

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

A PETITION OF MILLENNIUM ENERGY,)	
INC. FOR APPROVAL OF AN INITIAL)	
RATE SCHEDULE TO CHARGE)	
CUSTOMERS THAT WILL BE SERVED)	CASE NO. 99-312
FROM AN EXISTING GAS SUPPLY LINE)	
IN SIMPSON COUNTY, KENTUCKY)	

O R D E R

On July 23, 1999, Millennium Energy, Inc. ("Millenium") filed a petition with the Commission seeking approval of construction, financing, and initial rates necessary to serve the general public from a gas supply line it is constructing in Simpson County. Construction of the supply line, for the purpose of serving two customers under special contracts, had been approved in Case No. 99-075.¹ Millennium s petition failed to meet certain of the Commission s filing requirements for construction, financing, and rate applications. After thorough review of its administrative regulations governing such applications and Millennium s petition, the Commission finds that certain requirements are not applicable to a filing for initial rates such as Millennium s. The Commission, on its own motion, finds that it should permit Millennium to deviate from some specific filing requirements as a condition of having its petition accepted as filed. However, the Commission will reserve the right to require that the information included in those filing requirements be filed prior to making a final decision on Millennium s application.

¹ Case No. 99-075, Petition of Millennium Energy for a Certificate of Convenience and Necessity to Construct and Operate a Natural Gas Supply Line.

The filing requirements not applicable to Millennium's petition are not identified herein. The filing requirements from which the Commission finds that Millennium should be permitted to deviate are as follows: 807 KAR 5:001, Sections 6(4), 6(5), 6(6), and 6(7); Sections 10(6)(i), 10(6)(j), 10(6)(p), 10(6)(t), and 10(7)(e). The filing requirements for which Millennium's petition is found deficient are listed in the attached Appendix with the regulation cite along with an explanation, where necessary, of the filing requirement. The Commission finds that Millennium's petition should not be accepted as filed until those deficiencies are cured by the information being filed with the Commission.

Nothing in this Order shall be construed to mean that Millennium has met the filing requirements for its application at this time

IT IS THEREFORE ORDERED that:

1. The petition of Millennium shall not be accepted as filed until its filing deficiencies have been cured and all filing requirements cited herein have been met.
2. Millennium shall file 10 copies of the information necessary to meet the minimum filing requirements within 15 days from the date of this Order.

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

By the Commission

ATTEST:

Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE PUBLIC SERVICE COMMISSION IN CASE NO. 99-312 DATED AUGUST 20, 1999

The following explanations of the filing deficiencies that must be cured prior to the petition of Millennium being accepted as filed are intended to facilitate and assist in curing those deficiencies. This appendix is issued solely for that purpose.

Deficiencies, Millennium Energy, Case No. 99-312

1. KAR 5:001, Section 9(2)(c). *A full description of the proposed location, route, or routes of the new construction or extension, including a description of the manner in which same will be constructed, and also the names of all public utilities, corporations, or persons with whom the proposed new construction is likely to compete.*
2. KAR 5:001, Section 9(2)(d). *Three (3) maps to suitable scale (preferably not more than two (2) miles per inch) showing the location or route of the proposed new construction or extension, 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 of such other facilities.*
3. KRS 322.340. *At least one copy of a preliminary and final engineering report signed, sealed, and dated by a registered professional engineer.*
4. KAR 5:001, Section 10(6)(a). *Complete description and quantified explanation for proposed adjustments with support for changes in price or activity levels, and other factors affecting the adjustment. Millennium included no descriptions or quantified explanations for its initial expected costs and expenses, or any basis for future increases reflected in its 3-year forecast (projection) of revenues and expenses.*

While there is no historical basis for comparison of the forecasted (projected) amounts, the petition must include documentation and explanations justifying those amounts.

5. KAR 5:001, Section 10(6)(g). *Analysis of customers bills in such detail that revenues from proposed rates can be readily determined for each customer class.*

While there are no historical customers bills for purposes of analysis, the petition must include a schedule, or supporting workpapers, which show the derivation of the projected revenues for each customer class in each year included in Financial Exhibit 2.5. This should be based on the proposed rates, projected customer levels, and projected volumes for gas sales and/or transportation.

6. KAR 5:001, Section 10(6)(n). *Summary of the latest depreciation study.* Since depreciation has been estimated as part of Millennium s pro forma expenses, a schedule with a detailed calculation of depreciation expense by asset, including the associated cost, estimated date placed in service, useful life, salvage value (if any), and the rate of depreciation must be filed to satisfy this requirement.

7. KAR 5:001, Section 11(1)(b). *If bonds or notes or other indebtedness is proposed: a full description of all terms of the indebtedness and whether the debt is to be secured and, if so, a description of how it s secured.*

8. KAR 5:001, Section 11(2)(b). *Copies of all trust deeds or mortgages. If previously filed, state case number.*