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RECEIVED

MAR 27 2008

PUBLIC SERVICE
COMMISSION

William L. Wilson, Jr.
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March 27, 2008

Honorable Elizabeth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

2008-111

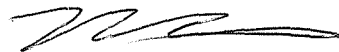
RE: Application of Atmos Energy Corporation for a Certificate
of Public Convenience and Necessity Authorizing it to bid
on Franchise Established by the City of Bowling Green, Kentucky

Dear Ms. O'Donnell:

I enclose herewith an original, plus eleven (11) copies, of an Application of Atmos Energy Corporation for a Certificate of Public Convenience and Necessity Authorizing it to Bid on Franchise Established by the City of Bowling Green, Kentucky, for filing in your office.

The City has established April 23, 2008 as the deadline for submitting bids. We would therefore appreciate entry of an order prior to that date.

Very truly yours,



Mark R. Hutchinson

BEFORE THE

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MAR 27 2008

PUBLIC SERVICE COMMISSION OF KENTUCKY

PUBLIC SERVICE
COMMISSION

2008-111

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 BOWLING
GREEN, KENTUCKY

CASE
NO. _____

APPLICATION

1

Applicant, Atmos Energy Corporation, is a corporation duly qualified under the laws of the Commonwealth of Kentucky to carry on its business in the Commonwealth.

The Company is an operating public utility engaged in the business of supplying natural gas to the public in numerous cities, towns, and communities in Western and South Central Kentucky.

2

A certified copy of Applicant's Amended and Restated Articles of Incorporation is already on file with the Commission in the Matter of: The Application of Atmos Enemy Corporation for An Order Authorizing a \$900,000,000 Universal Shelf Registration, Case No. 2006-00387.

1

The City of Bowling Green (sometimes hereinafter called the "City") is a municipal corporation situated in Warren County, Kentucky and is in an area presently served by Applicant. Applicant has been the owner of a franchise operation of the natural gas system within the City immediately prior to the sale of a new franchise. Applicant is at the present time serving the City and owns and maintains a gas distribution system in such City.

The City Commission of the City has established a natural gas franchise for the City and has directed that bids for the sale thereof be received on or before April 23, 2008. A copy of the resolution establishing such franchise, directing its sale, and setting forth the type and provisions of such franchise is filed herewith as a part hereof.

There is a demand and need for continued natural gas service for the City.

WHEREFORE, Applicant respectfully requests the Commission to enter a certificate of public convenience and necessity authorizing Applicant to bid on the aforesaid natural gas franchise and, if it is awarded such franchise, to operate the natural gas distribution system pursuant to such franchise. A copy of the franchise, if awarded to Applicant, will be filed with the Commission.

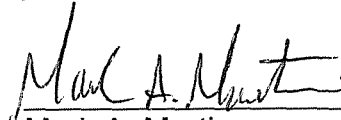
Respectfully submitted,



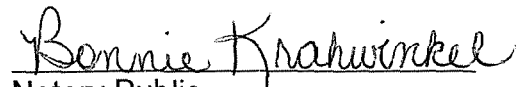
Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301
Attorney for Applicant

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

The undersigned Affiant, Mark A. Martin, being first duly sworn, deposes and says that he is Vice President-Marketing and Regulatory Affairs of Atmos Energy Corporation, Kentucky/Mid-States Division having its principal office in Owensboro, Kentucky, which is the Applicant in this proceeding; that he has read the foregoing application and knows the contents thereof; that the same is true of his own knowledge, except as to the matters which are therein stated on information or belief, and that as to those matters he believes them to be true; and that he is duly authorized to sign, execute, verify and file the foregoing application on behalf of Applicant.


Mark A. Martin

SUBSCRIBED AND SWORN to before me by Mark A. Martin as Vice President – Marketing and Regulatory Affairs of Atmos Energy Corporation, Kentucky/Mid-States Division, on this the 26 day of March, 2008.


Notary Public

My Commission Expires: 7/30/08

ATMOSICITY OF
BOWLING GREEN APPLICATION

ORDINANCE NO. BG2008 – 16

ORDINANCE CREATING AND AUTHORIZING SALE OF GAS FRANCHISE

AN ORDINANCE OF THE CITY OF BOWLING GREEN, KENTUCKY PROVIDING FOR THE CREATION AND SALE OF A NON-EXCLUSIVE FRANCHISE FOR THE PRIVILEGE OF CONSTRUCTING, TRANSPORTING, OPERATING, MAINTAINING AND DISTRIBUTING NATURAL GAS ALONG AND UNDER PUBLIC RIGHT-OF-WAY WITHIN THE CITY OF BOWLING GREEN, KENTUCKY FOR A TERM OF TEN (10) YEARS IN CONSIDERATION FOR WHICH, THE SUCCESSFUL FRANCHISEE SHALL PAY TO THE CITY AN ANNUAL SUM EQUAL TO A MINIMUM OF ONE PERCENT (1%) OF THE GROSS REVENUES DERIVED FROM THE FRANCHISE AWARDED HEREIN; AND FURTHER ESTABLISHING A BID PROCEDURE FOR THE AWARD OF SAID FRANCHISE TO THE SUCCESSFUL BIDDER

WHEREAS, the existing natural gas franchise agreement between the City of Bowling Green, Kentucky and Western Kentucky Gas, now known as Atmos Energy Corporation, expires on February 2, 2008; and,

WHEREAS, Sections 163 and 164 of the Kentucky Constitution and Chapter 96 of the Kentucky Revised Statutes authorize cities to require public utilities to operate under franchise agreements and to grant utilities the right to use public right-of-way on such terms and conditions as are deemed reasonable and necessary; and,

WHEREAS, the Board of Commissioners has found and determined that the construction, operation, maintenance and use of a natural gas franchise over, across or under public rights-of-way in the City benefits the utility and the customers it serves and the Board has further found and determined that the construction, installation, removal, maintenance and/or repair of utility-owned facilities and other infrastructure does periodic and unavoidable disturbance that gradually results in the degradation of the City's streets and sidewalks for which the City is entitled to reasonable compensation in order to

(Ordinance No. BG2008 – 16)

offset and recover the costs of reconstructing, removing, repairing or resurfacing damaged public rights-of-way; and,

WHEREAS, the City has determined that it is in the best interest of its citizens to create and offer for sale a new natural gas franchise.

NOW, THEREFORE, BE IT ORDAINED by the City of Bowling Green, Kentucky as follows:

1. The City Manager of the City, or such other person as the City Manager may designate, shall offer for sale, to the highest and best bidder, a non-exclusive franchise to enter upon, acquire, construct, operate, maintain and repair the public right-of-way of the City, a gas distribution system within the corporate boundaries of the City, subject to the provisions of the Franchise Agreement attached hereto and incorporated herein by reference. The franchise and the privileges created with the franchise shall be sold to the highest and best bidder at the time and place fixed by the City Manager or his designee after proper advertising pursuant to the provisions of KRS Chapter 424. All costs for such advertisements and other costs associated with the awarding of this franchise shall be borne by the successful Franchisee.

2. Sealed bid proposals for the purchase and acquisition of the franchise and the attendant privileges pursuant to this Ordinance shall be in writing and delivered to the City Manager or his designee on the date and at the time fixed in the advertisements. All bids shall state the bidder's acceptance of the terms and provisions set forth in this Ordinance and the attached Franchise Agreement.

3. The City Manager or his designee shall present all written bids to the Board of Commissioners at its first meeting scheduled after the bid deadline for the City's consideration and approval. The City reserves the right to accept any bid, to reject any and all bids received, to waive any irregularities or informalities in awarding the franchise and to accept what, in its opinion, is the best responsive and responsible bid. In the event all bids are rejected, the City reserves the right to

(Ordinance No. BG2008 – 16)

direct by municipal order or ordinance that the franchise created hereunder be offered again for sale until a satisfactory bid is received and approved.

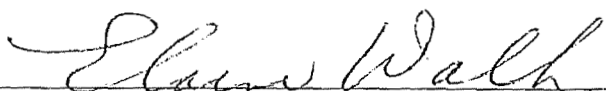
4. The franchise created by this Ordinance shall become effective when the Franchise Agreement is signed by the successful bidder and the City. The franchise created herein, when awarded, shall constitute a contract between the City and the Franchisee, the terms of which are set out in the Franchise Agreement attached hereto and incorporated herein by reference.

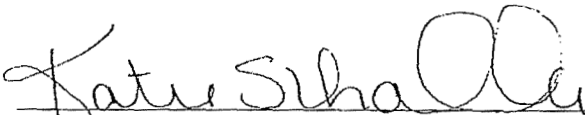
5. The provisions of this Ordinance are hereby declared to be severable, and if any section, phrase or provision shall for any reason be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Ordinance.

6. All prior Municipal Orders or Ordinances or parts of any Municipal Order or Ordinance in conflict herewith are hereby repealed.

7. This Ordinance is adopted pursuant to KRS 83A.060 in that it was introduced on March 4, 2008, and given final reading on March 18, 2008, and said Ordinance shall be in full force and effect upon signature, recordation and publication in summary pursuant to KRS Chapter 424.

ADOPTED: March 18, 2008

APPROVED: 
Mayor, Chairman of Board of Commissioners

ATTEST: 
City Clerk

SPONSORED BY: Joe W. Denning, Commissioner, 02/26/2008, 10:00 a.m.