



120 Prosperous Place, Suite 201 ~ Lexington, KY 40509
Phone (800) 977-2363

Remit Payments to:
P.O. Box 841894 ~ Dallas, TX 75284-1894

November 2, 2016

RECEIVED

NOV 03 2016

PUBLIC SERVICE
COMMISSION

Talina Mathews
Executive Director
Public Service Commission
211 Sower Blvd.
Frankfort, KY 40601

Re: Sentra Corporation Application for Rate Adjustment

Case No. 2016-00384

Dear Ms. Mathews:

Sentra Corporation is submitting an Application for Rate Adjustment to be effective when approved by the PSC. If you have any questions, I can be reached at mwallen@mhp.energy or on my direct line at 859.263.6727.

Respectfully,

A handwritten signature in blue ink that reads "D. Michael Wallen".

D. Michael Wallen
Senior Vice President of Operations

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

RECEIVED

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

NOV 02 2016

For Small Utilities Pursuant to 807 KAR 5:076
(Alternative Rate Filing)

PUBLIC SERVICE
COMMISSION

Sentra Corporation

(Name of Utility)

120 Prosperous Place, Suite 201

(Business Mailing Address - Number and Street, or P.O. Box)

Lexington, Kentucky 40509

(Business Mailing Address - City, State, and Zip)

859-263-3948

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Michael Wallen - Sr. VP Operations

(Name)

120 Prosperous Place, Suite 201

(Address - Number and Street or P.O. Box)

Lexington, Kentucky 40509

(Address - City, State, Zip)

859-263-3948 or 859-263-6727

(Telephone Number)

mwallen@mhp.energy

(Email Address)

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|-----|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of Kentucky, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2015.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 209,821 and total revenues from service rates of \$ 10.4862. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the date of the filing of this application, Applicant had 200 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application. **(Attach a copy of returns.)**
- 17. Approximately \$0 (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed D. Michael Waller
 Officer of the Company/Authorized Representative
 Title Sr. VP Operations
 Date 10/26/16

COMMONWEALTH OF KENTUCKY

COUNTY OF Fayette

Before me appeared D. Michael Waller, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

Jerrica Whitaker
 Notary Public
 My commission expires: June 29, 2020

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

NOTICE

Notice is hereby given that Sentra Corporation seeks approval by the Public Service Commission, Frankfort, Kentucky, for an adjustment of the base gas rates. The rates below are to be filed with the Commission on Wednesday, November 2, 2016.

Customer Class	Current Rates	Proposed Rates	Proposed Increase (Decrease)
Service Charge			
Residential	\$5.00	\$5.00	\$0.00
Commercial	\$10.00	\$5.00	(-\$5.00)
Base Rates	\$2.1440	\$6.4862	\$4.3422
Per MCF (all customers)		(all customers)	
Gas Costs	\$12.5306	\$3.8612	(-\$8.6694)
Per MCF			
Impact on Average Customer Bill			
	Existing	Proposed	% Decrease
12.315 MCF Average Usages	\$180.72	\$127.43	30%
Monthly			

The Base Gas Rates contained in this Notice are the rates proposed by Sentra Corporation. However, the Public Service Commission may order gas rates to be charged that differ from the proposed gas rates contained in this Notice.

The impact on each customer's average bill will vary according to individual consumption. However, this impact can be determined by each customer applying the proposed rates listed above to their respective average consumption.

Sentra's application for rate adjustment is available for examination at its offices listed below. Any person may obtain a copy of the application, testimony or other documents or examine the rate application and any related filings at the offices of Sentra listed below or at its website www.mhrproduction.com or the Commission office or its website below.

A person may also examine the application at the Public Service Commission's offices at 211 Sower Boulevard, Frankfort, Kentucky, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be

submitted to the Public Service Commission through its website or by mail to Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602.

A person may submit a timely written request for intervention to the Public Service Commission, P.O. Box 615, Frankfort, Kentucky 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within thirty (30) days of initial publication of this Notice, it may take final action on Sentra's application.

