COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF ATMOS ENERGY CORPORATION, OWENSBORO, KENTUCKY, FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING IT TO BID ON A FRANCHISE ESTABLISHED BY THE CITY OF SEBREE, KENTUCKY

CASE NO. 2010-00106

<u>order</u>

On March 5, 2010, Atmos Energy Cooperative Corporation ("Atmos") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for natural gas service offered by the city of Sebree, Kentucky. Under the provisions of KRS 278.020(4), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Public Convenience and Necessity from this Commission, based on our finding that there is a need and demand for the service sought to be rendered.

In light of the city of Sebree's ordinance creating a natural gas distribution franchise, the Commission determines that there is evidence of a need and demand for natural gas service in the above-mentioned city. 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 qualifications of the bidder, the validity of any of the provisions of the franchises offered by said city, or the manner in which any franchise fee is to be treated for rate purposes. IT IS THEREFORE ORDERED that:

1. Atmos is granted a Certificate of Public Convenience and Necessity that authorizes it to bid on a franchise for natural gas service offered by the city of Sebree, Kentucky.

2. Atmos, if it becomes the successful bidder, shall file with the Commission's tariff branch two copies of the franchise agreement.

3. This Order shall not be construed as granting a Certificate of Public Convenience and Necessity to construct utility facilities in said city.

By the Commission



ATTE\$T Exec

Mark R Hutchinson Wilson, Hutchinson & Poteat 611 Frederica Street Owensboro, KY 42301

Mark Martin VP Rates & Regulatory Affairs Atmos Energy Corporation 3275 Highland Pointe Drive Owensboro, KY 42303