

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF SENTRA CORPORATION)	2018-00432

ORDER

On December 28, 2018, Sentra Corporation (Sentra) filed its proposed Gas Cost Recovery (GCR) rate application to be effective February 1, 2019. On January 28, 2019, Commission Staff held an Informal Conference with Sentra to discuss its application. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Sentra's application includes revised rates designed to pass on to its customers its expected change in gas costs.

2. Sentra's application sets out an Expected Gas Cost (EGC) of \$5.1917 per Mcf. The NYMEX rate per Dth on Schedule II of the application should be the average of the high and low prices for the months of February, March, and April 2019, or \$3.1438 per Dth instead of the \$2.913 per Dth used by Sentra. Sentra's EGC includes a \$1.060 per Mcf transportation fee from Clay Gas Utility District as well as a \$.151 per Mcf adder charged by its natural gas marketer, Greystone, LLC (Greystone). The calculation of the Greystone Adder is based on an average of six months of Greystone administrative charges instead of the twelve months used in Sentra's application. Sentra's application reports a sales volume for the twelve months ended October 31, 2018, of 31,115.50 Mcf. A review of the monthly sales information that was filed in Sentra's prior GCR rate

applications indicates that 34,558.30 Mcf should be used for Sentra's sales volume. Correcting this produces an EGC of \$4.7888 per Mcf.

3. Sentra's application sets out no supplier Refund Adjustment.

4. Sentra's application sets out a current quarter Actual Adjustment (AA) of \$.1524 per Mcf. Due to the last Commission approved change in rates taking place for the period of August 1, 2018, to October 31, 2018, Sentra's Previous Quarter AA is set at \$.0000 per Mcf with the current quarter AA reconciling the gas costs for the six-month period May through October 2018. Sentra erroneously set out the nine months ended October 2018 in its current quarter AA calculation, and failed to include the correct EGCs that were in effect for the six months period. The final Order issued for Case No. 2018-00243¹ ordered Sentra to include an under-recovery in base revenues of \$3,308.06 in the AA component of its GCR application for rates effective November 1, 2018. Due to Sentra not filing an application for November 1, 2018, the under-recovery is included in the current quarter AA. Correcting these errors produces a current quarter AA of \$.6831 per Mcf.

In calculating its total AA, Sentra erroneously included an expired AA of \$.0228 per Mcf in the calculation. Sentra also failed to include the second previous quarter AA of (\$.4545) per Mcf and third previous quarter AA of (\$.9986) per Mcf that were approved in Case No. 2018-00243² and Case No. 2018-00124³ respectively. Correcting this produces a total AA of (\$.7700) per Mcf.

¹ Case No. 2018-00243, *Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC Sept. 18, 2018).

² Case No. 2018-00243, *Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC July 26, 2018).

³ Case No. 2018-00124, *Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC Apr. 24, 2018).

5. Sentra's application sets out no Balancing Adjustment (BA). Sentra failed to file a GCR application for rates effective November 1, 2018, in which it should have reconciled the \$.0228 per Mcf AA approved effective August 1, 2017, with actual recoveries of gas cost through the AA over the 12 months ended July 31, 2018. Correcting this and implementing the reconciliation in the current quarter BA produces a current quarter BA of (\$0.0072). Sentra did not include the second previous quarter BA of \$.0113 per Mcf in the calculation of its total BA. Correcting this produces a total BA of \$.0041 per Mcf.

6. Sentra's corrected GCR rate is \$4.0229 per Mcf.

7. The rate set forth in the Appendix to this Order is fair, just, and reasonable and should be approved for service rendered by Sentra on and after February 1, 2019.

IT IS THEREFORE ORDERED that:

1. The rate proposed by Sentra is denied.

2. The rate set forth in the Appendix to this Order is approved for service rendered on and after February 1, 2019.

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

4. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
JAN 31 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

Case No. 2018-00432

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2018-00432 DATED **JAN 31 2019**

The following rates and charges are prescribed for the customers in the area served by Sentra Corporation. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under the authority of the Commission prior to the effective date of this Order.

Gas Cost Recovery rate

The Gas Cost Recovery rate shall be \$4.0229 per Mcf for service rendered on and after February 1, 2019.

*Sentra Corporation c/o Sentra Resources LLC
2006 Edmonton Road
Tompkinsville, KY 42167

*Kimble C. Reid
Sentra Corporation c/o Sentra Resources LLC
2006 Edmonton Road
Tompkinsville, KY 42167