

**CASE**

**NUMBER:**

99-075

KY. PUBLIC SERVICE COMMISSION

Index for Case: 1999-00075

AS OF : 07/31/02

Millennium Energy, Inc.

Initial Operations

Regular

NATURAL GAS SUPPLY LINE

IN THE MATTER OF A PETITION OF MILLENNIUM ENERGY, INC. FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT AND OPERATE A NATURAL GAS SUPPLY LINE

SEQ NBR	Date	Remarks
1	03/02/99	Application.
2	03/04/99	Acknowledgement letter.
3	(M) 03/16/99	LATE EXHIBIT NO TWO (GARY DILLARD MILLENNIUM ENERGY)
4	03/18/99	Filing deficiencies letter, response due 4/2/99.
5	(M) 03/25/99	RESPONSE TO LETTER DATED MARCH 18,99 FOR INFO ON FINANCING OF NATURAL (GARY DILLARD MILLENNIUM ENERGY)
6	(M) 03/25/99	RESPONSE TO LETTER OF MARCH 18,99 (GARY DILLARD MILLENNIUM ENERGY)
7	05/04/99	Second filing deficiencies letter, info due 5/19/99.
8	05/05/99	Order scheduling 5/7 informal conference
9	(M) 05/12/99	RESPONSE TO 5/7/99 INFORMAL CONFERENCE AND FILING DEFICIENCIES (GARY K. DILLARD/MILLENNIUM ENERGY)
10	05/13/99	Deficiency cured letter.
11	05/20/99	Final Order authorizing construction and financing.
12	(M) 05/25/99	CONSTRUCTION SCHEDULE,DRAWING,PIPE SPECS,SPECIFICATIONS,ROAD MAP (GARY DILLARD MILLENNIUM ENERGY)
13	(M) 06/15/99	Service Contracts for Cagle's-Keyston Foods LLC & Super Wal-Mart. (Gary K. Dillard/Millennium Energy)
14	(M) 06/15/99	Construction begun on gas line for Cagle's and Super Wa;-Mart. (Gary K. Dillard/Millennium Energy)
15	(M) 07/06/99	PETITON TO MODIFY THE CASE (GARY DILLARD MILLINNIUM ENERGY)
16	(M) 07/23/99	OPERATING & MAINTENANCE MANUAL (GARY DILLARD MILLENNIUM ENERGY)
17	07/30/99	Order modifying Order of 5/20/99.
18	(M) 08/16/99	GAS LINE TEST REPORT (WALTON HADDIX ENERGY SEARCH INC)
19	09/21/99	Reminder letter; response to final Order of 7/30 is now due 10/6/99.
20	(M) 09/27/99	INFO. AS DIRECTED BY PSC ORDER DATED 7/30/99 (ROX'ANNE GRAY/MILLENNIUM ENERGY)
21	(M) 02/01/00	SUMMARY OF CONSTRUCTION (GARY DILLARD MILLENNIUM ENERGY INC)



99-075  
P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (270)842-6541  
Emergency: 1-888-291-9133  
Fax: (270)781-3299

July 16, 2002

RECEIVED

JUL 29 2002

PSC  
FINANCIAL ANALYSIS

Mr. Thomas Dorman  
Executive Director  
Public Service Commission  
PO Box 615  
211 Sower Blvd.  
Frankfort, KY 42602

RE: Case 99-075 Financing Source Change

Dear Mr. Dorman:

In accordance to the requirements of the Commission, Millennium Energy, Inc. is notifying the Commission ten days in advance of changing the funding source for Millennium Energy.

Millennium Energy, Inc. had previously stated that a Line of Credit and a regular loan would be established through National Cooperative Service Corporation (NCSC). The Line of Credit was established, but we have elected to secure a regular loan through a local bank, Citizens First at a better rate than that of NCSC. Millennium Energy will secure the loan from Citizens First and pay NCSC for the \$360,000 owed on the Line of Credit on or before July 31, 2002.

If there are any questions or for further explanation, please contact us at 270-842-5214 Extension 2225.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary K. Dillard", is written over a horizontal line.

Gary K. Dillard  
Executive Vice President



P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (270)842-6541  
Emergency: 1-888-291-9133  
Fax: (270)781-3299

January 31, 2000

Mr. Martin J. Huelsmann  
Executive Director  
Public Service Commission  
P.O. Box 615  
Frankfort, KY 40602

RECEIVED  
FEB 01 2000  
PUBLIC SERVICE  
COMMISSION

RE: Case # 1999-075 Actual Costs

Dear Mr. Huelsmann:

As stipulated in our Certificate of Convenience and Necessity, we are to notify the Commission of a statement of actual costs of the project

As requested, we are inclosing a Summary of Construction - Phase 1, Case # 1999-075 prepared by our financial officer, Rox'Anne Gray. It should be noted that we are anticipating a construction refund from El Paso Energy for approximately \$8,200 on the hot tap and meter station.

If we can be of any further assistance, please contact us.

Sincerely,

A handwritten signature in cursive script that reads "Gary K. Dillard".

Gary K. Dillard  
Executive Vice President

Enclosure

**Millennium Energy**  
**Summary of Construction- Phase I, Case 99-075**  
**Plant Account Classification**

<b>Acct. No.</b>	<b>Description</b>	<b>Actual Cost</b>	<b>Estimated Cost</b>	<b>Over/ Under</b>
301	Organization	11,195.70	10,000.00	1,195.70
375	Structures & Improvements	2,850.14	2,500.00	350.14
376	Distribution Mains	144,602.98	172,079.00	(27,476.02)
379	Measuring & Regulating Station Equipment- City Gate Check Station	115,313.74	78,000.00	37,313.74
380	Services	7,087.75	10,000.00	(2,912.25)
385	Industrial Measuring & Regulating Station Equipment	11,098.72	10,000.00	1,098.72
<b>Total Construction Costs</b>		<b>\$ 292,149.03</b>	<b>\$ 282,579.00</b>	<b>\$ 9,570.03</b>

**Distribution Plant**  
**A/C 301 Organization (Amortize to A/C 425) 10 yrs**

<b>Date</b>	<b>Description</b>	<b>Quantity</b>	<b>Amount</b>
11-Aug-99	Consulting Fees-Organizational		493.03
2-Sep-99	Consulting Fees- Project Guidance		2,972.00
2-Sep-99	Legal Fees- Contract Review for Gas Supply		154.00
2-Sep-99	Consulting Fees		3,583.21
29-Sep-99	Engineering Services		3,993.46

**Total A/C 301**

**11,195.70**

2/1/00

**Distribution Plant**  
**A/C 375 Structures & Improvements 30 years**

<b>Date</b>	<b>Description</b>	<b>Quantity</b>	<b>Amount</b>
<b>Phase I</b>			
31-Aug-99	Chain-link Fence w/ gate		2,724.00
27-Jul-99	Road Tile		126.14
	<b>Total 99-075</b>		<b>2,850.14</b>

**Total A/C 375** **2,850.14**

2/1/00

**Distribution Plant**  
**A/C 376 Distribution Mains 50 yrs**

<b>Date</b>	<b>Description</b>	<b>Quantity</b>	<b>Amount</b>
<b>Phase I</b>			
2-Sep-99	Crop Damage		360.00
2-Sep-99	Crop Damage		48.00
2-Sep-99	Crop Damage		57.60
2-Sep-99	Crop Damage		19.20
2-Sep-99	Crop Damage		588.00
2-Sep-99	Crop Damage		108.00
2-Sep-99	Crop Damage		252.00
2-Sep-99	Crop Damage		36.00
11-Aug-99	Gas Line Markers. Decals		776.92
2-Sep-99	Gas Line Markers		426.67
24-Aug-99	Valves, valve boxes, couplings		1,705.69
11-Aug-99	Equipment Rental- backhoe, trencher, ditchwitch		18,000.00
11-Aug-99	Road Bores		11,007.00
24-Aug-99	Rock		239.80
11-Aug-99	Concrete		513.12
11-Aug-99	Rock		302.09
2-Sep-99	Grass seed		34.50
27-Jul-99	Installation of 3" Piping	9,970'	24,925.00
27-Jul-99	Concrete		387.75
27-Jul-99	PVC Pipe		298.91
27-Jul-99	Valves, reducers, tees, markers		4,849.11
27-Jul-99	Valve boxes, sponge pigs, tees		552.10
27-Jul-99	Rock		182.62
27-Jul-99	Installation of 4" Piping	8,920'	26,760.00
27-Jul-99	Installation of 6" Piping	5960'	17,880.00
27-Jul-99	Repair of cut water line		271.51
27-Jul-99	#13 Tracer Wire		600.23
27-Jul-99	6" Pipe	6,000'	19,970.40
27-Jul-99	4" Pipe	9,000'	13,451.40
27-Jul-99	3" Pipe	10,000'	9,540.00
15-Sep-99	Pressurizing Line		74.20
29-Sep-99	Pumping line for dist. System		135.00
30-Sep-99	Stickers for gas line markers		106.00
30-Sep-99	Contribution from Walmart		(10,000.00)
30-Oct-99	Repair property damage		144.16
	<b>Total 99-075 (see summary )</b>		<b>144,602.98</b>

**Total A/C 376**

**144,602.98**



**Distribution Plant**  
**A/C 379 Measuring & Regulating Station Equipment-**  
**City Gate Check Station 30 yrs**

Date	Description	Quantity	Amount
<b>Phase I</b>			
27-Jul-99	Misc supplies- meter station		203.46
11-Aug-99	Misc. Supplies-meter station		107.46
27-Jul-99	Manufactured Regulator Station	1	25,000.00
11-Aug-99	Odorization Equipment	1	9,400.00
24-Aug-99	Paint supplies		18.74
27-Jul-99	Concrete for meter station		192.42
11-Aug-99	Meter Station-light, misc.		553.90
27-Jul-99	Meter Station- misc. supplies		419.71
11-Aug-99	Concrete for meter station		187.62
27-Jul-99	Paint		2.10
27-Jul-99	Conduit,Coupling		52.07
27-Jul-99	Plywood		25.20
27-Jul-99	Lumber		175.33
27-Jul-99	Hot Tap (addition)		33,500.00
27-Jul-99	Hot Tap		43,200.00
27-Jul-99	Set water meter		250.00
24-Aug-99	2P 20A 120V		29.93
15-Sep-99	Fill Gauge		253.20
28-Sep-99	Utility connection & Inspection		105.00
29-Sep-99	Dual Coil Freez-Fiter		870.72
29-Sep-99	Meter Station sign		28.09
29-Sep-99	Site Work @ Meter Station		500.00
29-Sep-99	Paint for master meters		41.58
29-Sep-99	Pressure gauge for master meter		11.99
29-Sep-99	U-bolts for master meter		2.62
29-Sep-99	Supplies for heater @ master meter		10.85
30-Sep-99	Misc. for master meter (Connectors & Controls)		250.16
30-Sep-99	Credit for duplicate payment		(78.41)
	<b>Total 99-075</b>		<b>115,313.74</b>

**Total A/C 379**

**115,313.74**

**Distribution Plant**  
**A/C 380 Services 30 yrs**

<b>Date</b>	<b>Description</b>	<b>Quantity</b>	<b>Amount</b>
<b>Phase I</b>			
28-Sep-99	Easement recordings		294.00
27-Jul-99	Installation of 2" pipe to Walmart & Cagle's	1,695'	3,813.75
29-Sep-99	2" Pipe construction to Shoney's	500'	1,125.00
27-Jul-99	2' Pipe	3,500'	1,855.00
	<b>Total 99-075</b>		<b>7,087.75</b>
<b>Total A/C 380</b>			<b>7,087.75</b>

2/1/00

**Distribution Plant  
A/C 385 Industrial Measuring & Regulating  
Station Equipment 30 yrs**

<b>Date</b>	<b>Description</b>	<b>Quantity</b>	<b>Amount</b>
<b>Phase I</b>			
24-Aug-99	Meters- 11,000 CFM, 2"	3	4,950.00
24-Aug-99	Meters- 6,000 CFM 2"	1	1,175.00
24-Aug-99	10' Drive Compindex	4	580.00
24-Aug-99	Regulators 2-10 lbs.	2	575.00
31-Aug-99	Regulator- Cagles	1	1,354.68
31-Aug-99	Regulator- Walmart	1	881.35
31-Aug-99	Material & Fittings for customer installations		1,566.92
29-Sep-99	Valves, fittings for meters-Walmart, Cagles		15.77
	<b>Total 99-075</b>		<b>11,098.72</b>
	<b>Total A/C 381</b>		<b>11,098.72</b>



# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (270)842-6541  
Fax: (270)781-3299

September 23, 1999

Ms. Helen Helton, Executive Director  
Public Service Commission  
P.O. Box 615  
730 Schenkel Lane  
Frankfort, KY 40602

RECEIVED  
SEP 27 1999  
PUBLIC SERVICE  
COMMISSION

Dear Ms. Helton:

CASE NO. 99-075

As directed by the Commission's Order of July 30, 1999, and the First Non-compliance Reminder Letter of September 21, 1999, we are forwarding the interest rate, conditions, and terms of the 10-year long-term loan. We apologize for oversight in providing this information earlier.

A line of credit has been established with National Cooperative Service Corporation (NCSC) in the amount of \$500,000. The PSC has approved \$305,000 for the project, of which Millennium has drawn \$300,000 to date. Payment of principal is deferred for twenty-four months following the date of the loan. The terms and conditions of the ten-year loan are reflected in the attached Board Resolution.

Millennium Energy selected a **variable** interest rate for its long-term debt with National Cooperative Service Corporation (NCSC). The current variable rate is 6.8% and is subject to change monthly. Historically, the variable rate has remained below 7% as indicated below.

3-year Average	6.40 %
2-year Average	6.38 %
1-year Average	6.17 %

If you have questions in this matter, please contact me at 270-842-6541, extension 2248.

Sincerely,

Rox'Anne Gray  
Vice President of Finance

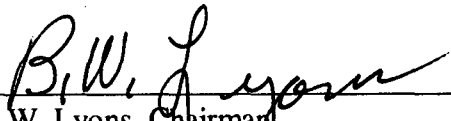
**WARREN RURAL ELECTRIC COOPERATIVE CORPORATION**

**RESOLUTION  
AUTHORIZING REPAYMENT GUARANTEE OF NCSC LONG-TERM  
LOAN FOR MILLENNIUM ENERGY INC.**

**WHEREAS**, the Board of Directors of Warren Rural Electric Cooperative Corporation herein called the "Cooperative", guarantees repayment of a loan from the National Cooperative Service Corporation, herein called "NCSC", to Millennium Energy, Inc., a subsidiary of the Cooperative, in the amount up to \$500,000 to finance the project for a term of 10 years at a variable rate or rates as shall be prescribed in the note or notes executed on behalf of the Applicant and delivered to NCSC, the proceeds of such loan to be used for operation of the subsidiary business of Millennium Energy, Inc.

**BE IT RESOLVED**, that repayment of the loan by Millennium Energy, Inc., shall be based on monthly payment of interest only with principal payments deferred for a period of 24 months following the date of loan. Beginning on the 25th month, monthly installments will include interest and level amortization of principal over the term of the loan.

WITNESS my signature, this 22nd day of April, 1999.

  
\_\_\_\_\_  
B. W. Lyons, Chairman

**CERTIFICATION**

I, Charles O. Hutcheson, Secretary of Warren Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct copy of a Resolution adopted by the Board of Directors of Warren Rural Electric Cooperative Corporation, duly and legally called, convened, and held on April 22, 1999, at the corporate office of Warren Rural Electric Cooperative Corporation, where at a quorum was present and acting throughout, and that said Resolution is in full force and effect, and has not been rescinded or revoked in any manner whatsoever.

Witness my signature, this 22nd day of April, 1999

  
\_\_\_\_\_  
Charles O. Hutcheson, Secretary

(SEAL)



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

September 21, 1999

Mr. Gary K. Dillard  
Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

Re: Case No. 99-075  
First Non-compliance Reminder Letter

Dear Mr. Dillard:

The Commission entered the Final Order in this case on July 30, 1999. Among other things, the Commission ordered Millennium Energy, Inc. to notify the Commission of the interest rate, conditions, and terms of the 10-year long-term financing by August 9, 1999. To date, we have not received this filing. This must be filed to comply fully with the Commission's Order. Please make this filing, referencing the case number, not later than **15** days from the date of this letter.

If you have questions concerning this filing, please contact Howell Brady, Principal Assistant to the Executive Director at 502-564-3940, extension 265.

Sincerely,

Handwritten signature of Stephanie Bell in cursive script.

Stephanie Bell  
Secretary of the Commission

hv



AN EQUAL OPPORTUNITY EMPLOYER M/F/D

HISTORY INDEX FOR CASE: 99-075  
MILLENNIUM ENERGY, INC.  
Initial Operations Construct, Financing  
NATURAL GAS SUPPLY LINE

IN THE MATTER OF A PETITION OF MILLENNIUM ENERGY, INC. FOR  
A CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT AND  
OPERATE A NATURAL GAS SUPPLY LINE

SEQ NBR	ENTRY DATE	REMARKS
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M0001	03/16/99	GARY DILLARD MILLENNIUM ENERGY-LATE EXHIBIT NO TWO
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M0006	06/15/99	Gary K. Dillard/Millennium Energy-Service Contracts for Cagle's-Keyston Foods LLC & Super W
M0007	06/15/99	Gary K. Dillard/Millennium Energy-Construction begun on gas line for Cagle's and Super Wa;-
M0008	07/06/99	GARY DILLARD MILLINNIUM ENERGY-PETITON TO MODIFY THE CASE
M0009	07/23/99	GARY DILLARD MILLENNIUM ENERGY-OPERATING & MAINTENANCE MANUAL
0008	07/30/99	Order modifying Order of 5/20/99.
M0010	08/16/99	WALTON HADDIX ENERGY SEARCH INC-GAS LINE TEST REPORT

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF MILLENNIUM ENERGY, INC.	)	
FOR A CERTIFICATE OF CONVENIENCE	)	CASE NO. 99-075
AND NECESSITY TO CONSTRUCT AND	)	
OPERATE A NATURAL GAS SUPPLY LINE	)	

O R D E R

On May 20, 1999, the Commission issued an Order in which Millennium Energy, Inc. ("Millennium") was authorized to issue evidences of indebtedness in the amount of \$305,000 for a period of 10 years at an interest rate not to exceed 6 percent. On July 6, 1999, Millennium filed a petition to modify the Order of May 20, 1999. Millennium's grounds for requesting the modification are that each draw on the loan will carry an interest rate that can be determined only at the time of the draw. Millennium states that the varying interest rate does not change the feasibility of the project, nor does it create a negative impact on the customer. On March 25, 1999, Millennium filed a copy of a memorandum which indicated the interest rate was then 5.8 percent. However, the memorandum also stated that each draw will be subject to the interest rate in effect at the time of the draw. That filing further stated that Millennium will consolidate the short-term loans into a 10-year loan.

IT IS THEREFORE ORDERED that:

1. The Order of May 20, 1999 is modified only to the extent that Millennium is authorized to issue evidences of indebtedness to the National Cooperative Service



Corporation in an amount not to exceed \$305,000, with advances from the loan bearing interest at varying rates dependent upon interest rates in effect at the time of each advance. Ultimately, all advances from the loan shall be converted to a 10-year loan. If Millennium chooses to issue its evidence of indebtedness at a fixed rate, it shall select the interest rate that will result in the lowest cost on money over the term of the financing.

2. Within 10 days of the date of this Order, Millennium shall notify the Commission of the interest rate, conditions, and terms of the 10-year long-term financing.

Done at Frankfort, Kentucky, this 30th day of July, 1999.

By the Commission

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-075  
MILLENNIUM ENERGY, INC.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on July 30, 1999.

Parties of Record:

Gary K. Dillard  
Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, KY. 42102

Stephan Bell  
Secretary of the Commission

SB/hv  
Enclosure

# ENERGY SEARCH, INC.

99-075

August 13, 1999

U.S. 127 South, Box 435  
Albany, Kentucky 42602  
606/387-5016  
606/387-6456

David B. Kinman  
Gas Safety Investigator Principal  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

RECEIVED  
AUG 16 1999  
PUBLIC SERVICE  
COMMISSION

RECEIVED

AUG 16 1999

DIVISION OF UTILITY  
ENGINEERING & SERVICES

RE: Pressure test of Millennium Energy, Inc. gas line

Dear Mr. Kinman:

Enclosed is the gas line test report for approximately 30,000 feet of SDR 11 PE gas supply line which will initially serve Cagle's Keystone Foods LLC and Wal-Mart.

The chart enclosed show a test pressure of 152 PSIG which will qualify the gas system to operate at an MAOP or 100 PSIG.

Your assistance and advice during your safety inspections is appreciated.

Gas service should start to the users sometime next week. The meters have been set for both of the above customers.

If additional information is needed please let us know.

Respectfully yours,

*Walton R. Haddix*

Walton R. Haddix

enclosures

cc Gary Dillard  
Bill Gott

MILLENNIUM ENERGY, INC.  
951 FAIRVIEW AVE.  
BOWLING GREEN, KENTUCKY 42102

GAS LINE TEST REPORT

This form must be completed for each section of newly installed gas mains, gas supply lines or customer service line and on each service line that is disconnected from the gas main for any reason.

Date: 8/12/99

Type of pipe: SDR 11 3408

Size of pipe: 6", 4", 3", 2"

Length of line: APPROXIMATELY 30,000 FEET

Location of Line: SIMPSON COUNTY, KENTUCKY

Test medium used: Air

Time test started: 1:30 PM ON 8/11/99

Time test stopped: 9:15 AM ON 8/12/99

Test pressure at the start: 152 PSIG

Test pressure at the end: 152 PSIG

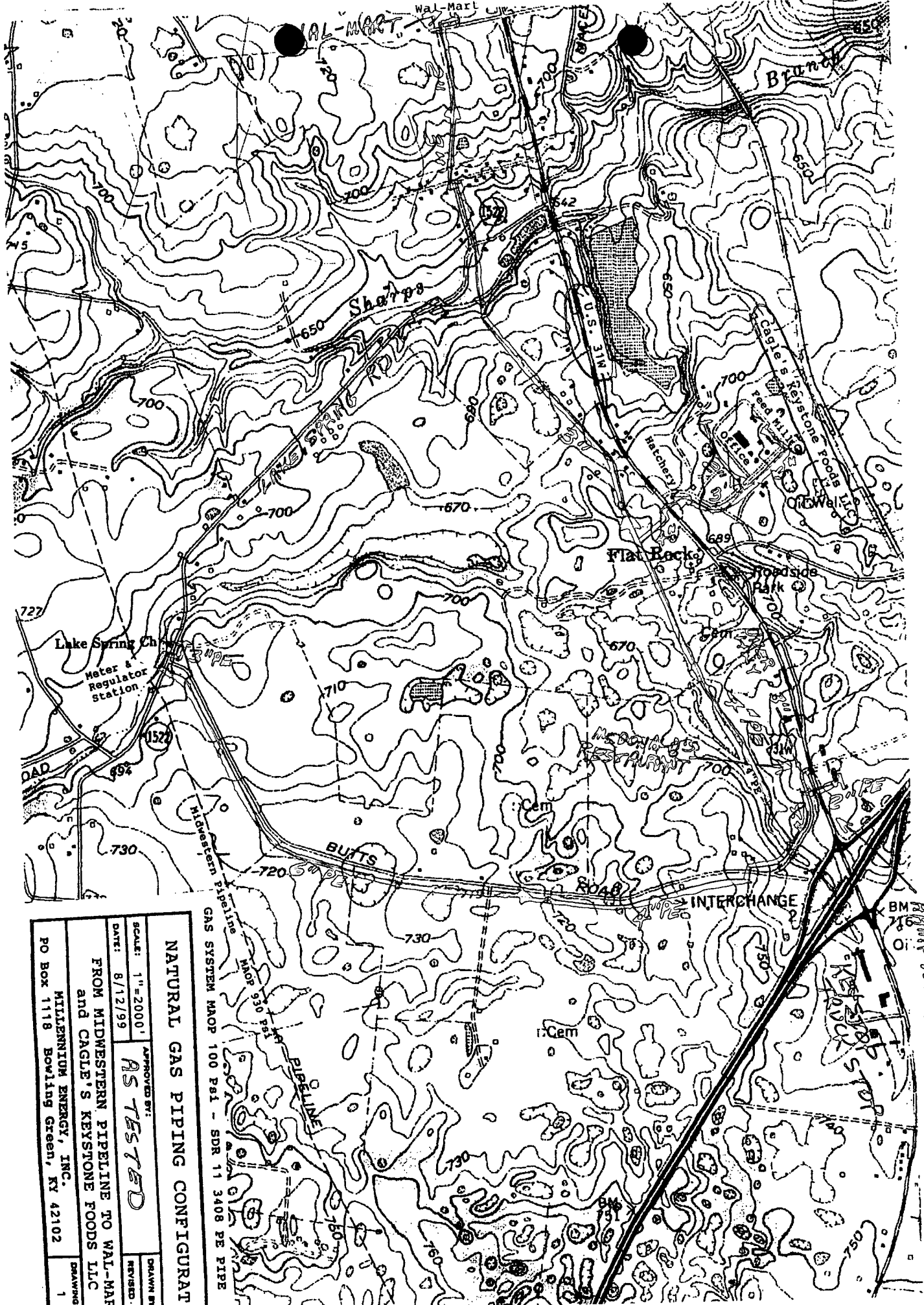
Line pressure loss: NONE

Reason for line loss:

Corrective measures taken:

Signed by: Walter R. Haddley  
Person or persons making the test

NOTE: Sketch the location on the back of this form for mapping purposes. Use actual measurements and adequate reference points in order that the gas line can be located.



