

**CASE**

**NUMBER:**

99 - 483

INDEX FOR CASE: 1999-483  
SENTRA CORPORATION  
Franchises  
CITY OF GAMALIEL, KENTUCKY

IN THE MATTER OF THE PETITION OF SENTRA CORPORATION FOR A  
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY TO ACCEPT A  
FRANCHISE TO PROVIDE NATURAL GAS SERVICE TO THE CITY OF  
GAMALIEL, KENTUCKY

SEQ NBR	ENTRY DATE	REMARKS
0001	11/23/1999	Application.
0002	11/24/1999	Acknowledgement letter.
0003	12/10/1999	Final Order approving franchise agreement.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 1999-483  
SENTRA CORPORATION

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on December 10, 1999.

Parties of Record:

William G. Barr  
Vice President  
Sentra Corporation  
120 Prosperous Place  
Suite 201  
Lexington, KY. 40509

*Stephanie J. Bell*

---

Secretary of the Commission

SB/lc  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF SENTRA CORPORATION )  
FOR A CERTIFICATE OF PUBLIC )  
CONVENIENCE AND NECESSITY TO ACCEPT ) CASE NO. 99-483  
A FRANCHISE TO PROVIDE NATURAL GAS )  
SERVICE TO THE CITY OF GAMALIEL, KENTUCKY)

O R D E R

On November 23, 1999, Sentra Corporation ("Sentra") filed an application for a certificate of public convenience and necessity to qualify Sentra to obtain a gas franchise offered by the city of Gamaliel, Kentucky. Under the provisions of KRS 278.020(3), no utility may apply for or obtain any franchise from any city or other governmental agency until it has obtained a certificate of convenience and necessity from this Commission based on its finding that there is a need and demand for the service sought to be rendered.

Based upon the application and the copy of the franchise ordinance of the city of Gamaliel attached thereto, the Commission finds that there is a need and demand for gas service in Gamaliel, Kentucky. The Commission finds that the application is to obtain a franchise that was enacted on June 2, 1998. A Resolution of the city of Gamaliel, dated November 2, 1999, reinstates the franchise that had expired by operation of law.

The Commission is concerned that Sentra failed to file its application until after the franchise had been obtained. However, given the Commission's finding that gas

service is demanded and needed by the city of Gamaliel, and given the fact that Sentra has submitted its application prior to providing service, the certificate should nonetheless be granted.

The Commission's authority in such matters, pursuant to statute, is to find whether there is a need and demand for the service sought to be rendered. Therefore, no finding or determination is made as to the validity of any of the provisions of the franchise offered by said city or the manner in which any franchise is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

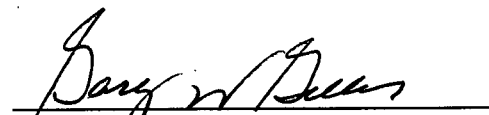
1. Sentra is hereby granted a certificate of convenience and necessity, authorizing it to obtain a gas franchise in the city of Gamaliel, Kentucky.
2. If Sentra becomes the successful franchisee, it shall file with this Commission two copies of the franchise agreement.
3. Nothing in this Order shall be construed as granting a certificate of convenience and necessity to construct utility facilities in Gamaliel, Kentucky.

Done at Frankfort, Kentucky, this 10th day of December, 1999.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

November 24, 1999

William G. Barr  
Vice President  
Sentra Corporation  
120 Prosperous Place  
Suite 201  
Lexington, KY. 40509

RE: Case No. 1999-483  
SENTRA CORPORATION  
(Franchises) CITY OF GAMALIEL, KENTUCKY

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received November 23, 1999 and has been assigned Case No. 1999-483. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie J. Bell".

Stephanie Bell  
Secretary of the Commission

SB/jc

# SENTRA CORPORATION

RECEIVED

NOV 23 1999

PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF SENTRA CORPORATION )  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO ACCEPT A FRANCHISE TO )  
PROVIDE NATURAL GAS SERVICE TO THE CITY )  
OF GAMALIEL , KENTUCKY. )

CASE NO. 99-483

PETITION  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY  
TO ACCEPT A FRANCHISE TO PROVIDE NATURAL GAS SERVICE  
TO THE CITY OF GAMALIEL, KENTUCKY

NOVEMBER 23, 1999

120 Prosperous Place, Suite 201, Lexington, KY 40509  
(606) 263-3948 • Fax (606) 263-4228

RECEIVED  
NOV 23 1999  
PUBLIC SERVICE  
COMMISSION

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF SENTRA CORPORATION )  
FOR A CERTIFICATE OF PUBLIC CONVENIENCE )  
AND NECESSITY TO ACCEPT A FRANCHISE TO )  
PROVIDE NATURAL GAS SERVICE TO THE CITY )  
OF GAMALIEL , KENTUCKY. )

CASE NO. 99-483

\*\*\*\*\*

The Petition of Sentra Corporation respectfully states the following:

A. The Petitioner herein is a Kentucky corporation currently regulated by the Kentucky Public Service Commission pursuant to KRS Chapter 278 as a result of a Certificate of Public Convenience and Necessity granted in Case No. 97-429 by order dated November 17, 1999.

B. The address of the Petitioner is 120 Prosperous Place, Suite 201, Lexington, Kentucky 40509. The Petitioner's phone number is 606.263.3948 and its fax number is 606.263.4228.

C. This petition is a request for an order granting a Certificate of Public Convenience and Necessity to accept a franchise from the City of Gamaliel, Monroe County, Kentucky, to provide natural gas service. Pursuant to 807 KAR 5:001, Section 9(1) the following information is submitted:

- 1) The Petitioner's Articles of Incorporation are, pursuant to 807 KAR 5:001, Section 8(3), incorporated by reference to its pleadings previously filed in Case No. 97-429, In the



matter of: "A petition of Sentra Corporation for a Certificate of Convenience and Necessity to construct and operate a natural gas distribution system."

- 2) The City of Gamaliel, located in Monroe County, Kentucky has offered the Petitioner a franchise to provide natural gas service to the City of Gamaliel. Attached as Exhibit A is a copy of Ordinance # 5-98 dated June 2, 1998 passed by the City of Gamaliel that offers this franchise to the Petitioner.
- 3) Attached as Exhibit B is a copy of Resolution # 1-99-00 dated November 2, 1999 that waives the default of the Petitioner for failing to provide service to Gamaliel prior to June 2, 1999 and extends the time within which the Petitioner must provide said natural gas service to the City of Gamaliel to December 2, 1999.
- 4) Attached, as Exhibit C and D respectively are copies of the Petitioner's request for an opinion dated October 12, 1999 and the Kentucky Public Service Commission's response thereto dated October 20, 1999.
- 5) According to the 1990 census, the City of Gamaliel had a population of 462. City officials now estimate the population at approximately 490. The Gamaliel Elementary School has 212 students. Gamaliel has a police and fire department, as well as a pharmacy, grocery store and thirty other manufacturing and commercial businesses. Gamaliel has no natural gas service and there are existing holders of a franchise to provide natural gas to Gamaliel. Consequently, there is both a need and demand for service, and no duplication of services or facilities will result from the Petitioner's acceptance of the offered franchise.

