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DEC 16 2010

**PUBLIC SERVICE
COMMISSION**

OVERNIGHT DELIVERY

December 13, 2010

Jeff R. Derouen
Executive Director
Kentucky Public Service Commission
211 Sower Blvd.
PO Box 615
Frankfort, Kentucky 40602

CASE NO. 2010-00488

RE: Atmos Energy Corporation
Application for a Certificate of Public Convenience
And Necessity Authorizing it to Bid on a Franchise
Auburn, Kentucky

Dear Mr. Derouen:

Attached is an original, plus eleven (11) copies of Atmos Energy's Application for a Certificate of Public Convenience And Necessity Authorizing it to Bid on a Franchise Established by the City of Auburn, Kentucky. Please return a stamped filed copy to me.

Bids are due January 10, 2011.

Very truly yours,

Mark R. Hutchinson

Mark R. Hutchinson

(BK)

c: Mark Martin
Kevin Dobbs

**BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

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**PUBLIC SERVICE
COMMISSION**

**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 AUBURN)
KENTUCKY)**

**CASE
NO. 2010-00488**

APPLICATION

1

Applicant, Atmos Energy Corporation, 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

Atmos' Articles of Incorporation, together with all amendments thereto, have already been filed with the Commission in Case No. 2008-00222. There have been no changes to the Articles of Incorporation since they were filed with the Commission in Docket No. 2008-00222.

3

The City of Auburn (sometimes hereinafter called the "City") is a municipal corporation situated in Logan 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.

4

The City has established a natural gas franchise in connection with the sale of its distribution system and has directed that bids for the purchase thereof be received on or before 4:30 p.m., C.D.T., January 10, 2011. All bids will be conditionally accepted. A copy of the Ordinance 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.

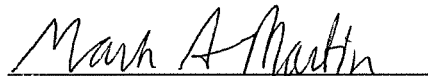
WHEREFORE, Applicant respectfully requests the Commission to enter a certificate of public convenience and necessity authorizing Applicant to bid on the aforesaid natural gas franchise and, if it is awarded such franchise, to operate the natural gas distribution system pursuant to such franchise. A copy 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 of Rates 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 -- Rates and Regulatory Affairs of Atmos Energy Corporation, Kentucky/Mid-States Division, on this the 13 day of December, 2010.


Notary Public

My Commission Expires: 7/30/12

MUNICIPAL ORDER 2010-12-01

AN MUNICIPAL ORDER OF THE CITY OF AUBURN, KENTUCKY, PROVIDING FOR THE CREATION AND SALE OF A FRANCHISE FOR THE PRIVILEGE OF CONSTRUCTING, TRANSPORTING, OPERATING, MAINTAINING AND DISTRIBUTING NATURAL GAS ALONG AND UNDER PUBLIC RIGHT OF WAY WITHIN THE CITY OF AUBURN, 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 1% OF ITS REVENUES; 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 Auburn, Kentucky and Atmos Energy Corporation expires on March 21, 2011; 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.

BE IT ORDAINED BY THE CITY OF AUBURN, KENTUCKY (hereinafter referred to as the "City") that the Mayor of the City, or such other person as the Mayor may designate, shall offer for sale, to the highest and best bidder, a non exclusive franchise to enter upon, acquire, construct, operate, maintain and repairs in the public right of way of the City, a gas distribution system with the corporate boundaries of the City, subject to the provisions of the Franchise Agreement attached hereto and incorporated herein by reference.

The Mayor, or such other person as the Mayor may designate, shall, as soon as practicable after passage of this Municipal Order, offer for sale, under sealed public bids, the franchise and privileges created herein. Such bids shall be in writing and shall be delivered to the Mayor or his designee, at City Hall, Auburn, Kentucky, by 4:30 p.m. on January 10, 2011 (the "Bid Deadline"). Advertisements for such bids shall be published in accordance with the requirements of KRS Chapter 424. All costs for such advertisements shall be borne by the successful Franchisee.

Sealed bids offered for the purchase of this franchise shall be publicly opened and read at 7:00 p.m. C.S.T. on January 10, 2011. All bids shall state the bidder's acceptance of the terms and provisions set forth in the attached franchise agreement.

The Mayor shall present all written bids to the City of Auburn 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 direct by resolution or ordinance that the franchise created hereunder be offered again for sale until a satisfactory bid is received and approved.

The franchise created by this Municipal Order shall become effective when the franchise agreement is signed by the successful bidder and the City.

INTRODUCED AND PUBLICLY READ ON, this the 13th day of December, 2010.

CITY OF AUBURN, KENTUCKY

By: Darway Roche

ATTEST:

[Signature]