**NATURAL GAS PIPING CONFIGURATION**

SCALE: 1" = 2000'

DATE: 8/12/99

FROM MIDWESTERN PIPELINE TO WAL-MART  
AND CAGLE'S KEYSTONE FOODS LLC

MILLENNIUM ENERGY, INC.  
PO Box 1118 Bowling Green, KY 42102

APPROVED BY: **AS TESTED**

DRAWN BY: [REDACTED]

REVISION: [REDACTED]

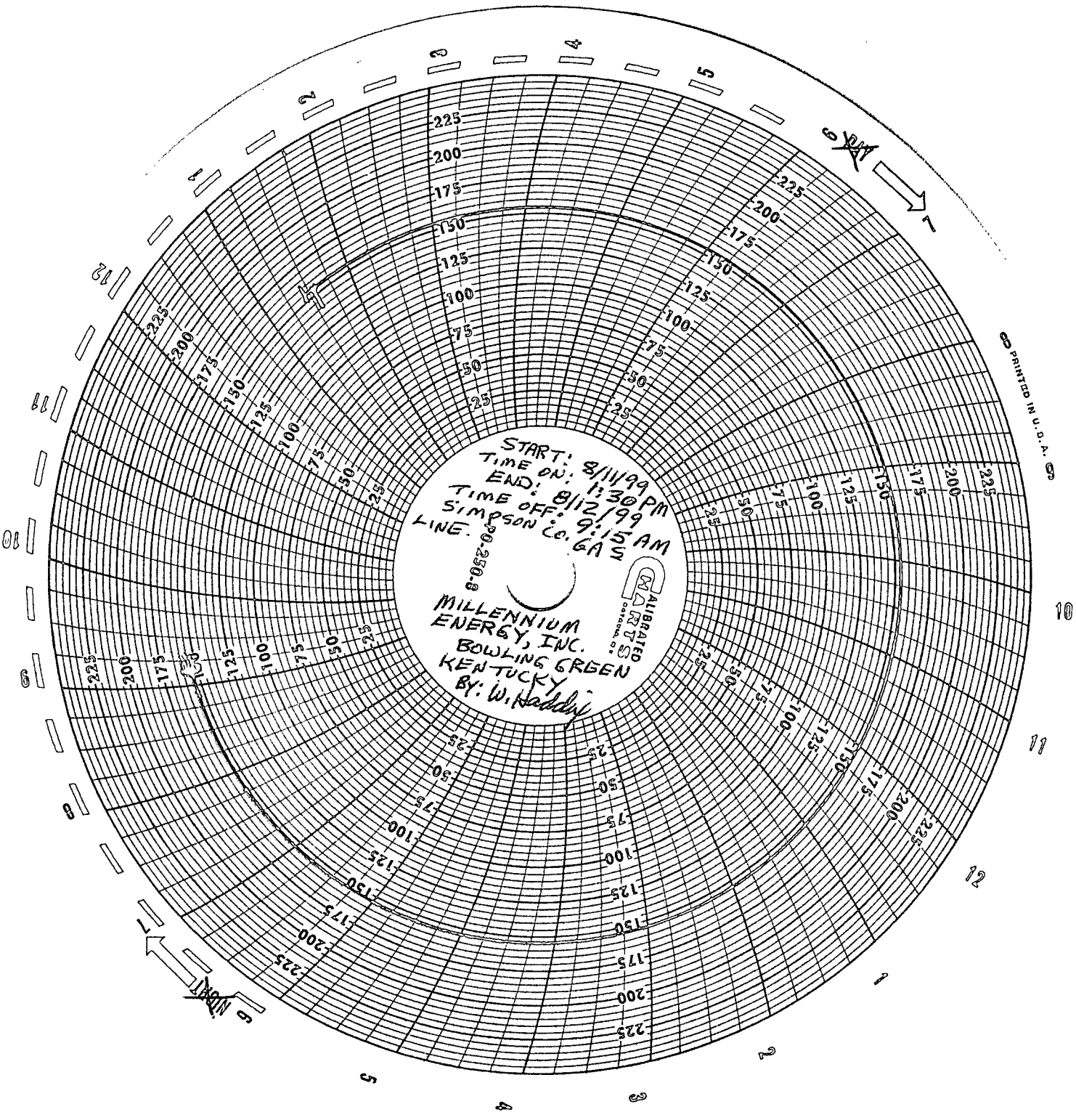
DRAWING #: 10

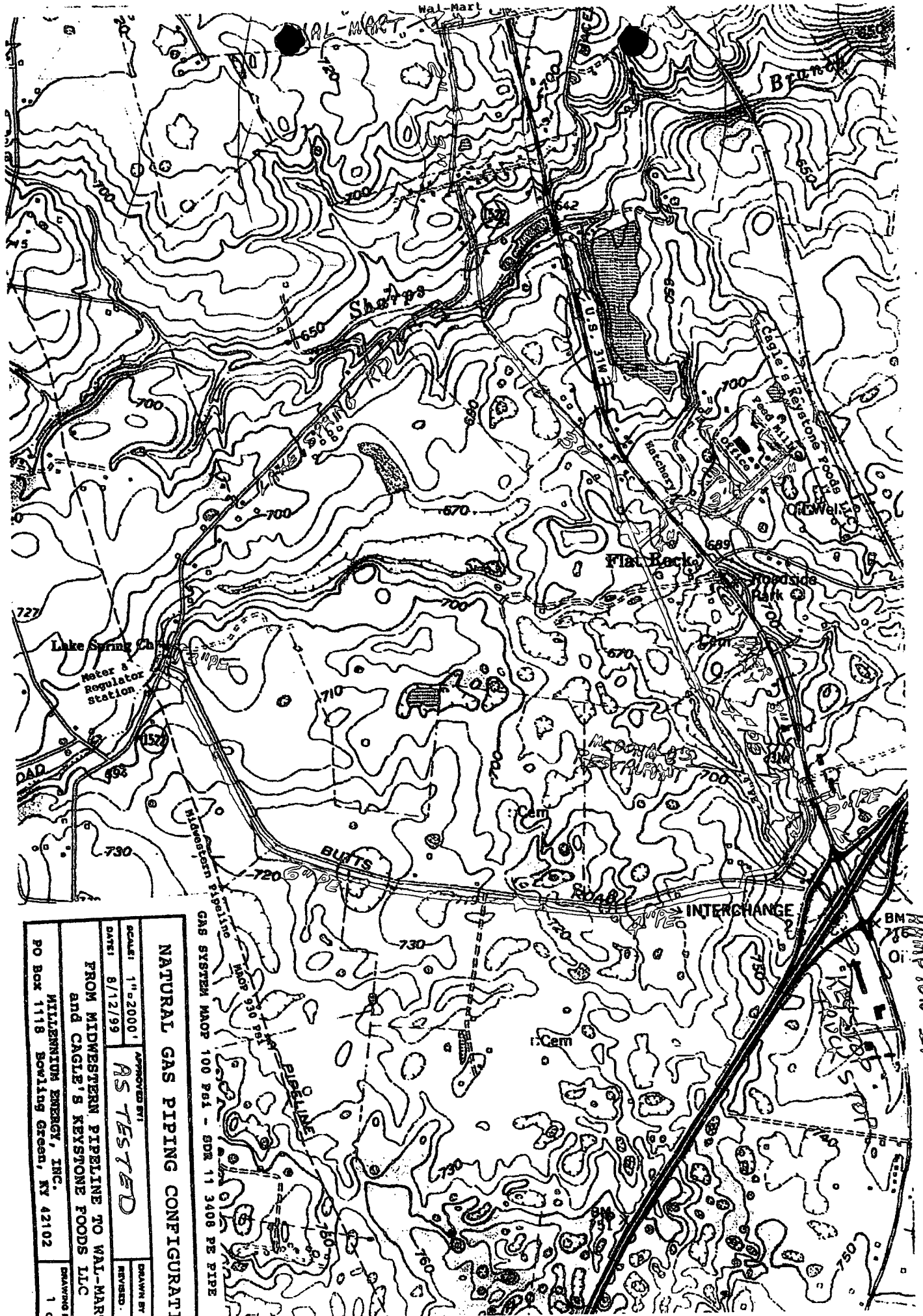
GAS SYSTEM MAOP 100 PSI - SDR 11 3408 PE PIPE

MAOP 930 PSI

PIPELINE

HAMPSON INN





GAS SYSTEM MAOP 100 PSI - SDR 11 3408 PE PIPE

**NATURAL GAS PIPING CONFIGURATI**

SCALE: 1" = 2000'	APPROVED BY:	DRAWN BY:
DATE: 8/12/99	<b>AS TESTED</b>	REVIEWED:
FROM MIDWESTERN PIPELINE TO WAL-MART AND CAGLE'S KEYSTONE FOODS LLC		
MILLENNIUM ENERGY, INC. PO Box 1118 Bowling Green, KY 42102		
		DRAWING N 1 0

RAMPTON INN



# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (270)842-6541  
Fax: (270)781-3299

RECEIVED

July 22, 1999

JUL 23 1999

PUBLIC SERVICE  
COMMISSION

Ms. Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

RE: CASE No. 99-075

Dear Ms. Helton:

As stipulated in our Certificate of Convenience and Necessity, we are providing the Commission with two sets of the Operating and Maintenance Manual for the natural gas line in Simpson County.

If we can be of any further assistance, please feel free to call.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gary K. Dillard", is written over the typed name.

Gary K. Dillard  
Vice President



Jul 28 1999

**MILLENNIUM ENERGY, INC.**  
P. O. Box 1118  
Bowling Green, Kentucky 42102

**OPERATIONS & MAINTENANCE  
MANUAL**

March 1999

MILLENNIUM ENERGY, INC.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

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MILLENNIUM ENERGY, INC.  
Bowling Green, Kentucky

OPERATIONS and MAINTENANCE PROCEDURES

I. DISTRIBUTION PIPING MAINTENANCE

A. PATROLLING.

Distribution gas lines or service lines which are installed in locations or on structures where abnormal physical movement or abnormal external loading could cause failure or leakage shall be patrolled periodically. The frequency of patrolling shall be determined by the severity of the conditions which could cause failure or leakage and the consequent hazards to public safety. Locations at stream crossings shall be inspected a minimum of once a year.

The SDR 11 3408 polyethylene (PE) gas supply line from the Midwestern Pipeline (El Paso) located at the intersection of Butt Road and Lake Spring Road extends for about two miles along the right of way of Butt Road to HWY 31W and then follows the right of way of HWY 31W for about one mile to the Cagle's Keystone Foods LLC hatchery and feed mill.

This gas supply line shall be patrolled annually within a period of fifteen months.

B. LEAK SURVEYS.

1. In the use of grade classification for leaks a consideration must be given to the fact that the analysis of a leak is not an exact science but rather a judgment decision. Some of the individual grade classifications do not have precise limits because of the variable nature of the factors involved.

Grade classifications shall only be made by individuals who possess training, experience and knowledge gained through association with leakage work. The judgment of these individuals, based upon information gained at the scene of the leak, will form the basis for the classification.

The percentage of gas-in-air is based on the natural gas volume. Where liquid petroleum, manufactured or other gases are involved, appropriate adjustments shall be made as may be required consistent with the lower explosive limit (LEL) of such gas or mixture of gases.

### Definitions.

- a. Blowing Gas - A leak which can be heard, seen or felt.
- b. Building - Any structure which is normally or occasionally occupied by humans for business, residential or other purposes.
- c. Follow-Up Inspection - An inspection performed after a repair procedure has been completed in order to determine the effectiveness of the repair.
- d. Manhole or Vault - A subsurface structure that a person can enter.
- e. Reading - Shall be the stabilized reading taken by the use of a combustible gas indicator unit.
- f. Tunnel - A subsurface passage way that is large enough for a person to enter.

### Leak Repair Records.

A leak repair ticket shall be used for the entire history of a leak through the "follow up" inspection. The document shall contain information as to corrective action taken and follow up results when such follow up is deemed necessary by the operator. Leaks may only be reclassified by responsible and suitably experienced individuals whose identification shall appear on the ticket.

### General Statement.

Any leak or odor call from the general public, police, fire or other authorities, or notification of damage to facilities by contractors or other outside sources shall constitute the need for prompt action. Prompt action is a situation that may require, in some cases, the use of the Emergency Procedures Manual for the Utility.

### Grade Classifications.

Grade 1 Leak is a gas leak which due to the location and/or relative magnitude constitutes a potentially hazardous condition to the public or buildings. Grade 1 leaks include but are not limited to:

- a. Any indication of gas entering buildings or tunnels.
- b. Any reading from a combustible gas indicator within five feet of a foundation wall for a building which, in the judgment of the operator is potentially dangerous.
- c. Any reading of at least 4% or greater gas-in-air on a sidewalk in a wall-to-wall paved area where the gas volume of the leak presents a potential hazard to people or property.

d. Blowing gas.

e. A leak from a transmission line within Class 3 and 4 locations as specified in Part 192.5 of the Office of Public Safety (OPS) Regulations.

f. Four percent (4%) gas-in-air reading in manholes, vaults or catch basins.

g. Any leak which, in the judgment of the supervisor or person in charge at the scene, is regarded as potentially hazardous.

Action Required.

This type leak shall require corrective action which shall consist of immediate effort to protect life and property. Continuous action shall be taken until the condition is no longer hazardous and the leak is scheduled for immediate repair. Location of the leak and priority of repair shall be given according to the seriousness of the leak.

Grade 2 Leak is a gas leak that does not constitute an immediate hazardous condition to the public or buildings but is of a nature that requires a scheduled repair. Grade 2 leaks include but are not limited to:

a. Gas supply line leaks not classified as Grade 1 leaks.

b. A leak on a valve box which in the judgment of the operator requires a scheduled repair.

c. Reading between 2% and 4% gas-in-air on a sidewalk in a wall-to-wall paved area where the volume of the leak presents a potential hazard to people or property.

d. Any reading between 2% and 4% gas-in-air in a manhole, vault or catch basin.

e. Any Grade 3 leak which under frost conditions could migrate substantially.

f. A high density of Grade 3 leaks in a street of a business or residential area.

Action Required.

Grade 2 leaks shall be scheduled for repair within 30 days. Location of the leak is to be considered and a priority of repair given according to location and seriousness.

Grade 3 Leak is any other leak not classified as either Grade 1 or Grade 2 leak and is non-hazardous at the time of detection and can be reasonably expected to remain non-hazardous.

Action Required.

2. Gas Supply Line

A gas detector survey shall be done annually for all gas lines not to exceed 15 months. This survey will be of the foot patrol method and the person doing the leak survey shall check all the roads and streets where the gas supply lines are located. A map of the gas supply lines and all distribution lines shall be kept up-to-date showing the location of all gas lines.

The above described foot patrol survey may be replaced by a flame ionization survey, either the back pack method or a mobile type survey.

Any leak that is classified as a Grade 1 or Class "A" leak will be reported immediately by the person doing the leak survey. A repair crew shall be dispatched as soon as possible to the location of the leak. This crew will repair the leak unless after an investigation by a barhole survey or other appropriate testing, shall re-classify the leak into a different classification that would require a different repair schedule.

If the person doing the leak survey discovers an explosive mixture of gas in any manhole, it shall be reported immediately to the Utility Office. A repair crew shall be dispatched as soon as possible to investigate the leak. If the leak crew is unable to repair the leak at once the owner of the manhole will be notified by telephone and later sent a follow up letter about the dangerous situation. The condition stated in the letter shall remain in effect until the hazard has been eliminated. The manhole owner shall be notified by letter after the leak has been repaired.

All leaks judged to be in the Grade 2 or Class "B" category shall be reported to the Utility General Manager or Manager.

Grade 3 of Class "C" leaks shall be reported and handled similar to Grade 2 leaks.

3. Areas other than the gas supply line on Butt Road and HWY 31W.

There shall be a Gas Detector Survey of all manholes and street openings in these areas at least once each year. The person doing the leak survey shall be familiar with the location of the streets where the gas mains are located in private easements and shall make a survey of these easements for leaks.

The above described foot patrol survey may be replaced by a flame ionization survey, either the back pack method or a mobile type survey.

Any leaks detected shall be reported and repaired in the same manner as outlined above.

4. Light Commercial, Residential and Rural Districts.

There shall be a flame ionization or vegetation survey of these areas each year. The type of survey shall be a gas detector or flame ionization survey.

Additional surveys or more frequent surveys may be done at the discretion of the General Manager.

C. REPAIR PROCEDURES.

Hazardous leaks or damages to a gas line that cause an imperfection in the gas line that could create a hazardous condition must be repaired. When deemed appropriate, temporary measures may be used to protect the gas lines and the public. Temporary repairs must be followed by a permanent repair as soon as practical.

While operating with temporary repairs a gas line may be operated at a reduced pressure. However, any permanent repair shall be made using materials and procedures that will not down grade the design pressure (MAOP) of the line. The General Manager should be consulted if there is any question regarding materials or procedures to be used.



The maintenance of gas mains and services shall consist of testing, repair, protection and replacement of the component parts of the gas system.

Clamps and sleeves installed on gas mains and services shall be used and installed in accordance with manufacturers recommendations and within the rules and regulations prescribed by the Department of Transportation (DOT) and Office of Public Safety (OPS). Clamps and sleeves shall be tested using the soap suds and bubble test.

When the condition of a gas main or service deteriorates, as indicated by a leak test or by visual observation that it should no longer be kept in service it must be replaced, reconditioned or retired from use.

#### D. ABANDONING OF GAS SYSTEM FACILITIES.

When a gas main or service is abandoned the General Manager shall determine the necessity of purging the gas line taking into consideration the location and size of the gas main or service. Air or inert gas may be used for purging.

##### 1. Gas Services.

Customer gas services should be abandoned at the gas main. When a gas service is abandoned it shall be capped or plugged at the customer's end of the service. This may be done by capping or by a mechanical plug.

If the service is to be used in the future, the capping may be done at the curb stop or some other suitable location other than at the gas main.

##### 2. Gas Mains.

Each dead end of an abandoned main shall be plugged with cement, expanding plastic or other material to effect a gas tight seal. In absence of a suitable internal seal the main shall be capped or welded closed.

##### 3. Gas Mains with Attached Services.

Where a gas main and its attached customer service are to be abandoned the customer's end of the service shall be treated as in 1 above and the end at the gas main as in 2 above.

##### 4. Valve Boxes.

All gas valve boxes shall be removed from the abandoned gas line or the box shall be filled with sand or a suitable substitute and the top closed with cement or other suitable material. In no case shall valve box lids remain in place on the abandoned lines.

## E. TEST REQUIREMENTS.

### 1. General.

Each new pipeline, gas main and gas service line including piping and assemblies associated with a regulator station or similar facilities must be pressure tested to substantiate the proposed maximum allowable operating pressure (MAOP) and to insure that no potentially hazardous leak exists. These requirements also apply to relocated and replacement segments.

Welds used to tie in a tested segment of pipeline are excepted from the pressure test requirements where it is impractical to test them. However, the soap suds test should be used at the system pressure. If non-destructive testing procedures were used on the line the connection may be non-destructively tested if practical.

Fittings used to tie in a tested segment of pipeline are excepted from the pressure test requirements where it is impractical to test them. However, the soap suds test should be used at system pressure.

If a component other than pipe is the only item being replaced or added to the pipeline, a strength test after installation is not required if the manufacturer of the component will certify that:

- a. The component was tested to at least the pressure required for the pipeline to which it is being added; or,
- b. The component was manufactured under a quality control system that ensures that each item manufactured is at least equal in strength to a prototype and that the prototype was tested to at least the pressure required for the pipeline to which it is being added.

Components in this category should be given the soap suds test if practical.

### 2. Records.

A record shall be made and retained for the useful life of the main and of each test performed under this section. The record must contain as at least the following information:

- a. Operator's name.
- b. The name of the operator's employee responsible for making the test or the name of the contractor and their employee conducting the test.
- c. The test medium used.
- d. The test pressure used.
- e. The test duration.
- f. The pressure recording charts or other record of pressure readings.
- g. Elevation variations whenever significant for the test being done.
- h. Notes on any leaks and failures and how they were handled.

3. Environmental Protection and Safety Requirements.

In conducting tests under this section every reasonable precaution shall be taken to protect employees and the general public during the testing. All practicable steps shall be taken to keep persons not working on the testing operation outside of the testing area until the pressure is reduced to, or below the proposed maximum allowable operating pressure (MAOP).

4. Test Requirements for Mains with an MAOP at or below 60 PSIG.

Each new main that is to have a maximum allowable operating pressure of 60 PSIG or less will be tested with air or inert gas to a pressure of at least 90 PSIG for a minimum of 30 minutes.

5. Test Requirements for Mains with an MAOP over 60 PSIG through 100 PSIG.

Each new main (except steel pipe) that is to have a maximum allowable operating pressure over 60 PSIG through 100 PSIG shall be tested with air or inert gas to a pressure of at least 150% of the MAOP of the gas line for a minimum time period of at least one hour.

6. Test Requirements for main regulator station with an MAOP above 100 PSIG and steel pipe.

Each new main that is to have a maximum allowable operating pressure above 100 PSIG (which in every case will be steel pipe) and a hoop stress less than 30% of SMYS (specified minimum yield strength) shall be tested hydrostatically or with air or inert gas to at least 150% of the maximum allowable operating pressure. If air or inert gas is used the test pressure cannot exceed 20% of SMYS for a minimum eight hour period of time.

a. Each regulator station and measuring station must be tested to at least Class 4 location test requirements.

b. For pre-fabricated units and short sections of pipe a preinstallation strength test must be conducted by maintaining the pressure at or above the test pressure for at least four hours.

7. Test Requirements for Plastic Pipe Mains.

Each plastic pipe main must be tested with a pressure of at least 150% of the MAOP or 90 PSIG, whichever is greater. However, the maximum test pressure may not be more than three times the design pressure of the pipe for a minimum of 30 minutes. The temperature of thermoplastic material shall not exceed 100 degrees F. during the test.

8. Customer Services.

Each new and replacement plastic service with an MAOP of 60 PSIG or less must be subjected to at least 90 PSIG test pressure prior to being put into service.

Each new and replacement service with an MAOP over 60 PSIG through 100 PSIG must be subjected to at least a 150 PSIG test pressure prior to being put into service.

This test will consist of pressuring the service line after it has been fused and all work completed except the final connection at the main. This test may be after the service is connected to the service tee and before the tee has been tapped or it may be just prior to inserting the service line into the trench. Any points or connections made after the test should be soap tested after the line has been pressurized with natural gas. The test shall consist of a drop test using air to be observed for a minimum of fifteen minutes after the air pressure has reached test pressure and the section to be tested is isolated from the pressurizing medium. If the service line shows no drop in air pressure during this fifteen minutes or more time period the pressure gauge will be removed and the service line

considered to be acceptable. A notation such as "Pressure Tested with air to 100 PSIG or whatever was used for the test pressure, for the period of time tested, or an equivalent statement must be shown on the service card. Services larger than 1 1/4 inches or over 125 feet in length should be tested in accordance with applicable test requirements for mains.

F. CORROSION.

1. Inspection, Operation and Maintenance of Cathodic Protection. (Regulator Station at Pipeline)

a. All galvanic systems shall have protective current applied until cathodic voltage reaches -0.85 volts or more.

b. Each buried pipeline must be isolated from any other underground structure, unless the pipeline and the other structure are electrically connected and cathodically protected as one. Tests and inspections must be made to assure isolation.

II. MAINTENANCE OF PRESSURE LIMITING DEVICES.

A. REGULATORS.

1. Main Regulator Stations.

a. Once each month the regulator installations shall be visually examined for normality of performance and appearance.

1. Where practical, annual minor inspections will be performed in which preventive maintenance will be carried out.

2. At major inspections each major regulator shall be disassembled and carefully examined for wear or defects, each calendar year not to exceed 15 months.

2. District Regulator Stations.

Twice each year pressures shall be raised or lowered. Regulators shall be visually examined annually for normality of performance and appearance.

3. Service Regulators.

Service regulators supplying customers shall be inspected for proper operation each time the customer's gas meter is set or changed and each time a service call is made to a customer or where a malfunction of the equipment has occurred. If the customer's regulator is found to have either an improper size orifice or not to have a full internal relief valve, it shall be replaced.

Normally a malfunctioning regulator will be replaced rather than repairs made on site. An exception would be for a regulator with the relief opening plugged with ice, dirt, et cetera.

4. Monitor Regulators.

Monitor regulators shall be inspected on an annual basis and the procedure set forth for district regulators shall be followed.

B. RELIEF VALVES.

All Dead weight, spring or pilot operated relief valves installed at regulator stations shall be inspected annually to determine that they will operate at the set pressure. Relief valves connected directly to the gas system, i.e., not at a regulator station, shall be similarly tested.

C. RECORDS.

1. Major Regulator Stations.

The manager shall have a drawing for each regulator station except for district regulator stations. This drawing shall show, in addition to the piping arrangement, the make, type and size of the regulators and relief or overpressuring devices.

2. District Regulator Stations.

A record shall be kept for each district regulator station. This record shall show the size, make and type of regulator, orifice size, relief valve size and the location of the inlet and outlet valves.

The record shall be maintained for a minimum of five (5) years and shall show the date of each minor and major inspection.

III. VALVE MAINTENANCE.

A. ESSENTIAL DISTRIBUTION VALVES.

All essential distribution valves shall be inspected annually following the same procedures as outlined for "Other Distribution Valves". A list of these valves shall be kept in the Utility Office.

B. OTHER DISTRIBUTION VALVES.

1. Main Line Valves.

Valves, other than essential distribution valves, in the gas system classified as distribution mains shall be inspected, operated and lubricated, if applicable, at least once every five (5) years. This inspection shall consist of cleaning the valve boxes, operating the valve as much as possible and greasing any lubricated plug valve if it is needed. The inspection of each valve shall include the checking of listed locations and to insure that each underground control valve is in a valve box. If a corrected location is necessary, a valve card shall be completed and filed at the Utility Office. A record of each inspection shall be kept by the manager.

2. Service Line Valves.

The underground valves in gas service lines supplying schools, churches, theaters, hospitals, housing projects, other places of public assembly and multi-story buildings shall be inspected every five (5) years in the manner as prescribed for main line valves.

C. VALVE OPERATION PROCEDURES.

The valve crew shall always check the valve position before any work is performed. If the valve is in the open position work should proceed. If the valve is in the closed position the employee shall notify the manager and receive clearance to open the valve or leave in the closed position. The employee shall take all available precautions to avoid accidentally operating the valve during maintenance. Always check the valve after work is completed to determine the valve position. If the valve has been accidentally closed do not change the valve position but notify the manager at once about the situation. The employee shall not operate the valve since that decision shall be made by the manager.

IV. MAINTENANCE OF PRESSURE SURVEILLANCE DEVICES.

A. PRESSURE TRANSMITTERS.

Instructions on how to operate and maintain pressure transmitters will be promulgated at a later date if they are used in the system.

B. PRESSURE RECORDERS.

1. Office Telemetry.

If office telemetry is used it shall receive an inspection and recalibration annually.

2. Pressure Recorders in the Field.

Field recorders and telemetry shall receive an inspection and recalibration annually with records being kept as to "found" and "left" condition.

V. SAFETY PROCEDURES.

A. GENERAL.

Precaution shall be taken to prohibit smoking or other sources of ignition in an area where the leakage or presence of gas may constitute a hazard of fire or explosion.

Applicable signs, warning devices and/or barricades shall be used as required. Traffic shall be routed as far away from the area as practicable. Welding shall only be performed in accordance with DOT/OPS Regulations, Subpart E. An effort shall be made to avoid any other sources of accidental ignition.

B. PURGING OF GAS LINES.

1. Purging of Air.

When a gas line full of air is placed in service the air may be safely displaced with gas by introducing a moderately rapid rate of flow through the pipeline and out a vent at the opposite end. The flow shall be continued without interruption until the vented gas is free from air. The vent should then be closed. A pipeline pig or a slug of inert gas may be used to separate the gas and air to minimize the possibility of an explosive mixture.

2. Purging of Gas.

In cases where gas in a gas line is to be displaced with air and the rate at which air can be supplied to the gas line is too small to make a procedure similar to, but the reverse of, that described in "A" feasible, a pipeline pig or a slug of inert gas shall be introduced to prevent the formation of an explosion mixture at the interface between gas and air. Nitrogen or carbon dioxide can be used for this purpose.



C. WELDING OR CUTTING ON GAS LINES. (AT REGULATOR STATION)

1. Air Filled.

No welding or cutting will be done on a pipeline that contains air and is connected to a source of gas, unless a suitable means has been provided to prevent leakage of gas into the pipeline.

2. Gas Filled.

Before any cutting or welding is done on a gas line that contains gas it must be disconnected from all sources of gas and then purged with air, water or inert gas or the operation may be carried out in accordance with the following procedures:

- a. Keep the gas line full of gas and maintain a slight flow of gas toward the point where cutting or welding is being done.
- b. Control the gas pressure at the point of cutting and welding with the blow-off valve or other suitable means.
- c. Close all slots or open ends immediately after they are cut with tape and/or a tight fitting canvas bag or other suitable material.
- d. Do not permit two openings to remain uncovered at the same time. This is most critical if the two openings are at different elevations.

D. OPEN DITCHES.

1. Barricading.

Any ditches left open shall be properly barricaded in accordance with applicable state, county or city requirements.

2. Safe Practices.

Safe working practices such as shoring, testing for combustibles, entering ditches, use of tools, welding, torch cutting and coating, etc. shall be performed in accordance with the AGA Manual "Suggested Safe Practices for Distribution Men".

E. PROCEDURES FOR ENTERING CONFINED AREAS.

Natural gas, unless properly handled, can be dangerous and it is well to bear this in mind at all times. The Utility representative in charge on site is required to see that the following safety precautions are observed:

1. Valve or Regulator Vaults.

- a. Use the combustible gas indicator to test each vault before entering. If the vault is found to contain gas and airing out does not clear the vault, the workers shall wear a fresh air mask while making the soap suds test or doing repair work.
- b. Place the barricade around the manhole as soon as it is opened and attach the "No Smoking" sign.
- c. The fire extinguisher shall be placed near the manhole in such a position that it will not be in the flame in case of fire.
- d. Pump water from the vault before entering.
- e. When work is being done in full opening vaults or small regulator vaults, one person shall be on guard at all times. The outside person shall communicate with the workers in the vault at short intervals and upon receiving no response shall investigate immediately.
- f. Do not smoke or strike matches within 10 feet of an open manhole. Caution any person who may come too near while smoking, not to smoke. Do not use a flame in a vault without permission from a qualified supervisor.
- g. When a light is needed in a vault where gas may be present, use an approved safety light.
- h. The emergency nature of the work does not license the workers to relax the safety rules in any manner.
- i. List of standard safety equipment that should be carried on each service truck:
  1. One fire extinguisher (dry Chemical).
  2. One first aid kit.
  3. One pair of goggles.
  4. One gas explosion proof flashlight.
  5. Two red flags.
  6. Gas valve wrench
  7. Squeeze off tool for gas service lines.
  8. Folding barricade with "No Smoking" sign.
  9. Other items that may be listed from time to time.

2. Meter or Regulator Buildings.

a. All buildings will have prominent "No Smoking" signs permanently attached.

b. Absolutely no smoking in meter or regulator buildings at any time.

c. A workable fully charged fire extinguisher shall be off the truck and readily available whenever any work is being done.

d. Precaution to be observed by persons entering the building for other than repair or maintenance work, i.e., change charts, adjust pressures, take readings, etc. Main door of the building will remain open at all times.

e. Precautions to be observed by persons entering the building to do major repair or maintenance work.

1. Notify the Utility office before entering the building to advise the location of the work, the work being performed and the length of time you expect to be in the building.

2. Check atmosphere of the building with combustible gas indicator when entering the building.

3. All doors and windows are to be fully opened when any repair or maintenance work is being performed.

F. EXPLOSIVE HANDLING.

No explosives handling will be done by Utility employees. A qualified contractor will be retained for work requiring the use of explosives.

VI. DAMAGE PREVENTION PROGRAM.

The Utility will conduct an ongoing damage prevention program designed to prevent damage to gas mains, service lines and other gas facilities due to excavation activities. This program operates in three parts. Communication with persons or contractors who normally engage in excavation activities, One Call Notification System; and the Utility local gas line location program.

Direct mail contact and news media will be used in the program to educate contractors about the risks and costs involved in pipeline damage done through excavation. This will also cover the use of the Tennessee One Call system

for locating such lines. Communication will be maintained with contractors in the area concerning the need for care, notification and pipeline location before starting any excavation work. An identification list of such contractors will be maintained in the Utility office.

Customers, contractors and other interested parties may call direct to the Utility office for the existence and location of gas mains or service lines. The Utility office will take care of gas line location request during normal working hours. After normal working hours, calls will be received at the home of a utility employee or at a designated phone. Operating procedures to be followed is listed below.

A. Any notification to the Utility of "excavation activities such as excavation, blasting, boring, tunneling, back filling, removal of above ground structures or any other earth moving operations on or near our existing piping will be reason for completing a locating order card.

B. Upon receipt of written or telephonic notice of "excavation activities" the name, address and telephone number of the company, person or persons filing the notice of intent as well as the person responsible for the "excavation" will be retained as a permanent record in the Utility office.

C. After notification of "excavation", a period of two (2) working days will be required before locating the gas line will be done, unless a prior agreement has been made for a specific time at a later date.

D. After reasonable notice has been given all affected piping will be located and marked with yellow marking by the Utility representative. A record of marking will be retained for a permanent file. A record of the Tennessee One Call will remain as a permanent record. All such records will be kept on file in the Utility office.

E. Approximate location of a gas line shall be considered an area at least four (4) feet wide, but not wider than the utility facility plus two (2) feet on either side of the gas line. If there is any doubt of the location of the gas line, it is the responsibility of the excavator to physically uncover the gas line with proper care and get an exact location.

F. Yellow marking paint on pavement or yellow stakes will be used as locating points. It is the responsibility of those persons doing the excavation to preserve and protect any markings of the gas line.

