

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)	CASE NO.
FILING OF SENTRA CORPORATION)	2019-00098

ORDER

On March 25, 2019, Sentra Corporation (Sentra) filed its proposed Gas Cost Recovery (GCR) rate report to be effective May 1, 2019. Because the Commission did not enter an Order authorizing a change in rates prior to May 1, 2019, Sentra has been billing its customers the rates that were previously approved in Case No. 2018-00432.¹ Due to the true-up mechanism of the purchased gas adjustment, any under- or over recovery will be collected in future GCR reports.

After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Sentra's report includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Sentra's report sets out an Expected Gas Cost (EGC) of \$4.1462 per Mcf. The NYMEX rate per Dth on Schedule II of the report should be the average of the high and low prices for the months of May, June and July 2019, or \$2.496 per Dth instead of the \$2.739 per Dth used by Sentra. Sentra's EGC includes a \$1.00 per Mcf transportation fee from Clay Gas Utility District. The correct calculation of the Greystone Adder is based on an average of six months of Greystone administrative charges, which is found to be

¹ Case No. 2018-00432, *Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC Jan. 31, 2019).

better represented by \$.267, instead of the fluctuating Greystone Adder rates used by Sentra in its EGC calculation. Sentra's EGC calculation reports a sales volume for the 12 months ended January 31, 2019, of 69,859.30 Mcf and a purchase volume of 71,947 Mcf. A review of the monthly sales information that was filed in Sentra's prior GCR rate reports indicates that 34,929.65 Mcf should be used for Sentra's sales volume and 35,973.50 Mcf should be used for Sentra's purchase volume. Correcting for this produces a total expected cost of purchases for the 12 months ended January 31, 2019, to be \$140,854.24. Sentra's corrected EGC is \$4.0325 per Mcf, which is a decrease of \$.7563 per Mcf from its previous EGC of \$4.7888 per Mcf.

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

4. Sentra's report sets out a current quarter Actual Adjustment (AA) of \$.2251 per Mcf. Sentra used the incorrect EGC in effect for November and December 2018, and January 2019, in the calculation of its current quarter AA. Because Sentra failed to file a GCR report for rates effective November 1, 2018, the EGC rate in effect for November and December 2018, and January 2019, is \$4.3913 per Mcf as approved in Case No. 2018-00243.² Correcting the EGC in effect and the sales volumes produce a current quarter AA of \$.0774 per Mcf.

In calculating its total AA, Sentra erroneously included an expired AA of (\$.9986) per Mcf in the calculation. The quarter AA of (\$.4545) per Mcf that was approved in Case No. 2018-00243³ was effective August 1, 2018, through July 31, 2019, and will be expired concurrent with this Order's approved effective date. Correcting this produces a total AA

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

³ Case No. 2018-00243, *Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC July 26, 2018).

of \$.7605 per Mcf, which is an increase of \$1.5305 per Mcf from its previous total AA of (\$.7700) per Mcf.

5. Sentra's report sets out a current quarter Balancing Adjustment (BA) of \$.202264 per Mcf. Sentra erroneously reconciled the incorrect quarter AA of \$.0228 per Mcf. Correcting this produces a current quarter BA of \$.1361 per Mcf. The quarter BA of \$.0113 per Mcf that was approved in Case No. 2018-00243⁴ was effective August 1, 2018, through July 31, 2019, and will be expired concurrent with this Order's approved effective date. Correcting this produces a total BA of \$.1289 per Mcf, which is an increase of \$.1248 per Mcf from its previous total BA of \$.0041 per Mcf.

6. Sentra's corrected GCR rate is \$4.9219 per Mcf, which is an increase of \$.8990 per Mcf from its previous GCR rate of \$4.0229 per Mcf.

