

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

JOINT APPLICATION OF SENTRA)	
CORPORATION, A WHOLLY OWNED)	
SUBSIDIARY OF BLUE RIDGE MOUNTAIN)	
RESOURCES, INC., AND SENTRA RESOURCES)	CASE NO.
LLC FOR THE TRANSFER AND ACQUISITION)	2018-00107
OF STOCK AND FINANCING)	

COMMISSION STAFF'S INITIAL REQUEST FOR INFORMATION TO
SENTRA CORPORATION AND BLUE RIDGE MOUNTAIN RESOURCES INC
AND SENTRA RESOURCES LLC

Sentra Corporation ("Sentra"), Blue Ridge Mountain Resources, Inc. ("BRMR"), and Sentra Resources LLC ("Sentra Resources") (collectively "Joint Applicants") pursuant to 807 KAR 5:001, are to file with the Commission the original and six copies of the following information, with a copy to all parties of record. The information requested herein is due no later than April 25, 2018. Responses to requests for information in paper medium shall be appropriately bound, tabbed, and indexed. Each response 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 person supervising the preparation of the response on behalf of the entity that the response is true and accurate to the best of that person's knowledge, information, and belief formed after a reasonable inquiry.

Joint Applicants shall make timely amendments to any prior response if they obtain information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect. For any request to which Joint Applicants fail or refuse to furnish all or part of the requested information, they shall provide a written explanation of the specific grounds for their failure to completely and precisely respond.

Careful attention should be given to copied 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 filing a document containing personal information, Joint Applicants shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that personal information cannot be read.

1. Describe the due diligence review that Sentra Resources has undertaken in conjunction with its offer to purchase the stock of Sentra.
2. Provide a copy of all materials, including but not limited to, transcripts of presentations, recordings, notes of presentations, or other information, regarding all financial analyses concerning the transaction.
3. State whether Sentra Resources is aware that it will be required to file quarterly applications with the Commission to adjust its cost of gas, pursuant to Sentra's approved tariff on file with the Commission.
4. State whether Sentra Resources is aware that after April 27, 2001, each gas utility must have a written procedure for operator qualification to operate a gas system.

5. State whether Sentra Resources is aware of the requirement to keep utility books and records in conformity with the Uniform System of Accounts for public utilities.

6. State whether Sentra Resources is aware that any changes in Sentra's rates, charges, or conditions of service as set out in Sentra's approved tariff must be proposed to, and approved by the Commission.

7. Explain whether Sentra Resources has performed any analysis as to whether and when a base rate adjustment will be needed.

8. State whether Sentra Resources has developed a business plan.

a. If yes, describe the business plan and provide a copy.

b. If no, state when Sentra Resources expects to develop a plan and explain why a plan has not yet been developed.

9. Provide current personal financial statements for Wesley Dustin Cleary, Dan Bryant, and Randy Darren Cleary.

10. Describe the efforts that Sentra Resources has undertaken, if any, to determine the availability of liability insurance for Sentra after the proposed transfer of control occurs and the results of those efforts. List each insurance carrier or provider that has been contacted and the carrier's response.

11. Describe the due diligence Sentra Resources performed to satisfy itself that the price of its gas supply will be the least cost option to provide natural gas service to Sentra Resources' customers, consistent with security of supply.

12. Provide details concerning the source of system gas supply and gas transportation arrangements following the transfer, and include copies of all executed contracts.

13. Provide the name and job title of each of current Sentra operating staff and personnel that Sentra Resources will retain after the proposed transfer and a summary of their experience and qualifications.

14. Provide the name of the corporate officer at Sentra Resources that will be responsible for regulatory compliance if the transfer is approved, and include a summary of his or her experience and qualifications.

15. State whether Sentra Resources will have an office and an employee experienced in the operation of a natural gas distribution company located in Tompkinsville, Kentucky.

a. If none, provide the office location proposed to serve the Tompkinsville area and the estimated time required to answer service or emergency calls from said area.

b. Provide the names of employees of Sentra Resources who will answer service calls.

