.00	1,920.00		1,920.00	1.038	1,992.49
6412 Postage-billing	1,152.95	263.13	352.82	1,242.64	(62.13) E/	1,180.51	1.038	1,225.08
6420 Tax consult & filing	53.15			53.15		53.15	1.038	55.16
6495 Bad debt	6,210.77		100.64	6,311.41	(4,000) F/	2,311.41	1.038	2,398.68
6496 Customer Discounts	523.80	291.51	477.45	709.54		709.54	1.038	736.33
	359,536.93			409,197.11	(26,074.05)	383,123.06		363,671.30

* Per Navitas's Quickbooks reports.

A/ The Settlement adjustments to the NUC-Crews expense amount to calculate the fair and reasonable expenses allocated to TN for the attrition year are shown on CAPD Exhibit, Schedule 4.A.1.

B/ To remove the expenses related to intercompany charges by NUC to TN for meter fees of $3.00 per meter. The meters should be recorded in TN's fixed assets and depreciated in TN's books. See Note B on Schedule 2.A.1.

C/ To adjust depreciation expenses for the meters and the expected 2012 and 2013 capital expenditures, as well as include the amortization of the Plant Acquisition Adjustment. See Schedule 4.A.2.

D/ To include amortization for organizational costs, the unamortized portion of the 2011 rate case expenses, and the 2012 rate case expenses. See Amortization Schedule, Schedule 4.A.3.

E/ To reduce the amount of Postage by the 5% markup amount erroneously applied to expenses directly charged from NUC to TN.

F/ Per review of the account details of account #6495, Bad Debt Expense,$6,178.96 of the expenses from 4/1/2011 to 3/31/2012 related to a write off of $6,178.96 to clean up of bad debt receivables that were on Gasco's books and probably should have been written off before the purchase by Navitas. Per review of the account details for 2012 and discussions with Navitas, the 2011 write off was an aberration. The Settlement adjusted this account so that the 2013 expenses would reflect the 2012 bad debt expense as of 11/16/2012 of $2,347.25, as annualized.

G/ Per Inflation Schedule, Schedule 4.A.6.

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NAVITAS TN NG, LLC
NUC Expense Adjustments
For the 12 Months Ending December 31, 2013

	Company P&L 12/31/2011*	Deduct P&L 1/1/2011 to 3/31/2011*	Add P&L 1/1/2012 to 3/31/2012*	Company P&L 4/1/2012 to 3/31/2012	Settlement Adjustments for Indirect Costs	Settlement Allocation % to TN	Settlement Indirect Costs Allocable to TN	Settlement Adjustments for TN's Direct Costs	Inflation (2012 & 2013) O/	NUC charges to TN 12/31/2013
5099 Direct Costs										
5100 Services (labor)	1,676,951.19	368,595.49	413,886.71	1,704,242.41	(1,616,093) /A		66,149.20	75,785 A/	1.038	168,051
5100 Services (non labor)					110,654	9.23% N/	10,209.05		1.038	10,595
5300 Equipment	28,191.04	3,774.12	8,641.93	33,058.85	-	9.23%	3,050.04		1.038	3,165
5400 Construction	52,751.29	2,303.31	(15,748.85)	34,699.13	(34,699) /B	9.23%	-		1.038	-
5999 Depreciation	204,330.76	51,329.64	53,348.89	206,350.01	(45,292) /C	9.23%	14,659.37		1.000 X/	14,659
6100 General Expenses										
6110 Communication Equipment	3,089.19	261.55	760.40	3,588.04	-	9.23%	331.04		1.038	344
6120 Communication Services	48,580.39	9,935.51	13,502.14	52,157.02	-	9.23%	4,812.05		1.038	4,994
6130 Postage	13,776.32	4,744.75	2,431.96	11,463.53	(8,524) D/	9.23%	271.25		1.038	281
6140 Office Consumables	18,975.25	5,403.25	7,780.99	21,352.99	-	9.23%	1,970.04		1.038	2,044
6150 Travel & Subsistence	16,704.13	(2,996.33)	12,908.20	32,608.66	(31,769) E/	9.23%	77.50	6,560 E/	1.038	6,888
6200 Office Expenses										
6210 Payroll Expenses	388,543.48	105,951.03	100,757.07	383,349.52	(143,289) F/	9.23%	22,150.97	16,659 F/	1.038	40,276
6220 Facilities	50,817.02	9,219.63	7,604.34	49,201.73	(28,696) G/	9.23%	1,891.95		1.038	1,963
6230 Utilities	28,809.94	5,286.21	5,149.72	28,673.45		9.23%	2,645.44		1.038	2,745
6232 Equipment Leasing	989.07	(2,451.27)	853.73	4,294.07	(372) H/	9.23%	361.85	372 H/	1.038	762
6241 Contracted Transportation	117,656.44	31,282.50	22,613.56	109,187.50	(109,187) I/	9.23%	0.05		1.038	0
6242 Fuel	190,740.92	37,755.55	43,648.19	196,633.56	(69,912) J/	9.23%	11,709.65		1.038	12,152
6240 Transportation - Other	104,279.95	24,532.33	27,013.84	106,761.46	(66,916) J/	9.23%	3,676.18		1.038	3,815
6320 Bank Fees	3,802.20	1,000.50	1,180.52	3,982.22		9.23%	367.40		1.038	381
6400 Business Expenses										
6410 Licenses, permits, membership	11,783.71	4,982.41	5,386.39	12,188.69		9.23%	1,124.35		1.038	1,167
6420 Tax Consult& Filing	24,680.00		2,750.00	27,430.00		9.23%	2,530.71		1.038	2,626
6425 Legal	21,021.02	(9,900.17)	54,169.12	85,090.31	(72,765) K/	9.23%	1,137.13		1.038	1,180
6440 Bonds & Insurance	91,620.32	26,165.41	23,230.49	88,685.40		9.23%	8,182.19		1.038	8,491
6445 Safety & Security	52,658.10	13,244.43	10,877.73	50,291.40		9.23%	4,639.93		1.038	4,815
6460 Company promotions	2,057.93	378.88	95.38	1,774.43		9.23%	163.71		1.038	170
6471 Education	10,711.92	2,915.62	4,820.41	12,616.71		9.23%	1,164.03		1.038	1,208
6470 Seminars & Subscriptions	6,913.95	103.00	213.49	7,024.44		9.23%	648.08		1.038	673
6475 Employee Incentives	1,600.00	600.00		1,000.00		9.23%	92.26		1.038	96
6799 Penalties & Fines	1,375.75	263.49	1,934.57	3,046.83	(3,047) L/	9.23%	-		1.000 X/	-
6810 New Opportun & Methods	30,000.00	7,500.00	7,500.00	30,000.00	M/	9.23%	2,767.82		1.038	2,872
	3,205,621.28	722,180.84	817,509.92	3,300,950.36	(2,121,876.40)		186,983.44	99,376.69		296,613

* Per Navitas's Quickbooks reports.

