COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC PURCHASED GAS ADJUSTMENT FILING OF SENTRA CORPORATION	))	CASE NO. 2026-00171

O R D E R

On July 1, 2026, Sentra Corporation (Sentra) filed its proposed Gas Cost Recovery (GCR) rate report to be effective August 1, 2026. Sentra's previous GCR rate report was suspended in Case No. 2026-00080.[1] Sentra filed notice that it would implement the rates proposed in Case No. 2026-00080 for service rendered on and after May 2, 2026.[2]

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

[1] Case No. 2025-00080, *Electronic Purchased Gas Adjustment Filing of Sentra Corporation* (Ky. PSC Apr. 30, 2026) Order.

[2] Case No. 2026-00080, *Electronic Purchased Gas Adjustment Filing of Sentra Corporation* (filed May 4, 2026), Sentra's Notice of Intent to Implement Rates (Sentra's Notice to Implement Rates).

rates charged by an affiliated company to the extent the amount is deemed to be unjust or unreasonable.[3]

DISCUSSION AND FINDINGS

Sentra's report in the current proceeding 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 $3.9529 per Mcf, which is an increase of $0.0711 per Mcf from its previous EGC of $3.8818 per Mcf that was placed into effect with its May 4, 2026, Notice of Intent to Implement Rates in Case No. 2026-00080.[4] Sentra's report sets out a Refund Adjustment (RA) of $0.0000 per Mcf. Sentra's report sets out a current quarter Actual Adjustment (AA) of $1.1232 per Mcf. In determining its current quarter AA, Sentra used the incorrect "Actual Sales during Month" in its Schedule IV calculation of the current quarter AA component. The actual sales reflected in the usage reports indicate that customers used 6,831.90 Mcf in February, 2,466.70 Mcf in March, and 2,336.90 Mcf in April.[5] Correcting this error results in a revised current quarter AA of $0.7647 per Mcf.

Sentra's report sets out a total AA of $2.1750 per Mcf. In calculating its total AA, Sentra erroneously included $0.9187 per Mcf as the "Second Previous Quarter Reported Actual Adjustment." The AA of $0.9187 referenced by Sentra was originally placed into effect on June 13, 2025, in Case No. 2025-00085.[6] However, the originally proposed AA was ($0.9187),[7] rather than a positive $0.9187. In using a positive value instead of the

---

[3] KRS 278.274(2); KRS 278.274(3)(c); and KRS 278.274(3)(d).

[4] Case No. 2026-00080, (filed May 4, 2026), Sentra's Notice to Implement Rates.

[5] Sentra's Usage Reports (filed July 1, 2026).

[6] Case No. 2025-00085, (filed June 12, 2025), Sentra's Notice to Implement Rates.

[7] Case No. 2025-00085, (filed May 7, 2025), Sentra's Revised GCR Rate Report Filing at 3.

originally proposed negative AA, Sentra overstated the “Second Previous Quarter Reported Actual Adjustment” included in its total AA calculation. Regardless of this error, the AA of ($0.9187) per Mcf has expired and should be set to zero.

Additionally, in Case No. 2026-00080 the Commission calculated a consolidated AA component that incorporates the gas cost true ups for the period from February 2025 through January 2026 using invoices and customer usage data provided by Sentra.[8] The Commission compared the EGC that Sentra had collected from customers to the actual unit cost of gas incurred to procure gas, resulting in an under-recovery of ($1,125.10) over Sentra’s previous 12 months of sales of 37,614.70 Mcf. The Commission finds that the resulting consolidated AA component of ($0.0299) per Mcf should replace the AA of $0.1331 per Mcf, that Sentra placed into effect in Case No. 2026-00080,[9] for rates effective August 1, 2026. With these corrections, Sentra’s revised total AA is $0.7348 per Mcf.[10]

Sentra’s report sets out a current quarter Balance Adjustment (BA) of $2.4042 per Mcf. In calculating the AA portion of the current quarter BA, Sentra used sales of 30,843.30 Mcf for the twelve months ended January 31, 2025, as reflected in Case No. 2025-00085,[11] and multiplied that amount by an AA component of $0.9187 per Mcf to calculate a total cost difference of $28,335.74. Sentra then used an AA component of

---

[8] Case No. 2026-00080, (filed Apr. 1, 2026), Sentra’s Responses to Commission Staff’s First Request for Information, Item 3.

