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June 28, 2006

JUN 29 2006

PUBLIC SERVICE
COMMISSION

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

Subject: Application of Atmos Energy Corporation for a Certificate of Public Convenience and Necessity authorizing it to bid on Franchise established by the City of Harrodsburg, Kentucky

Dear Ms. O'Donnell:

Case No. 2006-00376

I enclose herewith an original, plus eleven (11) copies, of the above-referenced Application of Atmos Energy Corporation. The City of Harrodsburg, earlier this week, passed an Ordinance providing for the creation and sale of a Franchise. According to their Ordinance, the bids are due on or before July 24, 2006.

If you have any questions regarding this matter, please contact me at your convenience.

Sincerely,

Gary L. Smith
Vice President,
Marketing and Regulatory Affairs

Enclosures

cc: Tim Owen
Bill Greer
Randy Hutchinson
Vicky McDonald

**BEFORE THE
PUBLIC SERVICE COMMISSION OF KENTUCKY**

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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 FRANCHISE ESTABLISHED BY THE)
CITY OF HARRODSBURG, KENTUCKY)

Case No.
2006-00374

APPLICATION

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.

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.

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

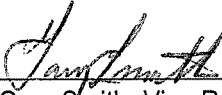
The Board of Commissioners of Harrodsburg has established a natural gas franchise for the City and has directed that bids for the sale thereof be received on or before July 24, 2006. A copy of the resolution establishing such franchise, directing its sale, and setting forth the type and provisions of such franchise is filed herewith as a part hereof.

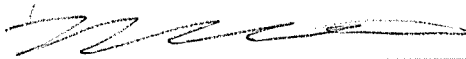
There is a demand and need for continued natural gas service for the City.

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,

Atmos Energy Corporation

By: 
Gary Smith, Vice President of Marketing
and Regulatory Affairs



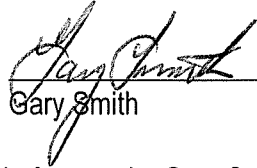
Mark R. Hutchinson
611 Frederica Street
Owensboro, Kentucky 42301

Attorney for Applicant

COMMONWEALTH OF KENTUCKY)
COUNTY OF DAVIESS)

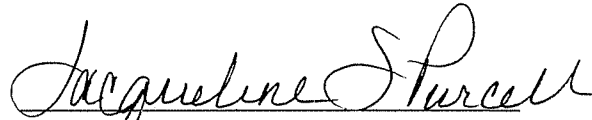
The undersigned Affiant, Gary Smith, being first duly sworn, deposes and says that he is the Vice President of Atmos Energy Corporation, having its principal office in Owensboro, Kentucky, which is the Applicant in this proceeding; that he has read the foregoing application and knows the contents thereof;

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 Atmos Energy Corporation, on this the 28 day of June, 2006.



Notary Public
My Commission Expires: 11/15/2007

NOTICE OF SALE OF GAS FRANCHISE

NOTICE IS HEREBY GIVEN that the City of Harrodsburg, Kentucky, will on July 24, 2006, at 11:00 a.m., at City Hall, Harrodsburg, Kentucky, consider offers for sale to the highest and best bidder, plus all costs, including advertisement costs, a franchise as defined in Ordinance 2006-6 adopted by the Board of Commissioners of Harrodsburg on April 24, 2006, the full text of which Ordinance, including the agreement containing the terms of the franchise, is available for inspection in the Office of the City Clerk, City Hall, 208 South Main Street, Harrodsburg, Kentucky, between the hours of 8:00 a.m. and 4:30 p.m., Monday through Friday.

ORDINANCE 2006-6

AN ORDINANCE OF THE CITY OF HARRODSBURG, 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 HARRODSBURG, KENTUCKY, FOR A TERM OF TWENTY (20) YEARS IN CONSIDERATION FOR WHICH, THE SUCCESSFUL FRANCHISEE SHALL PAY TO THE CITY AN ANNUAL SUM EQUAL TO _____; AND FURTHER ESTABLISHING A BID PROCEDURE FOR THE AWARD OF SAID FRANCHISE TO THE SUCCESSFUL BIDDER.

Sealed bids are to be delivered to the City Clerk at 208 South Main Street, Harrodsburg, Kentucky, to be publicly opened and read at 11:00 a.m., on July 24, 2006.

The City of Harrodsburg reserves the right to accept any bid, to reject any and all bids, to waive any irregularities or informalities in awarding the franchise and to accept what, in its opinion, is the best responsive and responsible bid.

ORDINANCE NO. 2006 -9

**AN ORDINANCE OF THE CITY OF HARRODSBURG, KENTUCKY
AMENDING ORDINANCE NUMBER 2006-6 NOTICE OF ACCEPTANCE OF
BIDS FOR NATURAL GAS**

WHEREAS, the City of Harrodsburg has adopted ordinance 2006-6;

AND WHEREAS, it is necessary to change the bid date;

NOW THEREFORE BE IT ORDAINED BY THE BOARD OF COMMISSIONERS OF
THE CITY OF HARRODSBURG AS FOLLOWS:

Opening paragraph of Ordinance 2006-6 is changed to read: ~~May 22, 2006~~ July 24,
2006

Section 5.1 of Ordinance 2006-6 is changed to read : ~~May 22, 2006~~ July 24, 2006

Section 2: This ordinance shall be effective upon its passage, approval, and publication as
required by law.

Passed 1st Reading June 12, 2006

Passed 2nd Reading June 26, 2006

Published June 29, 2006


MAYOR LONNIE CAMPBELL

ATTEST:


CITY CLERK LORENE HEMBREE