SENTRA CORPORATION
120 Prosperous Place, Suite 201
Lexington, KY 40509
Office: (859) 263-3948
Fax: (859) 263-4228
Michael Wallen: mwallen@mhp.energy
www.mhrproduction.com

PUBLIC SERVICE COMMISSION OF KENTUCKY
211 Sower Blvd.
P.O. Box 615
Frankfort, KY 40602
(502) 564-3940
www.psc.ky.gov

REASONS FOR APPLICATION

(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)

Sentra Corporation was notified through an Order submitted by the Kentucky Public Service Commission on April 8, 2016, as to its investigation into Sentra's current rates and gas supply costs. Sentra had not made a rate case filing since 2007. However, Sentra had already concluded that its cost of gas charged to its customers was too high and did not accurately reflect current gas costs. As a result, Sentra reduced the rate charged to its customers from \$14.67 to \$12.03 on January 1, 2016, and reduced again to \$9.50 on April 1, 2016, prior to its application for its alternative rate filing.

Sentra's cost of service is extremely low. This is based on the fact that Sentra's cost of service, as noted in the Commission's Order, is extremely low, the lowest in the state in fact, and did not reflect the true cost of service. This filing is to correct the cost of service to reflect the true cost.

As reflected on the attached Schedule of Adjusted Operations, Sentra anticipates the following costs:

- Sentra expects to have charges of approximately \$5,000 per year in legal fees for ongoing rate cases with the Kentucky Public Service Commission.
- Sentra has hired an additional employee, who was previously a contractor for Magnum Hunter Resources ("MHR"), at an annual salary of \$40,000 per year.
- MHR will now charge Sentra for use of two of its employees to process Sentra's billing, reports, filings, and other administrative duties.
- Sentra will now pay MHR \$1,500 per month in rent for office space used at its facility.
- Sentra anticipates that its office supply expenses will increase approximately \$4,000 per year for billing and annual mailing supplies: postage, overnight packages, printer cartridges, stationary, copy paper, envelopes, etc.
- Sentra plans on purchasing a dump truck in the year 2016 to haul gravel, pull its back hoe, and transport Sentra's trailer. The current dump truck is in extremely poor condition and needs replaced as soon as possible.

Sentra Corporation respectfully requests a base rate adjustment in the amount of \$6.4862 per MCF for all customers.

CURRENT AND PROPOSED RATES
(List Applicant's Current and Proposed Rates)

Sentra Corporation

Current:

Residential Service Charge	\$5.00
Commercial Service Charge	\$10.00
Base Rate	\$2.1440
Gas Cost	\$12.5306

Proposed:

Service Charge (all customers)	\$5.00
Base Rate (all customers)	\$6.4862
Gas Cost (all customers)	\$3.8612

SCHEDULE OF ADJUSTED OPERATIONS - GAS UTILITY

TYE 12/31/20 15

	Test Year	Adjustment	Ref.	Pro Forma
Operating Revenues				
Sales of Gas				
Residential	76,063.60	-55,786.24	1	20,277.36
Commercial & Industrial	366,145.15	-313,600.42	2	52,544.73
Interdepartmental	0.00	0.00		0.00
Sales for Resale	0.00	0.00		0.00
Total Sales of Gas	442,208.75	-369,386.66		72,822.09
Other Operating Revenues				
Forfeited Discounts	0.00			0.00
Miscellaneous Service Revenues	21,588.93			21,588.93
Rent from Gas Property	0.00			0.00
Other Gas Revenues	48,094.33			48,094.33
Total Operating Revenues	511,892.01	-369,386.66		142,505.35
Operating Expenses				
Operation and Maintenance Expenses				
Manufactured Gas Production Expenses	0.00			0.00
Natural Gas Production Expenses	0.00			0.00
Exploration and Development Expenses	0.00	12,000.00	9	12,000.00
Storage Expenses	0.00	18,000.00	7	18,000.00
Other Gas Supply Expenses	176,645.78	-176,645.78	3	0.00
Transmission Expenses	0.00			0.00
Distribution Expenses	127,261.12	18,411.03	10	145,672.15
Customer Accounts Expenses	0.00			0.00
Customer Service and Informational Expenses	0.00	4,000.00	8	4,000.00
Administrative and General Expenses	17,523.48	48,480.00	4	66,003.48
Total Operation and Maintenance Expenses	321,430.38	-75,754.75		245,675.63
Depreciation Expense	30,381.03	-30,381.03	5	0.00
Amortization Expense	0.00			0.00
Taxes Other Than Income	29,312.11			29,312.11
Income Tax Expense	7,005.00	2,000.00	6	9,005.00
Total Operating Expenses	388,128.52	-104,135.78		283,992.74
Utility Operating Income	123,763.49	-265,250.88		-141,487.39

