

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT	)	CASE NO.
FILING OF SENTRA CORPORATION	)	2023-00219

ORDER

On June 29, 2023, Sentra Corporation (Sentra) filed its proposed Gas Cost Recovery (GCR) rate report to be effective August 1, 2023. Sentra's previous GCR rate was approved in Case No. 2023-00103.<sup>1</sup> Sentra included in the GCR rate report an update on the total amount collected via the \$0.8700 per Mcf Refund Adjustment (RA) rate.

BACKGROUND

Sentra's RA of \$0.8700 per Mcf was first approved by the Commission in Case No. 2021-00279, for the purpose of collecting the transportation fee charged to Sentra from Clay Gas Utility District.<sup>2</sup> The transportation fee was included in previous calculations of Sentra's Expected Gas Cost (EGC) but was omitted from Sentra's previous quarter Actual Adjustment (AA) components. The omission of the transportation fee in the AA and true-up in the Balancing Adjustment (BA) caused the actual total cost of gas to be under reported resulting in an under collection for Sentra. The Commission determined based on prior GCR rate reports, supplier invoices, and usage reports that an under collected

---

<sup>1</sup> Case No. 2023-00103, *Electronic Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC Apr. 28, 2023).

<sup>2</sup> Case No. 2021-00279, *Electronic Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC July 30, 2021).

total amounting to \$59,247.46 occurred over the period between August 1, 2019, through August 1, 2021.<sup>3</sup> Using 2019 as a base period, it was projected that Sentra will realize approximately 67,762 Mcf of sales over the next two years beginning on and after August 1, 2021. Dividing the \$59,247.46 amount to be recovered by 67,762 Mcf equaled a charge of approximately \$.8743 per Mcf. The Commission ordered that the \$59,247.46 amount to be recovered from customers would be applied through Sentra's RA mechanism, and set at a rate of \$.8700 per Mcf for the next two years or until the total amount has been recovered through the RA adjustment.

#### LEGAL STANDARD

The Commission's standard of review for GCR rates is well settled as stated in KRS 278.274(1):

In determining whether proposed natural gas utility rates are just and reasonable, the commission shall review the utility's gas purchasing practices. The commission may disallow any costs or rates which are deemed to result from imprudent purchasing practices on the part of the utility.

Further, the utility has the burden to prove the rates are just and reasonable and the Commission may reduce the purchased gas component of the utility's rates or the rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.<sup>4</sup>

---

<sup>3</sup> KRS 278.225 establishes a two-year limitation on customer liability for unbilled service. Thus, Sentra is able to recover for unbilled service between August 1, 2019, through August 1, 2021, based upon the effective date of the GCR rate of August 1, 2021 in Case No. 2021-00279.

<sup>4</sup> KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

## DISCUSSION

Sentra in its GCR rate report filing provided the Commission with an update on the total amount recovered through its RA rate of \$0.8700 per Mcf.<sup>5</sup> As of May 31, 2023, Sentra reports that it has recovered approximately \$49,709.71 of the \$59,247.46 total. Based on its five-year average sales for each month, Sentra estimates that should the RA rate of \$0.8700 per Mcf continue to be included in the GCR it would expect to fully recover the \$59,247.46 total by end of December 2023. Based on its annual reports, Sentra sold 28,639 Mcf in 2021<sup>6</sup>, and 31,640 Mcf in 2022<sup>7</sup>. Due to the lower amount of actual sales for the 2021 and 2022 period, Sentra was not able to fully recover the total \$59,247.46 amount of under recovered transportation costs as expected by August 1, 2023. Rather than continuing to include the RA rate of \$0.8700 per Mcf in Sentra's GCR rate, the Commission finds that would be more appropriate to eliminate the \$0.8700 per Mcf rate component and take the remaining amount to be collected and roll that amount into Sentra's current quarter AA calculation.

Using a five-year average for sales, it is estimated that Sentra may experience sales of 441.09 Mcf for June and 242.73 Mcf for July. Based on the \$0.8700 per Mcf rate Sentra will have recovered an amount of approximately \$50,390.92 by the end of July 2023. The Commission finds that the remaining amount of \$8,856.54 should be included in Sentra's current quarter AA for recovery.