- 6) On November 5, 1999, the Petitioner delivered notice to the Gas Branch, Division of Engineering, of its intention to build an extension line in the ordinary course of business to service the City of Gamaliel. A copy of this notice is attached as Exhibit E.
- 7) The extension line to Gamaliel is virtually completed and the Petitioner desires to accept the above referenced franchise and commence the delivering of natural gas to the City of Gamaliel by December 2, 1999.
- 8) The Petitioner's proposed natural gas service to Gamaliel will be provided pursuant to the rates, and rules and regulations contained within Tariff No. 60-814 effective December 1, 1998.

WHEREFORE, applicant asks that the Public Service Commission of the Commonwealth of Kentucky make its Order granting a Certificate of Public Convenience and Necessity authorizing the Petitioner to accept the franchise from the City of Gamaliel.

Dated at Lexington, Kentucky, this the 23rd day of November 1999.

SENTRA CORPORATION

By: 

William G. Barr III  
Vice President  
Acquisitions & Legal Affairs  
120 Prosperous Place, Suite 201  
Lexington, Kentucky 40509  
606.263.3948, fax 606.263.4228

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ORDINANCE NUMBER 5-98

**AN ORDINANCE GRANTING A FRANCHISE TO SENTRA CORPORATION, ITS SUCCESSORS AND ASSIGNS, TO OPERATE AND MAINTAIN A GAS SYSTEM IN THE CITY OF GAMALIEL, KENTUCKY, INCLUDING A SYSTEM OF GAS MAINS AND SERVICE LINES FOR THE PURPOSE OF TRANSPORTING AND DISTRIBUTING GAS IN, UPON, ACROSS, ALONG AND UNDER THE HIGHWAYS, STREETS, AVENUES, ROADS, ALLEYS, LANES, WAYS, UTILITY EASEMENTS, PARKWAYS AND OTHER PUBLIC GROUNDS OF THE CITY OF GAMALIEL, KENTUCKY**

**BE IT ORDAINED** by the City Commission of the City of Gamaliel, Kentucky as follows:

SECTION 1: This ORDINANCE shall be known and may be cited as "GAMALIEL NATURAL GAS FRANCHISE ORDINANCE".

SECTION 2: For the purpose of this ORDINANCE, the following terms, phrases, words and their derivations shall have the meanings given herein. When not inconsistent with the context, words used in the present tense include the future tense, words used in the plural number include the singular number and words in the singular number include the plural number. The word "shall" is always mandatory and not merely directory.

- (1) "City" is the CITY OF GAMALIEL, KENTUCKY, a municipal corporation.
- (2) "Company" is SENTRA CORPORATION, the grantee of the rights under this franchise, which is authorized to do business within the state of Kentucky with a mailing address of 131 Prosperous Place, Suite 17A, Lexington, Kentucky 40509-1800, ATTN: William S. Daugherty, President.
- (3) "Person" is any person, firm, partnership, association, corporation, company or organization of any kind.

SECTION 3: There is hereby granted by the City of Gamaliel, Kentucky, to SENTRA CORPORATION, its successors and assigns, the right, authority, privilege and franchise to erect, construct, operate and maintain a system of gas mains, service lines, regulator stations and all other necessary and appropriate equipment and facilities for the transportation and distribution of gas in, upon, across, along and under the highways, streets, parkways and other public grounds in the present of future corporate limits of the City of Gamaliel, Kentucky, and in the environs of said City to import, transport, sell and distribute natural gas, within the City and its environs, for the supplying and selling of gas to the City (as a customer) and the inhabitants, institutions and business thereof; and for such purposes to construct, operate, maintain, renew, replace, repair and extend all necessary gas mains, service lines and other appliances, fixtures and facilities as may be necessary for said purposes including the transportation, distribution and sale of such gas to the City and the inhabitants thereof for domestic, commercial, industrial and institutional uses and such other purposes for which it is, or may hereafter be used.

**SECTION 4:** This franchise and the rights herein granted shall take effect and be enforced from and after the effective date hereof, as required by law and upon the filing of acceptance by the Company, shall continue in force and effect for a term of TWENTY (20) years after the effective date. Provided, however, if the acceptance is not filed within THIRTY (30) days after the final passage of this ORDINANCE, the provisions of this Franchise shall be null and void. It is further provided, that in the event that a natural gas distribution system which makes natural gas available to all residences and commercial establishments in the city limits of Gamaliel is not constructed within one year of the effective date of this ORDINANCE, the provisions of this Franchise shall be null and void.

**SECTION 5:** All gas mains, service lines, fixtures, facilities and other appliances laid, constructed, maintained and operated by virtue of this Franchise shall be laid, constructed, maintained and operated in accordance with all applicable engineering practices and in full accord with any and all applicable engineering codes adopted or approved by the natural gas industry and/or engineering professions and in accordance with any applicable Statutes of the Commonwealth of Kentucky, Ordinances of the City of Gamaliel, Kentucky, and the Rules and Regulations of the Kentucky Public Service Commission or of any other governmental regulatory agency having jurisdiction over the Company. Said facilities shall be so constructed as not to interfere with the drainage, interfere with or injury any street, sewer or other public improvement which the City has heretofore made or may hereafter make in, upon, across, along or under any highway, street, avenue, road, alley, lane, way, utility easement, parkway or other public grounds or unnecessarily obstruct or impede such highway, street, avenue, road, alley, lane, way, utility easement, parkway or other public grounds of the City.

**SECTION 6:** When the highways, streets, avenues, roads, alleys, lanes, ways, utility easements, parkways or other public grounds are opened or any opening is made by the Company within the City, whether the same be made for the purpose of laying, constructing, replacing or repairing the mains, pipes and other appliances and fixtures of said Company, the Company shall place and maintain fixtures of said Company, the Company shall place and maintain all necessary safety devices, lights, barriers and warnings to properly notify all persons of any dangers resulting from such entrances and shall comply with all safety regulations required by the federal, state or local laws.

**SECTION 7:** In the event that at any time during the period of this Franchise the City shall elect to alter or change the grade or location of any street, alley or other public way in which the Company is maintaining gas mains, pipes or other appliances and fixtures, the Company, upon reasonable written notice by the City, shall remove, change or relocate its gas mains, pipes or other appliances and fixtures as necessary to conform to the proposed alteration, at Company's expense. However, the Company shall be reimbursed its relocation costs to the extent such reimbursement is authorized by a Federal or State Statute for either urban renewal development or street relocation, AND is funded by Federal or State funds.

**SECTION 8:** When any highway, street, avenue, road, alley, lane, way, utility easement, parkway or other public ground is entered by the Company it shall, within a reasonable time, but not more than thirty (30) days, restore the same to at least, its former conditions and in such a manner as to meet the approval of the City's codes inspector or other responsible agent of the City. However, such approval shall not be unreasonably withheld. In the event the Company shall fail

to restore said street, avenue, road alley, lane, way utility easement, parkway or other public grounds to their former state as nearly as practicable, the City may itself, after giving the Company reasonable written notice, make the restoration and charge the costs thereof to the Company.

SECTION 9: The Company shall maintain public liability insurance in the amount of ONE MILLION DOLLARS (\$1,000,000.00) per occurrence and shall name the City of Gamaliel as an additional insured. Such insurance shall be with a company or companies approved by City, and Company shall provide City with certificates of such coverage, which approval shall not be unreasonably withheld. The Company shall at all times defend, indemnify and hold harmless the City from and against any and all claims for injury to any person or property by the reason of the failure of the Company or its employees to exercise due care and diligence in and about the installing and maintenance of said system, guarding trenches and excavations while said system is being installed or subsequent extensions, repairs or alterations are being made or generally in the operation and maintenance of said system, provided the Company shall have been notified in writing of any claim against the City or account thereof and shall have been afforded the opportunity to defend the same.

