COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICTION OF KEN GAS OF KENTUCKY

FOR A CERTIFICATE OF CONVENIENCE AND

NECESSITY AUTHORIZING IT TO BID ON GAS

FRANCHISES IN THE CITIES OF RUSSELL

SPRINGS AND JAMESTOWN, KENTUCKY

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ORDER

On June 13, 1988, Ken Gas of Kentucky ("Ken Gas") filed with the Commission its application seeking a certificate of convenience and necessity to qualify it to bid on gas franchises in the cities of Russell Springs and Jamestown, Kentucky. Under the provisions of KRS 278.020(3), no utility may apply for a franchise from any governmental agency until it has obtained a certificate of convenience and necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

The Commission finds that there is a need and demand for gas service in the above mentioned cities. Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for the service sought to be rendered, no finding or determination is made as to the validity of any of the provisions of the franchises offered by said cities or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

- 1. Ken Gas be and it hereby is granted a certificate of convenience and necessity which authorizes it to bid on gas franchises in the above mentioned cities.
- 2. Ken Gas, if it becomes the successful bidder, shall file with this Commission 2 copies of the said franchises.
- 3. This Order shall not be construed as granting a certificate of convenience and necessity to construct utility facilities in the said cities.

Done at Frankfort, Kentucky, this 17th day of Jume, 1988.

PUBLIC SERVICE COMMISSION

Chairman

100 MM

Commissioner

ATTEST: