

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF PUBLIC GAS COMPANY FOR)	
A CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY TO INSTALL A NATURAL GAS)	CASE NO.
UTILITY IN THE MUNICIPALITY OF CAMPTON,)	2002-00069
KENTUCKY)	

O R D E R

On March 1, 2002, Public Gas Company (Public) submitted an application for a Certificate of Public Convenience and Necessity to construct a \$333,464 natural gas system extension project. The project consists of the construction of approximately 4.9 miles of 2- and 3-inch plastic mains and related appurtenances to provide service to an additional 263 residential and commercial customers. Public will construct two meter connections to Jefferson Gas Transmission Company (Jefferson), an affiliated company, to obtain the necessary gas supply. After completion of construction, the maximum gas usage is estimated to be 366 thousand cubic feet per day at a maximum operating pressure of 45 pounds per square inch gage.

Public proposes to construct the extension over a period of 4 years to provide natural gas service to the city of Campton, county seat of Wolfe County. In a previous case,¹ the Commission granted Public authorization to bid on the franchise to serve the

¹ See Case No. 2000-323, The Application of Public Gas Company for a Certificate of Convenience and Necessity to Bid on a Franchise Offered by the City of Campton, Kentucky (June 29, 2000).

city of Campton. Public filed a Report on Award of Franchise from the mayor of the city of Campton, which states that the franchise was awarded to Public.

Public proposes to fund the present project with internally generated capital. If any interim financing is required, Public will borrow from its affiliate, Jefferson, at a rate of 6 percent annually. Jefferson will also construct the extension for Public. Public states that the proposed construction will not require an increase in its existing rates.

After reviewing the evidence of the record and being advised, the Commission finds that:

1. Public proposes to construct approximately 4.9 miles of 2- and 3-inch gas mains and related appurtenances to provide service to an additional 263 customers.

2. The public convenience and necessity require that the construction identified in Public's application be performed and that a Certificate of Public Convenience and Necessity be granted.

3. Public proposes to fund the construction identified in its application with internally generated capital and will not require long-term financing.

IT IS THEREFORE ORDERED that:

1. Public is granted a Certificate of Public Convenience and Necessity to proceed with the proposed construction as set out in the evidence of record herein.

2. Public shall obtain approval from the Commission prior to performing any additional construction not expressly authorized by this Order.

3. Any deviation from the construction approval shall be undertaken only with the prior approval of the Commission.

4. Public shall obtain approval from the Commission prior to entering into any financing agreement for any portion of the construction identified in Public s application.

5. Public shall furnish documentation of the total costs of this project, including the cost of construction and all other capitalized costs (engineering, legal, administrative, etc.), within 60 days of the date that construction of each segment is substantially completed. Construction costs should be classified into appropriate plant accounts in accordance with the Uniform System of Accounts prescribed by the Commission.

6. Public shall notify the Commission in writing 7 days prior to actual commencement of each segment of the proposed construction and when 50 percent of each segment of the proposed construction is completed.

7. Public shall file a copy of the as-built drawings and a certified statement that the construction has been satisfactorily completed in accordance with the application filed herein within 60 days of the substantial completion of each segment of the certificated construction.

Done at Frankfort, Kentucky, this 31st day of May, 2002.

By the Commission

ATTEST:


Executive Director