SECTION 10: The City and the Company hereby agree that this ORDINANCE shall, from time to time, be subject to Rules and Regulations adopted by the Company and approved by the Kentucky Public Service Commission or any other regulatory body having jurisdiction thereof during the term of this Franchise and shall also be subject to all Rules and Regulations adopted and approved by the Kentucky Public Service Commission itself; and that all such Rules and Regulations shall be and become a part of this ORDINANCE to the same extent and with the same effect as if said Rules and Regulations were herein set forth in full. The Company shall not be obligated or required to make any extension of distribution mains except in accordance with the provisions relating thereto as adopted or approved by the Kentucky Public Service Commission.

SECTION 11: Nothing contained herein shall be construed as preventing the Company from installing, placing, replacing, taking up, repairing or removing gas pipes, mains, service lines or other devices for furnishing gas service, from using any easements for gas service which are shown on any plat or plats of any portion of the City heretofore or hereafter platted or recorded or any easement which may hereafter be created, granted or dedicated for any such utility purposes by any person, firm or corporation whatsoever.

SECTION 12: No sale or transfer of the gas plant or system or the transfer of any rights under this Franchise shall be effective until the vendee, assignee or lessee has filed in the Office of the City Clerk an instrument duly executed reciting the fact of such sale, assignment or lease accepting the franchise terms and agreeing to perform all the conditions thereof.

SECTION 13: The Company shall pay to the City a franchise fee in the amount of ONE HUNDRED DOLLARS (\$100.00), payable within TEN (10) days of the effective date of this ORDINANCE. The Company shall further pay to the City during the term of this Franchise an amount equal to TWO PERCENT (2%) of the monthly gross sales from the sale of gas through the Company's distribution system within the Corporate Limits of Gamaliel, Kentucky, as a further and additional franchise fee or tax. This amount shall become due and payable on a monthly basis for sales made during the preceding month and shall be payable each month so long as the Company shall supply and sell natural gas to the public within the Corporate Limits of Gamaliel, Kentucky,

or so long as this Franchise is in effect. The City shall have access at all reasonable time to the books of the Company for the purpose of determining the amount due to the City under this section. The Company shall also furnish the City an annual report showing the amount of sales within the Corporate Limits of Gamaliel, Kentucky.

SECTION 14: If any section or portion of any section of this ORDINANCE shall hereafter be declared or determined by a Court of competent jurisdiction to be invalid, the Company or the City, at their election (with notice to be given in writing within THIRTY (30) days after such declaration or determination) may ratify or confirm the remaining portions of this ORDINANCE and upon such ratification or confirmation the remaining portions of this ORDINANCE shall remain in full force and effect.

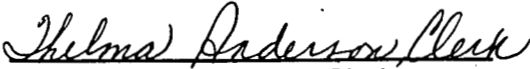
SECTION 15: The Company, shall, within THIRTY (30) days after the passage of this ORDINANCE, file with the City Clerk of Gamaliel, Kentucky, its unconditional acceptance of the terms and conditions of this ORDINANCE. After the filing of such acceptance, this ORDINANCE shall constitute a contract between the parties hereto and shall (subject to the rights and powers vested in and Orders lawfully issued by the Kentucky Public Service Commission or such other regulatory body of the Commonwealth of Kentucky as may hereafter succeed to the rights and powers of the Kentucky Public Service Commission) be the measure of the rights, powers, obligations, privileges and liabilities of the City and the Company.

SECTION 16: All the privileges given and obligations created by this ORDINANCE shall be binding upon the successors and assigns of the Company, including those nonconflicting provisions which are now or may hereafter be attached herewith as addendum's.

SECTION 17: This Franchise is granted pursuant to the laws of the Commonwealth of Kentucky relating to the granting of such rights and privileges by municipal corporations. This ORDINANCE shall be subject to the approval of the Kentucky Public Service Commission. The Franchise shall take effect immediately, the public welfare so requiring it.

  
James Mitchell Spear, Mayor  
City of Gamaliel, Kentucky

ATTEST:

  
Thelma Anderson, City Clerk

FIRST READING : May 19, 1998  
SECOND READING : June 2, 1998

PASSED : The 2<sup>nd</sup> day of June, 1998.  
AYES : 5  
NAYS : 0  
ABSENT : 0  
ABSTAINED : 0

PUBLISHED : The 11<sup>th</sup> day of June, 1998.

BRH: dlc/tkh  
F:\LAWGAMALIEL\ORDINANC\GAS.ORD

*Original*

RESOLUTION NO. 1-99-00

RESOLUTION WAIVING EXPIRATION

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WHEREAS, Ordinance No. 598 of the City of Gamaliel, Kentucky, granted a natural gas franchise to SENTRA CORPORATION, and said franchise having expired by operation of law, both the City of Gamaliel, Kentucky, and SENTRA CORPORATION being desirous of implementing a natural gas distribution system for the City of Gamaliel, Kentucky,

BE IT HEREBY RESOLVED, that the City of Gamaliel, Kentucky, waives the expiration of the franchise to supply natural gas that was granted to SENTRA CORPORATION and said franchise is reinstated. However, the franchise shall be subject to all terms and conditions as set forth in Ordinance No. 598, unless they are superceded by any subsequent provisions contained in this Resolution:

1) The Company shall pay to the City a franchise fee in the amount of One Hundred <sup>TA</sup> DOLLARS (\$ 100 .00), payable within TEN (10) days of the <sup>public service Commission (granting Sentra the authority to accept the franchise)</sup> ~~effective date of this ORDINANCE~~. The Company shall further pay to the City during the term of this Franchise an amount equal to TWO PERCENT (2%) of the monthly gross sales from the sale of gas through the Company's distribution system within the <sup>system built to service</sup> ~~Corporate Limits of~~ Gamaliel, <sup>and its surrounding area, pursuant to authority granted by the Monroe County Fiscal Court,</sup> Kentucky, as a further and additional franchise fee or tax. This amount shall become due and payable on a monthly basis for sales made during the preceding month and shall be payable each month so long as the Company shall supply and sell natural gas to the public within the <sup>system built to service</sup> ~~Corporate Limits of~~ Gamaliel, Kentucky, or so long as this Franchise is in effect. The City shall have access at all reasonable time to the books of the Company for the purpose of determining the amount due to the City under this section. The Company shall also furnish the City an annual report showing <sup>TA</sup> the amount of sales within the <sup>system built to service</sup> ~~Corporate Limits of~~ Gamaliel, Kentucky, <sup>and its surrounding area, pursuant to authority granted by the Monroe County Fiscal Court,</sup>



2) the main supply line shall be installed and natural gas shall be available to be delivered to Gamaliel Elementary School within thirty (30) days of this Resolution, which period can only be extended due to unforeseeable construction delays, such as, but not limited to, inclement weather; and

3) a natural gas distribution system which makes natural gas available to all residents and commercial establishments in the city limits of Gamaliel, Kentucky shall be constructed within one (1) year of the effective date of this Resolution or the franchise shall terminate, be null and void and SENTRA CORPORATION or its assigns shall forfeit all right, title or interest to any portion of the gas distribution system constructed to service Gamaliel, Kentucky.