A/ Settlement took the $1,593,589 in employee and outside labor and allocated labor to TN, which is shown on Labor, Schedule 4.A.4. The remainder of the charges of $110,654 were for uniform services that had memos of the location incurring the costs of the uniform services as well as monthly charges to Volunteer Trenching to be available for back up services. These non-labor charges will be considered for tracking directly to the benefitting system for future rate cases.

B/ The charges to this account are primarily expenses that are later capitalized to specific systems. The balance in this account reflects the timing differences between the expense and the time of capitalization. It is essentially a CWIP account that can apply to any of the systems. The Settlement reduces the indirect allocation costs for CWIP and estimated expected capital expenditures for Tennessee in Schedule 2 and 2.A. Per the terms of the Settlement, the charges to this account will be considered for tracking costs directly to the benefitting system in separate accounts.

C/ To remove the depreciation expense related to meters in the entirety from the indirect allocations and add the estimated depreciation expenses for the meters in Tennessee expected for 2013 (per the Depreciation Schedule, Schedule 4.A.2.)

D/ All postage is charged first to NUC then charged to the systems at a 5% markup. The individual states are charged for the postage for sending out customer bills. The Settlement eliminated the 5% markup for TN in Schedule 4.A. The annual expense of $11,463.53 equals $955 in monthly expenses. The Settlement's adjustment results in approximately $2940 per year in Postage expenses for NUC ((100 stamps * $0.45 * 52 weeks) + ($50 Priority/Non-envelope shipping * 12 months)).

E/ The Settlement includes recovery for the work travel based on the planned trips in 2013:
- Walker and Cash (TN labor) training for 2 days (direct cost) and
- 2 California employees attending a 3-day training on utility accounting (indirect).
The Settlement assumed expenses of $140 daily for lodging and subsistence for the planned trips, the direct costs to TN are $6,560, and the indirect costs for the utility accounting training is $1,420. The Settlement also includes in the estimate quarterly trips for Hartline, at approximately $1,500 per trip to include travel, per diem hotel and meals, and car rental. Air and mileage are expensed in a separate account. Air travel was included for Hartline because his monthly travel expenses of $2,500 were eliminated from Transportation - Other, account #6240.

F/ This account reflects employee healthcare. The Settlement reduced the indirect costs by 37.37% of the test year expenses to reflect the approximate healthcare costs associated with the employees dedicated to Oklahoma and Kentucky. The 37.37% was derived from reviewing the employee expenses on Labor Schedule, Schedule 4.A.4. CAPD also reclassified the healthcare related to TN's labor from Indirect Costs to the costs directly allocable to TN.

G/ The Facilities expenses reduced significantly because the California office originally rented facilities but then purchased office space. The Settlement adjusted the annual expenses to reflect these expected savings for 2013.

H/ This account has three monthly charges: (1) $158 to Pitney Bowes for the postage machine (billing); (2) $13 to Airgas for equipmenet leased at the Eakely, Oklahoma location; and (3) $31 to Holston for equipmenet leased and dedicated to the Jellico, Tennessee operations. The Settlement Reclassified the Holston charges to direct charges to TN.

I/ This account is entirely plane expense, which the Settlement disallows for recovery through rates. Reasonable and prudent travel expenses have been estimated and included in the Travel and Subsistence adjustments. See E.

J/ This account includes the fuel for the trucks, which is allowed for rate recovery, as well as the disallowed expenses for plane fuel and fuel used for personal purpose. The Settlement disallowed the costs associated with the plane using adjustments in CAPD Exhibit, Schedule 4.A.1. Because some trucks are dedicated to certain systems, some or all the costs charged to this account should be considered for direct cost tracking for future rate cases.

K/
This account includes expenses for the trucks, which is an allowable expenses as well as expenses of $2500 to two executive officers ($5000 total). The Settlement adjusted this account based on CAPD adjustments in CAPD Exhibit, Schedule 4.A.1. Because some trucks are dedicated to certain systems, some or all the costs charged to this account should be considered for direct cost tracking for future rate cases.

L/ This account is for late fees and other fines and penalties. Such charges are not permitted for recovery through rates because the rates for 2013 are expected to permit the company to avoid penalties and fines.

M/ Per CAPD Exhibit, Schedule 4.A.1. this account reflects monthly charges of $2500 for a consultant to advise Navitas about utility practices.

N/ This percentage is the allocation percentage calculated, as shown on CAPD Exhibit Allocation Percentage Calculation, Schedule 4.A.5.

O/ Inflation amounts are from CAPD Exhibit, Schedule 4.A.6. Also available in Settlement Exhibit, Schedule 4.A.6.

X/ Inflation adjustments do not apply to these accounts.

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Navitas TN NG, LLC
Depreciation Expense
For the 12 Months Ending December 31, 2013

Source: 2012 3rd Quarter Depreciation Schedules from Joey Irwin	Acq Date	Life	Cost basis	Tennessee Allocation	Settlement Calculation: 2012 Depreciation Expense (annualized)	Settlement Calculation: 2013 Depreciation Expense
Mains (NARUC acct #376)						
Byrdstown & County	12/31/10	480	550,595.00	550,595.00	$ 13,764.88	$ 13,764.88
Fentress County	12/31/10	480	3,018.00	3,018.00	$ 75.45	$ 75.45
Jellico System	12/31/10	480	1,183,700.00	1,183,700.00	$ 29,592.50	$ 29,592.50
Total 1774			1,737,313.00	1,737,313.00	$ 43,432.83	$ 43,432.83
Rebuild Byrdstown Odorant Sys	01/01/11	240	15,000.00	15,000.00	$ 750.00	$ 750.00
Total 1771			15,000.00	15,000.00	$ 750.00	$ 750.00
Services (NARUC acct #380)						
Service - McCreaty; McCreaty; Veach	10/31/11	480	1,286.25	1,286.25	$ 32.16	$ 32.16
Service - Delk; Stevens	11/30/11	480	892.50	892.50	$ 22.31	$ 22.31
Service - Chitwood	12/31/11	480	735.00	735.00	$ 18.38	$ 18.38
Service - Pickett County Visitor Center	01/31/12	480	5,421.76	5,421.76	$ 135.54	$ 135.54
Service - Jellico Elementary	03/31/12	480	2,600.85	2,600.85	$ 65.02	$ 65.02
Service - David Creekmore	04/30/12	480	525.00	525.00	$ 13.13	$ 13.13
Service - Jellico Hospital	05/31/12	480	598.50	598.50	$ 14.96	$ 14.96
Service - Etter Baptist Church	05/31/12	480	2,001.30	2,001.30	$ 50.03	$ 50.03
Service - Glen Parris	07/31/12	480	507.41	507.41	$ 12.69	$ 12.69
Service - Robert Johnson	08/30/12	480	615.00	615.00	$ 15.38	$ 15.38
Total 1772			15,183.57	15,183.57	379.59	379.59
Subtotal			1,767,496.57	1,767,496.57	44,562.41	44,562.41
Acquisition adjustment						
Acquisition Adjustment - Jellico	12/31/10	240	(44,840.00)	(44,840.00)	$ (2,242.00)	$ (2,242.00)
Acquisition Adjustment - Byrdstown	12/31/10	240	(219,120.00)	(219,120.00)	$ (10,956.00)	$ (10,956.00)
Total 1777			(263,960.00)	(263,960.00)	(13,198.00)	(13,198.00)
Acquisition balancing entry	06/30/11	240	(592.86)	(592.86)	$ (29.64)	$ (29.64)
Total 1778			(592.86)	(592.86)	(29.64)	(29.64)

