

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC. FOR ISSUANCE OF A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	CASE NO.
NECESSITY TO BID ON A GAS DISTRIBUTION)	2003-00185
FRANCHISE IN THE CORPORATION LIMITS OF THE)	
LXINGTON-FAYETTE URBAN COUNTY)	
GOVERNMENT)	

O R D E R

On June 2, 2003, Columbia Gas of Kentucky, Inc. (Columbia) filed with the Commission its application seeking a Certificate of Convenience and Necessity to qualify it to bid on a gas franchise offered by the Lexington-Fayette Urban County Government (LFUCG). 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 our finding that there is a need and demand for the service sought to be rendered.

The Commission determines that there is evidence of a need and demand for gas service by the LFUCG. 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. Columbia is granted a Certificate of Convenience and Necessity that authorizes it to bid on a gas franchise offered by the LFUCG.

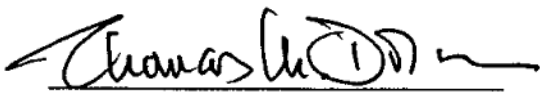
2. Columbia, if it becomes the successful bidder, shall file with this Commission two copies of the franchise agreement.

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

Done at Frankfort, Kentucky, this 3rd day of June, 2003.

By the Commission

ATTEST:

A handwritten signature in black ink, appearing to read "Thomas H. [unclear]", written over a horizontal line.

Executive Director