4) The Company, shall, within TEN (10) days after the passage of this RESOLUTION, file with the City Clerk of Gamaliel, Kentucky, its unconditional acceptance of the terms and conditions of this RESOLUTION. After the filing of such acceptance, this RESOLUTION shall constitute a contract between the parties hereto and shall (subject to the rights and powers vested in and Orders lawfully issued by the Kentucky Public Service Commission or such other regulatory body of the Commonwealth of Kentucky as may hereafter succeed to the rights and powers of the Kentucky Public Service Commission) be the measure of the rights, powers, obligations, privileges and liabilities of the City and the Company.

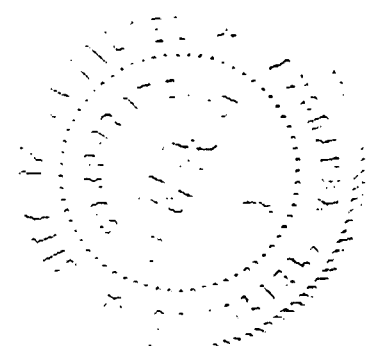
This 2<sup>nd</sup> day of November, 1999.

*Jerry Comer Mayor*  
 JERRY COMER, MAYOR  
 CITY OF GAMALIEL, KENTUCKY

ATTEST:

*Thelma Anderson, Clerk*  
 THELMA ANDERSON, CITY CLERK

WSS:ikh  
 F:\LAW\GAMALIEL\RESOLUTION\GAS.RES



# SENTRA CORPORATION

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October 12, 1999

HAND-DELIVERED

Helen C. Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

RE: Case No. 97-429  
Tariff No. 60-814

Dear Ms. Helton:

Sentra Corporation desires to provide natural gas service to the elementary school located in Gamaliel, Kentucky. While it is our opinion that this service would be an extension in the ordinary course of business pursuant to 807 KAR 5:001, Section 9 (3), we are requesting that you verify that opinion.

Sentra's proposed extension would consist of a 2" line of polyethylene (PE) SDR 11 PE pipe from a connection located east of Gamaliel in Monroe County, Kentucky, on the Clay Utility District (Clay County, Tennessee) line along the route indicated on the attached Exhibit A to the elementary school located on the west side of Gamaliel. In addition to the school, the proposed extension would provide natural gas service to individuals residing and businesses existing along the route.

There is no natural gas service to this area and no entity holds a franchise from the City of Gamaliel or a certificate of public convenience and necessity for Gamaliel. Previously, Sentra was granted a franchise by the City of Gamaliel that expired June 11, 1999. While Sentra intends to pursue obtaining another franchise and to construct a system to provide natural gas service to the City of Gamaliel, it was not able to finish the construction of its Fountain Run system in time to commence the process in Gamaliel before the expiration of its franchise. The proposed line will become an integral component of a community-wide system that Sentra plans to construct after renegotiating a franchise with the City of Gamaliel. Naturally, it is understood that Sentra must obtain the necessary rights of way and easements to construct the proposed extension.

Because there is no natural gas service to Gamaliel or existing franchise, there is no possibility for duplication of facilities or conflict of services.

Ms. Helen C. Helton  
Kentucky Public Service Commission  
October 12, 1999  
Page 2

The cost of the proposed extension is estimated to be approximately \$15,000 or less than 10% of Sentra's current physical plant. The extension will be paid for with Sentra funds, the source of which will be a capital contribution by Sentra's parent corporation and sole shareholder, Daugherty Petroleum, Inc.

Sentra proposes to provide natural gas service to the customers along the proposed extension pursuant to the terms and conditions of Tariff No. 60-814 and the extension will not result in any requested changes in Sentra's existing rates.

Due to the imminent onset of the heating season, Sentra respectfully asks that this request for an opinion be given the highest priority and that a response be forwarded within five (5) business days. Upon receipt of a favorable opinion, weather permitting, Sentra is prepared to construct the proposed extension within two weeks.

Your assistance in helping Sentra provide natural gas heat to the elementary school children of Gamaliel is greatly appreciated.

If you or your staff need additional information regarding this matter, please contact me.

Very truly yours,

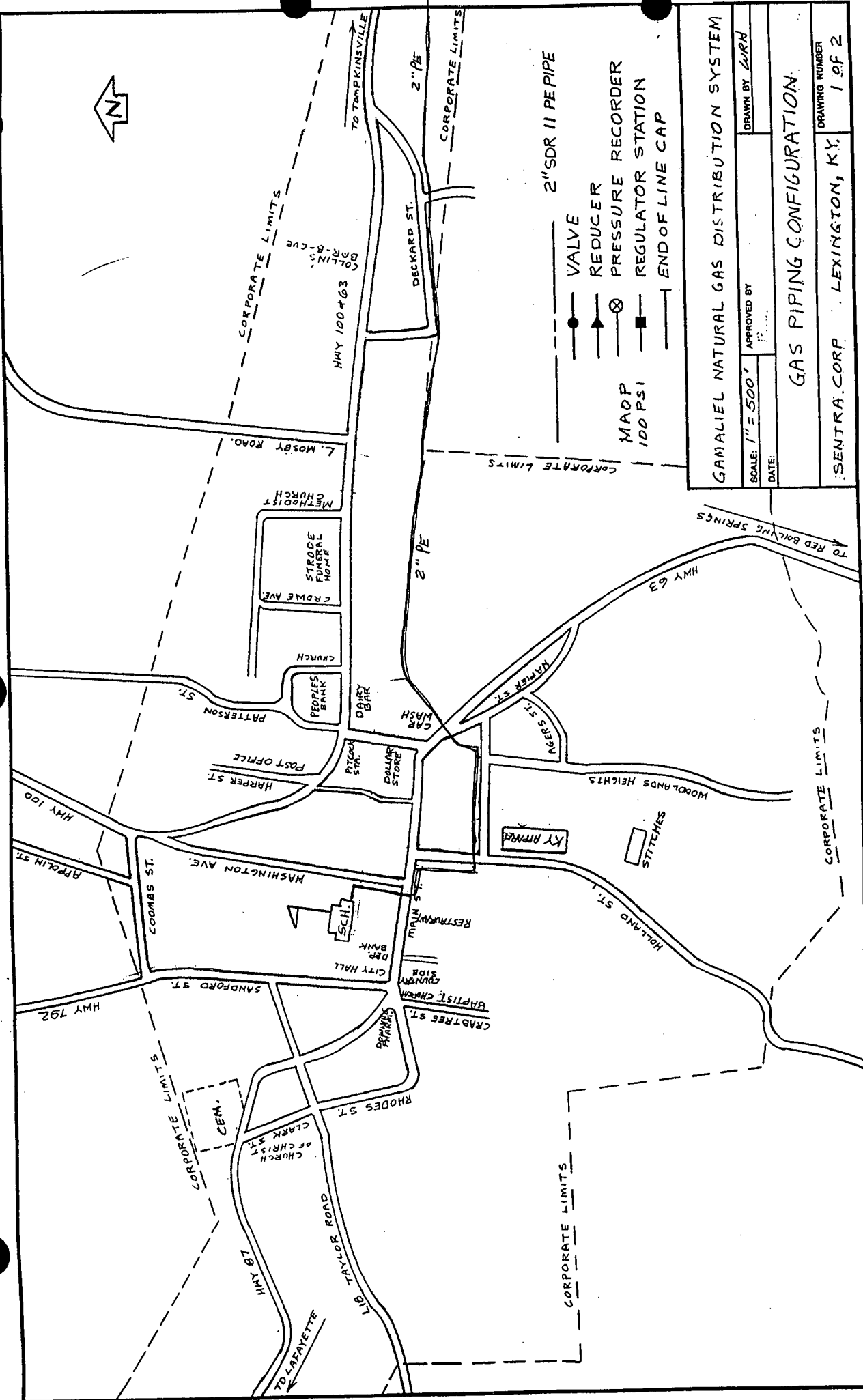


William G. Barr III  
Vice President  
Acquisitions and Legal Affairs

Enclosure (as stated)

cc: Ms. Helen C. Helton (via facsimile 502.564.3940)  
Jerry Wuetcher, Esquire (via facsimile 502.564.7279)  
Wesley W. Stephens, Esquire (via facsimile)