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

		Acq Date	Life	Cost basis	Tennessee Allocation		2012 Depreciation Expense (annualized)	2013 Depreciation Expense
CAPD Adjustments to Navitas TN NG, LLC's Asset Listing								
TN	2011 Meter Cores	01/01/11	120	9,000.00	9,000.00		900.00	900.00
	2011 Meters*	06/01/11	120	2,014.00	2,014.00		201.40	201.40
	2011 Meters*	09/01/11	120	1,976.00	1,976.00		197.60	197.60
	2012 Meters*	04/01/12	120	1,976.00	1,976.00		148.20	197.60
	2013 Meters*	03/01/13	120	11,520.00	11,520.00		N/A	960.00
	2012 other cap ex 4th Quarter	11/15/12	480	4,089.94	4,089.94		17.04	102.25
	2013 other cap ex**	06/30/13	480	17,136.76	17,136.76		N/A	214.21
California	Land - 3186D Airway Blvd, Costa Mesa	06/30/11		547,200.00	50,485.13	A/		
	Land - Closing cost on property	06/30/11		27,357.91	2,524.06	A/		
	Value of building improvements 4800sf * $50	06/30/11	468	240,000.00	22,142.60	A/	567.76	567.76
	Improvements in 2011	12/31/11	468	335,870.90	30,987.73	A/	794.56	794.56
	Improvements in 2012 Q1	03/31/12	468	54,392.82	5,018.33	A/	128.68	128.68
	Improvements in 2012 Q2	06/30/12	468	6,300.00	581.24	A/	14.90	14.90
Eakley	Land - Eakly	07/28/09		40,000.00	1,845.22	B/		
	Eakly Structure	07/28/09	468	12,501.70	576.71	B/	14.79	14.79
	LI - Eakly reconstr L	09/30/09	468	24,311.25	1,121.49	B/	28.76	28.76
	LI - Closing costs	10/01/09	468	1,346.75	62.13	B/	1.59	1.59
	LI - Eakly reconstr M&S	10/31/09	468	2,378.01	109.70	B/	2.81	2.81
	LI - Eakly reconstr L&E	10/31/09	468	16,090.88	742.28	B/	19.03	19.03
	LI - Eakly reconstr L&E	11/30/09	468	15,025.13	693.12	B/	17.77	17.77
	LI - Eakly reconstr L&E	12/31/09	468	32,997.00	1,522.17	B/	39.03	39.03
	LI - Eakly reconstr M&S	12/31/09	468	35,895.26	1,655.86	B/	42.46	42.46
	LI - Eakly reconstr L,E,M&S	01/31/10	468	21,878.74	1,009.28	B/	25.88	25.88
	LI - Eakly reconstr L,E,M&S	02/28/10	468	13,107.00	604.63	B/	15.50	15.50
	LI - Eakly reconstr L,E,M&S	03/31/10	468	65,315.10	3,013.01	B/	77.26	77.26
	LI - Eakly reconstr L,E,M&S	04/30/10	468	8,209.73	378.72	B/	9.71	9.71
	LI - Eakly reconstr L,E,M&S	05/31/10	468	15,725.70	725.43	B/	18.60	18.60
	LI - Eakly reconstr L,E,M&S	06/30/10	468	40,070.65	1,848.48	B/	47.40	47.40
	LI - Eakly reconstr L,E,M&S	10/01/10	468	3,153.95	145.49	B/	3.73	3.73
	LI - Eakly reconstr L,E,M&S	10/01/10	468	20,179.66	930.90	B/	23.87	23.87
	LI - Eakly reconstr L,E,M&S	10/31/10	468	3,955.43	182.47	B/	4.68	4.68
	LI - Eakly reconstr L,E,M&S	11/30/10	468	6,943.76	320.32	B/	8.21	8.21
	LI - Eakly reconstr L,E,M&S	12/31/10	468	1,531.72	70.66	B/	1.81	1.81
	LI - Eakly reconstr L,E,M&S	01/31/11	468	5,447.68	251.30	B/	6.44	6.44
	LI - Eakly reconstr L,E,M&S	02/28/11	468	3,499.68	161.44	B/	4.14	4.14
	LI - Eakly reconstr L,E,M&S	03/31/11	468	1,436.69	66.28	B/	1.70	1.70
	LI - Eakly reconstr L,E,M&S	04/30/11	468	825.98	38.10	B/	0.98	0.98
	LI - Eakly reconstr L,E,M&S	05/31/11	468	479.75	22.13	B/	0.57	0.57
	LI - Eakly reconstr L,E,M&S	06/30/11	468	1,057.52	48.78	B/	1.25	1.25
	LI - Eakly reconstr L,E,M&S	07/31/11	468	264.87	12.22	B/	0.31	0.31
	LI - Eakly reconstr L,E,M&S	09/30/11	468	613.54	28.30	B/	0.73	0.73
	LI - Eakly reconstr L,E,M&S	10/31/11	468	565.72	26.10	B/	0.67	0.67
	LI - Eakly reconstr L,E,M&S	11/30/11	468	1,784.91	82.34	B/	2.11	2.11
	LI - Eakly reconstr L,E,M&S	12/01/11	468	22,207.50	1,024.44	B/	26.27	26.27
	LI - Eakly reconstr L,E,M&S	12/31/11	468	2,224.99	102.64	B/	2.63	2.63
	LI - Eakly reconstr L,E,M&S	01/31/12	468	1,389.65	64.11	B/	1.64	1.64
	LI - Eakly reconstr L,E,M&S	02/29/12	468	623.63	28.77	B/	0.68	0.74
	LI - Eakly reconstr L,E,M&S	05/31/12	468	2,114.63	97.55	B/	1.46	2.50
				1,663,988.49	179,064.32		3,424.60	4,734.53
Totals (Net of Acquisition Adjustments)				3,186,932.20	1,682,008.03		34,759.38	36,069.30

Note: The Company calculates a full month of depreciation for the month of acquisition.