[9] Case No. 2026-00080, (filed May 4, 2026), Sentra’s Notice to Implement Rates.

[10] Case No. 2026-00080, (filed May 4, 2026), Sentra’s Notice to Implement Rates.

[11] Case No. 2025-00085, (filed May. 7, 2025), Sentra’s Revised GCR Rate Report Filing at 3.

($0.9187) per Mcf, [12] multiplied by the sales of 43,458 Mcf, to arrive at a dollar amount of ($39,924.86) that was refunded to customers. Using this methodology, Sentra determined a $68,260.60[13] under recovery[14] for the AA component of ($0.9187). The Commission notes that the cost difference used to determine the AA portion of the current quarter BA should not be calculated in this manner. Instead, the cost difference should be taken directly from Schedule IV of the GCR rate report that was effective four quarters prior to the currently effective GCR.

Similarly, in calculating the BA true-up portion of the current quarter BA, Sentra used the same sales of 30,843.30 Mcf and multiplied it by a BA component of $0.4875 to calculate $15,036.11.[15] As with the AA portion of the current quarter BA calculation, this amount should not be calculated using this methodology. Instead, Sentra should use the dollar amount that was used to calculate the BA component approved in the GCR effective four quarters prior to the currently effective GCR. Regardless of these errors, Sentra's BA should be set to zero except for the BA approved in Case No. 2026-00080, as its other previous BA quarters have expired.

As discussed in Case No. 2026-00080, Sentra's GCR components, during the period from May 1, 2024, through April 31, 2026, remained in effect for longer than the

---

[12] Sentra used a positive AA component of $0.9187 per Mcf to arrive at the total cost difference of $28,335.74. However, it used the originally proposed negative AA component of ($0.9187) to determine the amount that was refunded to customers for the period the rate was in effect.

[13] Sentra's GCR Rate Report (filed July 1, 2026), at 6.

[14] Sentra made an error when calculating the "Balance Adjustment for the AA." Sentra should have arrived at a dollar amount of ($11,569.12) when using the cost difference of $28,335.74 and refunded amount of ($39,924.86). However, it appears they added $28,335.74 to a positive $39,924.60 in its calculation to arrive at the $68,260.60 amount reflected in its application.

[15] Sentra's GCR Rate Report at 6.

typical 12-month recovery period. The Commission calculated the difference between what the GCR components were approved to recover or refund and what they actually recovered or refunded. The Commission finds that, as a result of the GCR components being in effect for an extended period, Sentra experienced an under-recovery of $30,738.41. Using the previous 12-month sales of 37,614.70 Mcf, the Commission calculated a consolidated BA of $0.8172 per Mcf in Case No. 2026-00080 that will remain in effect until it expires on April 30, 2027. That BA component of $0.8172 per Mcf should be the “Previous Quarter Reported Balance Adjustment” in this case and should be the total BA component in Sentra’s GCR rate.

Sentra’s report sets out a total BA of $3.0664 per Mcf. In calculating its total BA, Sentra included a BA component of $0.4875 per Mcf as the “Second Previous Quarter Reported Balance Adjustment.” The BA of $0.4875 was placed into effect with Sentra’s Notice of Intent to implement rates in 2025-00085[16] and should be set to zero, as that component has expired. Additionally, the BA component of $0.1747, that Sentra placed into effect in Case No. 2026-00080,[17] should be replaced with the BA component of $0.8172, as discussed above and in Case No. 2026-00080, for the period August 1, 2026, through April 30, 2026. Based on the revised calculation above, Sentra’s total BA is $0.8172 per Mcf.