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- VALVE
  - ▲ REDUCER
  - ⊗ PRESSURE RECORDER
  - REGULATOR STATION
  - END OF LINE CAP
- MAOP 100 PSI
- 2" SDR 11 PE PIPE

GAMALIEL NATURAL GAS DISTRIBUTION SYSTEM	
SCALE: 1" = 500'	APPROVED BY: <i>[Signature]</i>
DATE:	DRAWN BY: <i>[Signature]</i>
GAS PIPING CONFIGURATION	
SENTRA.CORP. LEXINGTON, KY.	
DRAWING NUMBER 1 OF 2	



**Paul E. Patton**  
Governor

COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-1582

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

October 20, 1999

Mr. William C. Barr III  
Sentra Corporation  
120 Prosperous Place, Suite 201  
Lexington, Kentucky 40509

Dear Mr. Barr:

Commission Staff is in receipt of your letter of October 12, 1999 regarding Sentra Corporation's need for a certificate of public convenience to construct a gas pipeline extension.

In your letter and in your conversations with Commission Staff, the following facts were submitted: Sentra Corporation intends to construct a 2-inch polyethylene (PE) SDR 11 gas pipeline from a connection on the Clay Utility District gas system to an elementary school in Gamaliel, Kentucky. In addition to the elementary school, the proposed pipeline would provide natural gas service to residences and businesses situated along the pipeline route. Estimated cost of the proposed pipeline extension is \$15,000. Sentra Corporation proposes to finance this main extension with internal funds. It will not issue any debt instruments to finance the proposed extension; nor is any adjustment of Sentra Corporation's rates proposed. No entity is currently providing natural gas service to Gamaliel, Kentucky or the surrounding area.

Your letter poses the following issue: Is Sentra Corporation required to obtain a certificate of public convenience and necessity for the proposed extension?

KRS 278.020(1) provides:

No person, partnership, public or private corporation, or combination thereof shall commence providing utility service to or for the public or begin the construction of any plant, equipment, property or facility for furnishing to the public any of the services enumerated in KRS 278.010, except retail electric suppliers for service connections to electric-consuming facilities located within its certified territory and ordinary extensions of existing systems in the usual course of business, until such person has obtained from the Public Service Commission a certificate that public convenience and necessity require such construction.



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

**EXHIBIT D**  
Page 1 of 2

Mr. William C. Barr III  
October 20, 1999  
Page 2

Administrative Regulation 807 KAR 5:001, Section 9(3) further provides:

Extensions in the ordinary course of business. No certificate of public convenience and necessity will be required for extensions that do not create wasteful duplication of plant, equipment, property or facilities, or conflict with the existing certificates or service of other utilities operating in the same area and under the jurisdiction of the commission that are in the general area in which the utility renders service or contiguous thereto, and that do not involve sufficient capital outlay to materially affect the existing financial condition of the utility involved, or will not result in increased charges to its customers.

Based upon the facts presented in your letter, Commission Staff is of the opinion that the proposed construction is an extension in the ordinary course of business and will not require a Certificate of Public Convenience and Necessity Pursuant to 807 KAR 5:001, Section 9(3).

In your letter of October 12, 1999, you indicate that Sentra Corporation's franchise to provide natural gas service to Gamaliel, Kentucky has expired. This letter should not be interpreted as authorizing any construction of any facilities within Gamaliel, Kentucky without that city's authorization or as relieving Sentra Corporation of its statutory obligation to obtain a Certificate of Public Convenience and Necessity to bid for any franchise to provide natural gas service to Gamaliel, Kentucky. See KRS 278.020(3). If the city of Gamaliel, Kentucky requires Sentra Corporation to obtain a franchise prior to constructing any facilities within its boundaries, Sentra Corporation must obtain the Commission approval to bid for such franchise.

You are further reminded that the construction is subject to the pipeline safety requirements. Sentra is required to notify the Gas Branch, Division of Engineering, and file with the Commission the construction specifications and construction schedule at least one week prior to the commencement of the construction.

This letter represents Commission Staff's interpretation of the law as applied to the facts presented. This opinion is advisory in nature and not binding on the Commission should the issues herein be formally presented for Commission resolution. Questions concerning this opinion should be directed to J. R. Goff, Staff Attorney, at (502) 564-3940, Extension 261.

Sincerely,

*Helen C. Helton*  
Helen C. Helton  
Executive Director  
*by W. H. Bowker*  
Deputy Exec. Dir.

HCH:FAS:dcp

# SENTRA CORPORATION

November 5, 1999

Via Courier

Mr. Faud Sharifi  
Gas Branch, Division of Engineering  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

RE: Line Extension to Gamaliel, Kentucky

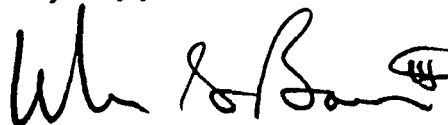
Dear Faud:

This letter will serve as notice of the fact that Sentra Corporation intends to commence construction of a pipeline of 2" polyethylene (PE) SDR 11 PE pipe from a meter station on the Clay Utility District pipeline to the City of Gamaliel. The line will be constructed to the PSC specifications and as indicated on Exhibit A attached hereto. The line will be built along the route indicated on Exhibits B and C attached hereto.

Faud, so that you understand our position, this line is being built as an extension in the ordinary course of business. In October, I requested an opinion from the PSC relating to our position and received the opinion letter attached hereto as Exhibit D.

The line is being built to serve the community of Gamaliel, although initially and most urgently, it will serve to provide natural gas to the Gamaliel Elementary School that is in the process of installing a new natural gas fired boiler system; therefore if it is possible, we would like to commence construction on the line immediately. We anticipate that the construction of the line will take no more than 10 to 15 workdays to complete. Please call me as soon as you receive this package.

