

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF WESTERN KENTUCKY GAS)
COMPANY, A DIVISION OF ENERGAS)
COMPANY, OWENSBORO, KENTUCKY FOR A)
CERTIFICATE OF PUBLIC CONVENIENCE AND)
NECESSITY AUTHORIZING IT TO BID ON)
FRANCHISE ESTABLISHED AND TO BE)
OFFERED FOR SALE BY THE CITY OF)
ADAIRVILLE, LOGAN COUNTY, KENTUCKY)

CASE NO.
10389

O R D E R

On September 22, 1988, Western Kentucky Gas Company ("Western") filed with the Commission its application seeking a certificate of convenience and necessity to qualify it to bid on a gas franchise in the city of Adairville, 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 our 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 city. 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 validity of any of the provisions of the franchise 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. Western be and it hereby is granted a certificate of convenience and necessity which authorizes it to bid on a gas franchise in the above-mentioned city.

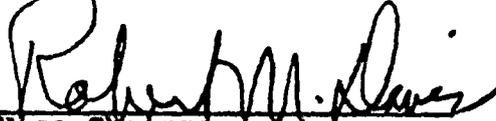
2. Western, if it becomes the successful bidder, shall file with this Commission two copies of the said franchise.

3. This Order shall not be construed as granting a certificate of convenience and necessity to construct utility facilities in the said city.

Done at Frankfort, Kentucky, this 27th day of September, 1988.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Executive Director