16. Provide the names of the personnel who will comprise the management, operating staff, and personnel of Sentra Resources, following any transfer of control allowed by the Commission, and describe in detail the financial, technical, and managerial abilities they possess enabling them to engage in the natural gas delivery industry.

a. Identify by name the personnel that will be charged with system maintenance and system safety. Provide a summary of their qualifications and certifications, if not already provided.

b. Identify the employee(s) who will work on customer service issues, both before and after the proposed transfer of control, and provide his or her relevant qualifications and credentials.

c. Provide the total employee count of Sentra immediately prior to the proposed transaction, and state whether Sentra Resources believes it will be necessary to hire any additional personnel. If so, identify such personnel by expected job title and the nature of that employee's duties.

d. State whether the financial, technical, or managerial functions or duties of any current Sentra employee will be outsourced, and if so, specifically identify the nature of the job responsibilities to be outsourced and the name of the person or entity who/which will assume the responsibilities, together with their relevant qualifications and credentials.

e. State whether any Sentra employees residing in Kentucky will be terminated as a result of the proposed transaction, and if so, provide, with as much accuracy as possible, the number and names of any employees so affected, together with their relevant qualifications and credentials.

17. Describe the corporate operating relationship, if any, between Joint Applicants subsequent to the proposed transfer. Provide an organizational chart showing any affiliate relationships between the companies, if applicable.

18. Please identify whether Joint Applicants have any subsidiaries or affiliates, and if so, whether any will be subject to regulation by:

a. The Commission;

b. Any other state utility Commission, and if so, the name of the Commission(s); or

c. Any other municipal, state, federal, or other agency.

19. State whether Sentra Resources is required to seek approval for the proposed transaction from, or serve notice on or information to, any other state agency, federal agency or other governmental authority for the proposed transaction. If so, submit copies of all filings and responses from any such agency, and state whether any such agency will seek any conditions in the transaction or notices or information regarding the same.

20. State whether Sentra Resources intends to provide any directory board or commission to oversee the operations of the gas utility. If so, provide a description of the board or commission members' expected qualifications and credentials to serve as a board member in a natural gas local distribution system.

21. State whether Sentra Resources will retain any members of Sentra's board of directors, officers, or shareholders following the transfer of control, if approved by the Commission. If so, identify each such person by name and address.

22. State whether Sentra Resources anticipates any changes in any contracts as a result of the proposed transaction (e.g., engineering, information technology, maintenance, etc.).

23. As a result of the proposed transaction, state whether Sentra Resources will incur additional debt other than that for which financing approval is requested. If so, provide details.

24. Identify, in detail, all tax effects that Joint Applicants expect to result from the proposed transaction, and provide any relevant quantifications.

25. State whether any employee, officer, director, consultant, or contractor of Sentra Resources or Sentra will receive, directly or indirectly, any bonus, stock option, and any other remuneration of any type or sort resulting from the proposed transaction. If so, identify the person, the method of remuneration, whether directly or indirectly, whether it is deferred, and the amount or dollar value thereof.

26. State whether, as a result of the proposed transaction, Sentra Resources will be required to guarantee any debts of Sentra or its principles, or any partnerships in any manner associated therewith. If so, provide full details.

27. State whether as a result of the proposed transaction, Sentra Resources will be required to grant liens in favor of any lenders or lien or judgment holders of Sentra. If so, provide full details.

28. State whether the proposed transaction, if approved, will or could have an adverse impact on the ability of Sentra Resources to borrow money. If so, explain in complete detail.

29. State whether BRMR is transferring assets to Sentra Resources that are not recorded on Sentra's Annual Report filed with the Commission. If yes, list each asset and state its original cost and accumulated depreciation to date.

30. State whether BRMR is retaining any of the assets recorded on Sentra's Annual Report. If yes, provide a list of each asset and state its original cost and accumulated depreciation to date.

31. State when Sentra last performed any safety-related maintenance on its utility system. Identify the nature of the work and all relevant details.

32. Provide the proposed journal entry or entries Sentra Resources will make to record the ownership transfer.

33. Refer to the Application at 3. Provide a statement of cash flows for Sentra for calendar year 2017.

34. Refer to the Application at 6. Provide the calculation of any acquisition premium and explain why Sentra Resources should be authorized to record an acquisition premium for a stock purchase, as opposed to an asset purchase.

35. Refer to the Application, Exhibit 2. Provide the status of Sentra Resources' proposed loans with Edmonton State Bank.

36. Refer to the Application, Exhibit 4. The document titled "Secretary's Certificate" refers to Exhibit A. Provide a copy of Exhibit A.



Gwen R. Pinson
Executive Director
Public Service Commission
P.O. Box 615
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DATED APR 13 2018

cc: Parties of Record

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