Very truly yours,



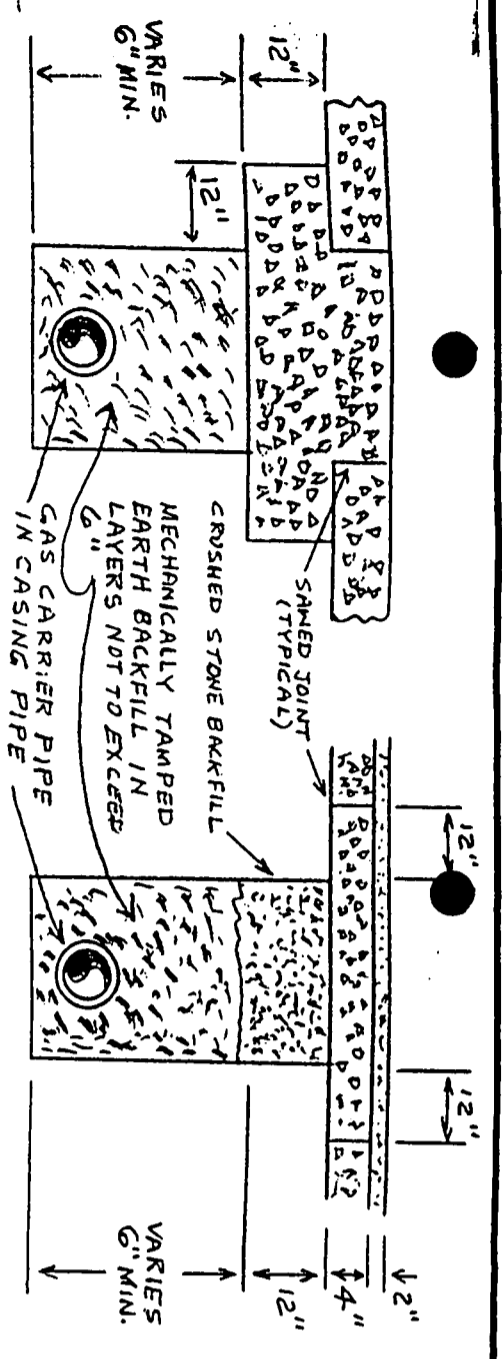
William G. Barr III  
Vice President  
Acquisitions and Legal Affairs

cc: Wesley W. Stephens, Esquire (via facsimile)

f:\data\docs\dp\wgb\psc97429\pscltr8.doc

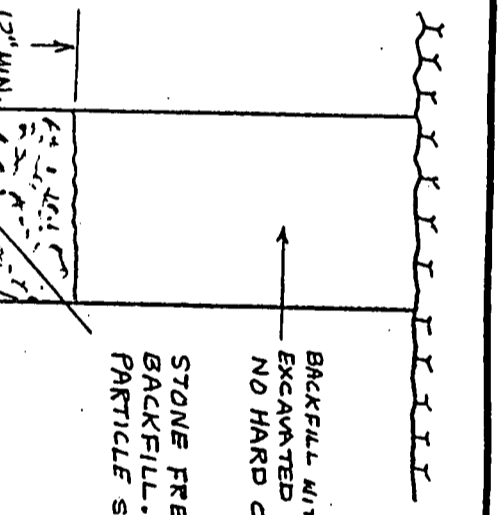
120 Prosperous Place, Suite 201, Lexington, KY 40509  
(606) 263-3948 • Fax (606) 263-4228

EXHIBIT E  
Page 1 of 6



CONCRETE PAVEMENT  
REPLACE WITH NEW PAVEMENT SAME THICKNESS OF EXISTING PAVEMENT.

DETAIL: TRENCHED SURFACE REPAVING ON STATE ROADS  
NO SCALE

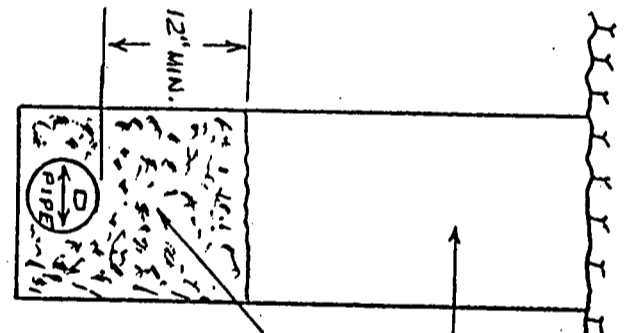


BITUMINOUS SURFACING  
REPLACE BITUMINOUS PAVEMENT WITH SAME TYPE AND DEPTH OF EXISTING PAVEMENT.

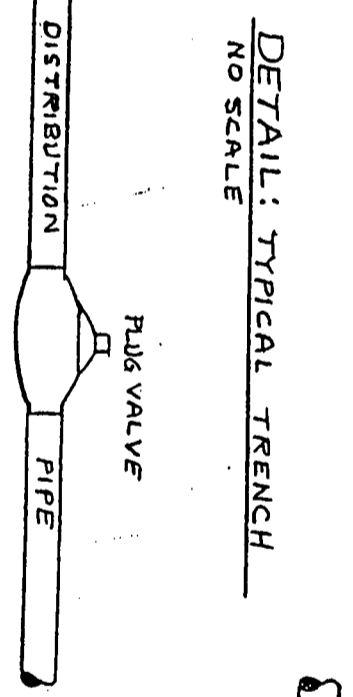
DETAIL: TRENCHED SURFACE REPAVING ON COUNTY ROADS  
NO SCALE

BACKFILL WITH MATERIAL EXCAVATED FROM TRENCH. NO HARD OBJECTS.  
STONE FREE COMPACT BACKFILL. MAXIMUM PARTICLE SIZE OF 1/2"

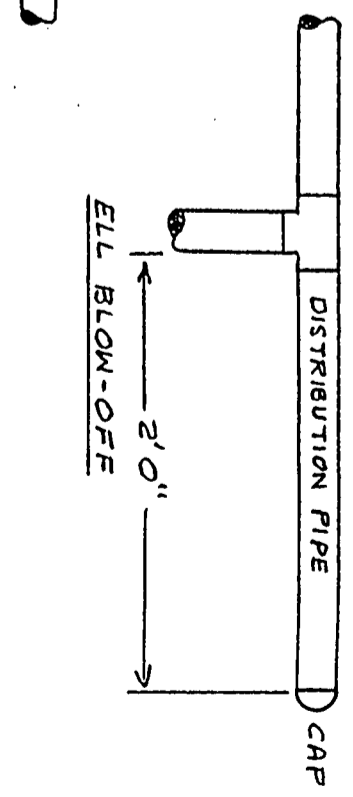
NOTE  
ALL PIPE SHALL BE SDR 11 PE PIPE. INSTALLATION SHALL BE BY BUTT FUSION ACCORDING TO MANUFACTURER'S SPECIFICATIONS.



