

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST ADJUSTMENT)	CASE NO.
FILING OF MILLENNIUM ENERGY, INC.)	2002-00010

ORDER

On December 2, 1999, in Case No. 99-312, the Commission approved rates for Millennium Energy, Inc. (Millennium) and provided for their further adjustment in accordance with Millennium s gas cost adjustment (GCA) clause.

On January 7, 2002, Millennium filed its GCA to be effective February 1, 2002. As this filing results in a rate decrease, the 30-day notice requirement set out in KRS 278.180(1) is not controlling since KRS 278.180(2) permits a rate decrease to be implemented within a lesser period of time.

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

1. Millennium s notice includes revised rates to pass on to its customers its expected decrease in gas costs. Millennium s expected gas cost (EGC) is \$5.7265 per Mcf, which is a decrease of 1.01 cent per Mcf over Millennium s previous EGC of \$5.7366.
2. Millennium s notice sets out no refund adjustment.
3. Millennium s notice sets out an actual adjustment (AA) of (17.04) cents per Mcf to return to customers over-recovered gas costs from August, September and October 2001. Millennium did not correct for the line loss during August in calculating its current quarter AA. Correcting for this produces a current quarter AA of (20.26)

cents per Mcf. Millennium s total AA is (76.93) cents per Mcf, which is a decrease of 20.26 cents per Mcf from the previous total AA.

4. Millennium s notice sets out no balance adjustment.

5. Millennium s GCA is \$4.9572 per Mcf, which is 21.27 cents per Mcf less than the previous rate of \$5.1699.

6. The revised rates in the Appendix to this Order are fair, just, and reasonable, in the public interest, and should be approved for service rendered by Millennium on and after February 1, 2002.

IT IS THEREFORE ORDERED that:

1. Millennium s proposed rates are denied.

2. The rates in the Appendix to this Order are approved for service rendered on and after February 1, 2002.

3. Within 20 days of the date of this Order, Millennium shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 24th day of January, 2002.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2002-00010 DATED January 24, 2002

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

Residential

	<u>Base Rate</u>	<u>Gas Cost Recovery Rate</u>	<u>Total</u>
Customer Charge	\$6.00		\$6.00
All Mcf	\$4.00	\$4.9572	\$8.9572

Commercial and Industrial

Customer Charge	\$20.00		\$20.00
All Mcf	\$ 3.00	\$4.9572	\$7.9572