---

<sup>5</sup> GCR rate report, unnumbered pages 19 and 20.

<sup>6</sup> *Annual Report of Sentra to the Public Service Commission for the Year Ending December 31, 2021* (2021 Annual Report) at 26.

<sup>7</sup> *Annual Report of Sentra to the Public Service Commission for the Year Ending December 31, 2022* (2022 Annual Report) at 26.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that Sentra's report includes revised rates designed to pass on to its customers its expected change in gas costs. Sentra's report sets out an Expected Gas Cost (EGC) of \$2.9342 per Mcf, which is a decrease of \$0.1023 per Mcf from its previous EGC of \$3.0365 per Mcf. Sentra's report sets out a RA of \$0.8700 per Mcf. The Commission finds that the RA of \$0.8700 per Mcf is no longer necessary and thus should be removed from Sentra's GCR rate report beginning on and after August 1, 2023.

Sentra's report sets out a current quarter AA of (\$0.6387) per Mcf. The total cost difference between the EGC in effect and the actual unit cost of gas for the February, March, and April 2023 period is (\$18,251.76). By including the remaining \$8,856.54 into the total cost difference, it results in an amount of (\$9,395.22). This produces a current quarter AA of (\$0.3288) per Mcf. Sentra's total AA is (\$0.6743) per Mcf, which is a decrease of \$1.1629 per Mcf from its previous total AA of \$0.4886 per Mcf. Sentra's report sets out a current quarter Balance Adjustment (BA) of \$0.0264 per Mcf. Sentra's total BA is \$0.0277 per Mcf, which is an increase of \$0.0266 per Mcf from its previous total BA of \$0.0011 per Mcf.

Based upon the calculations above, the Commission finds that Sentra's revised GCR rate is \$2.2876 per Mcf, which is a decrease of \$2.1086 per Mcf from its previous GCR rate of \$4.3962 per Mcf. The Commission further finds that the rate set forth in Appendix to this Order is fair, just and reasonable and should be approved for service rendered by Sentra on and after August 1, 2023.


For the purpose of transparency and to maintain a record of information for future use the Commission finds that Sentra should continue to submit all invoices it receives,

monthly usage reports, and provide the calculations used to justify the NYMEX rate per Dth and the Greystone Adder when it files its future GCR rate reports. Should Sentra purchase sustainable natural gas from a renewable source during the reporting period of any future GCR reports, then the supplier, cost, and amount must be documented in its cover letter to the Commission.

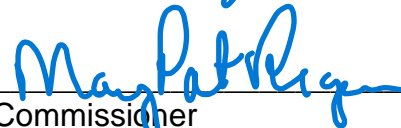
IT IS THEREFORE ORDERED that:

1. The rate proposed by Sentra is denied.
2. The rate set forth in the Appendix to this Order are approved for service rendered on and after August 1, 2023.
3. Sentra shall submit all invoices it receives along with its monthly usage reports for each month of the reporting period when it files its future GCR rate reports.
4. Within 20 days of the date of service 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.
5. This case is closed and removed from the Commission's docket.

PUBLIC SERVICE COMMISSION

  
Chairman

  
Vice Chairman

  
Commissioner

ENTERED  
JUL 31 2023 rcs  
KENTUCKY PUBLIC  
SERVICE COMMISSION

ATTEST:

  
Executive Director

## APPENDIX

### APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2023-00219 DATED JUL 31 2023

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 \$2.2876 per Mcf for service rendered on and after August 1, 2023.

\*Sentra Corporation c/o Sentra Resources LLC  
112 Orchard Lane  
Tompkinsville, KY 42167

\*John Osgatharp  
Sentra Corporation c/o Sentra Resources LLC  
112 Orchard Lane  
Tompkinsville, KY 42167

\*Thomas Bartley  
Sentra Corporation c/o Sentra Resources LLC  
112 Orchard Lane  
Tompkinsville, KY 42167