

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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MAY 10 2016

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:

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)

Case No.
2016-00139

ATTORNEY GENERAL’S INITIAL DATA REQUESTS

Comes now the intervenor, the Attorney General of the Commonwealth of Kentucky, by and through his Office of Rate Intervention, and submits these Initial Data Requests to Sentra Corporation [“Sentra”] and Magnum Hunter Production, Inc. [“Magnum”] [hereinafter referred to collectively as “the companies” or “Joint Respondents”] to be answered by the date specified in the Commission’s Order of Procedure, and in accord with the following:

- (1) In each case where a request seeks data provided in response to a staff request, reference to the appropriate request item will be deemed a satisfactory response.
- (2) Please identify the witness who will be prepared to answer questions concerning each request.
- (3) Please repeat the question to which each response is intended to refer. The Office of the Attorney General can provide counsel for the companies with an electronic version of these questions, upon request.

(4) These requests shall be deemed continuing so as to require further and supplemental responses if the company receives or generates additional information within the scope of these requests between the time of the response and the time of any hearing conducted hereon.

(5) Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or association, 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.

(6) If you believe any request appears confusing, please request clarification directly from Counsel for the Office of Attorney General.

(7) To the extent that the specific document, workpaper or information as requested does not exist, but a similar document, workpaper or information does exist, provide the similar document, workpaper, or information.

(8) To the extent that any request may be answered by way of a computer printout, please identify each variable contained in the printout which would not be self-evident to a person not familiar with the printout.

(9) If the company has objections to any request on the grounds that the requested information is proprietary in nature, or for any other reason, please notify the Office of the Attorney General as soon as possible.

(10) As used herein, the words "document" or "documents" are to be construed broadly and shall mean the original of the same (and all non-identical copies or drafts thereof) and if the original is not available, the best copy available. These terms shall include all

information recorded in any written, graphic or other tangible form and shall include, without limiting the generality of the foregoing, all reports; memoranda; books or notebooks; written or recorded statements, interviews, affidavits and depositions; all letters or correspondence; telegrams, cables and telex messages; contracts, leases, insurance policies or other agreements; warnings and caution/hazard notices or labels; mechanical and electronic recordings and all information so stored, or transcripts of such recordings; calendars, appointment books, schedules, agendas and diary entries; notes or memoranda of conversations (telephonic or otherwise), meetings or conferences; legal pleadings and transcripts of legal proceedings; maps, models, charts, diagrams, graphs and other demonstrative materials; financial statements, annual reports, balance sheets and other accounting records; quotations or offers; bulletins, newsletters, pamphlets, brochures and all other similar publications; summaries or compilations of data; deeds, titles, or other instruments of ownership; blueprints and specifications; manuals, guidelines, regulations, procedures, policies and instructional materials of any type; photographs or pictures, film, microfilm and microfiche; videotapes; articles; announcements and notices of any type; surveys, studies, evaluations, tests and all research and development (R&D) materials; newspaper clippings and press releases; time cards, employee schedules or rosters, and other payroll records; cancelled checks, invoices, bills and receipts; and writings of any kind and all other tangible things upon which any handwriting, typing, printing, drawings, representations, graphic matter, magnetic or electrical impulses, or other forms of communication are recorded or produced, including audio and video recordings, computer stored information (whether or not in printout form), computer-readable media or other electronically maintained or transmitted information regardless of the media or format in

which they are stored, and all other rough drafts, revised drafts (including all handwritten notes or other marks on the same) and copies of documents as hereinbefore defined by whatever means made.

(11) For any document withheld on the basis of privilege, state the following: date; author; addressee; indicated or blind copies; all persons to whom distributed, shown, or explained; and, the nature and legal basis for the privilege asserted.

(12) In the event any document called for has been destroyed or transferred beyond the control of the company, please state: the identity of the person by whom it was destroyed or transferred, and the person authorizing the destruction or transfer; the time, place, and method of destruction or transfer; and, the reason(s) for its destruction or transfer. If destroyed or disposed of by operation of a retention policy, state the retention policy.

(13) Please provide written responses, together with any and all exhibits pertaining thereto, in one or more bound volumes, separately indexed and tabbed by each response, in compliance with Kentucky Public Service Commission Regulations.