* Per discussion with CAPD Exhibit, Schedule 4.A.2, 157 meters had been replaced by 11/17/2012. Hartline indicated that approximately a third of the total meters were replaced in June 2011, September 2011, and April 2012. Hartline also indicated that 200 meters were scheduled to be replaced in March 2013. For further information, see Note B on CAPD Exhibit, Schedule 2.A, Adjustments to Rate Base.

** The Settlement assumes the acquisitions will occur throughout the year. To reflect this, CAPD chose the mid-year acquisition date of 6/30/2013.

A/ These costs are for the land and building, including leasehold improvements, for the California location where management and other administrative duties are performed. For settlement purposes, the property was allocated using CAPD blended allocation in CAPD Exhibit A, Schedule 4.A.5 of 9.23% because the services performed at this location go beyond customer service duties. Also for settlement purposes, the useful life used was 39 years.

B/ These costs are for the land and building, including leasehold improvements, for the California location where management and other administrative duties are performed. This building is approximately 7,000 square feet with approximately half of it being used to rebuild meters. The space for meters was removed from the cost basis for allocation because the costs to build meters are a capitalized cost. The other half of the building has four private offices, three open workspaces, bathrooms, and a conference room. Three of the four private offices are used by managemerial or operations employees. One of the private offices is used by a customer service representative as well as the three open workspaces. The conference room is used primarily for managerial and administrative purposes. For settlement purposes, the property was allocated using CAPD blended allocation in CAPD Exhibit A, Schedule 4.A.5 of 9.23% because the services performed at this location go beyond customer service duties. Also for settlement purposes, the useful life used was 39 years.

Navitas TN NG, LLC
Amortization Expense
For the 12 Months Ending December 31, 2013

Source: 2012 3rd Quarter Depreciation Schedules from Joey Irwin

	Acquisition Date	Life (months)	Cost Basis		Accumulated Amortization as of 12/31/2011	Unamortized balance as of 12/31/2011	
Org Costs							
80% of legal cost of Gasco acq	12/31/10	120	72,400.00		7,843.33	64,556.67	
20% of legal cost of Gaso acq Q1 '11	03/31/11	120	6,220.00		518.33	5,701.67	
NUC expense for TN transaction	03/31/11	120	91,575.00		7,631.25	83,943.75	
Legal Services for GASCO closing	06/30/11	120	9,132.38		532.72	8,599.66	
Total 1881			179,327.38		16,525.64	162,801.74	**A/**
Rate Case							
Legal Services for Rate Tariff	06/30/11	60	5,750.33		670.87	5,079	
Legal Services for Rate Tariff	07/31/11	60	6,608.28		660.83	5,947	
Legal Services for Rate Tariff	08/31/11	60	7,196.79		599.73	6,597	
Legal Services for Rate Tariff	09/30/11	60	6,586.13		439.08	6,147	
Legal Services for Rate Tariff	10/31/11	60	6,092.63		304.63	5,788	
Legal Services for Rate Tariff	11/30/11	60	479.85		16.00	464	
Legal Services for Rate Tariff	12/31/11	60	2,396.84		39.95	2,357	
Total 1882			35,110.85		2,731.08	32,379.77	**B/**
DIMP	08/01/12	63	26,964.00	D/	-	-	

2013 Amortization

	Acquisition Date	Life (months)	Unamortized balance as of 1/1/2013		Monthly	2013 Amortization Expense
Rate Case						
Legal fees to obtain 25-yr Franchise Agmt	04/26/12	300	7,183	E/	23.94	287.31
2012 DIMP asset	08/01/12	58	24,824	D/	428.00	5,136.00
Estimated Legal Services for 2012 Rate Case	12/31/12	48	33,000.00	C/	687.50	8,250.00
Total 1882			65,006.85		687.50	13,673.31

Note: The Company calculates a full month of amortization for the first month the capitalized expense is amortized.

A/ The Settlement reduced rate base and adjusted the accumulated depreciation on Schedule 2.A to reflect the elimination of these investor expense.

B/ The Settlement reduced rate base and adjusted the accumulated depreciation on Settlement Exhibit, Schedule 2.A.1 to reflect the elimination of these non-recurring expense.

C/ Navitas did not include any rate case expense in its petition. The Settlement adjusted rate case expense based on estimated expenses. See CAPD Exhibit, Schedule 4.A.3.

D/ The DIMP asset is calculated as follows:

Minimum monthly payments	$4,000
x Minimum number of payments	63
x Tennessee customer allocation	10.7%
Tennessee DIMP Asset	$26,964

Minimum monthly payments calculated per the contract is $1 per customer, with a minimum of 4,000 customers. Minimum number of monthly payments is also according to the contract. The Tennessee customer allocation is based on Navitas's petition. Since the number of customers will vary each month, and according to the Quickbooks report showing that Tri-Star has only charged Navitas $4,000 per month, any amount above the minimum payment is uncertain at the time of this rate case.

E/ These costs relate to the legal fees Navitas incurred to renew the Franchise Agreement for an additional 25 years.

*** CONFIDENTIAL INFORMATION***

12-00068
Amended Settlement Exhibit A
Schedule 4.A.4

NAVITAS TN NG, LLC
NUC Labor
For the 12 Months Ending December 31, 2013

Employee Labor Directly Allocable to TN	$ 45,787.57	D/
Outside Labor Directly Allocable to TN	$ 30,000.00	E/
Employee Labor Indirectly Allocable to TN	$ 914,694.47	=F-D
Employee Labor Not Allocable to TN	$ 573,106.14	G/
Outside Labor Not Allocable to TN	$ 30,000.00	E/
Total	$1,593,588.18	H/

Indirect Labor Breakdown - I/			TN %		TN Portion
Shared Services	90%	$ 827,674.85	9.23%	J/	76,361.97
Customer Services	10%	$ 91,469.45	10.7%		9,787.23
	100%				86,149.20