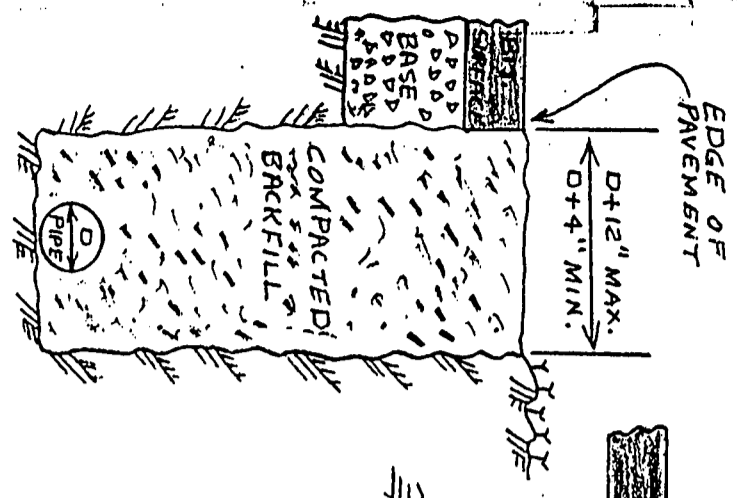
DETAIL: TYPICAL TRENCH  
NO SCALE



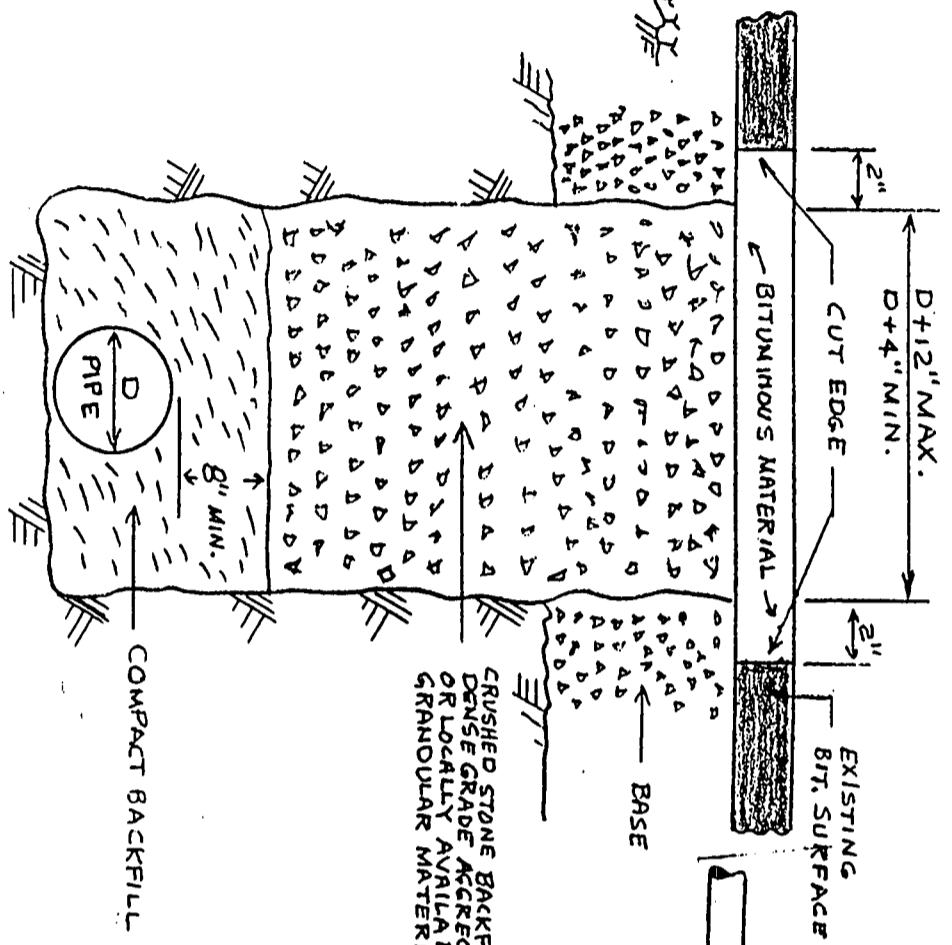
DISTRIBUTION VALVE



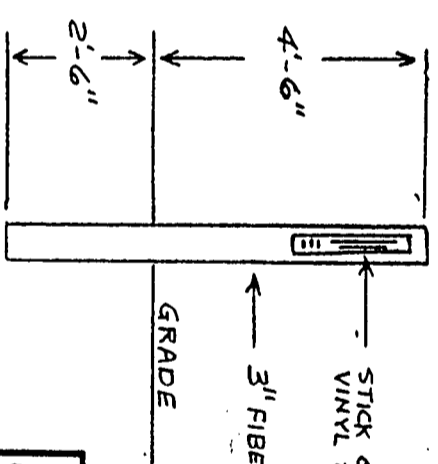
DISTRIBUTION PIPE  
PIPE  
6" NIPPLE  
CAP  
LOOP BLOW-OFF



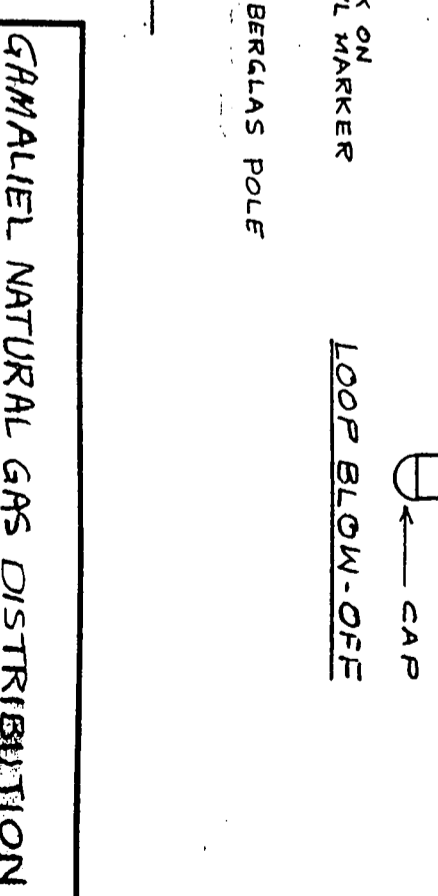
DETAIL: TRENCHING ADJACENT TO PAVED STREET  
NO SCALE



DETAIL: TRENCHED SURFACE REPAVING ON COUNTY ROADS  
NO SCALE



STICK ON VINYL MARKER  
3" FIBERGLAS POLE  
GRADE

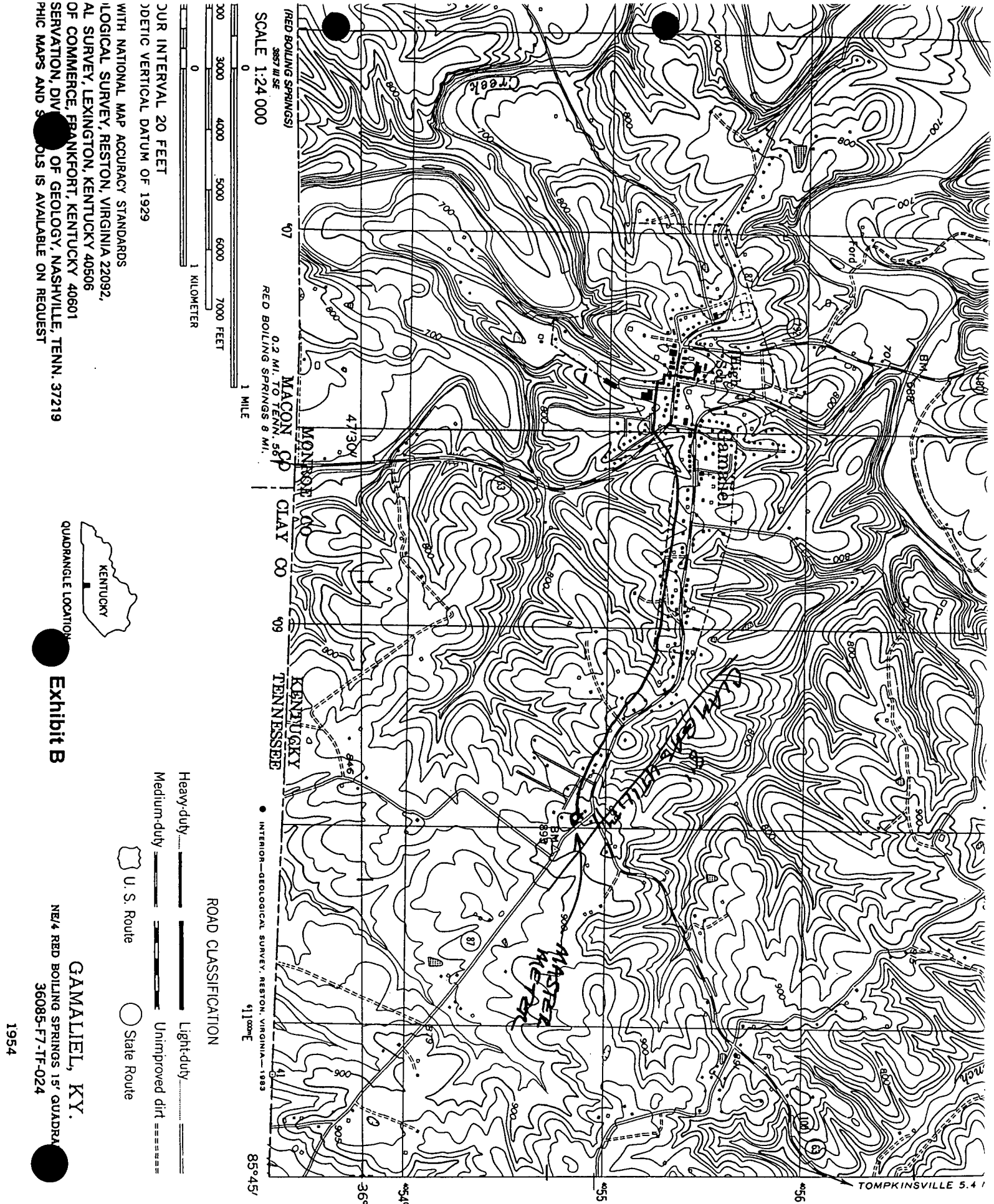


PIPE  
6" NIPPLE  
CAP  
LOOP BLOW-OFF

<b>GHAMALIEL NATURAL GAS DISTRIBUTION SYSTEM</b>			
SCALE: NONE	APPROVED BY:	DRAWN BY <i>GM</i>	
DATE:		REVISED	
<b>STANDARD GAS PIPING DETAILS</b>			
SENTRA CORP - LEXINGTON, KY.			DRAWING NUMBER 2 of 2

Exhibit A

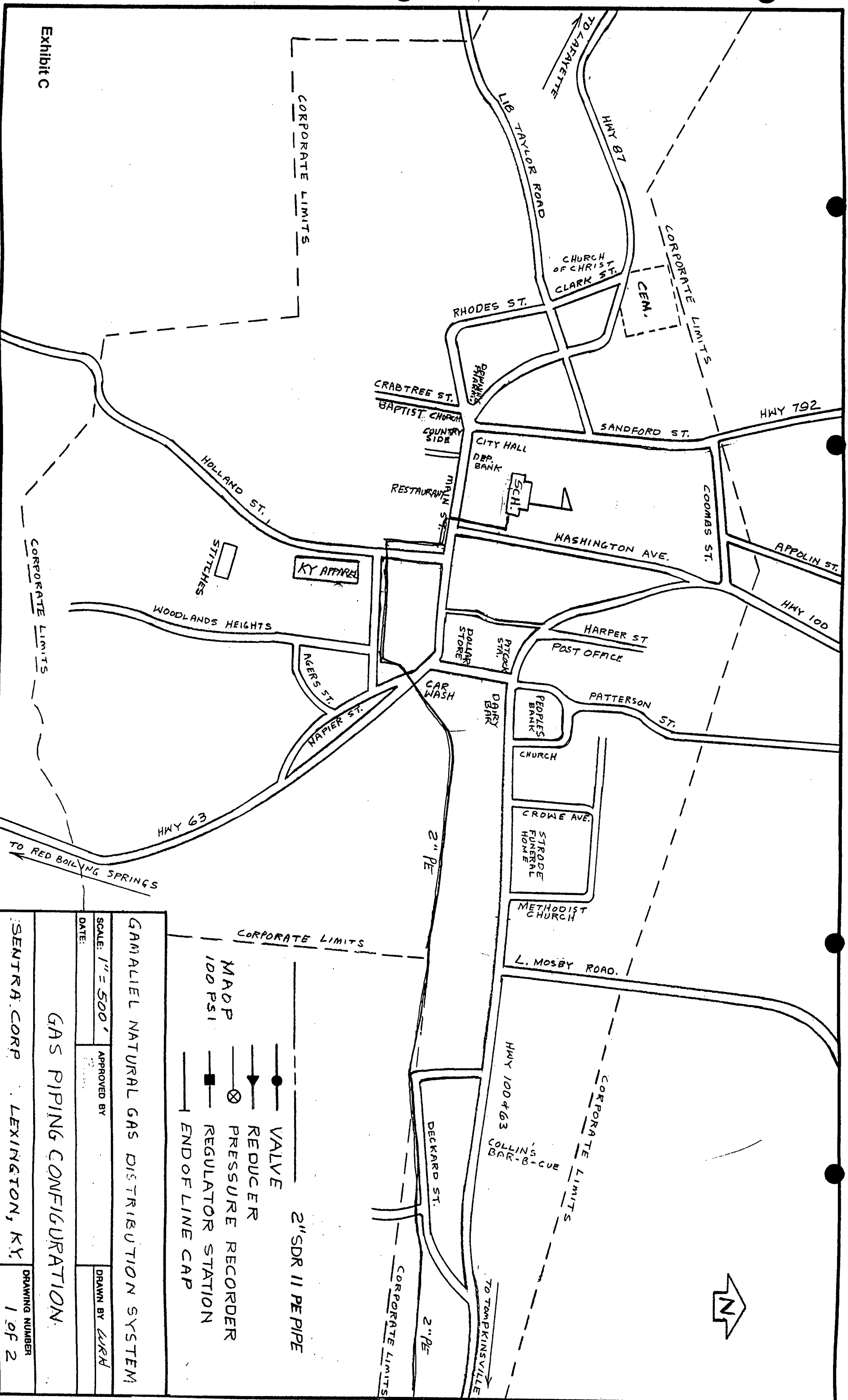




(UNION NO. 1)  
3887 III SE

Exhibit C

NO. 18541117



**2" SDR 11 PE PIPE**

- VALVE
- ◄ REDUCER
- ⊗ PRESSURE RECORDER
- REGULATOR STATION
- └ END OF LINE CAP