G. Visual inspection and wrapping, if necessary, of any exposed gas piping will be done by Utility employees after construction activity has been completed.

H. Follow up leakage surveys will be made in areas where construction activities have taken place and where there is a possibility of settlement or stress related damage occurring at a later date.

#### VII. SYSTEM UP-GRADING PROCEDURES.

Records of investigation and work performed in preparation of upgrading shall be maintained as long as the gas pipe remains in service.

The upgrading of any low pressure distribution system to a higher system pressure shall be performed in compliance with DOT-OPS safety regulations that apply. No conversion shall take place until a written conversion plan has been prepared and approved by the Utility manager.

The upgrading operation must be conducted in a systematic manner to insure adequate safety of all concerned and to provide a minimum of outage for the customers. The pressure shall be raised in steps with adequate time allotted between steps to adequately check the affected facilities within the system which is upgraded. Steps shall be 10 pounds or 25% of the total increase, whichever is the least number of increments.

#### VIII. ODORIZATION.

The gas in distribution lines must be odorized so that at a concentration in air of 1/5 of the lower explosive limit, the gas is readily detectable by a person with a normal sense of smell. Odorant shall be DL CAPTAN or equal.

Equipment for odorization must introduce the odorant without wide variation in the level of the odorant. (Control in the range of .25 to .95 on the Davis Odortester.)

Records of addition of odorant and periodic testing will be kept and maintained by the Utility manager.

#### IX. FAILURE INVESTIGATION.

Failures or accidents will be investigated by the Utility employee involved. More detailed investigation, if warranted, will be made to determine the cause of the failure. When necessary, selected samples of a failed facility will be made available for laboratory examination.

X. HAZARDOUS CONDITIONS REPORTING.

1. Any localized corrosion pitting where leakage might result.
2. Unintended movement that could impair the service ability, integrity or reliability of a pipeline.
3. Any crack or material defect that impairs the pipeline's structural integrity or reliability.
4. Any material defect or physical damage that impairs the serviceability of a pipeline.
5. Any operating error or malfunction that causes the pressure of a pipeline or facility to raise above the maximum allowable operating pressure (MAOP).
6. A leak in a pipeline or facility that constitutes an emergency.
7. Any safety related condition that could lead to an imminent hazard and cause a 20% or more reduction in operating pressures or shut down of a pipeline.

Any of the preceding safety related conditions must be reported in accordance with Part 191, Transportation of natural gas other gases by pipeline; Annual Reports, Safety Condition Reports and Incident Reports with the exception of the following safety related conditions:

1. A safety related condition that exists on a customer owned service line or master meter system.
2. A safety related condition that results in a reportable incident.
3. A safety related condition that exists on a pipeline that is more than 220 yards from any building intended for human occupancy or outdoor place of assembly except that reports are required for conditions within the rights-of-way of active railroads, streets or highways.
4. A safety related condition that is corrected by repair or replacement in accordance with applicable safety standards before the deadline for filing the safety related condition report.

5. The requirements for filing a safety related report as required by the Pipeline Safety Regulations that were published in October 1990 is as follows:

191.25. FILING SAFETY-RELATED CONDITION REPORTS.

(a) Each report of a safety-related condition under 191.23(a) must be filed (received by the Secretary) in writing within 5 working days (not including Saturdays, Sundays or Federal holidays) after the day a representative of the operator first determines that the condition exists but not later than 10 working days after the day a representative of the operator discovers the condition. Separate conditions may be described in a single report if they are closely related. To file a report by telefacsimile (fax), dial (202) 366-7128.

(b) The report must be headed "Safety-Related Condition Report" and provide the following information:

- (1) Name and principal address of the operator.
- (2) Date of the report.
- (3) Name, job title, and business telephone number of the person submitting the report.
- (4) Name, job title, and business telephone number of the person who determined that the condition exists.
- (5) Date condition was discovered and date condition was first determined to exist.
- (6) Location of condition, with reference to the State (and town, city or county) or offshore site, and as appropriate, nearest street address, offshore platform, survey station number, milepost, landmark, or name of the pipeline.
- (7) Description of the condition, including circumstances leading to its discovery, any significant effects of the condition on safety, and the name of the commodity transported or stored.
- (8) The corrective action taken (including reduction of pressure or shutdown) before the report is submitted and the planned follow-up or future corrective action, including the anticipated schedule for starting and concluding such action.

**APPENDIX "A"**

**PLASTIC PIPE PROCEDURES**



## PLASTIC PIPE PROCEDURES

### MATERIALS

The only plastic pipe resin approved for mains and service lines with the distribution system is Phillips Driscopipe or Plexco of equal. Fittings shall be of the same or compatible resin.

The polyethylene pipe material may be fusion joined together or to fittings. Fusion joining of one plastic pipe resin to another resin is prohibited unless done to strict manufacturer's instructions.

### HANDLING AND STORAGE OF PLASTIC PIPE

Plastic pipe is a reasonably durable, tough, flexible product that is able to withstand normal installation. However, improper handling of any polyethylene pipe or fitting can result in damage and certain precautions are required. Poor handling techniques of the pipe may result in cuts, gouges, scratches or punctures which must be removed prior to installation.

The pipe is subject to impact damage when dropped or something is dropped on it. Never drop the pipe on hard pavement or rocky ground from truck beds. This is particularly important below 40° F. since the pipe is stiffer and is more susceptible to impact damage. The manufacturer's recommendations should be followed in the stacking and storage of their pipe.

### EXPANSION AND CONTRACTION

Plastic pipe expands and contracts at a rate significantly greater than steel pipe. A "rule of thumb" is that polyethylene pipe will expand or contract 1.4 inches per 100 feet for each 10° F. of temperature change. Expansion may vary slightly with different resins and is descriptive of pipe in an unrestrained mode. End connections on direct buried pipe should be made with fittings designed to provide restraint equal to or greater than the strength of the pipe or they must be supplemented by anchoring, bracing or strapping. The crucial period for damage due to thermal effects is during installation when temperature changes may be quite rapid.

Installation of the plastic pipe under tension should be avoided to minimize the effects of contraction from thermal changes. The pipe should be allowed to cool to ground temperature or less prior to trimming or final connection. If the temperature is high, the pipe may be artificially cooled by water or other means.

### STATIC ELECTRICITY

Static electric charges can build up on plastic pipe as it can on any non-conductor. There is a possibility of a spark discharge of sufficient energy to cause ignition if the proper gas/air mixture is present.

From an electrical standpoint, a worker is a large conducting body insulated from the ground by his shoe soles. Because of his insulation from the ground, the worker shoveling dirt around a bell hole is capable of accumulating a substantial electrostatic charge.

When purging, repairing, replacing or extending plastic pipe, the conditions conducive to the generation and accumulation of static electric charges should be recognized. A charge may be generated by:

1. Friction during the physical handling during storage, shipping, installation and re-storing.
2. Flowing gas containing particle matter (scale or dust) and high turbulence conditions such as a restriction in the pipe, at bends or elbows, at squeeze off points, at leaks in the piping, at the impingement point of a leak into dry soil backfill or on an isolated metal fitting, etc.

A charge can accumulate on both the inner and the outer surface of the plastic piping as well as on metal if the metal is isolated from the ground by an insulating material (a metal fitting or a squeeze-off tool on a plastic pipe). There are always static charges on the surface of isolated or non-conductor materials. These charges only become significant when they become large enough to produce an arc to a grounded conductor. Conditions conducive to charge accumulation include isolation from grounded conductors, low humidity and generation rate higher than bleed off rate.

The charge can bleed off slowly to a lower level by conduction through air or by progressive induction or conduction to neighboring materials. A swift bleed off or a static discharge may be evidenced by a "jolt" when an operator approaches within 6 inches or less of a charged surface. The operator may involuntarily jump even when from expecting the arc but its electrical magnitude is not enough to cause injury.

For gas work, it is desirable to avoid the presence of a flammable gas/air mixture and the discharge of static electricity by arcing. It is imperative to avoid the two together. Thus, a high static charge or arcing on the interior of the pipe is not a problem as there is no flammable mixture. A high charge on the exterior of the pipe under no leak situation is not a hazard. Under a potential flammable gas/air mixture condition as may be encountered when repairing a leak, squeezing off an open end, purging, making a connection, etc., arc preventing safety precautions are necessary.

Recommended precautions when working with plastic pipe of any kind where there is or there may be the possibility of a flammable gas/air atmosphere are:

1. The use of a grounded wet tape conductor, wet towels, or wet rags wound around or laid in contact with the section of exposed piping.

2. If gas is already present, wetting down both the plastic pipe and the bell hole before attempting repairs, water provides a path for static charges to "leak" harmlessly to a ground. When temperatures below freezing are encountered anti-freeze may be added to the water. The tape, towels or rags should be applied immediately after "wetting down" and left in place, re-wetting as required.
3. Perform squeeze-off operations in a separate bell hole, remote from the leak, whenever possible.
4. Do not vent gas using plastic pipe.

### TRENCHING, LAYING AND BACKFILLING

Plastic pipe should be laid and continuously supported on undisturbed or well compacted soil rather than on blocking to minimize shear stresses. However, at time, blocking and bridging may be desirable at tie in points or service connections. When rock is encountered the trench bottom should be undercut at least four inches and the undercut should be backfilled and compacted with good soil, rock dust or other suitable material.

Plastic pipe should be handled with enough care to avoid bucking as it is lowered into the ditch. It should not be subjected to unnecessary stresses such as twisting or bending to a radius less than the minimum recommended by the manufacturer. Extra care should be exercised at high or low temperatures. Snaking the pipe from one side of the ditch to the other is desirable since this allows for some contraction of the pipe.

Enough clearance should be maintained between plastic lines and steam, hot water, power lines or other source of heat to prevent the plastic pipe temperature from rising above 140° F.

To facilitate the locating of plastic mains with a pipe locator, a metallic yellow locator tape shall be strung along the full length of the gas lines. Where a plastic gas line extends from a steel gas line the locator tape shall begin on the plastic main adjacent to, but not in contact with the steel pipe. The locator tape shall be installed approximately 6 inches to 12 inches below the ground level and directly over the gas pipe. The tape shall be yellow in color and inscribed "Caution - Gas Line Buried Below." The locator tape shall not be broken at the valves but shall not be attached to any valve.

Backfill material for a least 6 inches over the plastic pipe should be free of large rocks, clods or other material that could be injurious to the pipe. If the trench is wide enough, sidefills should be compacted first. Backfill material should be compacted in lifts thick enough to prevent damage to the plastic pipe.

When heavy equipment is used to compact the backfill over plastic pipe (backhoes, etc.) care must be used and at least 24 inches of cover over the pipe is required prior to rolling or compacting.

## UNDERGROUND VALVES

Plastic valves should be made of the same or similar material that the pipe is made from.

Any valve installation should be supported on undisturbed or well compacted soil or bridged or encased in a sleeve to minimize bending stresses.

When curb boxes or other valve enclosures are required they must be supported independently of the valve and pipe so as not to impose external stresses on the plastic pipe. Care shall be used when backfilling and tamping.

Care shall be used when operating a valve in a plastic line to prevent damage due to the torque required to operate the valve.

## BENDS AND BRANCHES

Changes in direction with plastic pipe may be made with bends, elbows, tees or saddle tees. The pipe may be cold bent in the field. The radius of the field bend should be a minimum of the number of times the pipe diameter listed by the manufacturer.

## LEAK TRACERS

On occasion it may be necessary to use an odorant to locate leaks indicated by a pressure test. Common liquid odorants will attack and weaken all plastic pipe to some degree. However, in vapor form, particularly at low concentrations, they exhibit no noticeable ill effect. Atomized or vaporized odorant may be used.

## DO NOT INTRODUCE LIQUID ODORANT DIRECTLY INTO PLASTIC PIPEING.

## JOINING PROCEDURES

GENERAL: SDR 11 plastic pipe is not recommended to be joined by the socket fusion method for sizes above two inches. Butt fusion, saddle fusion or sidewall fusion will be used.

CUTTING: When it is necessary to cut the pipe to a shorter length, a special plastic pipe cutter should be used. A hack saw may be used, however, care must be exercised to produce a clean square cut end. Cuts made with a saw generally require the pipe end to be subsequently faced in order to obtain a clean square end, free of burrs, for proper fusion joining.

TRANSITION FITTINGS: Transition fittings that have been certified by the manufacturer to sustain the longitudinal pullout or thrust forces caused by contraction or expansion may be used. An advantage to this type fitting is its adaptability to anchoring.

## QUALIFICATION OF PERSONNEL TO PERFORM HEAT FUSION JOINING.

Before anyone can install heat fusion joints in a gas system they must demonstrate the capability of making sound fusion joints for each type of pipe to be used. No person shall make heat fusion joints unless they have first passed the pipe manufacturer's heat fusion joining qualification tests using their approved fusion procedure techniques. A person will be required to re-qualify if they have not performed satisfactorily or not made any heat fusion joints during the past 12 months.

The following tests shall be given using pipe fittings of the same materials used by the manufacturer and in the presence of their representative.

### 1. BUTT FUSION JOINT

- A. Minimum pipe size for the test is 2 inches diameter for pipe sizes 2 inches and under. For 4 inch diameter, a butt fusion is required.
- B. Test of butt fusion joint: Visually inspect the joint for bead and complete fusion. Bead shall have uniform appearance and no incomplete fusion is allowed.
- C. Pressure test at a minimum of 90 PSIG.
- D. Cut the joint out with approximately 4 inches on each side of the joint. Saw the joint in half lengthwise and inspect for complete fusion. Incomplete fusion will disqualify the joint.
- E. Test strips will be 1" wide and 8" long. For pipe 2" in diameter a strip will be tested from each half of the pipe previously sawed in half lengthwise. One strip will be tested bending toward the outside of the pipe and one strip will be tested bending toward the inside of the pipe. Pipe 3" and 4" in diameter will have two strips cut from each half of the pipe. One strip from each half to be bent toward the outside of the pipe and one strip from each half to be bent toward the inside of the pipe. Pipe 6" and 8" in diameter will have three strips cut from each half of the pipe. If any specimen breaks within the fusion zone or if there is any visual indication of incomplete fusion the joint will be disqualified.

### 2. SADDLE FUSION JOINT

- A. A service saddle or a tapping tee may be used. The saddle fusion joint may be made on the same pipe used to make the butt fusion joint and should be made a minimum of 8 inches from the joint.
- B. Test of Saddle Joint: Visually inspect fusion joint for bead and complete fusion. Bead shall have uniform appearance and no incomplete fusion is allowed.

- B. Pressure test at a minimum of 90 PSIG.
- C. Split pipe and fusion joint by sawing in half lengthwise. Visually inspect the two halves for complete fusion. If there is any indication of incomplete fusion or poor workmanship, the joint will be disqualified.

### 3. RECORDS OF QUALIFIED FUSERS

- A. Records will be made of the tests given to each fuser and the details of each test.
- B. A billfold card signifying that the fuser is certified to join polyethylene pipe by the fusion method should be issued by the qualifying personnel. The Card should specify the types of fusion, sizes of pipe and materials the fuser is qualified to work on.

### GAS CONTROL BY SQUEEZE TECHNIQUE

#### GENERAL:

Gas control on polyethylene pipe may be achieved by squeezing the pipe so that the walls come together to form a seal. The squeeze must be accomplished with the proper tool and the amount of squeeze must not exceed that required to achieve gas control shut off.

Squeeze off tools are designed with handles of a length that permit shut off without excessive squeeze. Do not apply any extra force by using cheater or building up squeeze bars.

Observe all appropriate safety requirements and perform the gas control operation as follows:

1. Select the proper squeeze tool for the size of pipe to be squeezed.
2. Place the squeeze tool on the pipe so that the pipe is centered in the tool and so that the squeeze bars are a sufficient distance from joints to avoid damaging them. The minimum distance should be  $2\frac{1}{2}$  times the pipe diameter.
3. Turn the handle to bring the squeeze bars together. The squeeze may be accomplished as rapidly as desired until it approaches shut-off. Note: Bubble tight shut-off can be achieved in pinching off pipe and tubing in the smaller sizes. However, in sizes above 2 inches, because of the thicker, less flexible walls, it becomes difficult to achieve a complete leak free shut-off, and the possibility of thinning the pipe wall at the creased area of the pinch-off becomes greater. Be careful not to damage the pipe by over squeezing it.

4. When the flow has been controlled, follow the procedure for the appropriate joining or repair method.
5. Relax the squeeze force to permit gas past the point of control.
6. Complete purging operations.
7. After pinch-off, it is good practice to assist rounding out the pipe by rotating the squeeze off tool 90 degrees and applying a partial squeeze before removing the tool.
8. Remove the squeeze off tool and complete the project.

**APPENDIX "B"**  
**VALVE LOCATIONS**



**APPENDIX "C"**

**TYPICAL PERMANENT RECORD FORMS**

MILLENNIUM ENERGY, INC.  
 P. O. Box 1118  
 Bowling Green, Kentucky 42102

ODOR REPORT

ORDER No

SERVICE ADDRESS		APRT. NO.		TOWN	COUNTY	TIME RECEIVED A.M. / P.M.	DATE RECEIVED / /
CUSTOMER NAME		TELEPHONE NO.		CUSTOMER HOME <input type="checkbox"/> YES <input type="checkbox"/> NO		CUSTOMER ACCOUNT NO.	
RECEIVED BY	TIME & DATE LEAK FIRST NOTICED: Date / /	A.M. / P.M.	IS NOISE OF GAS ESCAPING PRESENT: <input type="checkbox"/> YES <input type="checkbox"/> NO	SOURCE OF CALL: <input type="checkbox"/> CUSTOMER <input type="checkbox"/> EMPLOYEE <input type="checkbox"/> SURVEY CREW	OTHER		
LEAK <input type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE	LEAK HEARD: <input type="checkbox"/> RESIDENCE <input type="checkbox"/> PUBLIC BLDG. <input type="checkbox"/> OTHER		<input type="checkbox"/> SCHOOL <input type="checkbox"/> COMM. OR IND. BLDG.		<b>IMPORTANT - OBTAIN ANSWERS TO THE FOLLOWING QUESTIONS AS APPROPRIATE.... Is it a strong odor? <input type="checkbox"/> YES <input type="checkbox"/> NO.... Do you hear gas escaping? <input type="checkbox"/> YES <input type="checkbox"/> NO.... Are any gas lines suspected of being damaged? <input type="checkbox"/> YES <input type="checkbox"/> NO</b> <b>IF YES TO ANY OF THESE QUESTIONS, AND UNLESS THERE ARE OTHER EXTENUATING CIRCUMSTANCES, ADVISE EVACUATION, INSTRUCT NOT TO STRIKE MATCHES, LIGHTERS, OR OPERATE ELECTRICAL SWITCHES, &amp; TAKE PHONE OFF THE HOOK.</b>		
NATURE OF CALL		LOCATION OF LEAK AND SPECIAL INSTRUCTIONS:					
<input type="checkbox"/> INSIDE <input type="checkbox"/> OUTSIDE <input type="checkbox"/> AT METER <input type="checkbox"/> IN STREET <input type="checkbox"/> YARD <input type="checkbox"/> OTHER		PRECAUTION GIVEN? <input type="checkbox"/> YES <input type="checkbox"/> NO		GAS SUPERVISOR NOTIFIED? <input type="checkbox"/> YES <input type="checkbox"/> NO		TIME ORDER DISPATCHED A.M. / P.M.	
EXPLAIN		TIME ORDER CALLED: A.M. / P.M.		TO		VEHICLE NO.	
<input type="checkbox"/> NO LEAKS FOUND <input type="checkbox"/> PERMANENT REPAIR <input type="checkbox"/> CUSTOMER ADVISED TO REPAIR <input type="checkbox"/> TEMPORARY REPAIR - SAFE <input type="checkbox"/> CAUTION CARD - NO. _____ <input type="checkbox"/> GAS SHUT OFF - TIME _____ A.M. / P.M. <input type="checkbox"/> METER <input type="checkbox"/> SERVICE <input type="checkbox"/> APPLIANCE		WORK ORDER ISSUED: <input type="checkbox"/> SERVICE <input type="checkbox"/> DISTRIBUTION <input type="checkbox"/> NONE		DESCRIPTION OF WORK DONE (PERSON CONTACTED)			
RELIEVED BY		TIME ARRIVED ON JOB A.M. / P.M.		METER NO.		INDEX	
VEHICLE NO.		SIGNATURE OF WORKMAN		VEHICLE NO.		METER LOCKED <input type="checkbox"/> YES <input type="checkbox"/> NO	
						DATE / /	

WORK REPORT

REMARKS:

MILLENNIUM ENERGY, INC.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

MONTHLY ODORIZATION REPORT

FOR THE MONTH OF \_\_\_\_\_

ODORIZER LOCATION:

TYPE OF ODORIZER EQUIPMENT:

ODORANT USED: DL CAPTAN, DILUTE NATURAL GAS ODORANT  
WEIGHT - 5.79 POUNDS PER GALLON

ODORANT USAGE

1. Odorant in Tank first of the month:
2. Odorant added during this month:
3. Total Odorant to account for (Items 1 + 2):
4. Odorant in tank end of month:
5. Odorant used during the month (Items 3 - 4):
6. Gas Delivery this month in MMCF:
7. Rate of Odorization in pounds per MMCF:

$$\frac{\text{Odorant used in pounds}}{\text{Gas delivery in MMCF}} \times \frac{\text{Item 5}}{\text{Item 6}} = \text{Pounds per MMCF}$$

MMCF = 1,000,000 cubic feet of natural gas

\_\_\_\_\_  
Name of employee or person  
who completed this report

\_\_\_\_\_  
Date

COMMENTS:

MILLENNIUM ENERGY, INC.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

ODORIZATION CHECK REPORT

Location: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Odor Level: \_\_\_\_\_ Nil  
\_\_\_\_\_ Barely Detectable  
\_\_\_\_\_ Readily Detectable  
\_\_\_\_\_ Strong

List other odors present: \_\_\_\_\_

Remarks: (Odorometer Reading) \_\_\_\_\_

Observed by: \_\_\_\_\_ Observed by: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Odor Level: \_\_\_\_\_ Nil  
\_\_\_\_\_ Barely Detectable  
\_\_\_\_\_ Readily Detectable  
\_\_\_\_\_ Strong

List other odors present: \_\_\_\_\_

Remarks: (Odorometer Reading) \_\_\_\_\_

Observed by: \_\_\_\_\_ Observed by: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Odor Level: \_\_\_\_\_ Nil  
\_\_\_\_\_ Barely Detectable  
\_\_\_\_\_ Readily Detectable  
\_\_\_\_\_ Strong

List other odors present: \_\_\_\_\_

Remarks: (Odorometer Reading) \_\_\_\_\_

Observed by: \_\_\_\_\_ Observed by: \_\_\_\_\_

Location: \_\_\_\_\_

Date: \_\_\_\_\_ Time: \_\_\_\_\_

Odor Level: \_\_\_\_\_ Nil  
\_\_\_\_\_ Barely Detectable  
\_\_\_\_\_ Readily Detectable  
\_\_\_\_\_ Strong

List other odors present: \_\_\_\_\_

Remarks: (Odorometer Reading) \_\_\_\_\_

Observed by: \_\_\_\_\_ Observed by: \_\_\_\_\_

MILLENNIUM ENERGY, INC.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

REGULATOR & RELIEF VALVE HISTORY

LOCATION \_\_\_\_\_

DATE \_\_\_\_\_

TIME \_\_\_\_\_

1. Checked Pressure \_\_\_\_\_
2. Raised Pressure to \_\_\_\_\_
3. Lowered Pressure to \_\_\_\_\_
4. Tested Lockup \_\_\_\_\_
5. Tested Relief Valve \_\_\_\_\_
6. Checked Oil Seal \_\_\_\_\_
7. Replaced Diaphragm \_\_\_\_\_
8. Cleaned Sets \_\_\_\_\_
9. New Seats \_\_\_\_\_
10. Changed Orifice \_\_\_\_\_
11. Changed Spring \_\_\_\_\_
12. Lubricated Valves \_\_\_\_\_

COMMENTS:

\_\_\_\_\_  
Name of Person who completed work

\_\_\_\_\_  
Date

MILLENNIUM ENERGY, INC.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

**VALVE RECORD**

VALVE NUMBER \_\_\_\_\_

General Location \_\_\_\_\_

Size \_\_\_\_\_ Type \_\_\_\_\_

Location: \_\_\_\_\_ feet of \_\_\_\_\_ Line,

\_\_\_\_\_ feet of \_\_\_\_\_ Line.

Function of the Valve:

Remarks:

Sketch of Valve Location:

MILLENNIUM ENERGY, INC.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

HAZARDOUS CONDITION REPORT

DATE \_\_\_\_\_

TIME \_\_\_\_\_

LOCATION \_\_\_\_\_

**HAZARDOUS CONDITION OBSERVED:** (Deep Corrosion Pitting; Exposed Pipe from a wash-out; cracked or broken pipe, valves, regulator bodies; deliberate and consistent over-pressure situation; etc.)

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EMPLOYEE'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

SUPERVISOR'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

DISPOSITION OF REPORTED CONDITION: \_\_\_\_\_

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MILLENNIUM ENERGY, INC.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

GAS LINE TEST REPORT

This form must be completed for each section of newly installed gas mains, gas supply lines or customer service line and on each service line that is disconnected from the gas main for any reason.

Date:

Type of pipe:

Size of pipe:

Length of line:

Location of Line:

Test medium used: Air

Time test started:

Time test stopped:

Test pressure at the start:

Test pressure at the end:

Line pressure loss:

Reason for line loss:

Corrective measures taken:

Signed by: \_\_\_\_\_  
Person or persons making the test

NOTE: Sketch the location on the back of this form for mapping purposes. Use actual measurements and adequate reference points in order that the gas line can be located.





# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (270)842-6541  
Fax: (270)781-3299

July 2, 1999

Ms. Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

RECEIVED  
JUL - 6 1999  
PUBLIC SERVICE  
COMMISSION

Dear Ms. Helton:

Re: CASE NO. 99-075

As per our conversation with the commission staff, we would like to file a petition to modify the final case number 99-075 order.

As documented in our original order, Page 3, IT IS THEREFORE ORDERED that:

6. Millennium is authorized to borrow from the National Cooperative Service Corporation an amount not to exceed \$305,000, bearing interest rate not to exceed 6 percent per annum for a period not to exceed 10 years.

Since we do not have a fixed rate loan, the interest rate may vary upon each loan draw. Since the final order, our borrowing rate has risen to slightly over six percent. We would like to request that the order be amended permitting Millennium to notify the commission within ten days from the date of a loan draw of the interest rate.

**The change in the interest rate does not change the feasibility of the project nor does it create a negative impact on the customer.**

Sincerely,

Gary K. Dillard  
Executive Vice President



# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (502)842-6541  
Fax: (502)781-3299

June 14, 1999

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

Re: CASE NO. 99-075

NOISSIMWOC  
PUBLIC SERVICE  
COMMISSION

JUN 15 1999

RECEIVED

Dear Ms. Helton:

As stipulated in the our order, we are enclosing the service contracts for natural gas for Cagle's - Keystone Foods LLC and Super Wal-Mart.

As requested by your Engineering Division, we are also enclosing a copy of the service agreement with our contractor who is installing the natural gas line, Clearfork Construction.

If we can be of any further assistance, please feel free to contact us.

Sincerely,

Gary K. Dillard  
Executive Vice President

# NATURAL GAS SUPPLY AGREEMENT

RECEIVED  
JUN 15 1999

PUBLIC SERVICE  
COMMISSION

This NATURAL GAS SUPPLY AGREEMENT, made and entered into in duplicate original copies on this 27 day of May, 1999, between CAGLE'S - KEYSTONE FOODS, LLC, 3150 Nashville Road, Franklin, Kentucky 42135, hereinafter referred to as "Buyer", and MILLENNIUM ENERGY, INC., 951 Fairview Avenue, P.O. Box 1118, Bowling Green, Kentucky 42102, hereinafter referred to as "Seller".

## WITNESSETH:

WHEREAS, subject to the terms and conditions hereinafter set forth, Seller desires to sell natural gas to the Buyer and Buyer desires to purchase natural gas from the Seller;

NOW, THEREFORE, in consideration of the promises, mutual covenants and agreements herein contained, the parties hereto agree as follows:

1. **Scope of Agreement.** The terms, provisions, agreements, representations, conditions and warranties of this agreement are applicable to the distribution and sale of natural gas by Seller to Buyer.

2. **Gas to be sold.** Seller shall sell and deliver and Buyer shall purchase quantities of natural gas as requested each month by Buyer subject to a minimum purchase of no less than three thousand (3,000) MCF per month at Buyer's place of business in Franklin, Kentucky. Natural gas shall be provided to Buyer at a maximum pressure of 25 PSIG. Title to the natural gas shall pass from Seller to Buyer at the point of delivery being the outlet of Buyer's header piping, 3150 Nashville Road, Franklin, Kentucky.

3. **Rates and Payment.** For all natural gas sold by Seller and purchased by Buyer, Buyer shall pay Seller the following rates:

**A. Local Distribution Charges.**

1) Seller shall charge and Buyer shall pay a Customer Charge of ONE HUNDRED DOLLARS (\$100.00) per month.

2) Seller shall charge and Buyer shall pay a Distribution Charge of TWO DOLLARS (\$2.00) per MCF for the first three thousand (3000) MCF purchased each month which charge shall be reduced to \$1.00 per MCF for each additional MCF purchase thereafter each month.

**B. Wholesale gas supply.** Seller shall charge and Buyer shall pay a Commodity Charge at a price established by the current NYMEX commodity price, plus any and all transmission charges and marketing costs per MCF charged by Midwestern Gas Transmission. The Seller will assist Buyer in negotiating a wholesale gas price with natural gas suppliers on an annual basis.