Respectfully submitted,

ANDY BESHEAR
ATTORNEY GENERAL



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Certificate of Service and Filing

Counsel certifies that an original and seven photocopies of the foregoing were served and filed by hand delivery to Aaron D. Greenwell, Acting Executive Director, Public Service Commission, 211 Sower Boulevard, Frankfort, Kentucky 40601; counsel further states that true and accurate copies of the foregoing were mailed via First Class U.S. Mail, postage pre-paid, to:

Hon. John N. Hughes
124 W. Todd St.
Frankfort, KY 40601

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

Magnum Hunter Production, Inc.
Magnum Hunter Production, Inc.
120 Prosperous Place, Suite 201
Lexington, KY 40509

this 10th day of May, 2016



Assistant Attorney General

In the Matter of: An Investigation of the Gas Costs of
Sentra Corporation
Case No. 2016-00139
Attorney General's Initial Data Requests

1. State the type(s) of business organization that both Sentra and Magnum are (i.e., corporation, partnership, etc.).
2. Regarding both Sentra and Magnum, identify all:
 - a. officers;
 - b. directors;
 - c. members;
 - d. principals;
 - e. shareholders and/or owners
3. For each of the individuals or business entities identified in your response to Question Number 2, above, identify any and all other interests held in any other corporations, LLCs, proprietorships, partnerships and/or any and all other business entities of any type or sort that engage in the exploration, drilling, procurement, transportation and/or distribution of natural gas, gas liquids or propane gas.
4. State whether any of the relatives, whether by blood or marriage of the individuals identified in your response to Question Number 2, above, holds or will hold any type or sort of position or title, whether as an officer, director, member, partner, principal, employee, owner, contractor or consultant, with Sentra and/or Magnum.
 - a. If your answer is "yes," identify that or those individuals, and provide:
 - (i) the type of interest;
 - (ii) the amount of salary, commissions, bonuses, and/or any other type or sort of remuneration.
5. Do Sentra and/or Magnum maintain any contracts with vendors whose principals are in any manner related, by blood or marriage, to Sentra and/or Magnum's officers, directors, members, partners, principals, employees, owners, and/or their independent contractors or consultants? If yes:
 - a. Please provide copies of any such contract, and a breakdown of how much money was spent per contract per year for the last ten (10) calendar years; and
 - b. Please state whether the contracts were awarded pursuant to a bid process, and if so, provide specifics of that bid process.

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6. State whether Magnum provides natural gas and/or propane to any entities other than Sentra, including any outside the Commonwealth of Kentucky. If so, please identify them.
7. Please identify the source(s) of the gas that Magnum procures (i.e., wellhead, etc.), including any from outside of Kentucky.
 - a. Provide copies of all documents setting forth the criteria Magnum uses in procuring gas that is sold to Sentra.
8. Provide copies of all RFPs which Magnum issued for gas supply during the last ten (10) years.
9. Provide copies of all RFPs which Sentra issued for gas supply during the last ten (10) years.
10. Explain how costs for employee staffing, office space, and other administrative and general costs are split between Sentra and Magnum.
 - a. Provide the percentage of all such costs Magnum bears, and the percentage that Sentra bears.
 - b. State whether any other business entities inhabit the office space housing Sentra and Magnum.
11. Provide a ledger of all vendors for both Magnum and Sentra from calendar year ending December 31, 2012 through and including January, 2016. The ledger should set forth transaction dates, amounts paid out and amounts received.
12. Has Sentra ever received any loans from: (a) the Kentucky Municipal Gas Utility Investment Trust; (b) the Governor's Office for Local Development; (c) the Department for Local Government; and/or (d) Kentucky Gas System Restoration Project Revolving Loan Fund? If the answer is "yes," please identify the amounts of all such loans, the date of all such loans, and the any outstanding amounts on those loans.
13. State whether Magnum provides any services other than gas supply to or on behalf of Sentra, and if so, identify the nature of those services.
14. Reference the Joint Respondents' response to PSC Staff data request 1-6, as set forth in the Commission's Order dated April 8, 2016. State the nature of services which Greystone, LLC provides to Sentra and/or Magnum.

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15. Reference the Joint Respondents' response to PSC 1-7. State the nature of services which the following entities provide or provided to Sentra and/or Magnum:

- a. Daugherty Petroleum;
- b. Seminole Energy Services; and
- c. NGas Production Company