As discussed in Case No. 2026-00080, when calculating its BA component for rates effective August 1, 2027, Senta should recognize the rates proposed in Case No. 2026-00080, and placed into effect pursuant to its Notice of Intent, as the effective rates

[16] Case No. 2025-00085, (filed June 12, 2025), Sentra’s Notice to Implement Rates.

[17] Case No. 2026-00080, (filed May 4, 2026), Sentra’s Notice to Implement Rates.

for May through July 2026.[18] The AA component of ($0.0299) per Mcf and BA component of $0.8172 per Mcf should be recognized as the effective rates for August 1, 2026, through April 30, 2027. When those AA and BA rate components expire, Sentra should calculate its BA by applying the sales applicable to each period to the rate that was in effect during that period. For example, Sentra should take the sales for the period May 2026 through July 2026 and multiply it by the AA of $2.8892 per Mcf and BA of $1.6372 per Mcf[19] to determine the amount recovered for that period. Similarly, Sentra should take the sales for the period from August 1, 2026, through April 30, 2027, and multiply it by the AA of ($0.0299) per Mcf and BA of $0.8172 per Mcf. This will ensure that any resulting over- or under recovery associated with the difference between the rates in effect and the total cost differences of ($1,125.10) and $30,738.41 will be reflected in the BA in GCR rates to be effective August 1, 2027, and therefore be collected or refunded to customers.

Based upon the calculations above, the Commission finds that Sentra's GCR rate effective August 1, 2026, is $5.5049 per Mcf. The Commission finds that the inputs, resulting components and calculation of Sentra's GCR rate of $5.5049 per Mcf to be reasonable. The Commission further finds that the rates set forth in the appendix to this Order are fair, just and reasonable and should be approved for service rendered by Sentra on and after August 1, 2026.

---

[18] To the extent that Sentra placed the total AA and BA components of $2.8892 per Mcf and $1.6372 per Mcf in effect, it should recognize those rates as the rates charged for the months from May 2026 through July 2026 in the calculation of its BA for rates effective August 1, 2027.

[19] The AA and BA components that Sentra placed into effect with its May 4, 2026 Notice of Intent should be the rates that are recognized in the BA calculation for rates effective August 1, 2027. If Sentra placed the proposed total AA of $2.8892 per Mcf and total BA of $1.6372 per Mcf into effect, then those amounts should be utilized in the calculation of the BA component. The rates of $0.9187 per Mcf and $0.4875 per Mcf, that Sentra included as the three previous quarter AAs and BAs, should have expired and been set to zero. Therefore, any over collection resulting from the inclusion of these expired rates will be reconciled within the calculation of the BA rate.

For the purpose of transparency and to maintain a record of information for future use, the Commission finds that 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. Should Sentra purchase sustainable 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 rates proposed by Sentra are denied.

2. The rates set forth in the Appendix to this Order are approved for service rendered on and after August 1, 2026.

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. 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 shall be documented in its cover letter to the Commission.

5. 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 rates approved herein and reflecting that they were approved pursuant to this Order.

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

Entered on this 31st day of July, 2026.

PUBLIC SERVICE COMMISSION

Angie Hatton
Chair

Mary Pat Regan
Vice Chair

Andrew W. Wood
Commissioner

Barry L. Mayfield
Commissioner

ATTEST:

Linda C. Bridwell, PE
Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2026-00171 DATED JUL 31 2026

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 $5.5049 per Mcf for service rendered on and after August 1, 2026.

Service List for Case 2026-00171

* Harlee P. Havens
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KY 40507

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

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

* Kenneth J Gish, Jr.
Stites & Harbison
250 West Main Street, Suite 2300
Lexington, KY 40507

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

* Denotes served by Email