	Employee Name ID Location	Total Earnings - 2011*	Description	Applicable to TN?	Amount applicable to TN		Amount not allocable to TN	
1	[redacted]		Shared	Yes	[redacted]	1	[redacted]	
2	[redacted]		Shared	Yes	[redacted]	1	[redacted]	
3	[redacted]		Shared	Yes	[redacted]	1	[redacted]	
4	[redacted]		Shared	Yes	[redacted]	1	[redacted]	
5	[redacted]		Shared	Yes	[redacted]	1	[redacted]	
6	[redacted]		Accounting	Yes	[redacted]	1	[redacted]	
7	[redacted]		Shared	Yes	[redacted]	1	[redacted]	
8	[redacted]		Shared	Yes	[redacted]	1	[redacted]	
9	[redacted]		Customer Service	Yes	[redacted]	2	[redacted]	
10	[redacted]		General Manager	Yes	[redacted]	1	[redacted]	
11	[redacted]		Shared Services (monitors line loss)	Yes	[redacted]	1	[redacted]	
12	[redacted]		Billing Manager/Cust Svc	Yes	[redacted]	2	[redacted]	
13	[redacted]		Customer Service	Yes	[redacted]	2	[redacted]	
14	[redacted]		Shared services (Ops Mgr)	Yes	[redacted]	1	[redacted]	
15	[redacted]		Shared services (acctg)	Yes	[redacted]	1	[redacted]	
16	[redacted]		Tennessee	Yes	[redacted]		[redacted]	
17	[redacted]		Meters (capital) (2 wks/yr for TN)	No	[redacted]		[redacted]	
18	[redacted]		Oklahoma	No	[redacted]		[redacted]	
19	[redacted]		Oklahoma	No	[redacted]		[redacted]	
20	[redacted]		Meters (capital) (2 wks/yr for TN)	No	[redacted]		[redacted]	
21	[redacted]		Oklahoma	No	[redacted]		[redacted]	
22	[redacted]		Oklahoma	No	[redacted]		[redacted]	
23	[redacted]		Oklahoma	No	[redacted]		[redacted]	
24	[redacted]		Meters (capital) (2 wks/yr for TN)	No	[redacted]		[redacted]	
25	[redacted]		Oklahoma	No	[redacted]		[redacted]	
26	[redacted]		Oklahoma	No	[redacted]		[redacted]	
27	[redacted]		Oklahoma	No	[redacted]		[redacted]	
28	[redacted]		Oklahoma	No	[redacted]		[redacted]	
29	[redacted]		Oklahoma	No	[redacted]		[redacted]	
30	[redacted]		Oklahoma	No	[redacted]		[redacted]	
31	[redacted]		Oklahoma	No	[redacted]		[redacted]	
32	[redacted]		Oklahoma	No	[redacted]		[redacted]	
33	[redacted]		Oklahoma	No	[redacted]		[redacted]	
34	[redacted]		Oklahoma	No	[redacted]		[redacted]	
35	[redacted]		Oklahoma	No	[redacted]		[redacted]	
36	[redacted]		Oklahoma	No	[redacted]		[redacted]	
37	[redacted]		60% Oklahoma, 40% shared	40%	[redacted]	1	[redacted]	
	Total Employee Labor for 2011	$1,513,532.38			$ 947,921.14	62.63% A/	$ 565,611.24	37.37%
Deduct:	Employee Labor for 1/1/2011 to 3/31/2011	$ (443,233.40) B/			$ (277,595.85)	A*B	$ (165,637.55)	
Add:	Employee Labor for 1/1/2012 to 3/31/2012	$ 463,289.20 C/			$ 290,156.74	A*C	$ 173,132.46	
	Total Employee Labor for 4/1/2011 to 3/31/2012	$1,533,588.18			$ 960,482.04	F/	$ 573,106.14	G/
	Total Outside Labor for 4/1/2011 to 3/31/2012	$ 60,000.00 E/						
		$1,593,588.18 H/						

* These earnings are from the Paychex payroll report from 1/1/2011 to 12/31/2011. .

A/ This is the percentage of total salaries of employees who do any work for Tennessee that is not capitalized. CAPD did not receive the Q1 2012 Paychex salary report with the exact salary expense of each employee from 1/1/2012 to 3/31/2012. CAPD multiplied the percentage of 2011 salaries by the salaries related to Q1 2011 and Q1 2012 as an estimate of the salaries applicable to Tennessee. The same type of calculation was used to calculate the labor that is not allocable to TN.

B/ Sum of Paychex charges to NUC account # 5100, Services, for the period 1/1/2011 to 3/31/2011.

C/ Sum of Paychex charges to NUC account #5100, Services, for the period 1/12012 to 3/31/2012.

D/ This labor reflects the salary of Jerry Walker, who is dedicated to TN, as increased by 4.52%, which is the amount of the increase in Q1 2012 labor from Q1 2011 labor.

E/ This labor reflects 50% of the payments to Frank Cash from 4/1/2011 to 3/31/2012. Navitas started paying Cash on 7/1/2011 approximately $5000 per month. Cash's time is split 50/50 between Tennessee and Kentucky. Cash did not start until July 2011, so the annual amount of his fees would be $60,000, half of which would be directly charged to Tennessee

F/ This is the total indirect employee and outside labor allocable to TN. It was calculated by taking the total allocable labor less the labor that should be directly charged to TN.

G/ This portion of labor is dedicated to Oklahoma and therefore is not included in the Tennessee revenue requirement.

H/ This is the total labor costs for 4/1/2011 to 3/31/2012, as adjusted to annualize the outside labor to a full 12 months of Frank Cash's services ($5,000 per month).

I/ CAPD utilized two different allocation percentages to the indirect labor of $914,694.47. CAPD determined that the indirect labor was approximately 90% shared services and approximately 10% customer service based on the salaries and description of services provided by each employee. CAPD allocated the estimated customer service labor based on TN's percentage of customers and the shared services based on the blended allocation calculated in the Allocation Percentage Calculation, Schedule 4.A.5.

J/ CAPD utilized its shared services allocation calculated in Schedule 4.A.3 for non-customer driven labor.

NAVITAS TN NG, LLC
Allocation Percentage Calculation
For the 12 Months Ending December 31, 2013

Line No.		Tennessee		Kentucky		Oklahoma		Total	
1	Gross Plant in Service*	1756	14.03%	1045	8.35%	9711	77.61%	12,512	100.00%
2	Customers**		10.70%					-	10.70%
3	Miles of Pipe***	34	2.94%	25	2.16%	1096	94.89%	1,155	100.00%
4	Sum of Allocations		27.68%		10.52%		172.51%		
5	Simple Average (÷3)		3		3		3		
6	**Allocation of NUC's O&M**		**9.23%**		**3.51%**		**57.50%**		**70.23%**

* Gross Plant in Service is in millions. It is unadjusted for any Acquisition Adjustments.
** Customer allocation is per Navitas's petition.
** Six customers in Tennessee are domestic tap customers spread along 30 miles of third-party pipe. The 34 miles of pipe shown for the calculation of the Tennessee's allocation is net of any pipes owned by a third-party because presumably the third-party would either maintain their own pipes or reimburse NUC for any expenses incurred to maintain third-party pipe.

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

NAVITAS TN NG, LLC
Calculation of Inflation
For the 12 Months Ending December 31, 2013

	QUARTER				ATTR YR
YEAR	1/1 - 3/31	4/1 - 6/30	7/1 - 9/30	10/1 - 12/31	GDP IDP
2010	110.21	110.69	111.217	111.775	110.9730
2011	112.362	113.106	113.940	113.985	113.3483
AVERAGE GDP DEFLATOR FOR YEAR 2011					2.14%
					1.038 A/

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table 1.1.9 (information available as of October 26, 2012).

A/ This number represents the GDP deflator compounded for 9 months of 2012 (April 2012 through December 2012) and 12 months in 2013.

NAVITAS TN NG, LLC
Comparative Income Statement at Current Rates
For the 12 Months Ending December 31, 2013

Line No.		Settlement A/	Company B/	Difference
	Operating Revenues:			
1	Gas Sales & Transportation Revenues	$ 428,193	$ 456,860	$ -28,667
2	Other Revenues	7,794	27,323	-19,529
3	**Total Revenue**	$ 435,988	$ 484,183	$ -48,195
	Operating & Maintenance Expenses:			
4	Purchased Gas Expense	$ 219,160	$ 224,324	$ -5,164
5	Operations & Maintenance	313,928	302,949	10,979
6	**Total Operating & Maintenance Expenses**	$ 533,089	$ 527,273	$ 5,816
	Other Expenses:			
7	Depreciation Expense	$ 49,743	$ 55,094	$ -5,351
8	General Taxes	10,911	10,469	442
9	State Excise Taxes	0	-11,653	11,653
10	Federal Income Taxes	0	0	0
11	**Total Other Expenses**	$ 60,654	$ 53,910	$ 6,744
12	**Total Operating Expenses**	$ 593,742	$ 581,183	$ 12,559
13	**Utility Operating Income**	$ -157,755	$ -97,000	$ -60,755

A/ CAPD Exhibit, Schedule 4.
B/ Company Filing.

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

NAVITAS TN NG, LLC
Margin & Revenue Summary at Current Rates
For the 12 Months Ending December 31, 2013

Line No.	Customer Class	Billing Determinant A/		Current Rate B/		Revenue
	Residential:					
1	Customer Charge	5,114	$	6.00	$	30,684
2	First 9 Ccf per Month	34,185		0.25		8,546
3	Commodity Charge (All Consumption)	182,578		0.40		73,031
4	**Total Residential Margin**				$	**112,261**
	Commercial:					
5	Customer Charge	902	$	6.00	$	5,412
6	First 9 Ccf per Month	6,174		0.25		1,544
7	Commodity Charge (All Consumption)	113,651		0.40		45,460
8	**Total Commercial Margin**				$	**52,416**
	Industrial:					
9	Customer Charge	126	$	6.00	$	756
10	First 9 Ccf per Month	981		0.25		245
11	Commodity Charge (All Consumption)	144,516		0.30		43,355
12	**Total Industrial Margin**				$	**44,356**
13	**Total Sales Margin**				$	**209,033**
14	**Gas Cost**	440,745	$	0.49725 C/	$	**219,160**
15	**Total Sales Revenue**				$	**428,193**

A/ The billing determinants differ slightly than the actual billing determinants. Per discussion with Navitas, the system that calculates the bills does not have the reporting capabilities to show the number of customers and the flow for each customer. Navitas tracks of the number of meters and the flow monthly. Navitas provided the number of meters and flow for the 12 months ended 3/31/2012 to CAPD. Per discussion with Navitas, there are a few customers with more than one meter, however the exact number is unknown. Since the flow per customer is also unknown, Navitas estimates revenue by taking the average flow per customer and, when that average is greater than 9 Ccf, assumes that each customer used at least 9 Ccf. Navitas recognizes that both of these variances of using meters instead of customers and using average flow instead of actual flow per customer may overstate the estimated revenue for
B/ Current Emergency Tariff Rates.
C/ Current PGA Rate.

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

NAVITAS TN NG, LLC
Taxes Other than Income Income Taxes
For the 12 Months Ending December 31, 2013

Line No.		Settlement A/	Company B/	Difference
1	Property Taxes	$ 6,977	$ 6,977	$ 0
2	TRA Inspection Fee	1,920	1,920	0
3	Payroll Taxes	0	0	0
4	Franchise Tax	2,014	1,572	442
5	Gross Receipts Tax	0	0	0
6	Allocated & Other Taxes	0	0	0
7	**Total**	$ **10,911**	$ **10,469**	$ **442**

A/ From Company's actual property tax bills for 2011 and the 2011 Franchise and Excise Tax Return.
B/ Company Filing.

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

NAVITAS TN NG, LLC
Excise Taxes at Current Rates
For the 12 Months Ending December 31, 2013

Line No.			Settlement	
1	**Operating Revenues**	$	435,988	A/
	Operating Expenses:			
2	O&M Expenses	$	533,089	A/
3	Depreciation Expense		49,743	A/
4	General Taxes		10,911	A/
5	**Total Operating Expenses**	$	593,742	
6	**NOI Before Excise and Income Taxes**	$	-157,755	
7	Less Interest Expense		36,057	B/
8	**Pre-tax Book Income**	$	-193,812	
9	**Excise Taxable Income**	$	0	C/
10	Excise Tax Rate		6.50%	
11	**State Excise Tax Expense**	$	0	

A/ CAPD Exhibit, Schedule 4.
B/ CAPD Exhibit, Schedule 10.
C/ Losses under current rates results in an Excise Taxable income of $0.

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

NAVITAS TN NG, LLC
Income Statement at Proposed Rates
For the 12 Months Ending December 31, 2013

Line No.		Current Rates A/	Rate Increase	Proposed Rates
	Operating Revenues:			
1	Gas Sales & Transportation Revenues	$ 428,193	$ 231,703 B/	$ 659,897
2	Other Revenues	7,794	4,217	12,012
3	**Total Revenue**	$ **435,988**	$ **235,921**	$ **671,908**
	Operating & Maintenance Expenses:			
4	Purchased Gas Expense	$ 219,160	$	$ 219,160
5	Operations & Maintenance	313,928	1,251	315,179
6	**Total Operating & Maintenance Expenses**	$ **533,089**	$ **1,251**	$ **534,340**
	Other Expenses:			
7	Depreciation Expense	$ 49,743	$	$ 49,743
8	General Taxes	10,911		10,911
9	State Excise Taxes	0	4,868 *	4,868
10	Federal Income Taxes	0		0
11	**Total Other Expenses**	$ **60,654**	$ **4,868**	$ **65,522**
12	**Total Operating Expenses**	$ **593,742**	$ **6,119**	$ **599,861**
13	**Utility Operating Income**	$ **-157,755**	$ **229,802**	$ **72,047**

A/ CAPD Exhibit, Schedule 4.
B/ CAPD Exhibit, Schedule 1.

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

NAVITAS TN NG, LLC
Rate of Return Summary
For the 12 Months Ending December 31, 2013

Line No.	Class of Capital	Settlement Percent of Total	Settlement Cost Rate A/	Settlement Weighted Cost Rate A/
1	Short-Term Debt	4.26%	6.89%	0.29%
2	Long-Term Debt	67.50%	6.02%	4.06%
3	Common Equity	28.24%	15.40%	4.35%
4	**Total**	**100.00%**		**8.71%**

Line No.		
	Interest Expense Short-Term Debt:	
5	Rate Base	$ 827,560 **B/**
6	Short-Term Weighted Debt Cost	0.29%
7	**Short-Term Debt Interest Expense**	**$ 2,429**
	Interest Expense Long-Term Debt:	
8	Rate Base	$ 827,560 **B/**
9	Long-Term Weighted Debt Cost	4.06%
10	**Long-Term Debt Interest Expense**	**$ 33,628**
11	**Total Interest Expense**	**$ 36,057**

A/ Klein Exhibit, Page 2 of 16.
B/ CAPD Exhibit, Schedule 2.

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

NAVITAS TN NG, LLC
Revenue Conversion Factor
For the 12 Months Ending December 31, 2013

Line No.		Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.018202 **A/**	0.018202
3	Balance		1.018202
4	Uncollectible Ratio	0.005302 **B/**	0.005399
5	Balance		1.012803
6	State Excise Tax	0.020745 **C/**	0.021010
7	Balance		0.991793
8	Federal Income Tax	0.000000 **D/**	0.000000
9	Balance		0.991793
10	Revenue Conversion Factor (Line 1 / Line 9)		**1.008274**

A/ CAPD calculated this ratio by taking Other Revenue, which reflects the revenue from penalties and service charges for the 12 months ended 3/31/2012 on Schedule 4.A, divided by Operating Revenues from Schedule 5, the Comparative Income Statement.
B/ CAPD calculated this ratio by taking the adjusted bad debt expense for the 12 months ended 3/31/2012 on Schedule 4.A, divided by Operating Revenues from Schedule 5, the Comparative Income Statement.
C/ State Excise Tax Rate of 6.50% based upon total revenue increase above $0 income.
D/ Federal Income Taxes are passed through to the owner's personal return.

*** The amounts, allocation, calculation, formulas, and results of these schedules apply only to this Settlement and have no precedential effect for future rate cases. ***

Navitas TN NG, LLC
Rate Design

	Rates*			Revenue (annualized)*		
	Current	**2/1/2013**	**10/1/2013**	**Current**	**2/1/2013****	**10/1/2013**
Residential						
Meter charge	6.000	6.000	9.000	30,684	30,684	46,026
First nine	0.650	1.555	1.665	8,546	53,158	56,918
Greater than nine	0.400	0.595	0.795	73,031	87,970	117,539
Minimum Bill (if 9 Ccf used)	**11.85**	**20.00**	**23.99**			
Total Revenue				**112,261**	**171,812**	**220,483**
Commercial						
Meter charge	6.000	6.000	9.000	5,412	5,412	8,118
First nine	0.650	1.555	2.220	1,544	9,601	13,706
Greater than nine	0.400	0.595	0.795	45,460	63,949	85,444
Minimum Bill (if 9 Ccf used)	**11.85**	**20.00**	**28.98**			
Total Revenue				**52,416**	**78,962**	**107,268**
Industrial						
Meter charge	6.00	6.00	14.00	756	756	1,764
First nine	0.550	1.555	2.885	245	1,525	2,830
Greater than nine	0.300	0.595	0.755	43,355	85,403	108,369
Minimum Bill (if 9 Ccf used)	**10.95**	**20.00**	**39.97**			
Total Revenue				**44,356**	**87,684**	**112,963**
Total Operating Revenue (excluding Purchased Gas Revenue)				**209,033**	**338,458**	**440,714**
Incremental increases					129,425	102,256
Incremental increases					62%	30%
% of Revenue Deficiency					56%	44%

Revenue Requirement:
The Proposed Rates include a $231,703 rate deficiency. Thus:

Current Revenue	209,033
Revenue Deficiency	231,703
Revenue Requirement	440,736

* Rates and Revenues exclude purchased gas.
** The revenue total of $338,458 reflects the February 1, 2013 rates on an annual basis to enable comparison between the two steps of increase. The rates for February 1, 2013 will be in effect for eight months and provide for $178,198 in total non-gas revenue based on the billing determinants of the February through September of the test year, as shown on Schedule 2.A of this Exhibit B.

Note 1: The Revenue was calculated on Schedules 2 and 3 of this Exhibit B. These billing determinants are the same as those on Amended Settlement Exhibit, Schedule 6, Revenue Summary, as adjusted to account for the months that the average usage was less than 9 Ccf. This adjustment is less than a $500 difference in any given year.

First Step Increase - February 1, 2013 (annualized)

		31-Jan-11	28-Feb-11	31-Mar-11	30-Apr-11	31-May-11	30-Jun-11	31-Jul-11	31-Aug-11	30-Sep-11	31-Oct-11	30-Nov-11	31-Dec-11	Total	31-Jan-12	28-Feb-12	31-Mar-12
		31	28	31	30	31	30	31	31	30	31	30	31	365	31	28	32
Total calculated NCR																	
Proposed tariffs					29,316	19,374	11,472	11,697	13,485	12,765	25,419	31,896	43,628		59,316	47,025	33,063
Proposed tariff changes																	
Residential																	
First nine	0.905																
Meter charge	-																
Greater than nine	0.195																
Commercial																	
First nine	0.905																
Meter charge	-																
Greater than nine	0.195																
Industrial																	
First nine	0.905																
Meter charge	-																
Greater than nine	0.295																
	Proposed Tariffs		**Totals**														
Residential																	
First nine	$ 1.555	13.995	53,158		6,088	5,752	1,535	1,092	1,549	2,239	4,324	5,920	6,116		6,186	6,200	6,158
Meter charge	$ 6.00	19.995	30,684		2,628	2,484	2,070	2,676	2,664	2,652	1,902	2,712	2,706		2,724	2,742	2,724
Greater than nine	$ 0.595		87,970		6,982	800	-	-	-	-	9,832	8,079	14,048		22,717	16,443	9,070
					36	22	11	11	13	17	52	40	52		72	57	41
Commercial																	
First nine	$ 1.555	13.995	9,601		1,022	784	588	588	420	434	588	966	1,064		1,064	1,050	1,036
Meter charge	$ 6.00	19.995	5,412		462	360	288	516	510	486	306	504	510		498	480	492
Greater than nine	$ 0.595		63,949		4,646	3,469	2,688	2,523	3,541	1,966	2,534	5,795	8,767		13,459	9,386	5,175
					84	82	85	86	149	93	82	105	136		198	146	91
Industrial																	
First nine	$ 1.555	13.995	1,525		126	126	98	112	84	84	70	154	168		168	168	168
Meter charge	$ 6.00	19.995	756		54	54	42	72	54	54	42	72	78		78	78	78
Greater than nine	$ 0.595		85,403		7,309	5,545	4,164	4,118	4,664	4,850	5,821	7,695	10,172		12,424	10,479	8,163
					832	636	615	538	800	831	1,187	720	868		1,056	894	701
			338,457														

Proposed 2013 Tariff revenue	338,457	440,736	Target non-commodity revenue
Test case year calculated tariff revenue	209,033	338,457	Proposed 2013 Tariff revenue
Annualized rate increase on February 1, 2013	129,424	102,279	Continued tariff revenue deficiency

First Step Increase - February 1, 2013 (8-months of revenue)

		31-Jan-11	28-Feb-11	31-Mar-11	30-Apr-11	31-May-11	30-Jun-11	31-Jul-11	31-Aug-11	30-Sep-11	Total	28-Feb-12	31-Mar-12
		31	28	31	30	31	30	31	31	30	273	28	32
Total calculated NCR													
Proposed tariffs					29,316	19,374	11,472	11,697	13,485	12,765		47,025	33,063
Proposed tariff changes													
Residential													
First nine	0.905												
Meter charge	-												
Greater than nine	0.195												
Commercial													
First nine	0.905												
Meter charge	-												
Greater than nine	0.195												
Industrial													
First nine	0.905												
Meter charge	-												
Greater than nine	0.295												
	Proposed Tariffs		**Totals**										
Residential													
First nine	$ 1.555	13.995	30,612		6,088	5,752	1,535	1,092	1,549	2,239		6,200	6,158
Meter charge	$ 6.00	19.995	20,640		2,628	2,484	2,070	2,676	2,664	2,652		2,742	2,724
Greater than nine	$ 0.595		33,294		6,982	800	-	-	-	-		16,443	9,070
					36	22	11	11	13	17		57	41
Commercial													
First nine	$ 1.555	13.995	5,920		1,022	784	588	588	420	434		1,050	1,036
Meter charge	$ 6.00	19.995	3,594		462	360	288	516	510	486		480	492
Greater than nine	$ 0.595		33,394		4,646	3,469	2,688	2,523	3,541	1,966		9,386	5,175
					84	82	85	86	149	93		146	91
Industrial													
First nine	$ 1.555	13.995	966		126	126	98	112	84	84		168	168
Meter charge	$ 6.00	19.995	486		54	54	42	72	54	54		78	78
Greater than nine	$ 0.595		49,292		7,309	5,545	4,164	4,118	4,664	4,850		10,479	8,163
					832	636	615	538	800	831		894	701
			178,198										

Proposed 2013 Tariff revenue	178,198
Test case year calculated tariff revenue	209,033
Rate increase on February 1, 2013 (8 months)	(30,836)

Second Step Increase - October 1, 2013 (annualized)

	Proposed Tariffs	31-Jan-11	28-Feb-11	31-Mar-11	30-Apr-11	31-May-11	30-Jun-11	31-Jul-11	31-Aug-11	30-Sep-11	31-Oct-11	30-Nov-11	31-Dec-11	Total	31-Jan-12	28-Feb-12	31-Mar-12
		31	28	31	30	31	30	31	31	30	31	30	31	365	31	28	32
Total calculated NCR																	
Proposed tariffs					37,769	24,634	15,166	15,761	17,944	16,782	32,910	41,284	56,762		77,554	61,258	42,767
Proposed tariff changes																	
Residential																	
First nine	0.110																
Meter charge	3.000																
Greater than nine	0.200																
Commercial																	
First nine	0.645																
Meter charge	3.000																
Greater than nine	0.200																
Industrial																	
First nine	1.330																
Meter charge	8.000																
Greater than nine	0.160																
	Proposed Tariffs		Totals														
Residential																	
First nine	$ 1.665	14.985	56,918		6,518	6,159	1,643	1,169	1,658	2,398	4,630	6,339	6,548		6,623	6,638	6,593
Meter charge	$ 9.00	23.985	46,026		3,942	3,726	3,105	4,014	3,996	3,978	2,853	4,068	4,059		4,086	4,113	4,086
Greater than nine	$ 0.795		117,539		9,329	1,068	-	-	-	-	13,137	10,795	18,770		30,352	21,970	12,119
					45	27	14	15	17	22	67	50	67		93	74	52
Commercial																	
First nine	$ 2.200	19.800	13,583		1,445	1,109	832	832	594	614	832	1,366	1,505		1,505	1,485	1,465
Meter charge	$ 9.00	28.800	8,118		693	540	432	774	765	729	459	756	765		747	720	738
Greater than nine	$ 0.795		85,444		6,207	4,636	3,591	3,372	4,731	2,627	3,386	7,743	11,714		17,983	12,541	6,914
					114	112	116	119	203	128	111	143	184		266	197	123
Industrial																	
First nine	$ 2.885	25.965	2,830		234	234	182	208	156	156	130	286	312		312	312	312
Meter charge	$ 14.00	39.965	1,764		126	126	98	168	126	126	98	168	182		182	182	182
Greater than nine	$ 0.755		108,369		9,274	7,037	5,283	5,225	5,918	6,154	7,386	9,764	12,907		15,764	13,297	10,358
					1,070	822	795	700	1,033	1,073	1,523	929	1,117		1,355	1,149	904
			440,591														

Proposed 2014 Tariff revenue	440,736	440,736	Target non-commodity revenue
Proposed 2013 Tariff revenue	338,457	411,156	Proposed 2014 Tariff revenue in settlement
Annualized rate increase on October 1, 2013	102,279	29,580	Continued tariff revenue deficiency