

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL GAS)	
COMPANY, INC. FOR A CERTIFICATE OF)	CASE NO.
CONVENIENCE AND NECESSITY TO BID ON A)	2011-00227
FRANCHISE OFFERED BY THE LEXINGTON-)	
FAYETTE URBAN COUNTY GOVERNMENT)	

O R D E R

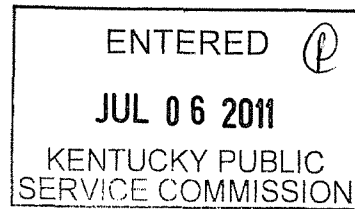
On June 30, 2011, Delta Natural Gas Company ("Delta") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for natural gas service offered by the Lexington-Fayette Urban County Government ("LFUCG") in Lexington, Fayette County, 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 Lexington-Fayette Urban County Government's ordinance creating a natural gas distribution franchise, the Commission determines that there is evidence of a need and demand for natural gas service within the corporate boundary of the LFUCG. 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. Delta is granted a Certificate of Public Convenience and Necessity that authorizes it to bid on a franchise for natural gas service offered by the LFUCG.
2. Delta, if it becomes the successful bidder, shall file two copies of the franchise agreement with the Commission's tariff branch.
3. This Order shall not be construed as granting a Certificate of Public Convenience and Necessity to construct utility facilities within the corporate boundary of the LFUCG.

By the Commission



ATTEST:

Carson D. Newmiller for
Executive Director

Monica Braun
STOLL KEENON OGDEN PLLC
300 West Vine Street
Suite 2100
Lexington, KENTUCKY 40507-1801

John B Brown
Chief Financial Officer, Treasurer
Delta Natural Gas Company, Inc.
3617 Lexington Road
Winchester, KY 40391