

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF SENTRA CORPORATION)	2016-00319

ORDER

On November 17, 1998, in Case No. 1997-00429, the Commission approved initial operations and rates for Sentra Corporation (“Sentra”).¹ On August 16, 2016, the Commission approved changes to Sentra’s Purchased Gas Adjustment (“PGA”) clause in Case No. 2016-00139.² Those changes updated the methodology of calculating the components of Sentra’s gas cost via a Gas Cost Recovery (“GCR”) rate mechanism.

On September 1, 2016, Sentra filed its GCR rate application with rates proposed to be effective September 1, 2016. Sentra responded to one round of Commission Staff requests for information, and supplemented its responses on September 13, 2016.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Sentra’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

¹ Case No. 1997-00429, *The Petition of Sentra Corporation for a Certificate of Convenience and Necessity to Construct Facilities, Approval of Financing, Approval of Initial Rates and Operation of a Natural Gas Distribution System for the City of Fountain Run, Kentucky* (Ky. PSC Nov. 17, 1998).

² Case No. 2016-00139, *An Investigation of the Gas Costs of Sentra Corporation Pursuant to KRS 278.2207, the Wholesale Gas Price It is Charged by Its Affiliate, Magnum Hunter Production, Inc., Pursuant to KRS 278.274, and the Structure of the Purchased Gas Adjustment Clause Contained in Its Filed Tariff* (Ky. PSC Aug. 16, 2016).

2. Sentra's notice, which was corrected through the process of discovery, sets out an Expected Gas Cost ("EGC") of \$3.2740 per Mcf. Sentra's projected gas purchase volumes are priced using the most current available New York Mercantile Exchange Natural Gas futures prices for September and October 2016. Sentra's EGC includes a \$.45 per Mcf estimate of the adder charged by its natural gas marketer, Greystone, LLC ("Greystone"), based on an average of six months of Greystone administrative charges.

3. Sentra's notice sets out no Refund Adjustment.

4. Sentra's notice sets out no current quarter Actual Adjustment ("AA"). The AA will not be available to Sentra until it files its PGA application for rates effective May 1, 2017, at which time the monthly cost differences from rates approved in this Order and future approved gas cost rates for November and December 2016 and January 2017 will be calculated and will begin to be reconciled through its PGA.

5. Sentra's notice sets out no Balancing Adjustment ("BA"). The BA will not be available to Sentra until it files its PGA application for rates effective August 1, 2018, at which time the Total Cost Difference from the AA effective May 1, 2017, will be reconciled with actual recoveries of gas cost through the AA over the 12 months ended April 30, 2018.

6. Sentra's GCR rate is \$3.2740 per Mcf, which is a decrease of \$9.2566 per Mcf from its last approved GCR rate of \$12.5306 per Mcf.³

7. The rates set forth in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Sentra on and after the

³ Case No. 2007-00120, *The Notice of Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC April 19, 2007).

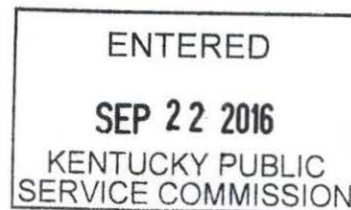
date of this Order. Sentra did not provide sufficient notice for rates to be effective September 1, 2016.

IT IS THEREFORE ORDERED that:

1. The rates set forth in the Appendix to this Order are approved for service rendered on and after the date of this Order.

2. Within 20 days of the date of this Order, Sentra shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission



ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2016-00319 DATED **SEP 22 2016**

The following rates and charges are prescribed for the customers served by Sentra Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

RETAIL RATES:

RESIDENTIAL AND COMMERCIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge/month	\$5.00		
All Mcf	\$2.1440	\$3.2740	\$5.4180

INDUSTRIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge/month	\$10.00		
All Mcf	\$1.3197	\$3.2740	\$4.5937

*D. Michael Wallen
Sentra Corporation
c/o Magnum Hunter
120 Prosperous Place, Suite 201
Lexington, KY 40509

*Sentra Corporation
120 Prosperous Place, Suite 201
Lexington, KY 40509