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 FROM AN EXISTING GAS SUPPLY LINE IN SIMPSON COUNTY, KENTUCKY

CASE NO. 99-312

INTERIM ORDER

On July 23, 1999, Millennium Energy, Inc. ("Millennium") filed an application requesting to modify the final Order in Case No. 99-075,¹ for approval of additional financing and initial rates in order to construct facilities and serve potential new residential and commercial customers. The Commission rejected the petition on August 20, 1999 and ordered Millennium to cure its deficiencies within 15 days. On September 16, 1999, the Commission determined that Millennium s responses of September 8, 1999, cured the deficiencies and the petition had met the minimum filing requirements set by the Commission's regulations. On August 4, 1999, Western Kentucky Gas Company filed a motion for full intervention in this matter which was granted on August 11, 1999, pursuant to 807 KAR 5:001, Section 8.

After review of the authorization granted in Case No. 99-075, the Commission has determined that the proposed construction is subject to KRS 278.020 and requires a Certificate of Public Convenience and Necessity. Millennium is proposing to install

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

lateral 3-inch and 2-inch distribution pipelines from its 4-inch and 3-inch existing pipelines to serve four locations in Simpson County, Kentucky. Millennium estimates it will serve 16 residential customers and five commercial customers. Millennium expects to add an additional ten residential customers and three commercial customers in three years. The estimated cost of construction will be \$64,000. After review of the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Millennium should be granted a certificate of convenience and necessity to construct the proposed extension to its system.

2. The proposed rates and funding for the construction should be addressed in the final order of this case.

3. Millennium should file with the Commission the construction schedule and a copy of the construction drawings no later than one week prior to construction.

4. Within 90 days from the completion of the contract, Millennium should file as-built drawing for the extension of service and the actual cost of the project.

5. 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 Convenience and Necessity to construct its natural gas distribution system and extend its service to provide gas to the additional customers in the record.

2. Millennium shall comply with the requirements set forth in Findings No. 2 through 5 as if they were individually so ordered.

3. The financing plan proposed by Millennium is continued generally.

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4. Millennium s application for initial natural gas rates is continued generally.

5. Nothing contained herein shall be construed as constituting approval of any other portion of Millennium s application.

Done at Frankfort, Kentucky, this 8th day of November, 1999.

By the Commission

ATTEST:

Executive Director