COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF DELTA NATURAL GAS) COMPANY, INC. FOR A CERTIFICATE OF) CONVENIENCE AND NECESSITY TO BID ON A) CASE NO. FRANCHISE OFFERED BY THE CITY OF) 2015-00167 NICHOALSVILLE)

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On May 22, 2015, Delta Natural Gas Company, Inc. ("Delta") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise offered by the city of Nicholasville, Kentucky, for the distribution of natural gas. 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 Mecessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

ORDER

In light of the city of Nicholasville's ordinance creating a natural gas distribution franchise, the Commission determines that there is evidence of a need and demand for natural gas in the above-mentioned city. 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 offered by the city of Nicholasville, Kentucky, for the distribution of natural gas

2. If Delta is not the successful bidder, Delta shall, within ten days of the award of the franchise at issue, file with the Commission a written notice stating that Delta was not the successful bidder.

3. If Delta is the successful bidder, Delta shall, within ten days of the award of the franchise at issue, file with the Commission a copy of the executed franchise agreement and a statement disclosing the amount of the initial franchise fee.

4. If Delta is the successful bidder, Delta shall, within ten days of an increase or decrease in the amount of the initial franchise fee set forth in the franchise agreement, file with the Commission documentation setting forth the revised fee.

5. Any documents filed pursuant to ordering paragraphs 2, 3, or 4 of this Order shall reference the number of this case and shall be electronically submitted via the Commission's electronic Tariff Filing System.

6. This Order shall not be construed as granting a Certificate of Public Convenience and Necessity to construct utility facilities in said city.

By the Commission

ATTEST:

munwal per Executive Director

ENTERED MAY 2 9 2015 KENTUCKY PUBLIC

Case No. 2015-00167

*Delta Natural Gas Company, Inc. 3617 Lexington Road Winchester, KY 40391

*Honorable Robert M Watt, III Attorney At Law STOLL KEENON OGDEN PLLC 300 West Vine Street Suite 2100 Lexington, KENTUCKY 40507-1801