References

1. This adjustment is to eliminate the revenue for residential sales. Eleven months at the \$12.53 per MCF for 4248.2 MCFs charged from January 2015 through November 2015. One month at \$5.76 per MCF for 443.8 MCFs for the month December 2015.
2. This adjustment is to eliminate the revenue for commercial sales. Eleven months at the \$12.53 per MCF for 24,412.8 MCFs charged from January 2015 through November 2015. One month at \$5.76 per MCF for 1338.2 MCFs for the month December 2015.
3. This adjustment is to remove the gas supply expense of \$176,645.78.
4. This adjustment is for future expenses that Sentra expects to incur: \$5,000 of the referenced \$48,480 is for legal fees for ongoing rate cases; \$18,000 is reimbursement of administrative expenses to Magnum Hunter Resources ("MHR"). Sentra utilizes two of its employees on a part-time basis, and this fee will recoup a portion of their salaries to MHR; MHR is also charging Sentra \$1,000 per month for corporate G&A, resulting in an additional \$12,000 per year in administration charges. The remaining \$13,480 is for a regulatory and compliance officer that Sentra has hired as a part-time employee (this position was previously on a contract basis with MHR). The amount is the difference between the previous contract salary with MHR and current salary with Sentra.
5. This adjustment is to remove the future depreciation cost. Sentra has fully depreciated the current location and does not plan to build a new operating plant in the future.
6. This is to adjust the income tax expense based on the difference in the expenses and revenues.
7. The adjustment in storage expense is for the rent. MHR is now charging Sentra \$1,500 per month for the use of office space at its facility.
8. This adjustment is for an increase in Sentra's office supply expenses for the year: postage, overnight packages, printer cartridges, stationary, copy paper, envelopes, etc.
9. This adjustment is for the purchase of a new dump truck for Sentra. It will replace the existing dump truck, which is in extremely poor condition. Sentra uses the dump truck to pull its backhoe and trailer, perform line repairs, haul gravel, etc. The dump truck will be financed at approximately \$50,000 for six years at an interest rate of 5%. Sentra will also incur an additional \$2,000 per year for employee training and operator qualification classes.
10. This adjustment will include the insurance expense that MHR now charges Sentra for insurance on vehicles, pipelines, employees, etc.

REVENUE REQUIREMENT CALCULATION - OPERATING RATIO METHOD

(Method commonly used by investor owned utilities and/or non-profit entities that do not have long-term debt outstanding.)

Pro forma Operating Expenses Before Income Taxes	\$283,992.74
Operating Ratio	0.88
Sub-Total	322,719.02
Less: Pro forma Operating Expenses Before Income Taxes	-283,992.74
Net Income Allowable	38,726.28
Add: Provision for State and Federal Income Taxes, if Applicable (see footnote)	9,231.96
Interest Expense	2,500.00
Pro forma Operating Expenses Before Taxes	283,992.74
Cost of Natural Gas (water utilities should leave this blank)	117,546.50
Total Revenue Requirement	451,997.48
Less: Other Operating Revenue	69,683.26
Non-operating Revenue	0.00
Interest Income	0.00
Total Revenue Required from Rates for Service	382,314.22
Less: Revenue from Sales at Present Rates	172,492.47
Required Revenue Increase	209,821.75

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	121.64%
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Provision for Income Taxes - Calculation of Tax Gross-Up Factor

Revenue	1
Less: 5% State Tax	-0.05
Sub-Total	0.95
Less: Federal Tax, 15% of Sub-Total	-0.1425
Percent Change in NOI	-0.8075
Factor (Revenue of 1 divided by change in NOI)	1.23839
Times: Allowable Net Income	38,726.28
Net Income Before Taxes	47,958.24
Difference Equals Provision for State and Federal Income Taxes	9,231.96