4. **Billing and payment.** Seller shall read the meter on a monthly basis and provide a statement of natural gas usage within five (5) days after the meter has been read and natural gas usage determined. Buyer shall pay its monthly chargers within fourteen (14) business days following the receipt by Buyer of its statement of natural gas usage. Any charges not paid within such fourteen (14) day period will be subject to a late payment penalty equal to 1½% per month.

5. **Term.** The initial term of this agreement is one (1) year from its commencement date. The commencement date for purposes of this agreement shall be the date natural gas is first supplied by Seller to Buyer. It is anticipated that the commencement date will be 15 August 1999 at which time it is anticipated that the distribution line of Seller will be installed and operational and that the business premises of Buyer will be completed and operational. Should either the distribution line of Seller or business premises of Buyer not be completed by 15 August 1999, then in that event the commencement date shall be the date upon which both facilities are complete. The Buyer has

the right to renew this contract upon the same terms and conditions by giving the Seller notice of such intent no less than thirty (30) days prior to the expiration of the current contact term.

6. **DISCLAIMER OF WARRANTIES.** THE SELLER AND BUYER EXPRESSLY ACKNOWLEDGE THAT SELLER ACTS AS A DISTRIBUTOR ONLY IF NATURAL GAS PURCHASED AT WHOLESALE AND IT DOES NOT WARRANT, EITHER EXPRESSLY OR IMPLIEDLY, THE QUALITY OR PURITY OF THE NATURAL GAS PROVIDED THROUGH ITS DISTRIBUTION SYSTEM. UNLESS CAUSED BY SELLER'S AFFIRMATIVE ACT OF NEGLIGENCE, SELLER SHALL NOT BE LIABLE FOR ANY FAILURE OF THE GAS SUPPLY TO BUYER'S BUSINESS ENTERPRISE OR FOR ANY INJURY OR DAMAGE TO PERSONAL PROPERTY OR LOSS SUFFERED BY THE BUSINESS OR OCCUPATION OF BUYER. IT IS FURTHER EXPRESSLY AGREED AND UNDERSTOOD THAT SELLER SHALL NOT BE LIABLE FOR FAILURE TO DELIVER NATURAL GAS PURSUANT TO THE TERMS OF THIS NATURAL GAS SUPPLY AGREEMENT IF THROUGH NO FAULT OF SELLER, IT IS UNABLE TO OBTAIN DELIVERY OF NATURAL GAS THROUGH ITS HOT TAP CONNECTED TO THE EL PASO MIDWESTERN PIPELINE NEAR THE INTERSECTION OF BUTTS ROAD AND LAKESPRING ROAD IN SIMPSON COUNTY, KENTUCKY.

7. **Notices.** Any notice, request, demand, statement, or other communication by either party shall be in writing and shall be delivered to the addresses listed below or at such other address as each party may designate in writing.

8. **Binding effect.** This agreement shall be binding upon and inure to the benefit of each of the parties and their respective successors and assigns.

9. **Governing Law.** This agreement shall be construed in accordance with and governed by the laws of the Commonwealth of Kentucky.

10. **Entire agreement.** This agreement supersedes all prior agreements between the parties with regard to the subject matter hereof, and there are no other understandings or agreements between Buyer and Seller with regard thereto.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this agreement the day and year first written above.

CAGLE'S KEYSTONE FOODS, LLC  
2000 Hills Avenue, N.W.  
Atlanta, GA 30318

BY: *Jerry Gattis President Cagle's, Inc.*  
JERRY GATTIS, A Member

MILLENNIUM ENERGY, INC.  
951 Fairview Avenue  
P.O. Box 118  
Bowling Green, KY 42102

BY: *Floyd W. Ellis*  
FLOYD W. ELLIS, President

201245-1



# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (502)842-6541  
Fax: (502)781-3299

S. Harji  
Anburgay

June 14, 1999

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

Re: CASE NO. 99-075

RECEIVED

JUN 15 1999

PUBLIC SERVICE  
COMMISSION

Dear Ms. Helton:

Millennium Energy, Inc. has begun construction of the natural gas line in Simpson County to serve Cagle-Keystone and Wal-Mart. During construction, a few residents and businesses are asking for natural gas service.

Understanding that we are not permitted to provide service to these businesses and residents through our current order, we would like to request permission and rates to provide service. If possible, would you please instruct our company on the procedures and requirements to obtain an order to establish the service and rates?

Attached, are the names of those who are requesting service.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary K. Dillard", written over a horizontal line.

Gary K. Dillard  
Executive Vice President

Robert Stone  
1576 Lake Springs Road  
Franklin, KY 42134

Charles Zeager  
340 Butts Road  
Franklin, KY 42134

McDonalds Restaurant  
110 Butts Road  
Franklin, KY 42134

William Thurman  
366 Lake Springs Road  
Franklin, KY 42134

David Pedigo  
183 Hawthorne Street  
Franklin, KY 42134

Foy Keith  
175 Hawthorne Street  
Franklin, KY 42134

William Gann  
123 Hawthorne Street  
Franklin, KY 42134

Charles White  
313 Honeysuckle Street  
Franklin, KY 42134

Wrights Nursery and Garden Gallery  
2218 Nashville Road  
Franklin, KY 42134

James E. Fleming  
2809 Nashville Road  
Franklin, KY 42134





# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (502)842-6541  
Fax: (502)781-3299

May 24, 1999

Ms. Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

RE: CASE No. 99-075

Dear Ms. Helton:

As stipulated in our Certificate of Convenience and Necessity, we are to notify the commission that we will be starting construction of the natural gas line in Simpson County on June 7, 1999.

As requested, we are enclosing the following documents:

- Construction Schedule
- Construction Drawing
- Pipe Specifications
- Construction Specifications
- Road Map to the Area

RECEIVED  
MAY 25 1999  
PUBLIC SERVICE  
COMMISSION

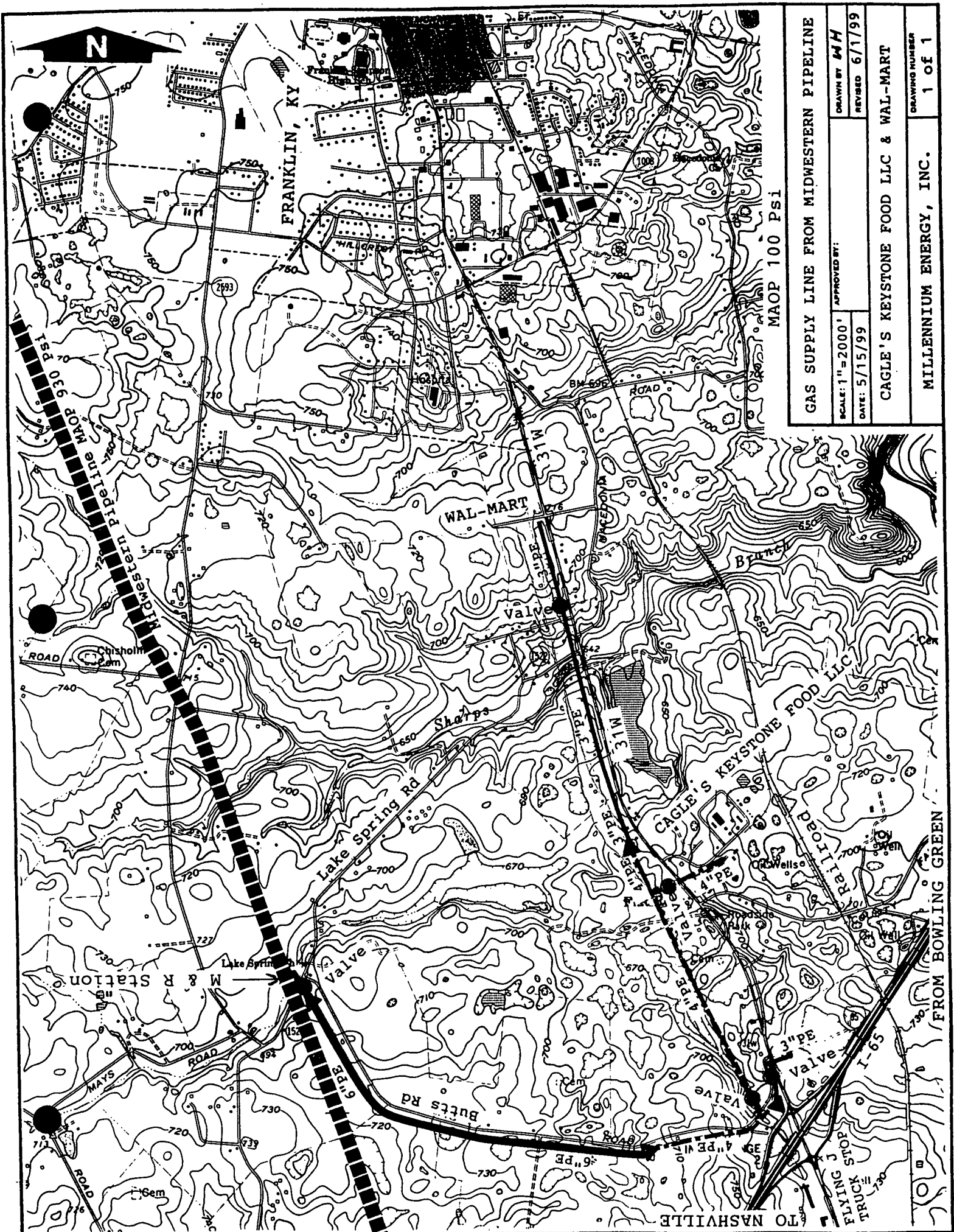
Caddum, Inc., professional engineering of Nashville, Tennessee, is responsible for our project engineering plans and inspections. Peter Grimes, Professional Engineer, will be lead, with either Joe Cates (thirty years with Huntsville, Alabama, Natural Gas Division) or Jerry McVey (over thirty years with Tennessee Pipeline Corp.) performing the installation inspection. Construction contracts will be forward upon signing this week.

If we can be of any further assistance, please feel free to call.

Sincerely,

Gary K. Dillard  
Vice President





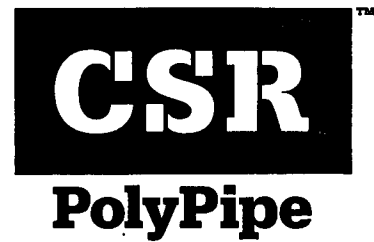
GAS SUPPLY LINE FROM MIDWESTERN PIPELINE	
SCALE: 1"=2000'	APPROVED BY:
DATE: 5/15/99	REVISION: 6/1/99
CAGLE'S KEYSTONE FOOD LLC & WAL-MART	
MILLENNIUM ENERGY, INC.	
DRAWING NUMBER	1 OF 1

FROM BOWLING GREEN

TO NASHVILLE

# HDPE EHMW PE3408 Pipe

High Density Polyethylene, Extra High Molecular Weight PolyPipe™  
 can be manufactured in accordance with: ASTM D2513, D3035,  
 F714, API 15LE and/or AWWA C901/C906



Approved by NSF Standard 61 for potable water.

Other dimensional standards or custom requirements are acceptable as agreed upon  
 between the buyer and manufacturer.

## TYPICAL PHYSICAL PROPERTIES

PROPERTY	ASTM TEST METHOD	*NOMINAL VALUES	
		SI UNITS	ENGLISH UNITS
Density (Natural)	D1505	0.946g/cc	--
Density (Black)	D1505	0.957g/cc	--
Flow Rate (190/21.6)	D1238	8.5 gm/10 min.	--
Tensile Strength @ Ultimate	D638	34.5 MPa	5,000 psi
Tensile Strength @ Yield	D638	24.1 MPa	3,500 psi
Ultimate Elongation	D638	>800%	>800%
Flexural Modulus 2% Secant	D790	938 MPa	136,000 psi
Environmental Stress Crack Resistance (ESCR)			
F <sub>0</sub> , Cond. C	D1693	> 10,000 hrs.	> 10,000 hrs.
Compressed Ring ESCR, F <sub>0</sub>	F1248	> 10,000 hrs.	> 10,000 hrs.
Brittleness Temperature	D746	< -117°C	< -180°F
Vicat Softening Temperature	D1525	124°C	255°F
Hardness, Shore D	D2240	64	64
Vicat Softening Temperature	D1525	124°C	255°F
Volume Resistivity	D991	>10 <sup>15</sup> ohm-cm	
CELL CLASSIFICATION:	D3350	345444C	Grade PE34
MATERIAL CLASSIFICATION:	D1248	TYPE III Category 5	Class C
PPI HYDROSTATIC DESIGN BASIS: (As listed in PPI TR-4):	D2837	11.0 MPa @ 23°C 5.5 MPa @ 60°C	1600 psi @ 73.4°F 800 psi @ 140°F

\* Nominal values are intended to be guides only, and not as specification limit.

CSR PolyPipe  
 P.O. Box 390  
 Gainesville, Texas 76241-0390

Distributor address here

(940) 665-1721, (800) 433-5632  
 Fax (940) 668-8612  
 Sales Fax (940) 668-2704

# HDPE Extra High Molecular Weight PE3408 CSR PolyPipe™

## Pipe Data And Pressure Ratings

Pressure Rating	O.D. Size (Inches)	265 psi SDR 7		200 psi SDR 9		160 psi SDR 11		130 psi SDR 13.5		110 psi SDR 15.5		100 psi SDR 17		80 psi SDR 21		65 psi SDR 26		50 psi SDR 32.5	
		Min. Wall	Weight lb./ft.	Min. Wall	Weight lb./ft.	Min. Wall	Weight lb./ft.	Min. Wall	Weight lb./ft.	Min. Wall	Weight lb./ft.	Min. Wall	Weight lb./ft.	Min. Wall	Weight lb./ft.	Min. Wall	Weight lb./ft.	Min. Wall	Weight lb./ft.
2	2.375	.339	0.93	0.264	0.75	0.216	0.63	0.176	0.52	0.153	0.46	0.140	0.42	-	-	0.207	1.45	0.165	1.17
3	3.500	.500	2.03	0.389	1.64	0.318	1.37	0.259	1.14	0.226	1.00	0.206	0.92	-	-	0.214	1.55	0.171	1.25
4	4.500	.643	3.35	0.500	2.71	0.409	2.26	0.333	1.88	0.290	1.65	0.265	1.52	-	-	0.214	1.24	-	-
5	5.375	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.256	1.77	0.207	1.45
5	5.563	.795	5.13	0.618	4.13	0.506	3.46	0.412	2.87	0.359	2.53	0.327	2.32	-	-	0.265	1.90	0.214	1.55
6	6.625	.946	7.27	0.736	5.86	0.602	4.91	0.491	4.07	0.427	3.58	0.390	3.29	-	-	0.315	2.69	0.255	2.20
7	7.125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.339	3.11	0.274	2.54
8	8.625	1.232	12.32	0.958	9.94	0.784	8.32	0.639	6.90	0.556	6.07	0.507	5.57	-	-	0.411	4.56	0.332	3.72
10	10.750	1.536	19.14	1.194	15.44	0.977	12.92	0.796	10.72	0.694	9.43	0.632	8.65	-	-	0.512	7.09	0.413	5.78
12	12.750	1.821	26.93	1.417	21.72	1.159	18.17	0.944	15.08	0.823	13.27	0.750	12.17	-	-	0.607	9.97	0.490	8.13
13	13.380	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.637	10.98	0.515	8.96
14	14.000	2.000	32.46	1.556	26.19	1.273	21.91	1.037	18.18	0.903	16.00	0.824	14.68	-	-	0.667	12.02	0.538	9.81
16	16.000	2.286	42.40	1.778	34.20	1.455	28.62	1.185	23.75	1.032	20.90	0.941	19.17	-	-	0.762	15.70	0.615	12.81
18	18.000	2.571	53.67	2.000	43.29	1.636	36.22	1.333	30.06	1.161	26.45	1.059	24.26	-	-	0.857	19.88	0.692	16.21
20	20.000	2.857	66.25	2.222	53.44	1.818	44.72	1.481	37.11	1.290	32.66	1.176	29.96	-	-	0.952	24.54	0.769	20.01
22	22.000	-	-	-	-	2.000	54.11	1.630	44.90	1.419	39.51	1.294	36.25	-	-	1.048	29.69	0.846	24.21
24	24.000	-	-	-	-	2.182	64.39	1.778	53.44	1.548	47.02	1.412	43.14	-	-	1.143	35.34	0.923	28.81
28	28.000	-	-	-	-	-	-	2.074	72.74	1.806	64.01	1.647	58.71	-	-	1.333	48.10	1.077	39.22
30	30.000	-	-	-	-	-	-	-	-	1.935	73.48	1.765	67.40	-	-	1.429	55.21	1.154	45.02
32	32.000	-	-	-	-	-	-	-	-	2.065	83.60	1.882	76.69	-	-	1.524	62.82	1.231	51.23
36	36.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.714	79.51	1.385	64.83
42	42.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.000	108.22	1.615	88.25
48	48.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.286	141.34	1.846	115.26
52	52.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.000	135.27
54	54.000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.077	145.88
																			1.662
																			117.63

- NOTE:
- Pressures are based on using water at 23°C (73°F) and are determined by using standard formulas for the industry.
  - Service factors should be utilized to compensate for the effect of substances other than water, and for other temperatures.
  - Call for availability on sizes or SDR's not shown.
  - Fusion equipment rental available for pipe 30" and over.
  - Metric and inside diameter controlled sizes available upon request.



# **construction specifications**

**NATURAL GAS SUPPLY LINE**

**IN**

**SIMPSON COUNTY, KENTUCKY**

**TO SUPPLY**

**CAGLE'S-KEYSTONE FOODS LLC**

**and**

**Wal-Mart**

**MILLENNIUM ENERGY, INC.  
BOWLING GREEN, KENTUCKY**

**MAY 1999**

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### GENERAL INFORMATION

The project consists of installing a natural gas supply line to serve the Cagle's Keystone Foods LLC hatchery and feed mill in Simpson County, Kentucky.

Work will be done by using polyethylene (PE) SDR 11 3408 pipe in a four inch or six inch size. The pipe shall be CSR poly pipe or equal.

All work and installation shall be done to comply with the Pipeline Safety Regulations for the Transportation of natural gas and other gas by pipeline, "Parts 191 and 192 of the Code of Federal Regulations" (CRF), and NFPA 54, National Fuel Gas Code.

The natural gas supply line shall have a maximum operating allowable pressure (MAOP) of 100 PSI. All PE pipe installed shall be tested to a minimum pressure of 150 Psi using air.

All pipe installed shall have a minimum trench depth of 24 inches except the depth may be 18 inches on private property. A minimum clearance from all other utilities of 12 inches shall be maintained unless approved otherwise by the owner.

Good public relations shall be maintained at all times and all work done shall be in such a manner to cause the least inconvenience to the general public.



## DEFINITIONS

1. ADDENDUM: Written or graphic instruments issued prior to the execution of the Agreement which modify the Contract.
2. BID: The proposal submitted for the work to be done.
3. BIDDER: The person or firm submitting a bid for the work.
4. BONDS: Surety furnished by the Contractor.
5. CHANGE ORDER: A written order to the contractor changing the work or authorizing an adjustment in the contract price or time.
6. CONTRACTOR: Firm with whom the contract is made by the owner.
7. CONTRACT PRICE: The total amount payable to the contractor under the terms and conditions of the contract.
8. CONTRACT TIME: The number of calendar days stated in the contact documents for the completion of the work.
9. PLANS: The part of the contract documents that show the scope of the work to be performed as approved by the owner.
10. ENGINEER: the person or firm named by the Owner.
11. FIELD ORDER: A written order changing the work which does not involve an adjustment in the contract price or extension in time and is issued by the owner or engineer during construction.
12. NOTICE OF AWARD: The written notice of the acceptance of the bid to the successful bidder.
13. NOTICE TO PROCEED: Written notice from the owner authorizing the contractor to start work and establishing the date for starting.
14. OWNER: The person, firm or entity for whom the work is to be preformed.
15. PROJECT: The work to be done as described in the contract.
16. OWNERS REPRESENTATIVE: The authorized representative of the owner or the engineer who is assigned to the project or any part thereof for the purpose of inspecting the work being done.
17. SHOP DRAWINGS: All drawings, diagrams, illustrations, brochures, schedules and other data which are prepared by the contractor, a subcontractor, manufacturer, supplier or distributor that illustrates how specific portions of the work shall be done, fabricated or installed.
18. SPECIAL CONDITIONS: Additional instructions to the contractor and special construction requirements.
19. SUBCONTRACTOR: Any person or firm supplying labor or materials for the contractor under a separate contract or agreement.
20. SUBSTANTIAL COMPLETION: The date as certified by the owner or engineer that the project is sufficiently completed and can be utilized for the purposes for which it is intended.
21. SUPPLIERS: Anyone who supplies materials or equipment for the work but who does not perform labor at the project location.
22. WORK: This refers to and includes all plant, labor, materials, supplies, equipment and other facilities and items necessary or incidental for completion of the contract terms.
23. USER or CUSTOMER: A consumer of gas at a given address.

## PROJECT DESCRIPTION

The entire scope of the work to be done is detailed in the plans, specifications and contract documents.

One customer will be served by the gas supply line.

### WORK TO BE DONE IS:

1. Installation of polyethylene (PE) SDR 11 pipe for a gas supply line which will operate at a maximum allowable operating pressure (MAOP) of 100 PSI.
2. State highway crossings shall be by underbore.
3. No. 14 copper wire shall be installed in the trench with the gas supply line.

### CONFLICT WITH OR DAMAGE TO EXISTING UTILITIES:

It shall be the responsibility of the trenching contractor to verify in the field the existence and location of other utilities.

### LAYOUT OF WORK:

The contractor's personnel engaged in the layout of the work shall be capable of doing the layout.

### QUALIFICATION FOR PE PIPE FUSING:

Personnel installing plastic pipe shall be qualified in the procedure for joining plastic pipe in compliance with Section 192.283 and 192.285 of Title 49 of the Code of Federal Regulations.

### PHOTOGRAPHS:

Photographs are suggested for those areas where a property owner is most likely to make a claim for damages. These photos are to be taken before any construction starts. Each photo should be labeled with the date, time, location and other information.

### REGULATOR STATION:

The regulator station will be located at the Midwestern high pressure steel pipeline on Butt Road about 1.5 miles west of Highway 31W.

TRAFFIC CONTROL AND MAINTENANCE:

1. The contractor shall conduct the work in such a manner as to insure the least practicable obstruction to the public travel.
2. Suitable signs and other necessary devices to control traffic passing through or around the construction shall be erected.

CLEAN UP:

1. Clean up shall consist of all work necessary to restore the damaged area to a similar condition as existed prior to the start of construction.
2. Clean up shall follow as close as possible to the trenching and backfilling operations.

TESTING THE GAS SUPPLY LINE:

1. After clean up the gas supply line shall be tested to a minimum of 150 Psi using air.
2. Above ground piping not included in the pressure tests shall be leak tested with soap suds.
3. If there is a pressure drop in the gas supply line, the leak shall be located and repaired. Mercaptan odorant shall not be injected as a liquid into plastic piping. The use of air containing vaporized odorant is permissible to locate leaks.

## SITE WORK

### BACKFILLING:

1. No trench shall be backfilled unless the pipe has proper depth and there is firm support around the pipe.
2. The trench shall be backfilled as soon as possible after the pipe has been lowered into the trench.
3. Backfill material shall consist of earth and rock excavated from the trench. All backfill material used shall be free from rock or other material which might damage the pipe.
4. After a 12 inch layer of rock free earth is placed over the pipe the remainder of the trench may then be backfilled with materials excavated from the trench except that no hard objects or rock exceeding eight inches in diameter shall be placed in the trench. Backfilling may be employed without tamping except as herein restricted, provided caution is used in quantity per dump.
5. All paved areas crossed by the trench shall be backfilled by hand placing stable stone free earth having a maximum particle size of 1/2 inch to a depth of 6 inches above the top of the pipe. The remainder of the trench shall be backfilled with crushed stone.
6. In areas not to be traveled by vehicles the earth above the trench shall be mounded slightly so that it will settle to the natural contour of the ground. Ridged backfill shall be confined to the width of the trench and not allowed to overlap onto firm original earth. Where excavated material is left in a ridge over the trench, gaps shall be made in the ridge to allow surface water to drain off.

### TRENCHING:

1. Trenching shall include all excavation necessary to prepare the trench for the pipe to be installed regardless of what means or methods are necessary to produce the trench.
2. Construction equipment shall not be used where it will damage paving.
3. All excavation shall be open trench except for state roads and other areas designated by the owner.
4. The contractor shall not open more trench in advance of the pipe laying than is necessary to expedite the work.

## UNDERBORING:

1. Underboring roads, sidewalks, water lines and other utilities shall be done in the locations shown on the plans or where directed by the owner.
2. The diameter of the auger used in underboring shall not be greater than the maximum diameter permitted by the specifications but in no case shall the hole be greater than four inches larger than the outside diameter of the pipe to be installed.

## LOCATION SYSTEM

Conductive 14 gauge plastic coated copper wire shall be installed in such a manner that direct burial plastic pipe mains and service lines can be located with an electronic pipe locator.

This copper tracer wire shall be installed so that a continuous electrical circuit is provided which will allow a pipe locator to be used normally or with a direct connection to the wire.

## PIPE JOINING

1. All connections shall be made by the heat fusion process for pipe sizes two inches and above. The plastic pipe specified for the project shall be joined in accordance with the pipe manufacturer's instructions.
2. No plastic pipe joining shall be attempted in rain or snow unless the work is properly protected from the elements. No pipe fusing shall be done when the temperature is under 32 degrees fahrenheit, unless directed otherwise by the owner.

## FUSION PROCEDURE FOR POLYETHYLENE PIPE:

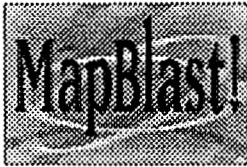
1. Butt fusion joints must be joined by a device that holds the heater element square to the ends of the pipe, compresses the ends together and holds the pipe in proper alignment while the pipe cools.
3. Heating irons used in joining PE pipe shall be electric only. Heat shall not be applied to the pipe with a torch.
4. All joints shall be made above ground except in rare cases and for repairs.
5. Personnel making pipe fusion joints shall be qualified under the applicable procedures of the CFR Title 49, Part 192.

### AIR PURGING

Except in instances when its use is permitted in pressure testing, no gas shall be admitted into any completed or partially completed pipe installation prior to receiving an acceptable pressure test and after receiving approval from the owner.

### VALVES

1. valves and valve boxes shall be installed at all locations as shown on the plans or as designated by the owner. All valves shall be specifically designed and manufactured for use in natural gas systems.
2. Valves shall be wrench operated. Two "T" handles four feet long shall be provided to the owner for operation of the valves.
3. A valve box shall be installed over each underground valve unless directed otherwise by the owner. Top of the valve box shall be flush with the paving, walk or road surface. In grass areas and open fields the top of the box shall be raised.
4. Each valve box shall have a cast iron cover with the word "GAS" cast on it.

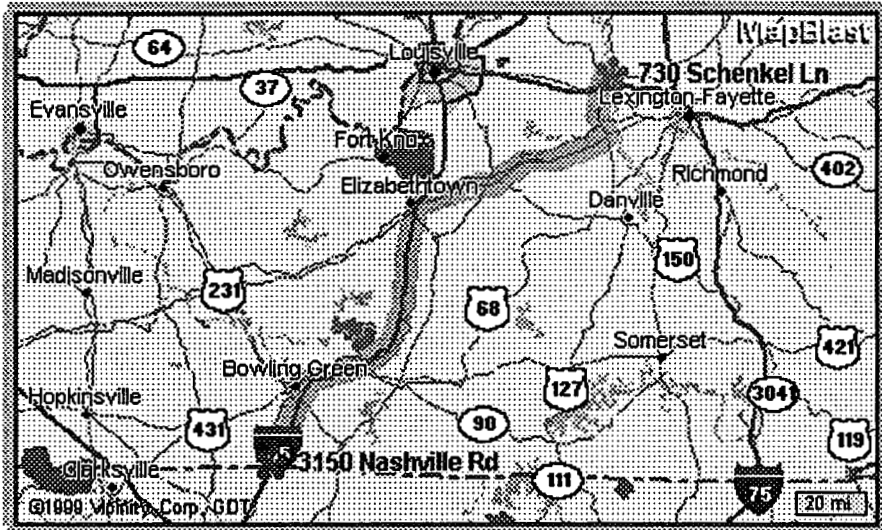


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**From:**  
 730 Schenkel Ln  
 Frankfort, KY 40601-1402

**To:**  
 3150 Nashville Rd  
 Franklin, KY 42134-6976

- Click From or To to adjust that point.
- You can customize these directions by clicking the "Customize" tab at the top of the page.

[MapSave](#) [Print](#)

**Your trip's estimated travel time is 2 hours, 55 minutes for 171.85 miles of travel, total of 12 steps.**

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**These driving directions are provided only as a rough guideline. Please be sure to call ahead to verify the location and directions .**

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**Step 1**  
 Begin at 730 Schenkel Ln on Schenkel Ln and go Southwest for 0.2 miles (elapsed distance: 0.2 mi)

---

**Step 2**  
 Turn right on US-421, Wilkinson Blvd and go Southwest for 2.5 miles (elapsed distance: 2.7 mi)

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**Step 3**  
 Turn right on US-127 and go South for 11.2 miles (elapsed distance: 13.9 mi)

---

**Step 4**

Continue on US-127-Byp and go South for 6.6 miles  
(elapsed distance: 20.6 mi)

---

**Step 5**

Continue on US-127 and go Southeast for 0.5 miles  
(elapsed distance: 21.0 mi)

---

**Step 6**

Turn left and go Northeast for less than 100 feet  
(elapsed distance: 21.1 mi)

---

**Step 7**

Continue on ramp and go Southeast for 0.1 miles  
(elapsed distance: 21.2 mi)

---

**Step 8**

Turn right on Blue Grass Pky W and go West for 58.5 miles  
(elapsed distance: 79.6 mi)

---

**Step 9**

Continue on ramp at sign reading "Exit 1B to Wk Parkway/Bowling Green/Paducah"  
and go Southwest for 0.9 miles  
(elapsed distance: 80.5 mi)

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**Step 10**

Continue on I-65 and go Southwest for 90.9 miles  
(elapsed distance: 171.4 mi)

---

**Step 11**

Continue on ramp at sign reading "Exit 2 US-31West to Franklin" and go Southwest  
for 0.2 miles  
(elapsed distance: 171.6 mi)

---

**Step 12**

Turn right on US-31W and go North for 0.2 miles to 3150 Nashville Rd  
(elapsed distance: 171.8 mi)

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INDEX FOR CASE: 99-075 ✓  
MILLENNIUM ENERGY, INC.  
Initial Operations Construct, Financing  
NATURAL GAS SUPPLY LINE

IN THE MATTER OF A PETITION OF MILLENNIUM ENERGY, INC. FOR  
A CERTIFICATE OF CONVENIENCE AND NECESSITY TO CONSTRUCT AND  
OPERATE A NATURAL GAS SUPPLY LINE

SEQ NBR	ENTRY DATE	REMARKS
0001	03/02/99	Application.
0002	03/04/99	Acknowledgement letter.
M0001	03/16/99	GARY DILLARD MILLENNIUM ENERGY-LATE EXHIBIT NO TWO
0003	03/18/99	Filing deficiencies letter, response due 4/2/99.
M0002	03/25/99	GARY DILLARD MILLENNIUM ENERGY-RESPONSE TO LETTER DATED MARCH 18,99 FOR INFO ON FINANCING O
M0003	03/25/99	GARY DILLARD MILLENNIUM ENERGY-RESPONSE TO LETTER OF MARCH 18,99
0004	05/04/99	Second filing deficiencies letter, info due 5/19/99.
0005	05/05/99	Order scheduling 5/7 informal conference
M0004	05/12/99	GARY K. DILLARD/MILLENNIUM ENERGY-RESPONSE TO 5/7/99 INFORMAL CONFERENCE AND FILING DEFICIE
0006	05/13/99	Deficiency cured letter.
0007	05/20/99	Final Order authorizing construction and financing.



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

CERTIFICATE OF SERVICE

RE: Case No. 99-075  
MILLENNIUM ENERGY, INC.

I, Stephanie Bell, Secretary of the Public Service Commission, hereby certify that the enclosed attested copy of the Commission's Order in the above case was served upon the following by U.S. Mail on May 20, 1999.

Parties of Record:

Gary K. Dillard  
Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, KY. 42102

Stephanie Bell  
Secretary of the Commission

SB/hv  
Enclosure

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE PETITION OF MILLENNIUM ENERGY, INC. )  
FOR A CERTIFICATE OF CONVENIENCE AND ) CASE NO. 99-075  
NECESSITY TO CONSTRUCT AND )  
OPERATE A NATURAL GAS SUPPLY LINE )

O R D E R

On March 2, 1999, Millennium Energy, Inc. ("Millennium") submitted an application requesting a Certificate of Public Convenience and Necessity to construct a natural gas pipeline, pursuant to 807 KAR 5:001, Section 9, and for approval of the financing of the project. On March 18, 1999, the Commission, by letter, requested information about the proposed financing of the project.

On May 4, 1999, the Commission, by letter, advised Millennium that its filing was rejected, pursuant to 807 KAR 5:001, Section 2. Millennium was directed to file certain information to cure the filing deficiencies no later than 15 days from the date of the letter. On May 7, 1999, the Commission Staff met with Millennium personnel in an informal conference and discussed the filing requirements and the information that Millennium should provide to the Commission to acquire a certificate of convenience and necessity to construct a natural gas distribution system.

On May 12, 1999, Millennium filed the requested information and cured the deficiencies of its filing for constructing a natural gas distribution system.

Millennium is proposing to install about 4 miles of 6-inch and 4-inch polyethylene pipelines from a 30-inch Midwestern Pipeline to its end-users in Simpson County, Kentucky. Millennium estimates the cost of construction will be \$282,579. Millennium states it plans only to borrow those funds necessary for construction (\$282,579) and the amount designated by Millennium for working capital and a debt service reserve of \$22,421.

Funding for the construction, debt service reserve fund and working capital will be provided through a loan that will not exceed \$305,000 from the National Cooperative Service Corporation, a subsidiary of the National Rural Utilities Cooperative Finance Corporation. The loan will be amortized over 10 years, with principal payments deferred for the first 2 years, at an interest rate of 6 percent per year. A loan in the amount of \$305,000 from the National Cooperative Service Corporation is for lawful corporate purposes, is consistent with and will not impair Millennium's proper performance of its service to the public, and is reasonable, necessary and appropriate.

The proposed project will initially serve Cagle's Keystone Foods LLC and Super Wal-Mart. The rates will be defined in special contracts with these customers.

After review of the evidence of record, and being otherwise sufficiently advised, the Commission finds that:

1. Millennium's petition for a Certificate of Public Convenience and Necessity to construct the proposed pipeline and facility should be granted.
2. No change should be made in the scope of service, i.e., the addition of residential customers, except upon prior Commission approval.

3. Two weeks prior to construction, Millennium should file with the Commission the construction schedule and a copy of the construction drawings.

4. Within 30 days of their execution, Millennium should file with the Commission copies of the service contracts with Cagle's Keystone Foods LLC and Super Wal-Mart.

5. Within 60 days from the completion of the construction, Millennium should file as-built drawings for the project and a statement of the actual cost of the project.

6. Prior to providing service to its customers, Millennium should file with the Commission the operating and maintenance manual of its distribution system.

IT IS THEREFORE ORDERED that:

1. Millennium is hereby granted a Certificate of Public Convenience and Necessity to construct the proposed project set forth in the drawings and specifications of its application.

2. Millennium shall obtain prior Commission approval to perform any additional construction not expressly authorized herein.

3. No deviation from the proposed construction project shall be undertaken without prior Commission approval.

4. Within 60 days of the date that construction is substantially completed, Millennium shall inform the Commission in writing of the total project costs, including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.). Construction costs shall be classified into appropriate plant accounts in accordance with the Uniform System of Accounts for gas utilities prescribed by the Commission.

5. Millennium shall require that the proposed project be constructed under the general supervision and inspection of a professional engineer with Kentucky registration in civil or mechanical engineering.

6. Millennium is authorized to borrow from the National Cooperative Service Corporation an amount not to exceed \$305,000, bearing interest at a rate not to exceed 6 percent per annum for a period not to exceed 10 years.

7. Millennium shall use the proceeds from the loan authorized herein only for the purpose of financing the proposed project, including working capital as stated herein.

8. Nothing contained herein shall be deemed a warranty of the Commonwealth of Kentucky, or any agency thereof, of the loan approved herein.

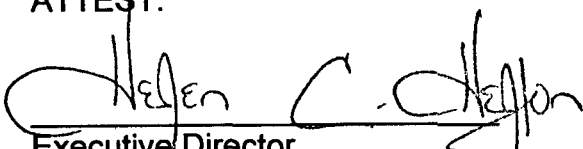
9. Millennium shall file with the Commission all special contracts with any customers it proposes to serve at least 30 days prior to providing service pursuant to those contracts.

10. Prior to providing service to its customers, Millennium shall file with the Commission the operating and maintenance manual of its distribution system.

Done at Frankfort, Kentucky, this 20th day of May, 1999.

By the Commission

ATTEST:

  
Executive Director



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

May 13, 1999

Gary K. Dillard  
Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, KY. 42102

RE: Case No. 99-075  
MILLENNIUM ENERGY, INC.

The Commission staff has reviewed your response of May 12, 1999 and has determined that your application in the above case now meets the minimum filing requirements set by our regulations. Enclosed please find a stamped filed copy of the first page of your filing. This case has been docketed and will be processed as expeditiously as possible.

If you need further information, please contact my staff at 502/564-3940.

Sincerely,  
*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

SB/sh  
Enclosure

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR - 2 1999

PUBLIC SERVICE  
COMMISSION

In the Matter of:

A PETITION OF MILLENNIUM ENERGY, INC.)  
FOR A CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO CONSTRUCT AND OPERATE A )  
NATURAL GAS SUPPLY LINE )

CASE NO. 99-

075

PETITION OF MILLENNIUM ENERGY, INC.  
FOR A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO CONSTRUCT A GAS SUPPLY LINE  
APPROVAL OF FUNDING AND THE OPERATION OF  
A NATURAL GAS SUPPLY LINE FOR A PORTION  
OF SIMPSON COUNTY, KENTUCKY

FILED

MAY 12 1999

PUBLIC SERVICE  
COMMISSION

This petition is a request for an ORDER granting approval for a Certificate of Public Convenience and Necessity (CCN) to construct a natural gas supply line, approval of funding and the initial industrial gas agreement to sell gas.

Millennium Energy, Inc. is a Kentucky Corporation with a mailing address of:

Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, KY 42102

Millennium Energy, Inc. will be a distribution company regulated by the Kentucky Public Service Commission pursuant to KRS 278.010.

Information to satisfy the requirements of 807 KAR 5:001, Section 8(3): Articles of Incorporation are attached as Exhibit 1.

Information to satisfy the requirements of 807 KAR 5:001, Section 9, Rules of Procedure is as follows:

1. The facts relied upon to show that the proposed new gas supply line is required by Public Convenience and Necessity.

The prospective industrial customer does not have natural gas and is currently operating with a backup propane-air peak shaving plant installed in 1998. The propane plant is presently supplying the Cagle's Keystone Foods, LLC hatchery which will hatch Ten Million eggs per year.





# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (502)842-6541  
Fax: (502)781-3299

May 11, 1999

Ms. Stephanie Bell  
Secretary to the Commission  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

**RECEIVED**

MAY 12 1999

PUBLIC SERVICE  
COMMISSION

Re: CASE NO. 99-075

Dear Ms. Bell:

Following our informal conference at your offices on Friday, May 7, we are responding to your correspondence of May 4, 1999, on the filing deficiencies, as well as added affiliated transactions. The commission personnel were very helpful in directing us through the process to secure a Certificate of Convenience and Necessity for our economic development project. We hope that our project can be expedited as soon as possible.

Our project has been placed under a much tighter timetable since its inception of providing natural gas to the Cagle/Keystone industry. Since we petitioned the project, the Wal-Mart Corporation is requesting natural gas service by August 2, for a new super store in South Simpson County, Kentucky.

It is our intent to work with the commission in every aspect of this process to see that we can hopefully meet the needs of these economic development activities for a greater commonwealth.

Sincerely,

Gary K. Dillard  
Vice President for Development

c: Helen Helton

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

Millennium Energy, Inc.

Case No. 99-075

RECEIVED

MAY 12 1999

PUBLIC SERVICE  
COMMISSION

The information below is being provided in response to the Commission's May 4, 1999 letter (Re: Case No. 99-075, Filing Deficiencies). Each item number below corresponds to the deficiencies as listed in the Commission's letter. In addition to addressing the deficiencies, Millennium has revised their initial filing to reflect the costs of providing service to an additional customer. This information is presented in the exhibits that follow.

**Item 1 - Filing deficiencies pursuant to KRS 278.300(2)**

Every financing application shall be made under oath, and shall be signed and filed on behalf of the utility by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility.

**Response:**

Revised affidavit of Gary K. Dillard, Vice President is attached as Exhibit 2.1.

**Item 2 - Filing deficiencies pursuant to 807 KAR 5:001, Section 11(1)(b):**

If bonds or notes or other indebtedness is proposed, state whether the debt is to be secured and if so a description of how it is secured.

**Response:**

Funding for the construction of the proposed gas distribution system is to be provided through a loan from National Cooperative Finance Corporation (NCFC) to Millennium Energy, Inc. The debt is secured by the assets of Millennium Energy, Inc. and Warren Rural Electric Cooperative Corporation and is subordinate to Warren RECC's existing RUS loan obligations. Please note the March 23, 1999, letter to Ms. Stephanie Bell, and its attached memorandum from Rox'Anne Gray, explaining the details of the financing.

**Item 3 - Filing deficiencies pursuant to 807 KAR 5:001, Section 11(1)(c):**

Statement of how proceeds are to be used. Should show amounts for each type of use (i.e., property, debt refunding, etc.)

**Response:**

Millennium Energy, Inc. has obtained a \$500,000 line of credit from NCFC; however, funds availability is subject to Commission review and approval for the construction of and improvement of the gas distribution system. Millennium plans to borrow only those funds necessary to construct gas system facilities as shown in the following financial exhibits:

- Financial Exhibit 2.2a - Estimated Construction Costs
- Financial Exhibit 2.3 - Use of Loan Proceeds

**Item 4 - Filing deficiencies pursuant to 807 KAR 5:001, Section 11(2)(c):**

If property to be acquired, detailed estimates by USOA account number.

**Response:**

See Financial Exhibit 2.2a - Estimated Construction Costs

Millennium Energy, Inc. plans to utilize 18 CFR - 201, Uniform System of Accounts for Natural Gas Providers, in financial reporting.

**Item 5 - Filing deficiencies pursuant to 807 KAR 5:071, Section 3(3)(a):**

Copy of amortization schedules of present and proposed indebtedness.

**Response:**

See Financial Exhibit 2.4 - Amortization Schedule

**Item 6 - Filing deficiencies pursuant to 807 KAR 5:071, Section 3(3)(a):**

A full and complete explanation of any corporate or business relationships between applicant and parent or brother-sister corporation, subsidiary(ies), a development corporation(s), or any other party or business to afford the PSC a full understanding of the situation.

**Response:**

Warren Rural Electric Cooperative Corporation, wholly owns Millennium Energy, Inc. Millennium Energy, Inc. is a for-profit corporation with its own Board of Directors and Officers. Articles of Incorporation, By-laws, and Consent of Incorporator are enclosed. The corporation's attorney, Keith M. Carwell, prepared these documents.

Since Millennium Energy does not plan on hiring its own employees, management and accounting will be performed by Warren RECC employees. Warren RECC will invoice Millennium for the individual employee hourly wage plus related taxes and benefits. Initially, Warren does not anticipate charging for such services until Millennium produces a positive cash flow.

See Financial Exhibit 2.5 - Pro Forma Income Statement

See Financial Exhibit 2.6 - Pro Forma Balance Sheet

See Financial Exhibit 2.7 - Cash Flow Summary

**Additional Information Relevant to Filing**

- Exhibit 2.8 - Construction Schedule
- 
- Exhibit 2.9 - Map  
Map has been revised to reflect location of additional customer (Wal-Mart)
- Exhibit 3.0 - Kentucky Transportation Cabinet, Encroachment Permit



**Millennium Energy, Inc.**

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (502)842-6541  
Fax: (502)781-3299

**AFFIDAVIT OF GARY K. DILLARD  
OF MILLENNIUM ENERGY, INC.**

Commonwealth of Kentucky  
County of Warren

Gary K. Dillard personally appeared before me and, after being duly sworn, states that he is an officer of Millennium Energy, Inc., and that the statements contained in this petition for a Certificate of Convenience and Necessity (CCN) to the Kentucky Public Service Commission for the purpose of installing and operating a natural gas supply line from Midwestern Pipeline in Simpson County to provide natural gas distribution services to area customers, are true and correct to the best of his information and knowledge.

Subscribed and sworn to before me by Gary K. Dillard on this 6 day of  
May, 1999.

Caroleen C. Hyatt  
Notary Public  
State-at-Large

My commission expires: 12-8-2001

**MILLENNIUM ENERGY, INC.**

Gary K. Dillard  
Gary K. Dillard, Vice President/Secretary

**ARTICLES OF INCORPORATION**

RECEIVED & FILED  
50.00  
99 FEB 25 AM 11:11

**OF**

JOHN Y. BROWN III  
SECRETARY OF STATE  
COMM. OF KENTUCKY

**MILLENNIUM ENERGY, INCORPORATED**

These **ARTICLES OF INCORPORATION**, made and entered into on this 23 February 1999, evidencing that the undersigned incorporator has declared his intention of forming a corporation pursuant to Chapter 271B of the Kentucky Revised Statutes and all other acts amendatory thereof and supplemental thereto as follows:

I.

The name of this Corporation shall be **MILLENNIUM ENERGY, INCORPORATED**.

II.

The total number of shares of stock authorized to be issued shall be one hundred (100) shares of common stock.

III.

The street address of the Corporation's initial registered office shall be 1101 College Street, P. O. Box 770, Bowling Green, Kentucky 42102-0770, and the name of the initial registered agent is Keith M. Carwell.

IV.

The mailing address of the Corporation's principal office and place of business is 1101 College Street, P. O. Box 770, Bowling Green, Kentucky 42102-0770.

V.

The name and mailing address of the incorporator is as follows:

Keith M. Carwell  
1101 College Street  
P. O. Box 770  
Bowling Green, KY 42102-0770

VI.

The number of Directors constituting the initial Board of Directors shall be not less than three (3) nor more than ten (10).

VII.

The purpose for which the Corporation is organized is to engage in the transaction of any and all lawful businesses for which corporations may be incorporated under the Kentucky Business Corporation Act.

VIII.

The business and affairs of the Corporation shall be carried on by the Shareholders of the Corporation who shall have all of the duties otherwise vested in the Board of Directors. Further, the Shareholders, when acting with the authority otherwise vested in the Board of Directors, shall be subject to the standards of conduct for Directors, as provided under the provisions of KRS Chapter 271B. Further, the liability of such Shareholders, when acting with the authority which is otherwise vested in the Board of Directors may be limited as from time to time approved by the Shareholders in accordance with KRS 271B.8-300, and may be indemnified under the provisions of KRS Chapter 271B.

IX.

The corporation elects to have preemptive rights.

X.

A Director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of duty as a Director, except for liability (i) for any transaction in which the Director's personal financial interest is in conflict with the financial interest of the Corporation or its shareholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or are known to the Director to be a violation of law; (iii) for unlawful distributions under KRS 271B.8-330; and (iv) for any transaction from which the Director derived an improper personal benefit.

WITNESS the signature below on this 23 February 1999.

*Keith M. Carwell*  
KEITH M. CARWELL, Incorporator  
*Keith M. Carwell*  
KEITH M. CARWELL, Registered Agent

COMMONWEALTH OF KENTUCKY  
COUNTY OF WARREN

The foregoing instrument was acknowledged before me this 23 February 1999 by Keith M. Carwell, Incorporator and Registered Agent.

*Judy Hill Smith*  
NOTARY PUBLIC, Ky. State-at-Large  
- My Commission Expires: 9-27-2000

THIS INSTRUMENT PREPARED BY:  
ENGLISH, LUCAS, PRIEST & OWSLEY  
Attorneys at Law  
1101 College Street, P. O. Box 770  
Bowling Green, KY 42102-0770  
Phone: (502) 781-6500

BY: *Keith M. Carwell*  
KEITH M. CARWELL  
138412-1



**BY-LAWS**

**OF**

**MILLENNIUM ENERGY, INCORPORATED**

**ARTICLE I--MEETINGS OF SHAREHOLDERS**

**Section 1. Annual Meeting.** The annual meeting of the Shareholders for the election of Directors and the transaction of such other business as may properly come before it shall be held at the principal office of the Corporation as designated herein or at such other place within or without the Commonwealth of Kentucky, as shall be set forth in the Notice of Meeting. The annual meeting of the Corporation shall be held on or before ninety (90) days from the close of the fiscal year. If the annual meeting is not held on or before the date designated, it may be held as soon thereafter as convenient and shall be called the annual meeting.

**Section 2. Notice.** The Secretary shall give notice of all annual and special meetings of the Shareholders no fewer than ten (10) nor more than sixty (60) days before the date of such meeting to each Shareholder entitled to vote at such meeting as of the record date established by Article VII of these By-laws, such notice stating the place, date and hour of the meeting. Notices for special meetings of the Shareholders shall include a description of the purpose or purposes for which the meeting is called. Such notice shall be in writing addressed to each Shareholder entitled to vote at such meeting and transmitted by regular United States Mail, postage pre-paid, to the address of the Shareholder as it appears on the records of the Corporation (which shall be irrebutably presumed to be correct unless such Shareholder shall have filed with the Secretary of the Corporation

a written Notice of Change of Address). Any and all notices for annual or special meetings may be waived by the Shareholders by submitting a signed waiver either before or after the meeting, or by attendance at the meeting unless the Shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

**Section 3. Special Meeting.** Special meetings of the Shareholders may be called at any time by the holders of at least sixty percent (60%) of all votes entitled to be cast on the issue proposed to be considered at the proposed special meeting, provided that such holders of stock sign, date and deliver to the Corporation's secretary one (1) or more written demands for the meeting describing the purpose or purposes for which it is to be held. Within twenty (20) days thereafter, the Board of Directors shall fix a date, time and place for such meeting, either within or without the Commonwealth of Kentucky, and shall give notice of such meeting in accordance with these By-laws. Only business within the purpose or purposes described in the meeting notice required by these By-laws may be conducted at a special meeting of the Shareholders.

**Section 4. Quorum.** The presence, in person or by proxy of the holders of sixty percent (60%) of the issued and outstanding shares entitled to vote thereon shall be necessary to constitute a quorum for the transaction of business at all meetings of the Shareholders.

**Section 5. Voting.** A Shareholder entitled to vote at a meeting may vote at such meeting in person or by proxy. Each outstanding share shall be entitled to one (1) vote on each matter voted on at a Shareholders' meeting. Notwithstanding the foregoing, at each election for Directors, each Shareholder entitled to vote at such election shall have the right to cast as many votes in the aggregate as he shall be entitled to vote multiplied by the number of Directors to be elected at such election; each Shareholder may cast the whole number of votes for one (1) candidate, or distribute such votes among two (2) or more candidates.

**Section 6. Proxies.** A Shareholder may appoint a proxy to vote or otherwise act for him by signing an appointment form, either personally or by his attorney-in-fact. A telegram or cablegram appearing to have been transmitted by the proper person, or a photographic, photostatic or equivalent reproduction of a writing appointing a proxy shall be deemed to be a sufficient, signed appointment form. Appointment of a proxy shall be effective when the appointment form is received by the Secretary of the Corporation. An appointment shall be valid for eleven (11) months unless a longer period is expressly provided in the appointment form. An appointment of a proxy shall be revocable by the Shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. Appointments coupled with an interest include the appointment of: (a) a pledgee; (b) a person who purchased or agreed to purchase the shares; (c) a creditor of the Corporation who extended it credit under terms requiring the appointment; (d) an employee of the Corporation whose employment contract requires the appointment; or (e) a party to a voting agreement created under the provisions of KRS 271B.7-310.

**Section 7. Action without a Meeting.** Action required or permitted to be taken by the Shareholders at a Shareholders' meeting may be taken without a meeting and without prior notice, if the action is taken by all Shareholders entitled to vote on the action. Action taken under this section shall be evidenced by one (1) or more written consents describing the action taken, signed by the Shareholder or his proxy taking the action and delivered to the Corporation for inclusion in the minutes for filing with the corporate records. Action taken under this section shall be effective when consents representing the votes necessary to take the action under this section are delivered to the Corporation, or upon delivery of the consents representing the necessary votes, as of a different date if specified in the consent. Any Shareholder giving a consent under this section may revoke the consent by a writing received by the Corporation prior to the time that consents

representing the votes required to take the action under this section have been delivered to the Corporation but may not do so thereafter. A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.

## **ARTICLE II--DIRECTORS**

**Section 1. Number and Qualifications.** The entire Board of Directors shall consist of no less than three (3) nor more than ten (10) persons.

**Section 2. Term of Office.** The term of each Director shall be until the next annual meeting of the Shareholders following the election of the Director and until his successor is elected and qualifies.

**Section 3. Duties and Powers.** All corporate powers shall be exercised by or under the authority of, and the business and affairs of the Corporation managed under the direction of its Board of Directors. The Directors shall, in all cases, transact the business of the Corporation by a majority present at the meeting.

**Section 4. Meetings.** The Board of Directors shall meet for the election or appointment of officers and for the transaction of any other business of the Corporation as soon as practicable after the adjournment of the annual meeting of the Shareholders. Regular meetings of the Board of Directors shall be held at such times as the Board of Directors may from time to time determine.

Special meetings of the Board of Directors may be called by the President, Chairman of the Board or upon written request of sixty percent (60%) of the total number of Directors of the Corporation. In the event of the call of a special meeting of the Board of Directors by sixty percent (60%) of the total number of Directors, the Secretary shall give notice of such meeting no more than ten (10) days after receipt of such request.

Any or all Directors may participate in any meeting, whether a regular or special meeting, or conduct the meeting through the use of any means of communication by which all Directors participating may simultaneously hear each other during this meeting. A Director participating in a meeting by this means shall be deemed to be present in person at the meeting.

**Section 5. Notice of Meetings.** No notice need be given of any regular meeting of the Board of Directors. Notice of special meetings shall be served upon each Director in person or by mail addressed to the Director at his last known post office address, at least two (2) days prior to the date of such meeting. Notices of special meetings shall contain the date, time and place of the meeting but shall not require a description of the purpose of such special meeting.

**Section 6. Place of Meeting.** The Board of Directors shall hold its meetings at the main offices of the Corporation, unless such other place may be designated in the notice of such meeting. Meetings of the Board of Directors, upon proper notice, may be held either within or without the Commonwealth of Kentucky at such place as may be designated in the notice of such meeting.

**Section 7. Waiver of Notice of Meetings.** A Director may waive any notice of such meeting as required by these By-laws before or after the date and time of the meeting stated in the notice. The waiver shall be in writing signed by the Director entitled to the notice and filed with the minutes of such meetings. A Director's attendance at or participation in a meeting shall waive any required notice to him of the meeting, unless the Director at the beginning of the meeting (or promptly upon his arrival) objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

**Section 8. Action without Meeting.** Action to be taken at a Board of Directors' meeting may be taken without a meeting if the action is taken by all members of the Board. The

action shall be evidenced by one (1) or more written consents describing the action taken, signed by each Director and included in the minutes or filed with the corporate records reflecting the action taken. Any action taken under this section shall be effective when the last Director signs the consent, unless the consent specifies a different effective date. A consent signed under this section shall have the effect of a meeting vote and may be described as such in any document.

**Section 9. Quorum.** At any meeting of the Board of Directors, the presence of sixty percent (60%) of the elected and qualified members of the Board of Directors shall be necessary to constitute a quorum for the transaction of business.

**Section 10. Voting.** If a quorum is present when a vote is taken, the affirmative vote of a majority of Directors present shall be the act of the Board of Directors except as otherwise in these By-laws set forth.

**Section 11. Compensation.** Directors shall not be entitled to receive compensation for their services to the Corporation but shall be entitled to reimbursement of reasonable expenses incurred for corporate purposes in accordance with guidelines established by the Board of Directors.

**Section 12. Vacancies.** Any vacancy occurring on the Board of Directors, for whatever reason, shall be filled promptly for the unexpired term, only, by a majority vote of all of the remaining Directors. If the Directors remaining in office constitute fewer than a quorum of the Board, they may fill the vacancy by the affirmative vote of a majority of the Directors remaining in office.

**Section 13. Removal of Directors.** Any Director may be removed either with or without cause, at any time, by a vote of the Shareholders holding a majority of the shares then issued and outstanding and who were entitled to vote for the election of the Director sought to be

removed, at any special meeting called for the purpose, or at the annual meeting of the Shareholders. A Director may not be removed if the number of votes sufficient to elect him under cumulative voting is voted against his removal. If a special meeting of the Board of Directors shall be called for the purpose of removing a Director, then such notice of the special meeting shall state that the purpose, or one or more of the purposes, of the meeting is the removal of the Director.

**Section 14. Resignation.** A Director may resign at any time, by delivering a written notice to the Board of Directors, its Chairman or to the Corporation. A resignation shall be effective when the notice is delivered unless the notice specifies a later effective date.

### **ARTICLE III--OFFICERS**

**Section 1. Officers and Qualifications.** The officers of the Corporation shall be a President, Secretary and a Treasurer. The duties of each of the respective officers of the Corporation are set forth in these By-laws.

**Section 2. Election.** All officers of the Corporation shall be elected annually by the Board of Directors at its meeting held immediately after the annual meeting of the Shareholders.

**Section 3. Removal of Officers.** Any officer may be removed either with or without cause by the vote of sixty percent (60%) of the Board of Directors; the Directors may specify a date upon which removal shall become effective or in the absence of any date, the removal shall become effective when the successor of the officer has been elected and qualified.

**Section 4. Duties of Officers.** Each officer shall have the authority and shall perform the duties as follows:

#### **PRESIDENT**

The President shall be the Chief Executive Officer of the Corporation, and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and

affairs of the Corporation, including but not limited to the authority to employ (and to discharge) clerks and subordinate employees, and to fix and prescribe their duties, all as may be required or deemed advisable for the conduct of the business of the Corporation. The President shall, when present, preside at all meetings of the Shareholders and shall act as Chairman of the Board of Directors, if the Board of Directors does not select a Chairman of the Board different from the President. The President may sign certificates for the shares of the Corporation and, with the Secretary or any other proper officer of the Corporation, authorized by the Board of Directors, sign deeds, mortgages, bonds, contracts, checks, drafts, obligations of the Corporation, United States Government or other bonds, all other securities of every kind for the Corporation or other instruments which the Board of Directors has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board of Directors to other officers or agents of the Corporation or shall be required by law to be otherwise signed and executed; and the President in general shall perform all duties incident to the Chief Executive Officer and such other duties and responsibilities as from time to time prescribed by the Board of Directors.

#### **SECRETARY**

The Secretary shall keep the minutes of the meetings of the Board of Directors and of the Shareholders, shall attend to the giving of notice of meetings of the Board of Directors and of Shareholders as required by these By-laws and to be responsible for the authenticating of records of the Corporation. In addition to the foregoing, the Secretary shall perform such other duties and responsibilities as from time to time prescribed by the Board of Directors.