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

8. Sentra's next GCR report, for rates effective for the November 2019 billing cycle, should reconcile the gas costs for the months of February, March, April, May, June and July 2019 in order to capture the full true up when calculating the current quarter AA that will be effective November 1, 2019, through October 31, 2019. Sentra's next Previous Quarter AA and Previous Quarter BA should be set at \$.0000 per Mcf due to the next current quarter AA reconciling the last six months of gas costs and the next current quarter BA reconciling the expired components of the prior two quarters. For rates effective for the November 2019 billing cycle, Sentra should also include in the calculation of its next total AA the AA quarters of \$.0774 per Mcf and \$.6831 per Mcf as they will

⁴ Case No. 2018-00243, *Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC July 26, 2018).

have not yet expired. The calculation of the next total BA should also include the BA quarters of \$.1361 per Mcf and (\$.0072) per Mcf as they too will have not yet expired.

9. For the purpose of transparency and to maintain a record of information for future use, the Commission finds that Sentra should file responses to the requests for information set forth in Appendix B to this Order when it files its next GCR report on or about October 1, 2019, for rates effective for the November 2019 billing cycle.

a. Responses to requests for information shall be appropriately bound, tabbed, and indexed and shall include the name of the witness responsible for responding to questions related to the information provided, with the original and six copies in paper medium and an electronic version to the Commission.

b. Each response shall be answered under oath or, for representatives of a public or private corporation or a partnership or an association or a governmental agency, 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.

c. Sentra shall make timely amendment to any prior response if it obtains information which indicates that the response was incorrect when made or, though correct when made, is now incorrect in any material respect.

d. For any request to which Sentra fails or refuses to furnish all or part of the requested information, Sentra shall provide a written explanation of the specific grounds for its failure to completely and precisely respond.

e. Careful attention should be given to copied material to ensure that it is legible. When the requested information has been previously provided in this

proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

f. When filing a paper containing personal information Sentra shall, in accordance with 807 KAR 5:001, Section 4(10), encrypt or redact the paper so that the personal information cannot be read.

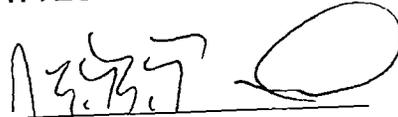
IT IS THEREFORE ORDERED that:

1. The rate proposed by Sentra is denied.
2. The rate set forth in Appendix A to this Order is approved for service rendered on and after August 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. Sentra shall file responses to the requests for information set forth in Appendix B to this Order when it files its next GCR report on or about October 1, 2019, for rates effective for the November 2019 billing cycle.
5. This case is closed and removed from the Commission's docket.

By the Commission

ENTERED
JUL 31 2019
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:


Executive Director

for
Gretchen R. Pinson

Case No. 2019-00098

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2019-00098 DATED **JUL 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 \$4.9219 per Mcf for service rendered on and after August 1, 2019.

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2019-00098 DATED **JUL 31 2019**

1. Provide the total Actual Mcf Purchases for the 12 months ended July 31, 2019. Provide the invoices for each month.
2. Provide the total sales volumes for the 12 months ended July 31, 2019. Provide a copy of the usage report for each month.
3. Provide invoices supporting the total cost of natural gas volumes purchased for the 12 months ended July 31, 2019.
4. Explain how Sentra would calculate the NYMEX value for the 12 months ended July 31, 2019.
5. Provide an explanation for how Sentra would calculate the heat rates used to calculate the EGC for the 12 months ended July 31, 2019.
6. Provide an explanation for how Sentra would calculate the Greystone Adder used to calculate the EGC for the 12 months ended July 31, 2019. Provide any supplemental documentation to support how the Adder was determined.
7. State whether the Clay Gas Utility District transportation fee has been changed for the 12 months ended July 31, 2019. If the contract has changed, provide a copy of the new contract.
8. State the EGC that is in effect for February, March, April, May, June and July 2019. Provide the case number for the Commission Order that approved the EGC.

*Kimble C. Reid
Sentra Corporation c/o Sentra Resources LLC
P. O. Box 819
Tompkinsville, KY 42167

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