

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF GAS COST)	
ADJUSTMENT FILING OF)	CASE NO. 2003-00244
MILLENNIUM ENERGY, INC.)	

ORDER

On December 2, 1999, in Case No. 1999-00312, the Commission approved rates for Millennium Energy, Inc. (Millennium) and provided for their further adjustment in accordance with Millennium s gas cost adjustment (GCA) clause.

On June 24, 2003, Millennium filed its proposed GCA to be effective August 1, 2003.

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

1. Millennium s notice includes revised rates designed to pass on to its customers its expected change in gas costs.
2. Millennium s expected gas cost (EGC) is \$3.7894 per Mcf, the same as its last filing which was effective May 1, 2003.
3. Millennium s notice sets out no refund adjustment.
4. Millennium s notice sets out a current quarter actual adjustment (AA) of 51.71 cents per Mcf. Millennium unnecessarily adjusted its February 2003 sales volumes for line loss in its cost calculation. Correcting for this results in a current quarter AA of 48.15 cents per Mcf. Millennium s total AA is 63.81 cents per Mcf, which is 49.8 cents per Mcf less than the previous total AA.

5. Millennium s notice sets out a current quarter balance adjustment (BA) of 6.11 cents per Mcf. Millennium s total BA is 13.34 cents per Mcf, which is 30.65 cents per Mcf less than the previous total BA.

6. Millennium s GCA is \$4.5609 per Mcf, which is 80.45 cents per Mcf less than the previous rate of \$5.3654.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for service rendered by Millennium on and after August 1, 2003.

IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for service rendered on and after August 1, 2003.

2. 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 22nd day of July, 2003.

By the Commission

ATTEST:


Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2003-00244 DATED July 22, 2003

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	\$4.5609	\$8.5609

Commercial and Industrial

Customer Charge	\$20.00		\$20.00
All Mcf	\$ 3.00	\$4.5609	\$7.5609