

COMMONWEALTH OF KENTUCKY  
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF THE ENERGAS COMPANY, )  
THROUGH ITS DIVISION, WESTERN KENTUCKY )  
GAS COMPANY, OF OWENSBORO, KENTUCKY, )  
FOR AN ORDER AUTHORIZING THE CREATION, ) CASE NO. 10258  
ISSUANCE AND SALE OF UP TO 2,300,000 )  
SHARES OF ITS COMMON STOCK )

O R D E R

On May 18, 1988, Energas Company ("Energas"), through its division, Western Kentucky Gas Company ("WKG") of Owensboro, Kentucky, filed an application seeking authority to issue securities during 1988 by way of public offering of up to 2,300,000 shares of its Common Stock, each share being of no par value. The general purpose of the issuance is to obtain capital to retire or reduce debt related to acquisition of WKG.

The Commission, having considered the evidence of record and being advised, is of the opinion and finds that the issuance of the above securities is for lawful objects within the corporate purposes of Energas's utility operations, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public, and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purposes.

IT IS THEREFORE ORDERED that:

1. Energas be and it hereby is authorized to issue during 1988 Common Stock with no par value, provided that the aggregate number of shares so issued (exclusive of any shares issued and sold pursuant to previous authorization of this Commission) shall not exceed 2,300,000.

2. Any issuance pursuant to the authority contained in this Order shall occur on or before December 31, 1988, unless such date be extended by further Order of the Commission.

3. Energas shall, prior to each issuance of securities authorized herein, file with the Commission a statement setting forth the anticipated date or dates of issuance of the securities authorized herein, the Articles of Amendment to Energas's Restated Articles of Incorporation, as amended, authorizing the increase in Energas's authorized shares, and the resolution adopted by Energas's Board of Directors authorizing the stock issuance.

4. Energas shall, as soon as reasonably possible after each issuance of securities authorized herein, file with the Commission a statement setting forth the date or dates of issuance of the securities authorized herein. Energas shall also file, as soon as reasonably possible after each issuance of securities authorized herein, a statement setting forth all anticipated costs and expenses involved in the issuance and distribution of said securities.

Nothing contained herein shall be construed as a finding of value for any purpose or as a warranty on the part of the Commonwealth of Kentucky or any agency thereof as to the securities authorized herein.

Done at Frankfort, Kentucky, this 3rd day of June, 1988.

PUBLIC SERVICE COMMISSION

*Richard D. Wenzel Jr.*  
Chairman

*Robert M. Lewis*  
Vice Chairman

*Samuel M. Williams Jr.*  
Commissioner

**ATTEST:**

\_\_\_\_\_  
Executive Director