

MARK R. HUTCHINSON

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October 20, 2004

Beth O'Donnell
Executive Director
Kentucky Public Service Commission
211 Sower Boulevard
Frankfort, Kentucky 40602**RECEIVED**

OCT 20 2004 JDC

**PUBLIC SERVICE
COMMISSION**

Case 2004-00418

RE: Application of Atmos Energy Corporation for Approval
To Submit Bid on Franchise-City of Cadiz, Kentucky

Dear Ms. O'Donnell:

On behalf of my client, Atmos Energy Corporation, I am enclosing herewith an original, plus eleven (11) copies, of an Application of Atmos Energy Corporation for approval to submit a bid for a franchise for the City of Cadiz, Kentucky. You will notice that in the Ordinance adopted by the City, they set November 4 as the deadline for submitting a bid. I realize that this provides very little time for the Commission. We were not aware that the City had done this until yesterday. We are therefore trying to get this Application filed with you as soon as possible. For that reason, I am faxing a copy and will be overnighting the original and copies today.

If the Commission does not believe that they have sufficient time to make a decision on this Application prior to the November 4 deadline (which we will fully understand) please advise and we will simply notify the City of Cadiz that they will need to redo the ordinance, readvertise and set a more distant bid deadline date.

If we do not hear from you then we will proceed on the hope that you will be able to get us an order on this application so that we can submit a bid on or before November 4. Thanks.

Very truly yours,

Mark R. Hutchinson

Mark R. Hutchinson



MRH:bkk

Enclosures

BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY

RECEIVED

OCT 20 2004 JD

PUBLIC SERVICE
COMMISSION

IN THE MATTER OF:)
)
APPLICATION OF WESTERN KENTUCKY)
GAS COMPANY, A DIVISION OF ATMOS)
ENERGY CORPORATION, OWENSBORO)
KENTUCKY FOR A CERTIFICATE OF PUBLIC)
CONVENIENCE AND NECESSITY)
AUTHORIZING IT TO BID ON FRANCHISE)
ESTABLISHED BY THE CITY OF CADIZ,)
KENTUCKY)

Case No.

APPLICATION

1

Applicant, Western Kentucky Gas Company (sometimes hereinafter called "Company" or "Applicant") is a division of 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

A certified copy of Applicant's Articles of Incorporation and all amendments thereto are on file in the records of this Commission. See In the Matter of: Western Kentucky Gas Utility Corporation, Case #10063.

3

The City of Cadiz (sometimes hereinafter called the "City") is a municipal corporation

1

situated in Trigg 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

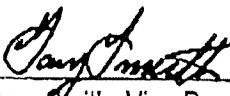
The City Commission of the City has established a natural gas franchise for the City and has directed that bids for the sale thereof be received on or before November 4, 2004. A copy of the resolution establishing such franchise, directing its sale, and setting forth the type and provisions of such franchise is filed herewith as a part hereof.

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

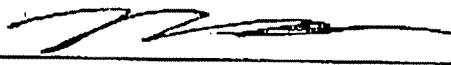
WHEREFORE, Applicant respectfully requests the Commission to enter a certificate of public convenience and necessity authorizing Applicant to bid on the aforesaid natural gas franchise and, if it is awarded such franchise, to operate the natural gas distribution system pursuant to such franchise. A copy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

Respectfully submitted,

WESTERN KENTUCKY GAS COMPANY
A division of Atmos Energy Corporation

By: 


Gary Smith, Vice President of Marketing
and Regulatory Affairs
Kentucky Division



Mark R. Hutchinson
2207 Frederica Street
Owensboro, Kentucky 42301
Attorney for Applicant

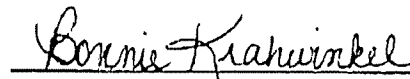
COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

The undersigned Affiant, Gary Smith, being first duly sworn, deposes and says that he is the Vice President of the Kentucky division of Atmos Energy Corporation, 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.



Gary Smith

SUBSCRIBED AND SWORN to before me by Gary Smith, as Vice-President of the Kentucky division of Atmos Energy Corporation, on this the 20 day of October, 2004.



Notary Public
My Commission Expires: 1/30/08

ORDINANCE NO. 04-10

AN ORDINANCE OF THE CITY OF CADIZ, KENTUCKY (HEREINAFTER REFERRED TO AS THE "CITY") 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 CADIZ, KENTUCKY FOR A TERM OF FIVE (5) YEARS IN CONSIDERATION FOR WHICH, THE SUCCESSFUL FRANCHISEE SHALL PAY TO THE CITY AN ANNUAL SUM EQUAL TO \$0.20 PER METER FOR FIVE (5) YEARS 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 Cadiz, Kentucky and Atmos Energy Corporation expires on November 1, 2004; 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 CADIZ, KENTUCKY 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 natural gas franchise to enter upon, acquire, construct, operate, maintain and repair 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 Ordinance, 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 Cadiz City Hall, 63 Main Street, Cadiz, Kentucky by 3:30 p.m. on the 4th day of November 2004. 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 3:30 p.m. C.S.T. on the 4th day of November 2004. 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 Cadiz 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 ordinance shall become effective when the successful bidder and the City sign the franchise agreement.

THIS ORDINANCE shall be effective immediately after its acceptance, approval and publication as required by law.

Date of first reading: October 5, 2004.

Date of second reading: October 14, 2004.

Attest:


Hollis L. Alexander, City Administrator


Lyn Bailey, Mayor