**GAMALIEL NATURAL GAS DISTRIBUTION SYSTEM**

SCALE: 1" = 500'

DATE: \_\_\_\_\_

APPROVED BY: \_\_\_\_\_

DRAWN BY: *WRH*

**GAS PIPING CONFIGURATION**

SENTRA CORP. LEXINGTON, KY.

DRAWING NUMBER: 1 of 2



COMMONWEALTH OF KENTUCKY  
PUBLIC SERVICE COMMISSION  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-1582

**Ronald B. McCloud, Secretary**  
Public Protection and  
Regulation Cabinet

**Helen Helton**  
Executive Director  
Public Service Commission

**Paul E. Patton**  
Governor

October 20, 1999

Mr. William C. Barr III  
Sentra Corporation  
120 Prosperous Place, Suite 201  
Lexington, Kentucky 40509

Dear Mr. Barr:

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AN EQUAL OPPORTUNITY EMPLOYER M/F/D

EXHIBIT E  
Page 5 of 6

EXHIBIT D

Mr. William C. Barr III  
October 20, 1999  
Page 2

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Sincerely,

*Helen C. Helton*  
Helen C. Helton  
Executive Director  
*by W. H. Bowker*  
Deputy Exec. Dir.

HCH:FAS:dcp

EXHIBIT E  
Page 6 of 6