

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF SENTRA CORPORATION)	2017-00258

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 June 30, 2017, Sentra filed its GCR rate application with rates proposed to be effective August 1, 2017. Sentra responded to one Staff Request for Information (“Staff’s First Request”).

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 sets out an Expected Gas Cost ("EGC") of \$4.5082 per Mcf based on the most current available New York Mercantile Exchange ("NYMEX") Natural Gas futures prices for August through October 2017. Sentra's EGC includes a \$1.06 per Mcf transportation fee from Clay Gas Utility District ("Clay Gas")³ as well as a \$0.27 per Mcf adder charged by its natural gas marketer, Greystone, LLC ("Greystone"), which is based on an average of six months of Greystone administrative charges. The EGC represents an increase of \$0.8102 per Mcf from its previous EGC of \$3.6980 per Mcf.

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

4. Sentra's notice sets out a current quarter Actual Adjustment ("AA") of \$0.0228 per Mcf. Sentra did not include the previous quarter (\$0.0393) AA in its calculation of the total AA. Correcting this produces a total AA of (\$0.0165) per Mcf, which is an increase of \$0.0228 per Mcf from the previous total AA of (\$0.0393) per Mcf.

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 of (\$1,050.55) from the AA approved effective May 1, 2017, and the Total Cost Difference of \$537.62 approved herein will be reconciled with actual recoveries of gas cost through the AA over the 12 months ended April 30, 2018, and July 31, 2018, respectively.

6. Sentra's corrected GCR rate is \$4.4917 per Mcf, which is an increase of \$0.8330 per Mcf from its previous GCR rate of \$3.6587 per Mcf.

³ Sentra provided with its application a copy of the 2001 Assignment of Pipeline, Regulator Station, Meter Site and Pipeline Tap agreement with Clay Gas.

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 August 1, 2017.

8. Sentra's next PGA application for rates effective November 1, 2017, should include invoices from Greystone for May through July 2017, along with a detailed description of how gas cost is allocated between Sentra and Clay Gas, and supporting calculations.

IT IS THEREFORE ORDERED that:

1. The rates proposed by Sentra are denied.

2. The rates set forth in the Appendix to this Order are approved for service rendered on and after August 1, 2017.

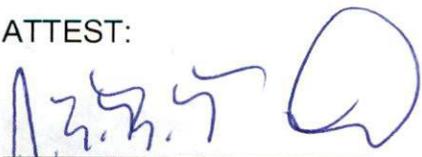
3. Within 20 days of the date of this Order, Sentra shall file with this Commission, using the Commission's electronic Tariff Filing System, revised tariff sheets setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

4. Sentra's October 1, 2017 PGA application for rates effective November 1, 2017, shall include the information required in finding paragraph 8.

By the Commission

ENTERED
JUL 26 2017
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Acting Executive Director
for John Young

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2017-00258 DATED **JUL 26 2017**

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	\$4.4917	\$6.6357

INDUSTRIAL

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge/month	\$10.00		
All Mcf	\$1.3197	\$4.4917	\$5.8114

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