Notes: (1) Natural gas utilities should deduct their cost of natural gas from pro forma operating expenses before performing the operating ratio calculation. The cost of natural gas should be added back and included in pro forma operating expenses when determining the total revenue requirement. (2) A provision for state and federal income taxes should only be included in the calculation of revenue requirements for utilities that file income tax returns and are liable for the payment of state and federal income taxes. Utilities whose income flows through to its owner's income tax returns for tax purposes should not include a provision for income taxes. (3) The conversion factor above is calculated using the minimum federal tax rate. Adjustment may be warranted where the actual federal tax rate exceeds the minimum federal tax rate.

Sentra Corporation									
Based on 2015 Annual Report									
Billing Analysis									
Present and Proposed Rates									
Revenue Table									
Class	Bills	MCF	Present Rates	Proposed Rates			Current Revenue	Proposed Revenue	Proposed Increase
Residential	1596	4691.5	2.144	6.4862			\$ 10,058.58	\$ 30,430.01	\$ 20,371.43
Commerical	1319	25751.3	2.144	6.4862			\$ 55,210.79	\$ 167,028.08	\$ 111,817.29
Industrial	0	0	1.3197						
Total Revenue							\$ 65,269.36	\$ 197,458.09	\$ 132,188.73

Sentra Corporation									
Based on 2015 Annual Report									
Billing Analysis									
Present and Proposed Rates									
Revenue Table									
Class	Customers	Current Service Charge	Proposed Service Charge	Current Revenue	Proposed Revenue	Proposed Decrease			
Residential	135	\$ 5.00	\$ 5.00	\$ 8,100.00	\$ 8,100.00	\$ -			
Commerical	71	\$ 10.00	\$ 5.00	\$ 8,520.00	\$ 4,260.00	\$ (4,260.00)		\$ 197,458.09	
								\$ 12,360.00	
Total Revenue				\$ 16,620.00	\$ 12,360.00	\$ (4,260.00)		\$ 209,818.09	Proposed Revenue Increase

BILLING ANALYSIS - FLAT RATES

Revenue from Present/Proposed Rates

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	71	0
Flat Monthly Rate	\$10.00	\$0.00
Monthly Revenue	\$710.00	\$0.00
Number of Months	12	12
Annual Revenue	\$8,520.00	\$0.00

NOTE:

This Billing Analysis page applies to commercial accounts only. The current flat monthly rate for commercial accounts is \$10.00. Sentra request that the proposed flat monthly rate for all accounts be \$5.00. The proposed rate column has been adjusted to zero and the proposed amount for commercial accounts will be included and reflected on the Billing Analysis page for residential accounts.

BILLING ANALYSIS - FLAT RATES

Revenue from Present/Proposed Rates

	<u>Current Rate</u>	<u>Proposed Rate</u>
Number of Customers	135	206
Flat Monthly Rate	\$5.00	\$5.00
Monthly Revenue	\$675.00	\$1,030.00
Number of Months	12	12
Annual Revenue	\$8,100.00	\$12,360.00

NOTE:

This Billing Analysis page applies to both residential and commercial accounts. Sentra has no industrial accounts. Sentra request that all accounts be charged a proposed flat monthly rate of \$5.00.

CO 2 - SENTRA UTILITY

7/14/2016

Co.2 Sentra Corporation
1500/60 - General Equipment
1500/75 - Utility
December 31, 2015