#### **TREASURER**

The Treasurer shall receive and have charge of keeping record of all money, bills, notes, bonds and similar property belonging to the Corporation, and shall do with the same as may



be ordered by the Board of Directors. On the expiration of his term of office, he shall turn over to his successor, or to the Board of Directors, all property, books, papers and money of the Corporation in his hands.

**Section 5. Compensation of Officers.** The officers shall not receive any compensation for their service as an officer but shall be entitled to reimbursement of reasonable expenses incurred for corporate purposes in accordance with guidelines established by the Board of Directors.

#### **ARTICLE IV--STOCK OF THE CORPORATIONS**

**Section 1. Certificates.** The stock of the Corporation shall be represented by certificates as approved by the Board of Directors. The certificates shall be numbered consecutively and in the order in which they are issued, and each certificate shall state the registered holder's name, the number of shares represented thereby and the date of issuance of such stock certificate. All certificates representing shares issued by the Corporation shall have noted conspicuously thereon reference to the restrictions of sale or transfer which may be from time to time enacted by the Board of Directors.

**Section 2. Transfer of Shares.** The shares of the Corporation shall be assignable and transferable only on the books and records of the Corporation by the registered owner, or by his duly authorized attorney-in-fact, upon surrender of the certificate duly and properly endorsed with proper evidence of authority to transfer. The Corporation shall issue a new certificate, for the shares surrendered, to the person or persons entitled thereto.

**Section 3. Return Certificates.** All certificates for shares returned to the Corporation for transfer shall be marked "CANCELED" or "VOID" with the date of cancellation,

and the transaction shall be immediately noted in the stock transfer book of the Corporation. The returned certificate may be inserted in the certificate book or may be destroyed.

#### **ARTICLE V--DIVIDENDS**

The Board of Directors may authorize and the Corporation may pay dividends to its Shareholders subject to the limitations of this Article. No dividend shall be paid if, after giving it effect: (a) the Corporation would not be able to pay its debts as they become due in the usual course of business; or (b) the Corporation's total assets would be less than the sum of its total liabilities. The Board of Directors may base a determination that dividends are not prohibited under this Article either on financial statements prepared on the basis of accounting practices and principals that are reasonable in the circumstances or on a fair valuation or any other method that is reasonable in the circumstances.

#### **ARTICLE VI--SEAL OF THE CORPORATION**

The seal of the Corporation shall be adopted by the Board of Directors and may be changed from time to time in the discretion of the Directors. The presence or absence of the seal on or from a writing shall neither add to nor detract from the legality thereof nor affect its validity in any manner or respect.

#### **ARTICLE VII--RECORD DATE**

The record date for the determination of Shareholders entitled to notice of and to vote at any annual or special meeting of the Shareholders or for determining Shareholders entitled to a distribution, shall be the date as from time to time established by the Directors as the "record date"; provided, however, that no such record date shall be more than seventy (70) days before the meeting or action requiring a determination of Shareholders.

## ARTICLE VIII—INDEMNIFICATION OF DIRECTORS AND OFFICERS

**Section 1. Definitions.** As used in this article, the term "person" means any past, present or future Director or officer of the Corporation.

**Section 2. Indemnification Granted.** The Corporation shall indemnify, to the full extent and under the circumstances permitted by the Kentucky Business Corporation Act in effect, from time to time, any person as defined above, made or threatened to, be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a Director, officer of the Corporation, or designated officer of an operating division of the Corporation, or is or was an employee or agent of the Corporation, or is or was serving at the specific request of the Corporation as a Director, officer, employee or agent of another company or other enterprise in which the Corporation should own, directly or indirectly, an equity interest or of which it may be a creditor.

This right of indemnification shall not be deemed exclusive of any other rights to which a person indemnified herein may be entitled by bylaw, agreement, vote of Shareholders or disinterested Directors, the Kentucky Business Corporation Act, or otherwise, and shall continue as to a person who has ceased to be a Director, officer, designated officer, employee or agent, and shall inure to the benefit of the heirs, executors, administrators and other legal representatives of such person. It is not intended that the provisions of this article be applicable to, and they are not to be construed as granting indemnity with respect to, matters as to which indemnification would be in contravention of the laws of Kentucky or the United States of America, whether as a matter of public policy or pursuant to statutory provision.

## ARTICLE IX—MISCELLANEOUS

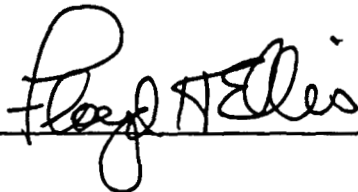
**Section 1. Contracts.** The Board of Directors may authorize any officer or officers, agent or agents to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances. No loans shall be made in the name of the Corporation and no evidence of such indebtedness shall be issued in the name of the Corporation unless authorized by the Board of Directors.

**Section 2. Incurring Indebtedness.** No officer or agent of the Corporation shall have the authority to incur any indebtedness on behalf of the Corporation without same being vested in them pursuant to unanimous vote of the Board of Directors.

## ARTICLE X—AMENDMENTS

These By-laws may be altered, amended, repealed or restated by a majority vote of the Board of Directors of the Corporation.

This is to certify and attest that the foregoing Bylaws of Millennium Energy, Incorporated, is the original copy thereof which was adopted and approved by the Board of Directors as of 3-25-, 1999.

  
\_\_\_\_\_

# **CONSENT OF INCORPORATOR FOR ORGANIZATION OF MILLENNIUM ENERGY, INCORPORATED**

The Articles of Incorporation of Millennium Energy, Incorporated having been filed in the office of the Secretary of State of the Commonwealth of Kentucky on 25 February 1999, and the Articles of Incorporation having not named the initial Board of Directors, the undersigned, constituting the incorporator of Millennium Energy, Incorporated, does hereby unanimously consent to the organization of the corporation pursuant to the provisions of KRS 271B.2-050, as follows:

1. The following persons are hereby named Directors of the Corporation who shall hold office until the next succeeding annual meeting of the Shareholders and until their successors shall have been duly elected and qualified:

Floyd H. Ellis  
Bill Gott  
Rox'Anne Gray  
Gary Dillard  
Joe B. Neely

2. The By-laws of the Corporation, which are attached hereto and incorporated by reference herein, are approved.

3. The certificate for shares of stock of the Corporation which is attached hereto is approved as the certificate for the issuance of stock in this Corporation.

4. The Board of Directors is empowered to issue the common stock of the Corporation up to the aggregate amount authorized by the Articles of Incorporation, in such amounts as from time to time shall be determined by the Board, so long as issued for consideration consisting only of an equivalent in money paid or labor done, or property actually received and applied to the purposes for which such Corporation was created, and neither labor nor property shall be received

in payment of consideration for the issuance of shares at a greater value than the market price at the time such labor was done or property delivered. Prior to the issuance of shares, the Board of Directors shall determine that the consideration received or to be received for shares to be issued is adequate.

The Corporation shall issue the following shares upon receipt of consideration for which the Board of Directors authorizes the issuance of shares in accordance with this Consent. The shares issued shall be considered fully paid and non-assessable.

Warren Rural Electric Cooperative Corporation          100 shares

5. The Board hereby determines that the consideration for the issuance of the shares hereinabove set forth is the sum of \$ 0 per share.

6. The following are named officers of the Corporation; each shall carry out their respective duties and responsibilities and shall serve in accordance with the By-laws of the Corporation:

President:                                  Floyd H. Ellis

Secretary:                                 Gary Dillard

Treasurer:                                Rox'Anne Gray

Compensation for each of the respective offices shall be established from time to time by the Board of Directors in accordance with the provisions of the By-laws of the Corporation.

7. The corporate seal for the Corporation is affixed hereto and is approved as the corporate seal of this Corporation.

8. The President of the Corporation is hereby authorized from time to time to designate certain banks as the banks in which the funds of this Corporation shall be deposited; and

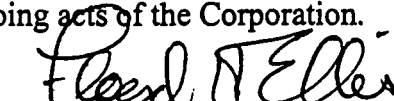
the President shall be and is hereby authorized and empowered to open and keep an account in such bank or banks in the name of this Corporation, and to cause to be deposited in said bank to the credit of this Corporation, any and all monies, checks or drafts belonging to the Corporation, and the bank shall be and is hereby authorized to make payments from the funds of this Corporation according to checks or drafts signed by the President or Treasurer, who are hereby authorized to sign, endorse, accept and execute any and all checks or drafts for and on behalf of the Corporation.

The undersigned, constituting the incorporator of Millennium Energy, Incorporated, executes this document on the 23 day of March, 1999.

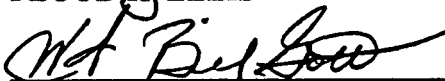
  
\_\_\_\_\_  
KEITH M. CARWELL

The undersigned, constituting all of the initial Board of Directors, do hereby unanimously consent to and adopt all of the foregoing acts of the Corporation.

DATE: 3-25-99

  
\_\_\_\_\_  
FLOYD H. ELLIS

DATE: 3-25-99

  
\_\_\_\_\_  
BILL GOTT


DATE: 3-25-99

  
\_\_\_\_\_  
ROX'ANNE GRAY

DATE: 3-25-99

  
\_\_\_\_\_  
GARY DILLARD

DATE: 3-25-99

  
\_\_\_\_\_  
JOE B. NEELY

**Millennium Energy, Inc.**  
**Case No. 99-075**  
**Financial Exhibit 2.2a – Estimated Construction Costs**

Line No.	Acct. No. / Item Description (a)	Feet/Units (b)	Average Unit Cost (c)	Estimated Cost (d)
1	<b>Gas Supply- Materials &amp; Installation</b>			
2	379 Hot Tap and Permits			\$ 43,500
3	379 Meter Station, Valves, Odor Unit			34,500
4	375 Chain Link Fence & Site Work			<u>2,500</u>
5	Sub-Total Gas Supply			\$ 80,500
6	<b>Gas Distribution Mains - Materials</b>			
7	376 6" Main Valve	1	1,000	1,000
8	376 4" Main Valves	9	400	3,600
9	376 2" Valve	2	200	400
10	376 6" SDR11 PE Pipe	9,000	3.14	28,260
11	376 4" SDR11 PE Pipe	12,000	1.41	16,920
12	376 Fittings 2", 4", 6"			1,700
13	376 Tracer Wire #14	25,500	0.04	1,020
14	376 Line Markers	26	50	1,300
15	376 Valve Boxes	12	50	<u>600</u>
16	Sub-Total Valves/ Lines			\$ 54,800
17	<b>Customers</b>			
18	385 Riser, Meter and Reg. (2")	5,000	2	10,000
19	380 2" Service Line (B. Stone)	2,500	2	5,000
20	380 Easement Connections	25	200	<u>5,000</u>
21	Sub-Total Customers			\$ 20,000
22	<b>Other Construction Costs</b>			
23	376 Pipe Line Installation (Clearfork Cont.)	20,500	3	61,500
24	(Trenching, Rock Esc., Stream Crossing,			
25	Fusing, Install Valves, Valve Boxes, Tees,			
26	Boring- Butts, Lake Spring, Access Rds.)			
27	376 2- 4" Street Bore- 31W (Utility Services)	200'	35	7,000
28	376 Lease Trencher (Vermeer)	2 Weeks	1,600	3,200
29	376 Lease Rock Saw (Vermeer)	2 Weeks	2,000	4,000
30	376 Rock Saw Teeth (Vermeer)			1,200
31	376 Lease Backhoe (Clearfork Const.)	5 Weeks	400	2,000
32	376 Crushed Stone (tons)	282.5	10	<u>2,825</u>
33	Sub-Total Other Construction Costs			\$ 81,725
34	<b>Total Construction Costs</b>			\$ 237,025
35	<b>Other Project Costs</b>			
36	301 Project Guidance (R W Beck)			5,000
37	301 Legal Counsel			5,000
38	376 Contingency Allowance (15%)			<u>35,554</u>
39	Sub-Total Other Costs			\$ 45,554
40	<b>Total Estimated Costs</b>			<u>\$ 282,579</u>



**Millennium Energy, Inc.**  
**Case No. 99-075**  
**Financial Exhibit 2.3 – Use of Loan Proceeds**

<b>Line No.</b>	<b>Description</b>	<b>Amount</b>
	(a)	(b)
1	Initial Loan Amount (CFC)	\$ 305,000
2	Less: Construction Fund	282,579
3	Less: Working Capital and Debt Reserve Fund	<u>22,421</u>
4	Balance	<u>\$ -</u>

Millennium Energy, Inc.

Case No. 99-075

Financial Exhibit 2.4 – Amortization Schedule

Beginning Balance \$ 305,000  
 Deferred P&I Period 2 years  
 Term 10 years  
 Interest Rate (compounded monthly) 6% per year

Line No.	Period	Principal	Interest	Total Payment	Loan Balance
	(a)	(b)	(c)	(d)	(e)
1	Year 1	\$ -	\$ 18,300	\$ 18,300	\$ 305,000
2	Year 2	-	18,300	18,300	305,000
3	Year 3	30,631	17,467	48,098	274,369
4	Year 4	32,520	15,578	48,098	241,849
5	Year 5	34,526	13,572	48,098	207,323
6	Year 6	36,655	11,442	48,098	170,668
7	Year 7	38,916	9,181	48,098	131,752
8	Year 8	41,316	6,781	48,098	90,435
9	Year 9	43,865	4,233	48,098	46,570
10	Year 10	46,570	1,527	48,098	(0)

---

2002

(e)

\$ 73,095

13,458

9,419

30,631

-

65,342

-

\$ 65,342

Millennium Energy, Inc.

Case No. 99-075

**Financial Exhibit 2.5 – Pro Forma Income Statement (Rev. 1)**

Line No.	Account No. / Description	Fiscal Years Ending Jun	
		2000 (b)	2001 (c)
1	481 Revenue	\$ 204,175	\$ 204,175
2	804 Purchased Gas (@2.85 \$/MCF)	118,275	118,275
3	Revenue less Purchased Gas	\$ 85,900	\$ 85,900 #
4	<b>Operating Expenses</b>		
5	871-881 Operations	4,250	5,500
6	885-894 Maintenance	4,250	5,500
7	901-905 Customer Accounts	16,000	18,000
8	920-931 Administrative and General	7,500	7,500
9	ST	\$ 32,000	\$ 36,500
10	<b>Other Expenses</b>		
11	403 Depreciation	9,419	9,419
12	408 Taxes	1,823	1,823
13	427 Interest	18,300	18,300
		\$ 29,542	\$ 29,542
14	<b>Total Expenses</b>	\$ 61,542	\$ 66,042
15	<b>Net Income</b> (before inc. taxes)	\$ 24,358	\$ 19,858
16	409 <b>Income Taxes (28%)</b>	6,820	5,560
17	<b>Net Income</b>	\$ 17,538	\$ 14,298

**30th**  
**2002**

(d)  
\$ 204,175  
118,275  
\$ 85,900

5,500  
5,500  
20,000  
7,500  
\$ 38,500

9,419  
1,823  
17,467  
\$ 28,709  
\$ 67,209

\$ 18,691  
5,234  
\$ 13,458

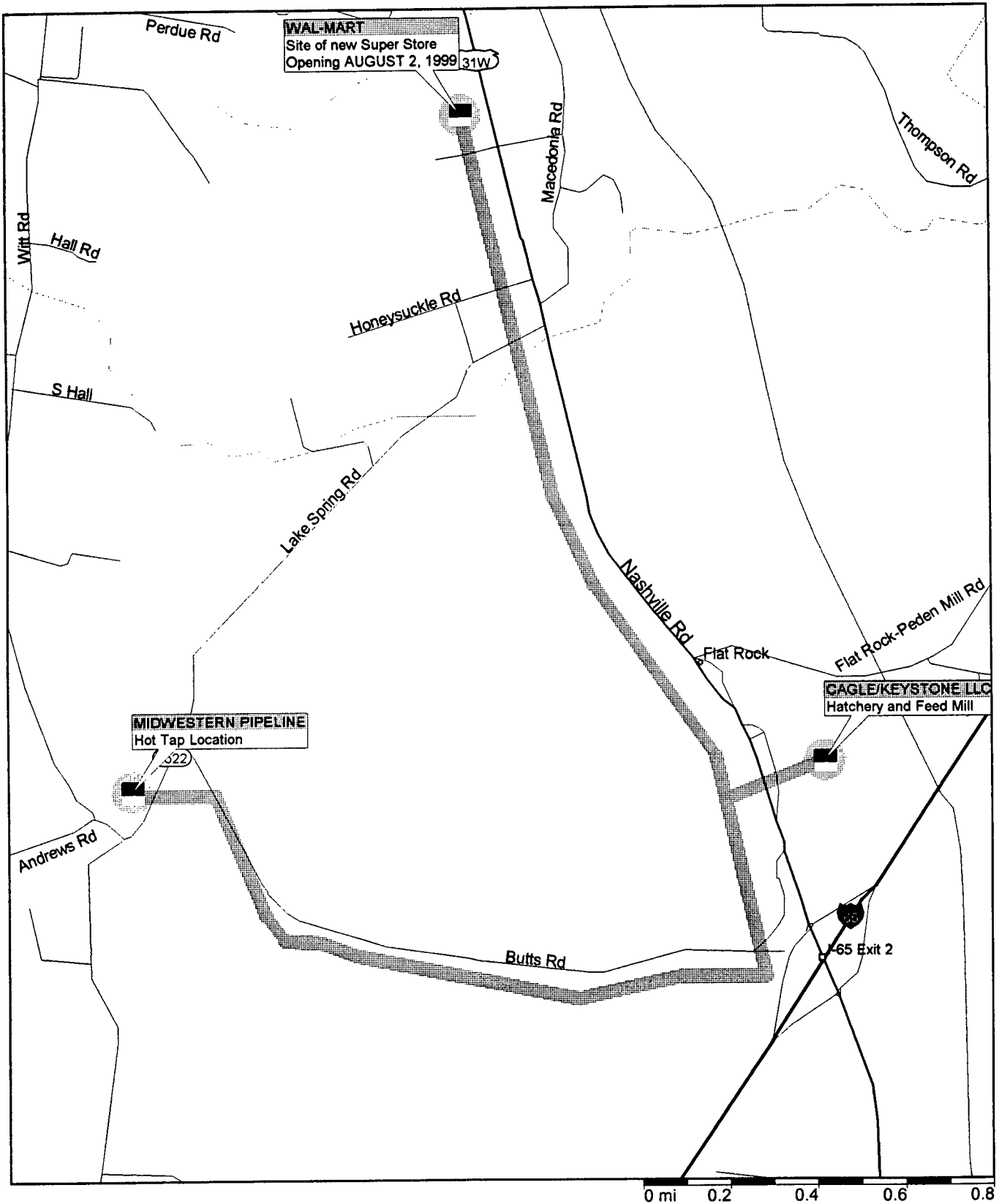
**Millennium Energy, Inc.**  
**Case No. 99-075**  
**Financial Exhibit 2.6 – Pro Forma Balance Sheet (Rev. 1)**

Line No.	Acct. # (a)	Item Description (b)	Amount (c)
1		<b>ASSETS</b>	
2	301	Organization	\$ 10,000
3	375	Structures and Improvements	2,500
4	376	Mains	172,079
5	379	Measuring and Regulating Station Equip. - City Gate Check Stations	78,000
6	380	Services	10,000
7	385	Industrial Measuring and Regulating Station Equipment	<u>10,000</u>
8			
9		Total Utility Plant	\$ 282,579
10			
11	131	Cash (Working Capital - 45 days)	22,421
12			
13		TOTAL ASSETS	<u>\$ 305,000</u>
14			
15			
16		<b>LIABILITIES</b>	
17	224	Long-Term Debt	\$ 305,000
18			
19		TOTAL LIABILITIES	<u>\$ 305,000</u>

**Millennium Energy, Inc.**  
**Case No. 99-075**  
**Financial Exhibit 2.7 – Cash Flow Summary (Rev. 1)**

<b>Line No.</b>	<b>Description</b>	<b>Fiscal Years Ending June 30th</b>		
		<b>1999</b>	<b>2000</b>	<b>2001</b>
	(a)	(b)	(c)	(d)
1	Working Capital (BOY)	\$ -	\$ 22,421	\$ 49,378
2	Plus: Net Income(after tax)	-	17,538	14,298
3	Plus: Depreciation	-	9,419	# 9,419
4	Less: Principal Payment	-	-	-
5	Plus: New Borrowing	<u>305,000</u>	<u>-</u>	<u>-</u>
6	Funds Available for Capital			
7	Improvements and Additions	305,000	49,378	73,095
8	Less: Capital Requirements	282,579	-	-
9	Working Capital(EOY)	\$ 22,421	\$ 49,378	\$ 73,095

**MILLENNIUM ENERGY, INC.**  
Natural Gas Project, Simpson County, KY



Microsoft Expedia  
**Streets98**



8-11-6077

CAGGLE'S WAL-MART	PROJECT SIMPSON COUNTY KENTUCKY	SCHEDULE																										
ACTIVITY	MILLENNIUM ENERGY, INCORPORATED	WORKING DAYS FOR PIPE INSTALLATION																										
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24			
6" PE DELIVERY (50' STICKS)		X																										
6" PE FUSION		X	X	X	X	X	X	X	X	X	X	X	X															
4" PE DELIVERY (40' STICKS)				X																								
4" PE FUSION				X	X	X	X	X	X	X	X	X	X															
TRENCHING & BACKFILLING				X	X	X	X	X	X	X	X	X	X															
6" PE ROAD BORE (BUTT RD)				X																								
4" PE CREEK CROSSING								X																				
4" PE ROAD BORE (HWY 31W)									X																			
CAGGLE'S 4" PE SUPPLY LINE																												
CAGGLE'S METER																												
2" PE DELIVERY (500' ROLLS)																												
2" PE PIPE INSTALLATION																												



Commonwealth of Kentucky  
**Transportation Cabinet**  
Frankfort, Kentucky 40622

**James C. Codell, III**  
Secretary of Transportation

**Paul E. Patton**  
Governor

**T. Kevin Flanery**  
Deputy Secretary

April 12, 1999

**MR. GARY DILLARD**  
P. O. BOX 1118  
BOWLING GREEN, KY 42102

**SUBJECT: Simpson County, MP-107-31W-2.3**  
US 31 (US 31 W)  
Permit Number 03-0115-99

Dear MR. GARY DILLARD:

Your application for an encroachment permit has been approved by the Department of Highways. We are returning two copies of the approved permit so one may be kept in your record files. The other copy must be given to the party responsible for completing the project and must be kept at the jobsite at all times.

Please see that the work is done in strict conformity with the permit and any other applicable conditions (See Form TC99-21 and any other attached documents, conditions or specifications). The work should be completed no later than July 1, 1999. When the permitted work and any necessary restoration have been completed please notify this office by using the attached form which will serve as notification for final inspection.

If there are any questions regarding this permit, please do not hesitate to contact Craig Clemons, Permits Engineer at 502-746-7898 or fax number 502-843-6443.

Sincerely,

*Gayates by J. Meredith*

G. A. "Lonnie" Yates, P. E.  
Chief District Engineer  
Department of Highways  
District 3 -Bowling Green  
P. O. Box 599  
Bowling Green, KY 42102-0599

**KENTUCKY TRANSPORTATION CABINET**  
 Department of Highways  
 Permits Branch

TC 99-1  
 Rev. 7/88

Released Date \_\_\_\_\_ **ENCROACHMENT PERMIT** PERMIT NO. 03-0115-99

**APPLICANT IDENTIFICATION:**  
 NAME: Millennium Energy, Inc.  
 PERSON: Gary Dillard  
 ADDRESS: P. O. Box 1118  
 CITY: Bowling Green  
 STATE: Ky. ZIP CODE: 42102  
 PHONE: area code ( 502 ) 842-6541

**PROJECT IDENTIFICATION:**  
 ACCESS CONTROL  By Permit  Partial  Full  
 COUNTY: Simpson PRIORITY ROUTE NO: 31W  
 MILEPOINT: 2.3  Left  Right  X-ing  
 PROJECT STATUS:  Maint.  Const.  Design  
 PROJECT # STATE: 107-031W-003-004  
 PROJECT # FEDERAL: \_\_\_\_\_  
 ROAD/ STREET NAME: US 31W

**TYPE OF ENCROACHMENT:**

COMMERCIAL ENTRANCE - BUSINESS

PRIVATE ENTRANCE:  Single Family  Farm

UTILITY:  Overhead  Underground

GRADE:  Fill  Landscape on R/W

AIRSPACE:  Agreement  Lease

OTHER: (Specify) \_\_\_\_\_

**ATTACHMENTS:**

Standard Drawings (List on TC 99-21 under Misc.)

Applicant's Plans

Highway Plan and Profile Sheets

TC 99-3 (Ponding Encroachment Specs. & Conditions)

TC 99-4 (Rest Area Usage Specs. & Conditions)

TC 99-5 (Tree Cutting/Trimming Specs. & Conditions)

TC 99-6 (Chemical Use of Specs. & Conditions)

TC 99-10 (Typical Hwy. Boring Crossing Detail)

TC 99-12 (Overhead Utility Encroachment Diagram)

TC 99-13 (Surface Restoration Methods)

TC 99-21 (Encroachment Permit General Notes & Specs.)

TC 99-22 (Agreement for Services to be Performed)

TC 99-23 (Mass Transit Shelter Specs. & Conditions)

Other Attachments (Specify): \_\_\_\_\_

**TYPE OF INDEMNITY:**  Bond  Cash

SELF-INSURED AMOUNT ENCUMBERED \$ 10,000

OTHER \_\_\_\_\_

NAME AND ADDRESS OF LOCAL INSURANCE AGENCY OR SELF-INSURED REPRESENTATIVE: \_\_\_\_\_

**INDEMNITY:** The applicant, in order to secure this obligation, has deposited with the Transportation Cabinet as a guarantee of conformance with the Department's Encroachment Permit requirements, an indemnity in the amount of \$ 10,000 as determined by the Department. It shall be the responsibility of the applicant or permittee, his heirs and assignees to keep all indemnities in full force until construction or reconstruction has been completed and duly accepted by an authorized agent of the Transportation Cabinet, Department of Highways.

**BRIEF DESCRIPTION OF WORK TO BE DONE:** (If private entrance, show sketch with pipe location. Separate attached drawings required for encroachments other than private entrances.)

Install a 4" HD SDR 11 natural gas line by bore to serve end user with natural gas. Line shall be encased. Refer to attached Forms TC 99-10 & 99-21 for additional information.

**IMPORTANT (PLEASE READ):** Applicant  does  does not intend to apply for excess R/W

When the work is completed in accordance with the terms of this encroachment permit, your indemnity will be released. However, the permit is effective until revoked by the Transportation Cabinet and the terms on the permit accompanying permit documents and drawings remain in effect as long as the encroachment exists. **FUTURE MAINTENANCE OF THE ENCROACHMENT IS THE RESPONSIBILITY OF THE PERMITTEE.** It is important that you understand the requirements of this encroachment permit application and accompanying documents. If you have not done so, it is suggested that you review these documents and place the permit package in a safe place for future reference.

A copy of this permit and all documents shall be given to your contractor and shall be readily available at the work site for the encroachment permit inspector to review at all times. Failure to meet this requirement may result in cancellation of this permit.

IN THE EVENT THIS APPLICATION IS APPROVED, THIS DOCUMENT SHALL CONSTITUTE A PERMIT FOR THE APPLICANT TO USE THE RIGHT-OF-WAY, BUT ONLY IN THE MANNER AUTHORIZED BY THIS DOCUMENT AND REGULATIONS OF THE DEPARTMENT AND THE DRAWINGS, PLANS, ATTACHMENTS, AND OTHER PERTINENT DATA ATTACHED HERETO AND MADE A PART HEREOF.

The permittee agrees to the following terms and conditions:

- The permittee shall comply with and is bound by the requirements of the Department's Permits Manual as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
- The permittee shall comply with and is bound by the requirements of the Department's Permits Manual as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference. The permittee shall develop as a result of the installation and use of this facility, the permittee shall adjust, relocate, or reconstruct the facilities and/or provide and bear the expenses for signs, storage lanes, or other corrective measures reasonably deemed necessary by the Department and as set forth in the Department's Permit Manual within a reasonable length of time after receipt of written notice regarding such adjustments, relocations, additions, modifications, and/or corrective measures, such time to be specified in the notice. In cases where traffic signals are permitted or required, as determined by the Department, the costs for signal equipment and installation(s) shall be borne by the permittee and/or the Department in accordance with the Department's policy then in force as set forth in the Traffic Manual. Any modifications to the permittee's entrance necessary to accommodate signalization (including necessary easement(s) on private property) shall be the responsibility of the permittee, at no expense to the Department. (This applies only to Entrance Permits.)
- The said encroachment will not infringe on the frontage rights of an abutting owner without written consent of the said owner as hereto: "I (we) consent to the granting of attached permit."  
Date \_\_\_\_\_ (This does not apply to utilities which serve the general public.)
- Any permit granted hereunder shall be with the full understanding that it shall not interfere with any similar rights or permits heretofore granted to any other party except as otherwise provided by law.
- A plan prepared by \_\_\_\_\_ is attached hereto and made a part hereof, which describes the facilities to be constructed by the permittee for which facilities this permit is granted. The permittee agrees as a condition to the issuance of the permit to construct and maintain such facilities in accordance with said plan, and the permittee shall not use the facilities authorized herein in any manner contrary to that prescribed by this permit and plan. Normal usage and routine maintenance only are authorized under this permit.
- Permittee shall comply with the Manual on Uniform Traffic Control Devices as revised to and in effect on the date of the issuance of this permit which is made a part hereof by reference.
- Permittee shall at all times from date when work is first commenced and until such time as all facilities are removed from the right-of-way premises, defend, protect, and save harmless the Department from any liability, claims, and demands arising out of work undertaken by the permittee pursuant to this permit, due to any negligent act or omission by the permittee, its servants, agents, employees, or contractors. This provision shall not inure to the benefit of any third party or operate to enlarge any liability of the Department beyond that existing at common law if this right to indemnify did not exist.
- Upon a violation of any of the provisions of this permit, the Department may revoke the permit by giving notice to the permittee in writing to remove from the right-of-way any facilities placed thereon within a reasonable time as set forth in the notice, and in the event said facilities are not so removed, and the right-of-way restored the Department may cause same to be removed, and the costs thereof shall be charged to the permittee.
- The permittee, his successors and assigns shall use the encroachment premises in compliance with all Federal requirements imposed pursuant to the provisions of the Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000-1) and regulations of the U.S. Department of Transportation as set forth in Title 49 C.F.R., Part 21, and as said regulations may be amended.
- Permittee agrees that in the event it should become necessary, as may be reasonably determined by the Department, for the facilities covered by this permit to be removed or relocated in connection with the reconstruction, relocation, or improvement of the abutting highway, the Department may revoke this permit and require removal or relocation by the permittee at his own expense according and pursuant to the procedures provided in Paragraph 8 above except in those cases where the Department is required by law to pay any or all the same.
- The permittee understands and agrees that this permit is personal to the permittee and shall not inure to his successors and assigns without the written approval of the Department that he is bound by the provisions of this permit as long as the encroachment exists unless a written release has been obtained from the Department. (Does not apply to utilities serving the general public.)
- If the work authorized by this permit is on a project in the construction phase, it shall be the responsibility of the permittee to make personal contact with Resident Engineer on the project to coordinate the permitted work with the State's prime contractor on the project.
- This permit does not alleviate any requirements of any other government agency.
- Permittee agrees to keep the priority route in which this permit was issued clear of dirt, mud, and debris during construction and for the life of this permit.

THE UNDERSIGNED APPLICANT (being duly authorized representative/owner) DOES AGREE TO ALL TERMS AND CONDITIONS SET FORTH HEREIN.

January 1st  July 1st, 1999

3/18, 1999

Signature

Completion Date

Date

RECOMMENDED FOR APPROVAL

*Chay Chum*  
Signature

*Gayle Ly Mendell*  
Chief District Engineer

4-13-1999  
Date

PRIVATE ENTRANCE: TO BE COMPLETED BY PERSONNEL INSTALLING FACILITY.

Installed By: \_\_\_\_\_

Signature

Date

Title

PERMIT NO. \_\_\_\_\_

**ENCROACHMENT PERMIT GENERAL NOTES & SPECIFICATIONS**

**I. SAFETY**

**A. General Requirements**

- All signs and control of traffic shall be in accordance with the Manual on Uniform Traffic Control Devices for Streets and Highways, latest edition, Part VI, and safety requirements shall comply with the Permits Manual.
- All work necessary in shoulder or ditchline areas of a state highway is to be scheduled to be promptly completed so that hazards adjacent to the traveled-way are kept to an absolute minimum.
- No more than one (1) traveled-lane is to be blocked or obstructed during normal working hours. All signs and flagmen during lane closure shall conform to the Manual on Uniform Traffic Control Devices.
- When it is necessary to block one (1) traveled-lane of a state highway, the normal working hours shall be as directed by the Department. No lanes are to be blocked or obstructed during adverse weather conditions (i.e., rain, snow, fog, etc.) without specific permission from the Department. Working hours shall be between 8:00 A.M. and 4:00 P.M.
- The traveled-way and shoulders shall be kept clear of mud and other construction debris at all times during construction of the permitted facility.
- No nonconstruction equipment or vehicles or office trailers will be allowed on the right-of-way during working hours.
- The right-of-way shall be left free and clear of equipment, material, and vehicles during non-working hours.

**B. Explosives**

- No explosive devices or explosive material shall be used within state right-of-way without proper license and approval of Kentucky Department of Mines and Minerals, Explosive Division.

**C. Other Safety Requirements**

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**II. UTILITIES**

- \*All work necessary within the right-of-way shall be behind a temporary fence erected prior to a boring operation.
- \*The temporary woven wire fence shall be removed immediately upon completion of work on the right-of-way and control of access immediately restored to original condition, in accordance with applicable Kentucky Department of Highways Standard Drawings.
- \*All vents, valves, manholes, etc. are to be located outside the right-of-way.
- \*Encasement pipe shall extend from right-of-way line to right-of-way line and shall be one continuous run of pipe. The encasement pipe shall be welded at all joints.
- The boring pit and tail ditch shall extend past the existing toe of slope or bottom of ditch line and shall be a minimum of 30" deep.
- Encasement pipe shall conform to current standards for highway crossings in accordance with the Permits Manual.
- Parallel lines shall be constructed between back slope of ditch line and right-of-way line and shall have a minimum of \_\_\_\_\_ " cover above top of pipe or conduit. (30" preferred)
- All pavement cuts shall be restored per Kentucky Transportation Cabinet Form No. TC 99-13.
- Aerial crossing of this utility line shall have a minimum clearance of \_\_\_\_\_ feet from the high point of the roadway to the low point of the line (calculated at the coefficient for expansion of 120 degrees Fahrenheit).
- The 30' clear zone requirement will be met to the extent possible in accordance with Chapter 99-02.0313 of the Permits Manual.

**Special Requirements:**

REFER TO FORM TC 99-10

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\*Applies to Fully Controlled Access Highways ONLY

III. GENERAL

A. OSHA

Kentucky Occupational Safety and Health Standards for the construction industry which has the effect of law states in part: (Page 52 1926.651 Specific Excavation Requirements) "Prior to opening an excavation, effort shall be made to determine whether underground installations: i.e., sewer, telephone, water, fuel, electric lines, etc., will be encountered, and if so, where such underground installations are located. When the excavation approaches the estimated location of such an installation, the exact location shall be determined and when it is uncovered, proper supports shall be provided for the existing installation. Utility companies shall be contacted and advised of proposed work prior to the start of actual excavation."

B. Archaeological

Whenever materials of an archaeological nature are discovered during the course of construction work or maintenance operations, contact shall be made immediately with the Division of Environmental Analysis which maintains an archaeologist on its staff, or with the Office of the State Archaeologist located at the University of Kentucky. Following this consultation, further action shall be decided on a case-by-case basis by the State Highway Engineer or the Transportation Planning Engineer or their designated representative.

C. Utilities in the Work Areas

The permittee is to be responsible for any damage to existing utilities and any utility modifications or relocations within State right-of-way necessary, as determined by the Department or by the owner of the utility, are to be at the expense of the permittee and subject to the approval of the Department.

All existing manholes and valve boxes are to be adjusted to be flush with finished grade.

IV. RIGHT-OF-WAY RESTORATION

All disturbed portions of the right-of-way are to be restored to grass as per Kentucky Department of Highways Standard Specifications for Road and Bridge Construction (latest edition). A satisfactory turf, as determined by the Department, is to be established by the permittee prior to release of indemnity. Sodding or seeding as follows:

- Lawn or High Maintenance Situation
  - 70% Lawn Fescue (e.g., variety - Falcon)
  - 30% Bluegrass or
  - 70% Lawn Rye (e.g., variety - Derby)
  - 30% Bluegrass

- Right-off-Way Lawn Maintenance Situation
  - 70% KY 31 Fescue
  - 30% Perennial Rye Grass or
  - 100% KY Fescue

- Two tons clean straw mulch per acre of seeding.
- Prior to seeding, the ground must be prepared in accordance with Kentucky Department of Highways Standard Specifications for Road and Bridge Construction (latest edition).
- Substitutes for sod such as artificial turf or rocked mulch or paved areas may be acceptable if they are aesthetically pleasing.
- All ditch flow lines and all ditch side slopes are to be sodded.
- Existing concrete right-of-way markers are not to be disturbed, but if damaged in any way, they are to be entirely replaced by the permittee with new concrete markers to match the original markers, in accordance with Kentucky Department of Highways Standard Drawings. Markers which are entirely removed are to be re-established in the proper locations by the permittee and to the satisfaction of the Department.

Other right-of-way restoration requirements are as follows:  
*STRAW BALES shall be placed as necessary to prevent erosion.*

V. DRAINAGE

- All pipe is to be laid in a straight alignment, to proper grades, and with all materials and methods of installation including bedding and joint seating in accordance with Department Standard Specifications for Road and Bridge Construction, latest edition. Pipe is not to be covered until inspected by the Department and express permission obtained to make backfill.
- All gutter lines at the base of new curbs are to be on continuous grades, and pockets of water along curbs, or in entrance areas or other paved areas within the right-of-way, are not acceptable.
- All drainage structures and appurtenances (manholes, catch basins, curbing, inlet basins, etc.) shall conform to Department specifications and shall be constructed in accordance with the Department Standard Drawings. Type required:

**VI. PAVING**

- No bituminous pavement is to be installed within the right-of-way between November 15 and April 1, nor when the temperature is below 40°F, without the express consent of the Department. No bituminous pavement is to be installed when the underlying course is wet.
- Paving within the right-of-way shall be as follows:
- Base (Type) \_\_\_\_\_ (Thickness) \_\_\_\_\_
- Surface Base (Type) \_\_\_\_\_ (Thickness) \_\_\_\_\_
- Finished Surface (Type) \_\_\_\_\_ (Thickness) \_\_\_\_\_
- Existing pavement and shoulder material shall be removed to accommodate the above paving specifications.
- The finished surface of all new pavement within the right-of-way shall be true to the required slope and grade, uniform in density and texture, free of irregularities, and equivalent in riding qualities to the adjacent highway pavement or as determined by the Department of Highways.
- All materials and methods of construction, including base and subgrade preparation, shall be in accordance with Kentucky Department of Highways Specifications for Road and Bridge Construction, latest edition.
- 24 hours notice to the Department is required prior to beginning paving operations:
- Phone: \_\_\_\_\_ Name \_\_\_\_\_
- To insure proper surface drainage the new pavement is to be flush with the edge of existing highway pavement and is to slope away from the existing edge of the pavement as specified on drawings.
- Existing edge of pavement shall be saw cut to provide a straight and uniform joint for new pavement. An approved joint sealer, in accordance with Kentucky Department of Highways Standard Specifications (latest edition) shall be applied between new and existing pavement.

**VII. SIDEWALKS SPECIFICATIONS****A. New Sidewalks**

- Sidewalks are to be constructed of Class A concrete (3,500 p.s.i. test), are to be \* \_\_\_\_\_ feet in width, are to be 6" in thickness across the bituminous entrance and 4" in thickness across the remaining sections.
- Sidewalks are to have tooled joints, not less than 1" in depth at four (4) foot intervals, and ½ premolded expansion joints extending entirely through the sidewalk at intervals not to exceed fifty (50) feet.
- \* This dimension should be equal to the width of the sidewalk
- All materials and methods of construction, including curing, is to be in accordance with Kentucky Department of Highways Standard Specifications for Road and Bridge Construction, latest edition.

**B. Existing Sidewalks**

- (Applicable if existing sidewalks are being relocated) Use of the sidewalk is not to be blocked or obstructed, and a usable walkway is to be maintained across the construction area at all times.
- All damaged sections of the sidewalks are to be entirely replaced to match existing sections.

**VIII. DENSE GRADED SHOULDERS**

- Any existing dense graded aggregate shoulders in the entire frontage within the construction area, which have been disturbed, damaged, or on which dirt has been placed or mud is deposited or tracked, are to be restored to original condition by removal of all contaminated material and replaced to proper grade with new dense graded aggregate.
- All new aggregate shoulders as specified on the plan are to consist of 5" compacted dense graded aggregate 2½ pounds per square yard calcium chloride.
- All dense graded aggregate shoulders are to slope away from the new edge of pavement at the rate of ¾" per foot.

**IX. CURBING****A. Bituminous Curbs**

- Bituminous concrete curbs shall be given a paint coat of asphalt emulsion.
- The surface under the bituminous concrete curb shall be tacked with asphalt emulsion.
- All bituminous concrete curbs shall be constructed of a Class I bituminous concrete mixture as specified by official Department of Highways specifications.
- All bituminous curbs shall be of the rolled curb type with a minimum base width of 8" and a minimum height of \_\_\_\_\_ inches. The top of the curb shall be constructed in such a manner as to guarantee a uniform rolled effect throughout the entire run.

B. Concrete Curbs

- All curbs or curb and gutter are to be constructed of Class A concrete (3,500 p.s.i. test) and are to be uniform in height, width, and alignment, true to grade and satisfactory in finish and appearance as determined by the Department. All materials and methods of construction, including curing, is to be in accordance with Department of Highways Standard Specifications for Road and Bridge Construction, latest edition.
- All concrete curbs are to be 6" in width, extend \_\_\_\_\_ " above finished grade and 12" below finished grade, with all visible edge rounded to 1/2" radii.
- All concrete curbs shall have expansion joints constructed at intervals of not more than 30 feet and 1/2" premolded expansion joint material (cut to conform to the curb or to the curb and gutter section) shall be used in each expansion joint.
- The last \_\_\_\_\_ feet of all concrete curbs are to be tapered down to finish grade.

**X. RIGHT-OF-WAY FENCE REPLACEMENT**

- The replacement fence shall be a height of at least 48" and shall be of sufficient density to contain all animals. (If applicable)
- The replacement fence shall be a minimum of one foot (1') and a maximum of two feet (2') outside the right-of-way line.
- The fence materials and design shall meet accepted industry standards and be treated as paintable.
- The permittee shall be required to maintain the fence in a high state of repair.
- The existing fence shall be removed by permittee and stored at Department's maintenance storage yard for future reuse by the Department.
- The control of access shall not be diminished as a result of replacement of the fence.
- Miscellaneous:

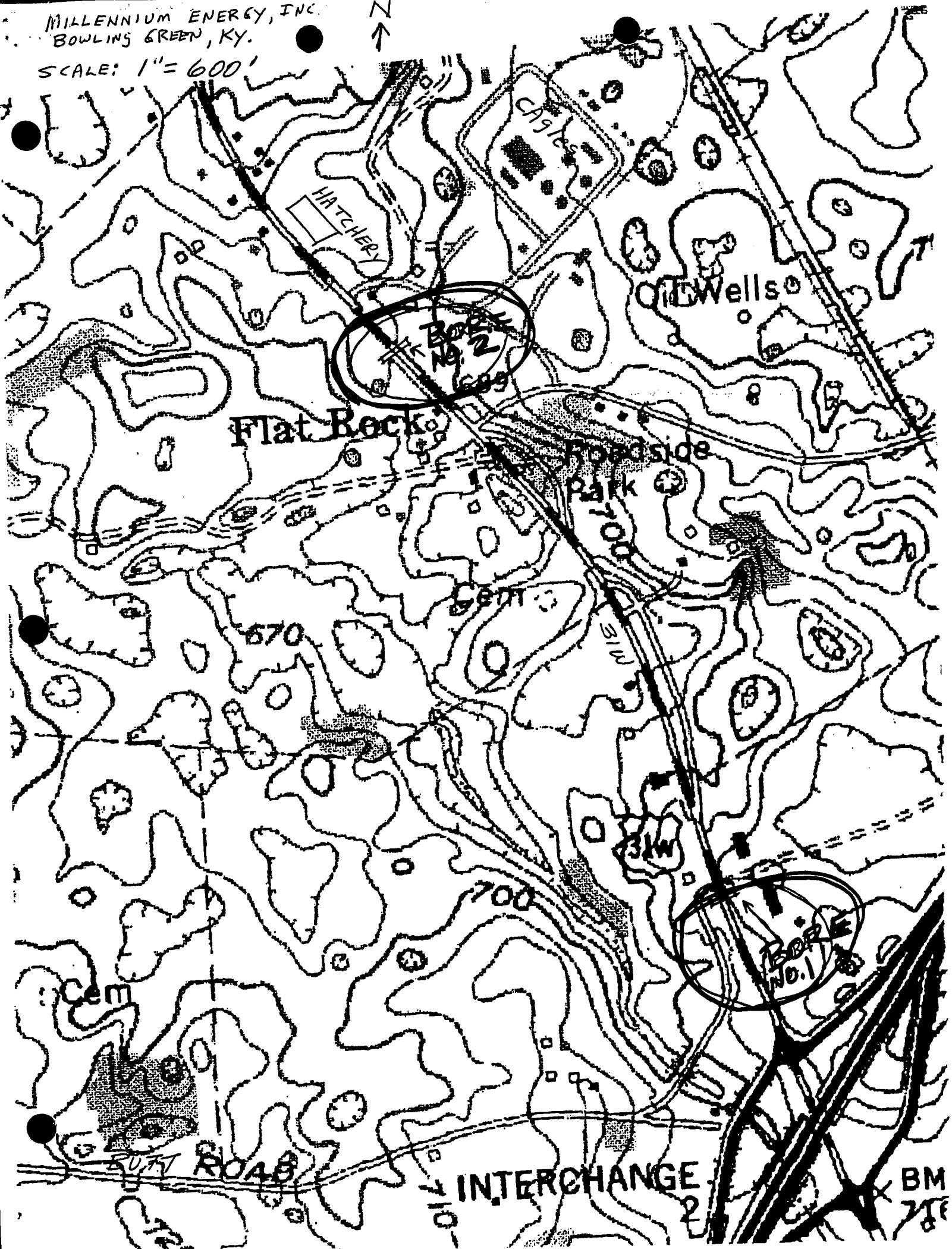
NOTICE TO PERMITTEE

THE PERMITTEE AGREES THAT ALL WORK WITHIN THE EXISTING RIGHT-OF-WAY SHALL BE DONE IN ACCORDANCE WITH THE PLANS AS APPROVED AND PERMITTED BY AN ENCROACHMENT PERMIT, ANY CHANGES OR VARIANCES MADE AT THE TIME OF CONSTRUCTION WITHOUT WRITTEN APPROVAL FROM THE DEPARTMENT OF HIGHWAYS SHALL BE REMOVED BY THE PERMITTEE AT NO EXPENSE TO THE DEPARTMENT OF HIGHWAYS AND SHALL BE REDONE TO CONFORM WITH THE APPROVED PLANS.



MILLENNIUM ENERGY, INC.  
BOWLING GREEN, KY.

SCALE: 1" = 600'



BORE  
NO. 2  
609

BORE  
NO. 1  
608

Flat Rocks

Old Wells

Popside  
Park

670

680

700

3W

INTERCHANGE

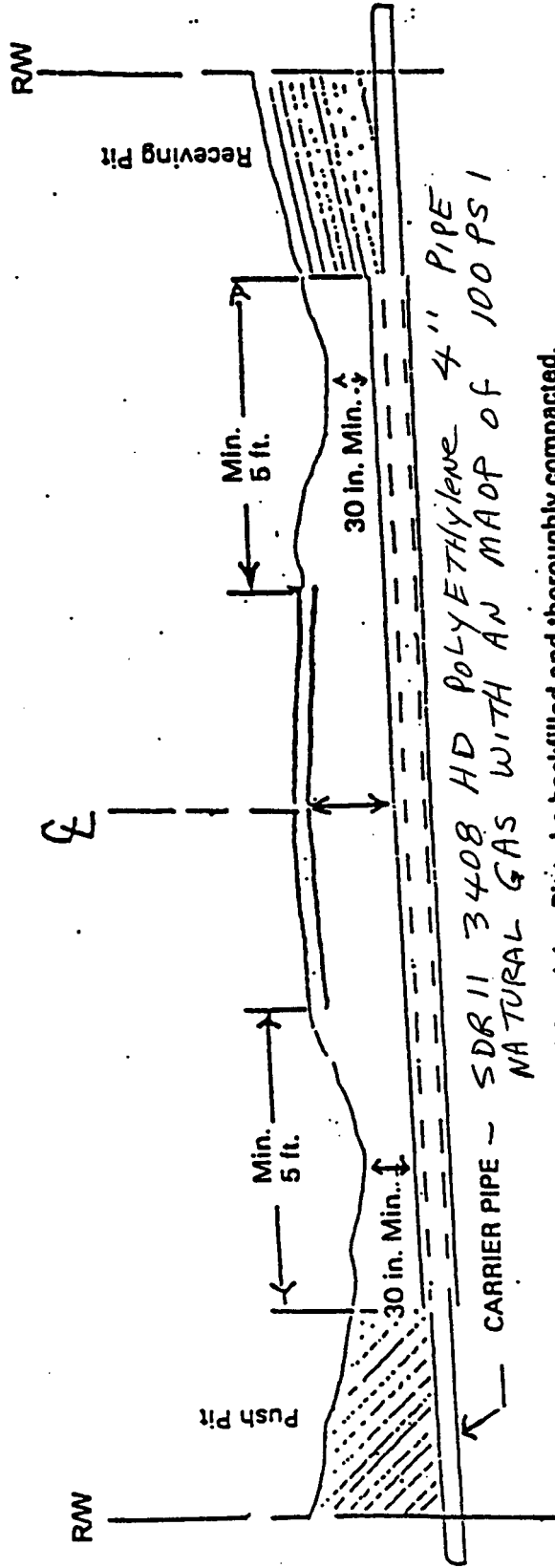
BUTY ROAD

BM  
78

### Typical Highway Boring Crossing Detail

Permit No. \_\_\_\_\_  
Route No. 31 W  
Pavement Width 28'

BORE 1



1. Push Pit and Receiving Pit to be backfilled and thoroughly compacted.
2. All Ditch Lines to be left open.
3. Seed and straw all areas disturbed by this work.

Services over 2" to be encased or exempt under Chapter 2 of the Permits Guidance Manual



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

May 5, 1999

Gary K. Dillard  
Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, KY. 42102

RE: Case No. 99-075

We enclose one attested copy of the Commission's Order in  
the above case.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie J. Bell".

Stephanie Bell  
Secretary of the Commission

SB/sa  
Enclosure



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Ronald B. McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

**Helen Helton**  
**Executive Director**  
**Public Service Commission**

**Paul E. Patton**  
**Governor**

May 4, 1999

Mr. Gary K. Dillard  
Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

Re: Case No. 99-075  
Filing Deficiencies

Dear Mr. Dillard:

The Commission staff has reviewed your application in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, for the reasons set forth below. These items are either required to be filed with the application or to be referenced in the application if they are already on file in another case or will be filed at a later date.

1. Filing deficiencies pursuant to KRS 278.300(2):

Every financing application shall be made under oath, and shall be signed and filed on behalf of the utility by its president, or by a vice president, auditor, comptroller or other executive officer having knowledge of the matters set forth and duly designated by the utility.

2. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(1)(b):

If bonds or notes or other indebtedness is proposed, state whether the debt is to be secured and if so a description of how it is secured.

3. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(1)(c):





# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (502)842-6541  
Fax: (502)781-3299

RECEIVED

MAR 25 1999

PUBLIC SERVICE  
COMMISSION

March 23, 1999

Stephanie Bell  
Secretary to the Commission  
730 Schenkel Lane  
Frankfort, Secretary KY 40602

Re: CASE NO. 99-075

Dear Ms. Bell:

The enclosed information is in response to your letter dated March 18, 1999 requesting information about financing of the natural gas project.

Millennium Energy, Inc. was created as a "for-profit" corporation by Warren Rural Electric Cooperative Corporation for the purpose of providing energy services. The Warren RECC Board of Directors approved establishment of the wholly-owned company and its funding at their regular meeting on February 23, 1999. A certified copy of this action is enclosed.

Funding for the natural gas project in Simpson County will be from the National Cooperative Service Corporation, a subsidiary of the National Rural Utilities Cooperative Finance Corporation. Information and details of the financing is also enclosed.

If you have questions or need additional information, please let us know.

Sincerely,

Gary K. Dillard  
Vice President for Development

nth

c: Helen Helton  
Faud Sharifi

Statement of how proceeds are to be used. Should show amounts for each type of use (i.e., property, debt refunding, etc.)

Millenium's original filing and supplemental financing information provides a total financing available of \$500,000, while the proposed proceeds to be used is only \$264,660, including a \$22,000 contingency in the estimated construction cost. The Commission does not approve financing in an amount greater than the proposed proceeds to be used including a reasonable contingency.

4. Filing deficiencies pursuant to 807 KAR 5:001, Section 11(2)(c):

If property to be acquired, detailed estimates by USOA account number.

5. Filing deficiencies pursuant to 807 KAR 5:071, Section 3(3)(a):

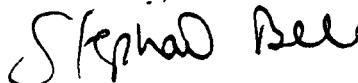
Copy of amortization schedules of present and proposed indebtedness.

6. Filing deficiencies pursuant to 807 KAR 5:071, Section 3(3)(a):

A full and complete explanation of any corporate or business relationships between applicant and parent or brother-sister corporation, subsidiary(ies), a development corporation(s), or any other party or business to afford the PSC a full understanding of the situation.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You are requested to file eight copies of this information within 15 days of this letter. If you need further information, please contact John Williams of my staff at 502-564-3940, extension 442.

Sincerely,



Stephanie Bell  
Secretary of the Commission

hv



COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PETITION OF MILLENNIUM ENERGY, INC. FOR )  
A CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO CONSTRUCT AND ) CASE NO. 99-075  
OPERATE A NATURAL GAS SUPPLY LINE )

O R D E R

IT IS ORDERED that, at the request of Millennium Energy, Inc., an informal conference shall be held with the Commission Staff on Friday, May 7, 1999 at 1:00 p.m., Eastern Daylight Time, in Hearing Room 2, of the Commission's offices located at 677 Comanche Trail, Frankfort, Kentucky.

Done at Frankfort, Kentucky, this 5th day of May, 1999.

By the Commission

ATTEST:

  
Executive Director



**Warren Rural  
Electric  
Cooperative  
Corporation**

951 Fairview Avenue  
PO Box 1118  
Bowling Green, KY  
42102

Phone: (502) 842-6541  
Fax: (502) 781-3299

**MEMORANDUM**

**TO:** Gary Dillard  
**FROM:** Rox'Anne Gray  
**DATE:** March 23, 1999  
**SUBJECT:** Financing for Millennium Energy, Inc.

Financing for the Millennium Energy project will be obtained through the National Cooperative Service Corporation (NCSC). NCSC is a subsidiary of the National Rural Utilities Cooperative Finance Corporation, one of Warren Rural Electric's primary lenders.

A \$500,000 line of credit has been established for Millennium Energy, to be guaranteed by Warren Rural Electric. Funds will be drawn as needed. Each draw will be subject to the interest rate in effect at the time of the draw. Currently, this rate is 5.8%. Once all needed funds are obtained, the loan will be converted to a ten-year long-term loan with principal payments being deferred for two years.

rtg

**Other Locations:**

Buck Jenkins  
Service Center

Franklin

Leitchfield

Morgantown

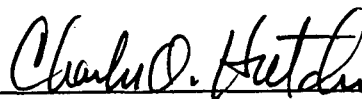


**Natural  
Gas  
Project:**

Bill Gott and Gary Dillard explained a proposed project to build a natural gas line in Simpson County to serve Cagle's Keystone Foods, LLC. The proposal is to establish a private corporation, wholly owned by Warren RECC, to build and maintain this line at a cost of approximately \$300,000. Construction should start by June 1, 1999 with completion by July 15, 1999. **On motion of Robbins and second by Dotson, the Board unanimously approved this proposal and requested that it proceed with all expediency.**

CERTIFICATION

I, Charles O. Hutcheson, Secretary of Warren Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from Board Minutes of the regular meeting of the Board of Directors held on February 23, 1999, at which meeting a quorum was present.



\_\_\_\_\_  
Charles O. Hutcheson, Secretary-Treasurer

(CORPORATE SEAL)



# Millennium Energy, Inc.

P.O. Box 1118 951 Fairview Avenue  
Bowling Green, KY 42102  
Phone: (502)842-6541  
Fax: (502)781-3299

March 23, 1999

Helen Helton  
Executive Director  
Public Service Commission  
730 Schenkel Lane  
Frankfort, KY 40602

RECEIVED

MAR 25 1999

PUBLIC SERVICE  
COMMISSION

Re: CASE NO. 99-075

Dear Ms. Helton:

The enclosed information is in response to a letter dated March 18, 1999 from Stephanie Bell requesting information about financing of the natural gas project.

Millennium Energy, Inc. was created as a "for-profit" corporation by Warren Rural Electric Cooperative Corporation for the purpose of providing energy services. The Warren RECC Board of Directors approved establishment of the wholly-owned company and its funding at their regular meeting on February 23, 1999. A certified copy of this action is enclosed.

Funding for the natural gas project in Simpson County will be from the National Cooperative Service Corporation, a subsidiary of the National Rural Utilities Cooperative Finance Corporation. Information and details of the financing is also enclosed.

If you have questions or need additional information, please let us know.

Sincerely,

Gary K. Dillard  
Vice President for Development

nth

c: Stephanie Bell (6)  
Faud Sharifi



Warren Rural  
Electric  
Cooperative  
Corporation

951 Fairview Avenue  
PO Box 1118  
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42102

Phone: (502) 842-6541  
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Other Locations:

Buck Jenkins  
Service Center

Franklin

Leitchfield

Morgantown

RECEIVED

MAR 25 1999

PUBLIC SERVICE  
COMMISSION

MEMORANDUM

TO: Gary Dillard  
FROM: Rox'Anne Gray  
DATE: March 23, 1999  
SUBJECT: Financing for Millennium Energy, Inc.

Financing for the Millennium Energy project will be obtained through the National Cooperative Service Corporation (NCSC). NCSC is a subsidiary of the National Rural Utilities Cooperative Finance Corporation, one of Warren Rural Electric's primary lenders.

A \$500,000 line of credit has been established for Millennium Energy, to be guaranteed by Warren Rural Electric. Funds will be drawn as needed. Each draw will be subject to the interest rate in effect at the time of the draw. Currently, this rate is 5.8%. Once all needed funds are obtained, the loan will be converted to a ten-year long-term loan with principal payments being deferred for two years.

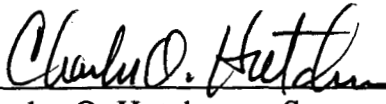
rtg

**Natural  
Gas  
Project:**

Bill Gott and Gary Dillard explained a proposed project to build a natural gas line in Simpson County to serve Cagle's Keystone Foods, LLC. The proposal is to establish a private corporation, wholly owned by Warren RECC, to build and maintain this line at a cost of approximately \$300,000. Construction should start by June 1, 1999 with completion by July 15, 1999. **On motion of Robbins and second by Dotson, the Board unanimously approved this proposal and requested that it proceed with all expediency.**

CERTIFICATION

I, Charles O. Hutcheson, Secretary of Warren Rural Electric Cooperative Corporation, do hereby certify that the above is a true and correct excerpt from Board Minutes of the regular meeting of the Board of Directors held on February 23, 1999, at which meeting a quorum was present.

  
\_\_\_\_\_  
Charles O. Hutcheson, Secretary-Treasurer

(CORPORATE SEAL)



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**  
730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KENTUCKY 40602  
www.psc.state.ky.us  
(502) 564-3940  
Fax (502) 564-3460

**Paul E. Patton**  
Governor

**Ron McCloud, Secretary**  
**Public Protection and**  
**Regulation Cabinet**

March 18, 1999

Mr. Gary K. Dillard  
Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

Re: Case No. 99-075  
Filing Deficiencies

Dear Mr. Dillard:

The Commission staff has reviewed your application in the above case. This filing is rejected pursuant to 807 KAR 5:001, Section 2, for the reasons set forth below. These items are either required to be filed with the application or to be referenced in the application if they are already on file in another case or will be filed at a later date.

Filing deficiency pursuant to 807 KAR 5:001, Section 9(2)(e):

The manner, in detail, in which it is proposed to finance the new construction or extension.

The statutory time period in which the Commission must process this case will not commence until the above-mentioned information is filed with the Commission. You are requested to file six copies of this information within 15 days of this letter. If you need further information, please contact Faud Sharifi of my staff at 502-564-3940, extension 426.

Sincerely,  
*Stephanie Bell*

Stephanie Bell  
Secretary of the Commission

hv



AN EQUAL OPPORTUNITY EMPLOYER M/F/D



COMMONWEALTH OF KENTUCKY  
**PUBLIC SERVICE COMMISSION**

730 SCHENKEL LANE  
POST OFFICE BOX 615  
FRANKFORT, KY. 40602  
(502) 564-3940

March 4, 1999

Gary K. Dillard  
Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, KY. 42102

RE: Case No. 99-075  
MILLENNIUM ENERGY, INC.  
(Initial Operations) (Construct) NATURAL GAS SUPPLY LINE

This letter is to acknowledge receipt of initial application in the above case. The application was date-stamped received March 2, 1999 and has been assigned Case No. 99-075. In all future correspondence or filings in connection with this case, please reference the above case number.

If you need further assistance, please contact my staff at 502/564-3940.

Sincerely,

A handwritten signature in cursive script that reads "Stephanie Bell".

Stephanie Bell  
Secretary of the Commission

SB/jc

MILLENNIUM ENERGY, INC.  
POST OFFICE BOX 1118  
BOWLING GREEN, KY 42102

FILED

MAY 12 1999

PUBLIC SERVICE  
COMMISSION

March 1, 1999

HELEN C HELTON  
EXECUTIVE DIRECTOR  
PUBLIC SERVICES COMMISSION  
730 SCHENKEL LANE  
FRANKFORT KY 40601

RECEIVED

MAR - 2 1999

PUBLIC SERVICE  
COMMISSION

Case No. 99-075

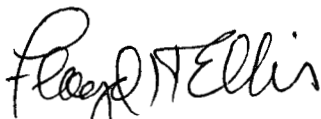
PETITION TO INSTALL AND OPERATE A GAS SUPPLY LINE

Enclosed is an original and ten copies of a petition to install and operate a natural gas supply line to serve one industrial customer in Simpson County, Kentucky.

This customer, Cagle's Keystone Foods, LLC, operates a feed mill and hatchery located about one mile north of I-65 on Highway 31W. Cagle's is presently operating on a propane air mixture from a 30,000-gallon-bulk-storage tank which is intended to be used as a back-up peak shaving plant. The hatchery will hatch up to ten million eggs per year when they reach full capacity within three years.

A major pipeline is located within two miles of the plant, and it is feasible to supply their natural gas requirement without having to spend a lot of time and money.

If you have questions or need additional information, please let me know.

  
FLOYD H. ELLIS

Enclosures (11)

ORIGINAL

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

RECEIVED

MAR - 2 1999

PUBLIC SERVICE  
COMMISSION

In the Matter of:

A PETITION OF MILLENNIUM ENERGY, INC.)  
FOR A CERTIFICATE OF CONVENIENCE AND )  
NECESSITY TO CONSTRUCT AND OPERATE A ) CASE NO. 99- 075  
NATURAL GAS SUPPLY LINE )

PETITION OF MILLENNIUM ENERGY, INC.  
FOR A CERTIFICATE OF CONVENIENCE AND  
NECESSITY TO CONSTRUCT A GAS SUPPLY LINE  
APPROVAL OF FUNDING AND THE OPERATION OF  
A NATURAL GAS SUPPLY LINE FOR A PORTION  
OF SIMPSON COUNTY, KENTUCKY

FILED

MAY 12 1999

PUBLIC SERVICE  
COMMISSION

This petition is a request for an ORDER granting approval for a Certificate of Public Convenience and Necessity (CCN) to construct a natural gas supply line, approval of funding and the initial industrial gas agreement to sell gas.

Millennium Energy, Inc. is a Kentucky Corporation with a mailing address of:

Millennium Energy, Inc.  
P. O. Box 1118  
Bowling Green, KY 42102

Millennium Energy, Inc. will be a distribution company regulated by the Kentucky Public Service Commission pursuant to KRS 278.010.

Information to satisfy the requirements of 807 KAR 5:001, Section 8(3): Articles of Incorporation are attached as Exhibit 1.

Information to satisfy the requirements of 807 KAR 5:001, Section 9, Rules of Procedure is as follows:

1. The facts relied upon to show that the proposed new gas supply line is required by Public Convenience and Necessity.

The prospective industrial customer does not have natural gas and is currently operating with a backup propane-air peak shaving plant installed in 1998. The propane plant is presently supplying the Cagle's Keystone Foods, LLC hatchery which will hatch Ten Million eggs per year.



2. Franchise agreement from the proper public authority.

This gas supply line is being constructed to initially serve one industrial customer. A franchise is not needed to install a gas supply line for one customer. However, a easement from the Simpson County fiscal court to use county road rights-of-way was acquired. See Exhibit 2.

3. A full description of the proposed location, route of the new construction, including a description of the manner in which the construction will be done and the names of all public utilities, corporations or other entities with whom the proposed new construction is likely to compete.

The proposed gas supply line will be located in Simpson County, Kentucky near I-65 and 31W. The line will start at Midwestern Pipeline owned by El Paso Energy (formerly TENNECO) and extend about two miles to 31W, then run up north along 31W about 4,000 feet to the Cagle's Keystone Foods LLC hatchery. Installation will be done using 6" and 4" SDR 11 PE pipe. Butt fusion will be used for installation and the pipe will have an MAOP of 100 PSI.

The gas supply line will not complete with any public utilities. Western Kentucky Gas (Atmos Energy) has a franchise to serve the city of Franklin, Kentucky but does not have a gas line available to supply Cagle's Keystone Food LLC and have informed them that even if they did have a line available they did not have the capacity to supply the volume of gas needed.

Suburban and other propane companies operate in the area but none serve Cagle's Keystone Foods LLC since they installed their own 30,000 gallon bulk storage tank and have the propane transported in by tanker.

Warren Rural Electric Cooperative Corporation provide electric service to the area.

4. Three maps of suitable scale (not more than 2 miles per inch) showing the location and route of the proposed new construction, as well as the location to scale of any like facilities owned by others located anywhere within the map area with adequate identification as to the ownership.

Three maps of the project area showing the proposed gas line route, pipe size, pipe material, MAOP, location of valves and the meter & regulator station at Midwestern Pipeline is attached as Exhibit 3.

5. The manner in which funding will be provided to install the new gas supply line.

Funding will be from a loan for the amount of the project. This information will be filed at a later date if it is required.

6. An estimated cost of operation after completion.

The estimated operating cost is shown in attached Exhibit 4.

7. Other information to give the Commission Staff a full understanding of the proposed project.

- A. Estimated cost of installation is attached as Exhibit 5.
- B. Cagle's Keystone Foods LLC will be the customer served if a CCN is given.
- C. Proposed price of the gas supplied to Cagle's Keystone Foods LLC will be \$5.30 per Dekatherm.
- D. The gas supply will be from the 30 inch high pressure steel Midwestern Pipeline. The gas marketer which will supply gas is tentatively Duke Energy Trading & Marketing LLC. El Paso Energy has given a price of \$43,500 to make the Hot Tap on the pipeline.

Additional information will be furnished as needed and as requested by the Commission Staff during their review of this petition.

AFFIDAVIT OF GARY K. DILLARD  
OF MILLENNIUM ENERGY, INC.

County of Simpson)  
State of Kentucky)

Gary K. Dillard, after being duly sworn, states that he is an officer of Millennium Energy, Inc. and that the statements contained in this petition for a Certificate of Convenience and Necessity (CCN) to the Kentucky Public Service Commission for the purpose of installing and operating a natural gas supply line from Midwestern Pipeline in Simpson County to serve an industrial customer, Cagle's Keystone Foods LLC are true and correct to the best of his information and knowledge.

Subscribed and sworn to before me by Gary K. Dillard on this 1 day of March 1999.

My Commission Expires on:  
February 27, 2001

Walton R. Haddix  
Walton R. Haddix  
Notary Public  
State at Large

EXHIBIT 1

ARTICLES OF INCORPORATION

MILLENNIUM ENERGY, INC.  
P. O. Box 1118  
Bowling Green, Kentucky 42102

**ARTICLES OF INCORPORATION**

RECEIVED & FILED  
50.00  
99 FEB 25 AM 11:11

**OF**

**MILLENNIUM ENERGY, INCORPORATED**

JOHN Y. BROWN III  
SECRETARY OF STATE  
COMM. OF KENTUCKY

These ARTICLES OF INCORPORATION, made and entered into on this 23 February 1999, evidencing that the undersigned incorporator has declared his intention of forming a corporation pursuant to Chapter 271B of the Kentucky Revised Statutes and all other acts amendatory thereof and supplemental thereto as follows:

I.

The name of this Corporation shall be MILLENNIUM ENERGY, INCORPORATED.

II.

The total number of shares of stock authorized to be issued shall be one hundred (100) shares of common stock.

III.

The street address of the Corporation's initial registered office shall be 1101 College Street, P. O. Box 770, Bowling Green, Kentucky 42102-0770, and the name of the initial registered agent is Keith M. Carwell.

IV.

The mailing address of the Corporation's principal office and place of business is 1101 College Street, P. O. Box 770, Bowling Green, Kentucky 42102-0770.

V.

The name and mailing address of the incorporator is as follows:

Keith M. Carwell  
1101 College Street  
P. O. Box 770  
Bowling Green, KY 42102-0770

VI.

The number of Directors constituting the initial Board of Directors shall be not less than three (3) nor more than ten (10).

VII.

The purpose for which the Corporation is organized is to engage in the transaction of any and all lawful businesses for which corporations may be incorporated under the Kentucky Business Corporation Act.

VIII.

The business and affairs of the Corporation shall be carried on by the Shareholders of the Corporation who shall have all of the duties otherwise vested in the Board of Directors. Further, the Shareholders, when acting with the authority otherwise vested in the Board of Directors, shall be subject to the standards of conduct for Directors, as provided under the provisions of KRS Chapter 271B. Further, the liability of such Shareholders, when acting with the authority which is otherwise vested in the Board of Directors may be limited as from time to time approved by the Shareholders in accordance with KRS 271B.8-300, and may be indemnified under the provisions of KRS Chapter 271B.

IX.

The corporation elects to have preemptive rights.

X.

A Director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of duty as a Director, except for liability (i) for any transaction in which the Director's personal financial interest is in conflict with the financial interest of the Corporation or its shareholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or are known to the Director to be a violation of law; (iii) for unlawful distributions under KRS 271B.8-330; and (iv) for any transaction from which the Director derived an improper personal benefit.

WITNESS the signature below on this 23 February 1999.

*Keith M. Carwell*  
KEITH M. CARWELL, Incorporator

*Keith M. Carwell*  
KEITH M. CARWELL, Registered Agent

COMMONWEALTH OF KENTUCKY

COUNTY OF WARREN

The foregoing instrument was acknowledged before me this 23 February 1999 by Keith M. Carwell, Incorporator and Registered Agent.

*Judy Hill Smith*  
NOTARY PUBLIC, Ky. State-at-Large

My Commission Expires: 9-27-2000

THIS INSTRUMENT PREPARED BY:

ENGLISH, LUCAS, PRIEST & OWSLEY  
Attorneys at Law  
1101 College Street, P. O. Box 770  
Bowling Green, KY 42102-0770  
Phone: (502) 781-6500

BY: *Keith M. Carwell*  
KEITH M. CARWELL  
138412-1

EXHIBIT 2

Rights-of-way Easement  
Simpson County Fiscal Court

Late Filed Exhibit

March 15, 1999



MILLENNIUM ENERGY, INC.  
 Cagle's Keystone Foods LLC  
 Estimated Operating Cost & Revenue  
 March 1999

THE FOLLOWING PROJECTIONS ARE BASED ON GAS SALES STARTING BY  
 SEPTEMBER 1999.

<u>DESCRIPTION</u>	<u>OCT 1, 99</u> <u>SEP 30, 00</u>	<u>OCT 1, 00</u> <u>SEP 30, 01</u>	<u>OCT 1, 01</u> <u>SEP 30, 02</u>
Volume usage in Dekatherm	20,000	30,000	35,000
Sale price of gas	<u>\$ 5.30</u>	<u>5.30</u>	<u>5.30</u>
Gross Revenue	\$ 106,000	159,000	185,000
Cost of Gas @ \$2.75 DKT	<u>55,000</u>	<u>82,500</u>	<u>96,250</u>
Gross Revenue	\$ 51,000	76,500	89,250
P & I (10 year loan @ 6%)	\$ 35,870	35,870	35,870
Insurance	1,800	1,800	1,800
Meter Reading, Billing & office expense	3,600	3,600	3,600
Property Tax	1,500	1,500	1,500
KPSC fees & Reports cost	2,400	2,400	2,400
Annual leak survey, Records and system maintenance to be contracted with an outside independent contractor	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>
Operating Expense	\$ 50,170	50,170	50,170
Net Revenue	\$ 830	26,330	39,080

MILLENNIUM ENERGY, INC.  
 Cagle's Keystone Foods LLC  
 Natural Gas Supply Line  
 Estimated Construction Cost  
 March 1999

DESCRIPTION	UNITS	UNIT PRICE	AMOUNT
1. Midwestern Hot Tap	1 EA	\$ 43,500.00	\$ 43,500
2. Regulator Station	1 EA	47,000.00	47,000
3. M/R Station Site	1 EA	5,000.00	5,000
4. 6" SDR 11 PE pipe	10,000 Ft	8.00	80,000
5. 6" Valve & Valve Box	2 EA	1,200.00	2,400
6. 4" SDR 11 PE pipe	4,000 Ft	6.00	24,000
7. 4" Valve & Valve Box	1 EA	600.00	600
8. 6" Butt Road bore	1 EA	18.00	360
9. 4" HWY 31W Road Bore	1 EA	40.00	2,400
10. Crushed Stone	150 Ton	10.00	1,500
11. Rock Excavation	300 CY	30.00	9,000
12. Stream crossing	30 Ft	30.00	900
13. Cagle's Meter Set	1 EA	5,000.00	5,000
14. Design, Specs, KPSC work		Lump Sum	5,000
15. Project Management & Inspection @ 5%			11,000
16. Legal & Consulting fees		Lump Sum	5,000
17. Contingency @ 10%			<u>22,000</u>
Total Estimated Cost			<u>\$264,660</u>

# **construction specifications**

**NATURAL GAS SUPPLY LINE**

**IN**

**SIMPSON COUNTY, KENTUCKY**

**TO SUPPLY**

**CAGLE'S-KEYSTONE FOODS LLC**

**MILLENNIUM ENERGY, INC.  
BOWLING GREEN, KENTUCKY**

**MARCH 1999**

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### GENERAL INFORMATION

The project consists of installing a natural gas supply line to serve the Cagle's Keystone Foods LLC hatchery and feed mill in Simpson County, Kentucky.

Work will be done by using polyethylene (PE) SDR 11 3408 pipe in a four inch or six inch size. The pipe shall be CSR poly pipe or equal.

All work and installation shall be done to comply with the Pipeline Safety Regulations for the Transportation of natural gas and other gas by pipeline, "Parts 191 and 192 of the Code of Federal Regulations" (CRF), and NFPA 54, National Fuel Gas Code.

The natural gas supply line shall have a maximum operating allowable pressure (MAOP) of 100 PSI. All PE pipe installed shall be tested to a minimum pressure of 175 PSI using air.

All pipe installed shall have a minimum trench depth of 24 inches except the depth may be 18 inches on private property. A minimum clearance from all other utilities of 12 inches shall be maintained unless approved otherwise by the owner.

Good public relations shall be maintained at all times and all work done shall be in such a manner to cause the least inconvenience to the general public.

## DEFINITIONS

1. ADDENDUM: Written or graphic instruments issued prior to the execution of the Agreement which modify the Contract.
2. BID: The proposal submitted for the work to be done.
3. BIDDER: The person or firm submitting a bid for the work.
4. BONDS: Surety furnished by the Contractor.
5. CHANGE ORDER: A written order to the contractor changing the work or authorizing an adjustment in the contract price or time.
6. CONTRACTOR: Firm with whom the contract is made by the owner.
7. CONTRACT PRICE: The total amount payable to the contractor under the terms and conditions of the contract.
8. CONTRACT TIME: The number of calendar days stated in the contact documents for the completion of the work.
9. PLANS: The part of the contract documents that show the scope of the work to be performed as approved by the owner.
10. ENGINEER: the person or firm named by the Owner.
11. FIELD ORDER: A written order changing the work which does not involve an adjustment in the contract price or extension in time and is issued by the owner or engineer during construction.
12. NOTICE OF AWARD: The written notice of the acceptance of the bid to the successful bidder.
13. NOTICE TO PROCEED: Written notice from the owner authorizing the contractor to start work and establishing the date for starting.
14. OWNER: The person, firm or entity for whom the work is to be performed.
15. PROJECT: The work to be done as described in the contract.
16. OWNERS REPRESENTATIVE: The authorized representative of the owner or the engineer who is assigned to the project or any part thereof for the purpose of inspecting the work being done.
17. SHOP DRAWINGS: All drawings, diagrams, illustrations, brochures, schedules and other data which are prepared by the contractor, a subcontractor, manufacturer, supplier or distributor that illustrates how specific portions of the work shall be done, fabricated or installed.
18. SPECIAL CONDITIONS: Additional instructions to the contractor and special construction requirements.
19. SUBCONTRACTOR: Any person or firm supplying labor or materials for the contractor under a separate contract or agreement.
20. SUBSTANTIAL COMPLETION: The date as certified by the owner or engineer that the project is sufficiently completed and can be utilized for the purposes for which it is intended.
21. SUPPLIERS: Anyone who supplies materials or equipment for the work but who does not perform labor at the project location.
22. WORK: This refers to and includes all plant, labor, materials, supplies, equipment and other facilities and items necessary or incidental for completion of the contract terms.
23. USER or CUSTOMER: A consumer of gas at a given address.

## PROJECT DESCRIPTION

The entire scope of the work to be done is detailed in the plans, specifications and contract documents.

One customer will be served by the gas supply line.

### WORK TO BE DONE IS:

1. Installation of polyethylene (PE) SDR 11 pipe for a gas supply line which will operate at a maximum allowable operating pressure (MAOP) of 100 PSI.
2. State highway crossings shall be by underbore.
3. No. 14 copper wire shall be installed in the trench with the gas supply line.

### CONFLICT WITH OR DAMAGE TO EXISTING UTILITIES:

It shall be the responsibility of the trenching contractor to verify in the field the existence and location of other utilities.

### LAYOUT OF WORK:

The contractor's personnel engaged in the layout of the work shall be capable of doing the layout.

### QUALIFICATION FOR PE PIPE FUSING:

Personnel installing plastic pipe shall be qualified in the procedure for joining plastic pipe in compliance with Section 192.283 and 192.285 of Title 49 of the Code of Federal Regulations.

### PHOTOGRAPHS:

Photographs are suggested for those areas where a property owner is most likely to make a claim for damages. These photos are to be taken before any construction starts. Each photo should be labeled with the date, time, location and other information.

### REGULATOR STATION:

The regulator station will be located at the Midwestern high pressure steel pipeline on Butt Road about 1.5 miles west of Highway 31W.

TRAFFIC CONTROL AND MAINTENANCE:

1. The contractor shall conduct the work in such a manner as to insure the least practicable obstruction to the public travel.
2. Suitable signs and other necessary devices to control traffic passing through or around the construction shall be erected.

CLEAN UP:

1. Clean up shall consist of all work necessary to restore the damaged area to a similar condition as existed prior to the start of construction.
2. Clean up shall follow as close as possible to the trenching and backfilling operations.

TESTING THE GAS SUPPLY LINE:

1. After clean up the gas supply line shall be tested to a minimum of 175 PSI using air.
2. Above ground piping not included in the pressure tests shall be leak tested with soap suds.
3. If there is a pressure drop in the gas supply line, the leak shall be located and repaired. Mercaptan odorant shall not be injected as a liquid into plastic piping. The use of air containing vaporized odorant is permissible to locate leaks.



## SITE WORK

### BACKFILLING:

1. No trench shall be backfilled unless the pipe has proper depth and there is firm support around the pipe.
2. The trench shall be backfilled as soon as possible after the pipe has been lowered into the trench.
3. Backfill material shall consist of earth and rock excavated from the trench. All backfill material used shall be free from rock or other material which might damage the pipe.
4. After a 12 inch layer of rock free earth is placed over the pipe the remainder of the trench may then be backfilled with materials excavated from the trench except that no hard objects or rock exceeding eight inches in diameter shall be placed in the trench. Backfilling may be employed without tamping except as herein restricted, provided caution is used in quantity per dump.
5. All paved areas crossed by the trench shall be backfilled by hand placing stable stone free earth having a maximum particle size of 1/2 inch to a depth of 6 inches above the top of the pipe. The remainder of the trench shall be backfilled with crushed stone.
6. In areas not to be traveled by vehicles the earth above the trench shall be mounded slightly so that it will settle to the natural contour of the ground. Ridged backfill shall be confined to the width of the trench and not allowed to overlap onto firm original earth. Where excavated material is left in a ridge over the trench, gaps shall be made in the ridge to allow surface water to drain off.

### TRENCHING:

1. Trenching shall include all excavation necessary to prepare the trench for the pipe to be installed regardless of what means or methods are necessary to produce the trench.
2. Construction equipment shall not be used where it will damage paving.
3. All excavation shall be open trench except for state roads and other areas designated by the owner.
4. The contractor shall not open more trench in advance of the pipe laying than is necessary to expedite the work.

#### UNDERBORING:

1. Underboring roads, sidewalks, water lines and other utilities shall be done in the locations shown on the plans or where directed by the owner.
2. The diameter of the auger used in underboring shall not be greater than the maximum diameter permitted by the specifications but in no case shall the hole be greater than four inches larger than the outside diameter of the pipe to be installed.

#### LOCATION SYSTEM

Conductive 14 gauge plastic coated copper wire shall be installed in such a manner that direct burial plastic pipe mains and service lines can be located with an electronic pipe locator.

This copper tracer wire shall be installed so that a continuous electrical circuit is provided which will allow a pipe locator to be used normally or with a direct connection to the wire.

#### PIPE JOINING

1. All connections shall be made by the heat fusion process for pipe sizes two inches and above. The plastic pipe specified for the project shall be joined in accordance with the pipe manufacturer's instructions.
2. No plastic pipe joining shall be attempted in rain or snow unless the work is properly protected from the elements. No pipe fusing shall be done when the temperature is under 32 degrees fahrenheit, unless directed otherwise by the owner.

#### FUSION PROCEDURE FOR POLYETHYLENE PIPE:

1. Butt fusion joints must be joined by a device that holds the heater element square to the ends of the pipe, compresses the ends together and holds the pipe in proper alignment while the pipe cools.
3. Heating irons used in joining PE pipe shall be electric only. Heat shall not be applied to the pipe with a torch.
4. All joints shall be made above ground except in rare cases and for repairs.
5. Personnel making pipe fusion joints shall be qualified under the applicable procedures of the CFR Title 49, Part 192.

### AIR PURGING

Except in instances when its use is permitted in pressure testing, no gas shall be admitted into any completed or partially completed pipe installation prior to receiving an acceptable pressure test and after receiving approval from the owner.

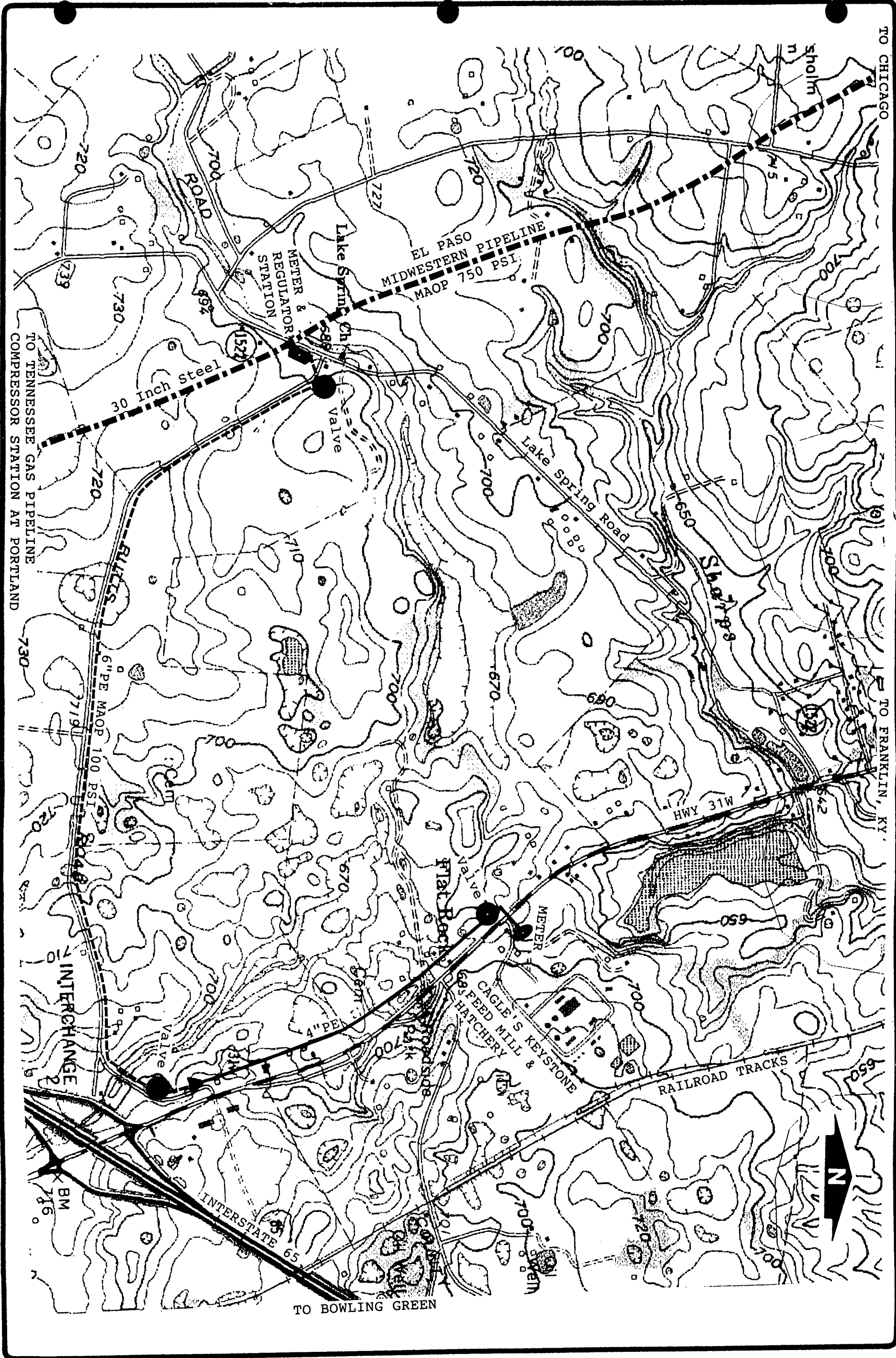
### VALVES

1. valves and valve boxes shall be installed at all locations as shown on the plans or as designated by the owner. All valves shall be specifically designed and manufactured for use in natural gas systems.

2. Valves shall be wrench operated. Two "T" handles four feet long shall be provided to the owner for operation of the valves.

3. A valve box shall be installed over each underground valve unless directed otherwise by the owner. Top of the valve box shall be flush with the paving, walk or road surface. In grass areas and open fields the top of the box shall be raised.

4. Each valve box shall have a cast iron cover with the word "GAS" cast on it.



**CAGLE'S KEYSTONE FOODS LLC**  
**NATURAL GAS SUPPLY LINE**  
**HATCHERY & FEED MILL AT FRANKLIN, KY**  
 Millennium Energy, Inc.  
 Bowling Green, Kentucky

REVISIONS	BY

DRAWN <b>WRY</b> CHECKED  DATE <b>MAR 99</b> SCALE <b>1" = 200'</b> CK JOB NO <b>99-1</b> SHEET <b>1</b>	OF <b>1</b> SHEETS
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