

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of

BEREA COLLEGE ELECTRIC UTILITY)
A DEPARTMENT OF BEREA COLLEGE)
FOR ISSUANCE OF A CERTIFICATE)
OF PUBLIC CONVENIENCE AND)
NECESSITY TO BID ON ELECTRIC)
FRANCHISE IN THE TERRITORIAL)
LIMITS OF BEREA, MADISON COUNTY,)
KENTUCKY)

CASE NO.
8791

O R D E R

On March 22, 1983, Berea College Electric Utility Department, ("Berea Electric") filed its Application seeking a certificate of convenience and necessity to qualify it to bid on an electric franchise from the City of Berea, Madison County, Kentucky. On March 29, 1983, Berea Electric filed an Amended Application relating solely to the definition of the service area. KRS 278.020(3) provides that no utility may apply for a franchise from any governmental agency until it has obtained a certificate of convenience and necessity from the Commission based on the Commission's finding that there is a need and demand for the service sought to be rendered.

Berea Electric also requests that the Commission conduct public hearings to consider the need and demand for the service in the service area currently served by Berea Electric and being within the corporate limits of the city. Berea Electric further requests that the Commission make a determination with respect to the reasonableness and correctness of the ordinance as

promulgated and a determination that the ordinance is not unfair or onerous to Berea Electric's affected customers. Berea Electric also requests that it be authorized by the Commission to directly pass any franchise fee to the affected customers within its service area as a separate item on the monthly bills, and that the Commission protect the property rights of Berea Electric by refusing to grant a certificate of convenience and necessity to any other utility which may desire to bid upon its service area.

The Commission, having considered the Application, Amended Application, and being advised, is of the opinion and finds that:

1. A hearing is not required to enable the Commission to make a determination as to the need and demand for the service sought to be rendered.

2. There is a need and demand for electric service in the City of Berea, Madison County, Kentucky.

3. The authority of the Commission is limited to the determination of whether there is a need and demand for the service and if the Commission determines that there is such need and demand, it must issue a certificate to all parties seeking a right to bid upon the franchise. Public Service Commission, et al. v. Blue Grass Natural Gas Co., 197 S.W.2d 765 (1946). Accordingly, the Commission can make no finding or determination with respect to the validity of any of the provisions of the franchise or the manner in which the franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED That Berea Electric be and it hereby is granted a certificate of convenience and necessity which authorizes it to bid on an electric franchise in the City of Berea, Madison County, Kentucky.

IT IS FURTHER ORDERED That Berea Electric, should it become the successful bidder, file with the Commission a copy of the franchise.

IT IS FURTHER ORDERED That this Order shall not be construed as granting a certificate of convenience and necessity to construct utility facilities.

Done at Frankfort, Kentucky, this 12th day of April, 1983.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary