

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| APPLICATION OF THE UNION LIGHT, HEAT AND |) | |
| POWER COMPANY FOR A CERTIFICATE OF PUBLIC |) | |
| CONVENIENCE AND NECESSITY TO BID ON GAS |) | CASE NO. |
| FRANCHISES IN THE CITIES OF FT. MITCHELL |) | 89-221 |
| AND SOUTHGATE, COMMONWEALTH OF KENTUCKY |) | |

O R D E R

On August 9, 1989, The Union Light, Heat and Power Company ("ULH&P") filed with the Commission its application seeking a Certificate of Convenience and Necessity to qualify it to bid on gas franchises in the cities of Ft. Mitchell and Southgate, Kentucky. Under the provisions of KRS 278.020(3), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Convenience and Necessity from this Commission based on its finding that there is a need and demand for the service sought to be rendered.

The Commission finds that there is a need and demand for gas service in the above-mentioned cities. 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 cities or the manner in which any franchise fee is to be treated for rate purposes.

IT IS THEREFORE ORDERED that:

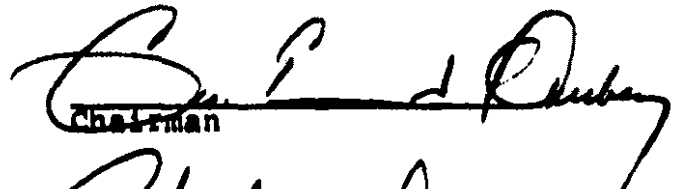
1. ULH&P is hereby granted a Certificate of Convenience and Necessity which authorizes it to bid on gas franchises in the above-mentioned cities.

2. ULH&P, if it becomes the successful bidder, shall file with this Commission two copies of the franchise agreements.

3. This Order shall not be construed as granting a Certificate of Convenience and Necessity to construct utility facilities in the said cities.

Done at Frankfort, Kentucky, this 18th day of August, 1989.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director