

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF COLUMBIA GAS OF)	
KENTUCKY, INC. FOR ISSUANCE OF A)	CASE NO.
CERTIFICATE OF PUBLIC CONVENIENCE)	2009-00278
AND NECESSITY TO BID ON A GAS)	
DISTRIBUTION FRANCHISE IN THE)	
CORPORATION LIMITS OF THE CITY OF)	
ASHLAND, KENTUCKY)	

O R D E R

On July 17, 2009, Columbia Gas of Kentucky, Inc. ("Columbia") filed with the Commission its application seeking a Certificate of Public Convenience and Necessity to qualify it to bid on a franchise for natural gas service offered by the city of Ashland, Kentucky. Under the provisions of KRS 278.020(4), no utility may apply for a franchise from any governmental agency until it has obtained a Certificate of Public Convenience and Necessity from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

In light of the ordinance of the city of Ashland creating a natural gas distribution franchise, the Commission determines that there is evidence of a need and demand for natural gas service in the above-mentioned city.¹ Since the Commission's authority in such matters is limited by statute to finding only whether there is a need and demand for

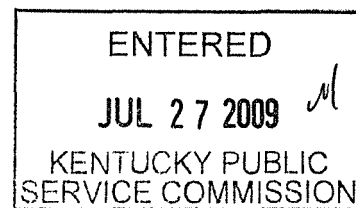
¹ On June 18, 2009, the city of Ashland enacted Ordinance 73 providing for the advertisement and sale of a gas distribution franchise. Pursuant to the advertisement, the deadline for submitting bids was July 16, 2009. Columbia advises that it was unaware of the advertisement until July 15, 2009 and that it has requested a 20-day extension for the submission of bids.

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 Public Convenience and Necessity that authorizes it to bid on a franchise for natural gas service offered by the city of Ashland, Kentucky.
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 Public Convenience and Necessity to construct utility facilities in said city.

By the Commission



ATTEST:



Executive Director

Stephen B Seiple
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