

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED GAS ADJUSTMENT)
FILING OF MILLENNIUM) CASE NO. 2010-00456
ENERGY, INC.)

ORDER

On December 2, 1999, in Case No. 1999-00312, the Commission approved rates for Millennium Energy, Inc. ("Millennium") and provided for their further adjustment in accordance with Millennium's Gas Cost Adjustment ("GCA") clause.¹

On November 24, 2010, Millennium filed its proposed GCA to be effective January 1, 2011.

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

1. Millennium's notice includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Millennium's notice sets out an Expected Gas Cost ("EGC") of \$4.4570 per Mcf, which is a decrease of \$.3138 per Mcf from its previous EGC of \$4.7708 per Mcf.
3. Millennium's notice sets out no Refund Adjustment.

¹ Case No. 1999-00312, Petition of Millennium Energy, Inc. for Approval of an Initial Rate Schedule for Serving Customers from an Existing Gas Supply Line (Ky. PSC Dec. 2, 1999).

4. Millennium's notice sets out a current quarter Actual Adjustment ("AA") of \$.0337 per Mcf. Millennium's total AA is \$1.0280 per Mcf, which is a decrease of \$.8299 per Mcf from the previous total AA of \$1.8579 per Mcf.

5. Millennium's notice sets out a current quarter Balance Adjustment ("BA") of (\$.0478) per Mcf. Millennium's total BA is (\$.0812) per Mcf, which is a decrease of \$.0735 per Mcf from the previous total BA of (\$.0077) per Mcf.

6. Millennium miscalculated its proposed \$5.4039 per Mcf Gas Cost Recovery ("GCR") rate. The correct GCR rate is \$5.4038 per Mcf, which is a decrease of \$1.2172 per Mcf from the previous rate of \$6.6210 per Mcf.

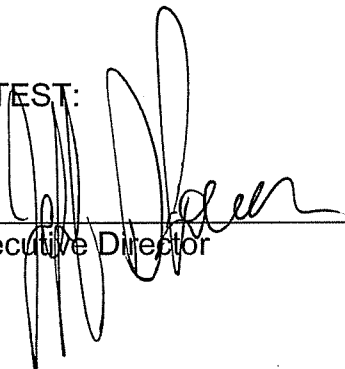
7. The rates in the Appendix to this Order are fair, just, and reasonable and should be approved for service rendered by Millennium on and after January 1, 2011.

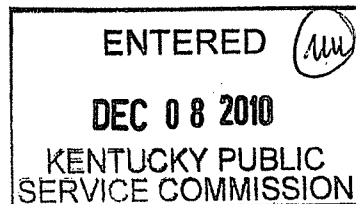
IT IS THEREFORE ORDERED that:

1. Millennium's proposed GCR rate is denied.
2. The rates in the Appendix to this Order are approved for service rendered on and after January 1, 2011.
3. Within 20 days from the date of this Order, Millennium shall file its revised tariffs with this Commission setting out the rates approved herein and reflecting that they were approved pursuant to this Order.

By the Commission

ATTEST:


Executive Director



APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 2010-00456 DATED **DEC 08 2010**

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

Residential

| | <u>Base Rate</u> | <u>Gas Cost Recovery Rate</u> | <u>Total</u> |
|-----------------|------------------|---------------------------------------|--------------|
| Customer Charge | \$ 6.00 | | \$ 6.00 |
| All Mcf | \$ 4.00 | \$ 5.4038 | \$ 9.4038 |

Commercial and Industrial

| | | | |
|-----------------|----------|-----------|-----------|
| Customer Charge | \$ 20.00 | | \$ 20.00 |
| All Mcf | \$ 3.00 | \$ 5.4038 | \$ 8.4038 |

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