Fully Depreciated as of 6/30/15

Asset Type	Description	Location	3.31.11 Fair Value	Depreciation	NBV
PIPELINE	UTILITY PIPELINE	KY	\$ 250,000.00		
EQUIPMENT	EQUIPMENT/METERS	KY	\$ 32,381.03		
TOTAL:			\$ 282,381.03	12/31/2012 \$ (108,000.00)	\$ 174,381.03
			\$ 282,381.03	1/31/2013 \$ (6,000.00)	\$ 168,381.03
	MONTHLY DEPRECIATION	\$6,000.00/MO.	\$ 282,381.03	2/28/2013 \$ (6,000.00)	\$ 162,381.03
			\$ 282,381.03	3/31/2013 \$ (6,000.00)	\$ 156,381.03
			\$ 282,381.03	4/30/2013 \$ (6,000.00)	\$ 150,381.03
			\$ 282,381.03	5/31/2013 \$ (6,000.00)	\$ 144,381.03
			\$ 282,381.03	6/30/2013 \$ (6,000.00)	\$ 138,381.03
			\$ 282,381.03	7/31/2013 \$ (6,000.00)	\$ 132,381.03
			\$ 282,381.03	8/31/2013 \$ (6,000.00)	\$ 126,381.03
			\$ 282,381.03	9/30/2013 \$ (6,000.00)	\$ 120,381.03
			\$ 282,381.03	10/31/2013 \$ (6,000.00)	\$ 114,381.03
			\$ 282,381.03	11/30/2013 \$ (6,000.00)	\$ 108,381.03
			\$ 282,381.03	12/31/2013 \$ (6,000.00)	\$ 102,381.03
			\$ 282,381.03	1/31/2014 \$ (6,000.00)	\$ 96,381.03
			\$ 282,381.03	2/28/2014 \$ (6,000.00)	\$ 90,381.03
			\$ 282,381.03	3/31/2014 \$ (6,000.00)	\$ 84,381.03
			\$ 282,381.03	4/30/2014 \$ (6,000.00)	\$ 78,381.03
			\$ 282,381.03	5/31/2014 \$ (6,000.00)	\$ 72,381.03
			\$ 282,381.03	6/30/2014 \$ (6,000.00)	\$ 66,381.03
			\$ 282,381.03	7/31/2014 \$ (6,000.00)	\$ 60,381.03
			\$ 282,381.03	8/31/2014 \$ (6,000.00)	\$ 54,381.03
			\$ 282,381.03	9/30/2014 \$ (6,000.00)	\$ 48,381.03
			\$ 282,381.03	10/31/2014 \$ (6,000.00)	\$ 42,381.03
			\$ 282,381.03	11/30/2014 \$ (6,000.00)	\$ 36,381.03
			\$ 282,381.03	12/31/2014 \$ (6,000.00)	\$ 30,381.03
			\$ 282,381.03	1/31/2015 \$ (6,000.00)	\$ 24,381.03
			\$ 282,381.03	2/28/2015 \$ (6,000.00)	\$ 18,381.03
			\$ 282,381.03	3/31/2015 \$ (6,000.00)	\$ 12,381.03
			\$ 282,381.03	4/30/2015 \$ (6,000.00)	\$ 6,381.03
			\$ 282,381.03	5/31/2015 \$ (6,000.00)	\$ 381.03
			\$ 282,381.03	6/30/2015 \$ (381.03)	\$ 0.00
			\$ 282,381.03	7/31/2015 \$ -	\$ -
			\$ 282,381.03	8/31/2015 \$ -	\$ -
			\$ 282,381.03	9/30/2015 \$ -	\$ -
			\$ 282,381.03	10/31/2015 \$ -	\$ -
			\$ 282,381.03	11/30/2015 \$ -	\$ -
			1) \$ 282,381.03	12/31/2015 \$ -	\$ - 4)
				2)	
			ACCUM DEP.	\$ (282,381.03)	3)

NOTE: For this particular pipeline, we used a 48 month straight-line depreciation rate which is approximately \$6,000 per month. We assumed no salvage value for the asset.

GL Account	GL Description
1500/77	Accum Depr - Sentra
7500/77	Depreciation - Sentra

SENTRA CORPORATE INCOME TAX RETURNS

CONFIDENTIAL

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Sentra Corporation ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

D. Michael Waller
(Print Name)

D Michael Waller
(Signed)

Sr. VP Operations
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Fayette

Subscribed and sworn to before me by D. Michael Wallen
(Name)

this 20 day of October, 2016.

Jerrica Whitaker
NOTARY PUBLIC
State-at-Large

SUPPLEMENTAL SHEET
STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS

Name: _____

Position: _____

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation