

# Energy Distribution & Utility Operations Company

### Small Towns, Small Utilities, Big Needs

The Navitas companies are engaged in the operation and acquisition of rural energy assets and other utilities. Navitas has taken a unique approach to the business of operating local utilities.



Over the years, the draining of capital and people has taken its toll on rural infrastructure. At the same time compliance costs have steadily increased. This has created an extremely challenging environment for small utilities that lack the economies of scale of the larger operators.

By focusing on bringing together rural utilities, Navitas is able to form capital and

labor in systems that previously have exhausted their resources.

The Navitas approach is unique in that the focus is on projects and systems that cannot generate ample returns for larger, urban operations that rely on higher customer densities to create economies of scale. The Company has acquired systems ranging in size from 25 customers to 2,500 customers. Navitas Assets currently owns over 1,100 miles of natural gas distribution pipelines serving 18 counties in Oklahoma, 3 in Tennessee, and 2 in Kentucky.

#### At A Glance

- 30+ employees
- Serving 25 systems
- Operating in OK, TN, KY & CA
- Delivering 500,000 MCF annually
- Through 1,140 miles of pipeline
- With assets of \$13 Million



The lack of available capital has forced some rural systems into deferring maintenance and potential noncompliance. When an enterprise lacks resources, little more than a bare minimum can be undertaken or implemented.

By establishing competitive rates with other marketplace alternatives, utilizing a highly productive workforce, using updated computer systems and physical assets

provided by Navitas Utility, Navitas Assets has been able to reinvest in systems to ensure reliable and safe infrastructure for future generations.

#### Local People, Local Partnerships

Navitas Utility and Navitas Assets make strategic investments in utility assets. The primary focus of both companies has been in the development, acquisition and operation of regulated utilities. This focus is further defined by a concentration on systems in rural areas, or on systems involving shorter transmission runs which connect to limited, local industrial or municipal customer bases. Examples of this strategy include local natural gas



distribution companies (LDC's); municipal electrical utilities; pipeline fueling points for airports, railroads, or other small local fuel markets; distributed generation power plants (less than 10 MW); complete municipal utility operations encompassing energy, water, & sanitation; and rural communications infrastructure.

The strategy develops economies of scale which provide effective operational expertise to geographically diverse, rural systems. It places a premium on employing well trained and committed personnel. Navitas retains a highly experienced and skilled workforce. This outlook pays dividends in the areas of maintenance, compliance, and insurance. Large gains are seen in billing, customer service, and engineering. Navitas provides the critical mass necessary to obtain the best commodity and transportation contracts otherwise unavailable to the small rural system. The consumers benefits from these economies through consistent service at competitive prices. Navitas offers these services to third party pipeline operations.

To facilitate contracting with major utilities the Company has obtained its California Minority Owned Business status through its Native American ownership.

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#### **IT Resources**

From the corporate headquarters in California, Navitas Companies' IT infrastructure, computing resources and technical expertise allows for unlimited expansion for operating new systems anywhere in the country.



#### **Central Billing**

All customer bills originate from a central office in Eakly Oklahoma. Our billing software has the versatility to bill multiple companies on different billing cycles for natural gas, water, sewer & electricity. Our local customer service representatives are trained in all aspects of the

#### **Economies of Scale**

billing process.

Each system serviced by Navitas Utility decreases the per customer cost of overhead expenses for everything from insurance and financing to office utility bills. Additionally, the greater the number of customers the greater the purchasing power for gas.

## **Competitive Energy For Rural America**



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