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**OVERNIGHT DELIVERY**

2009-00279

July 16, 2009

**RECEIVED**

**JUL 17 2009**

**PUBLIC SERVICE  
COMMISSION**

Jeff R. Devouen  
Executive Director  
Kentucky Public Service Commission  
211 Sower Blvd.  
PO Box 615  
Frankfort, Kentucky 40602

RE: City of Eddyville, Kentucky

Dear Mr. Devouen:

I enclose herewith an original, plus eleven (11) copies, of an Application of Atmos Energy Corporation for a Certificate of Public Convenience and Necessity Authorizing it to Bid on Franchise Established by the City of Eddyville, Kentucky, for filing in your office.

The City has established August 3, 2009 as the deadline for submitting bids. We would therefore appreciate entry of an order prior to that date. I am sorry for the short time frame.

Very truly yours,



Mark R. Hutchinson

Enclosures

c: Mark Martin

BEFORE THE

RECEIVED

JUL 17 2009

PUBLIC SERVICE  
COMMISSION

PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

APPLICATION OF ATMOS ENERGY  
CORPORATION, OWENSBORO  
KENTUCKY FOR A CERTIFICATE OF PUBLIC  
CONVENIENCE AND NECESSITY  
AUTHORIZING IT TO BID ON A FRANCHISE  
ESTABLISHED BY THE CITY OF EDDYVILLE,  
KENTUCKY

CASE

NO. 2009-00279

**APPLICATION**

1

Applicant, Atmos Energy Corporation, a corporation duly qualified under the laws of the Commonwealth of Kentucky to carry on its business in the Commonwealth.

The Company is an operating public utility engaged in the business of supplying natural gas to the public in numerous cities, towns, and communities in Western and South Central Kentucky.

2

A certified copy of Applicant's Amended and Restated Articles of Incorporation is already on file with the Commission in the Matter of: The Application of Atmos Enemy Corporation for An Order Authorizing a \$900,000,000 Universal Shelf Registration, Case No. 2006-00387.

1

The City of Eddyville (sometimes hereinafter called the "City") is a municipal corporation situated in Lyon County, Kentucky and is in an area presently served by Applicant. Applicant has been the owner of a franchise operation of the natural gas system within the City immediately prior to the sale of a new franchise. Applicant is at the present time serving the City and owns and maintains a gas distribution system in such City.

The City Commission of the City has established a natural gas franchise for the City and has directed that bids for the sale thereof be received on or before 6:00 p.m. on August 3, 2009. A copy of the resolution establishing such franchise, directing its sale, and setting forth the type and provisions of such franchise is filed herewith as a part hereof.

*There is a demand and need for continued natural gas service for the City.*

WHEREFORE, Applicant respectfully requests the Commission to enter a certificate of public convenience and necessity authorizing Applicant to bid on the aforesaid natural gas franchise and, if it is awarded such franchise, to operate the natural gas distribution system pursuant to such franchise. A copy of the franchise, if awarded to Applicant, will be filed with the Commission.

Respectfully submitted,



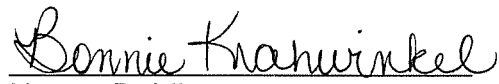
Mark R. Hutchinson  
611 Frederica Street  
Owensboro, Kentucky 42301  
Attorney for Applicant

COMMONWEALTH OF KENTUCKY )  
COUNTY OF DAVIESS )

The undersigned Affiant, Mark A. Martin, being first duly sworn, deposes and says that he is Vice President-Marketing and Regulatory Affairs of Atmos Energy Corporation, Kentucky/Mid-States Division having its principal office in Owensboro, Kentucky, which is the Applicant in this proceeding; that he has read the foregoing application and knows the contents thereof; that the same is true of his own knowledge, except as to the matters which are therein stated on information or belief, and that as to those matters he believes them to be true; and that he is duly authorized to sign, execute, verify and file the foregoing application on behalf of Applicant.

  
Mark A. Martin

SUBSCRIBED AND SWORN to before me by Mark A. Martin as Vice President – Marketing and Regulatory Affairs of Atmos Energy Corporation, Kentucky/Mid-States Division, on this the 16 day of July, 2009.

  
Notary Public

My Commission Expires: 7/30/2012

**ORDINANCE 2009/06/01 B**

**AN ORDINANCE OF THE CITY OF EDDYVILLE, KENTUCKY, PROVIDING FOR THE CREATION AND SALE OF A FRANCHISE FOR THE PRIVILEGE OF CONSTRUCTING, TRANSPORTING, OPERATING, MAINTAINING AND DISTRIBUTING NATURAL GAS ALONG AND UNDER PUBLIC RIGHT OF WAY WITHIN THE CITY OF EDDYVILLE, KENTUCKY, FOR A TERM OF FIVE YEARS IN CONSIDERATION FOR WHICH, THE SUCCESSFUL FRANCHISEE SHALL PAY TO THE CITY AN ANNUAL SUM EQUAL TO TWENTY CENTS (\$0.20) PER METER; AND FURTHER ESTABLISHING A BID PROCEDURE FOR THE AWARD OF SAID FRANCHISE TO THE SUCCESSFUL BIDDER.**

**WHEREAS**, the existing natural gas franchise agreement between the City of Eddyville, Kentucky and Atmos Energy Corporation expires on December 26, 2009; and,

**WHEREAS**, the City has determined that it is in the best interest of its citizens to create and offer for sale a new natural gas franchise.

**BE IT ORDAINED BY THE CITY OF EDDYVILLE, KENTUCKY** (hereinafter referred to as the "City") that the Mayor of the City, or such other person as the Mayor may designate, shall offer for sale, to the highest and best bidder, a non-exclusive franchise to enter upon, acquire, construct, operate, maintain and repairs in the public right of way of the City, a gas distribution system with the corporate boundaries of the City, subject to the provisions of the Franchise Agreement attached hereto and incorporated herein by reference.

The Mayor, or such other person as the Mayor may designate, shall, as soon as practicable after passage of this Ordinance, offer for sale, under sealed public bids, the franchise and privileges created herein. Such bids shall be in writing and shall be delivered to the Mayor or his designee, at City Hall, Eddyville, Kentucky, by 6:00 p.m. on August 3, 2009. Advertisements for such bids shall be published in accordance with the requirements of KRS Chapter 424. All costs for such advertisements shall be borne by the successful Franchisee.

Sealed bids offered for the purchase of this franchise shall be publicly opened and read at 6:00 p.m. C.S.T. on August 3, 2009. All bids shall state the bidder's acceptance of the terms and provisions set forth in the attached franchise agreement.

The Mayor shall present all written bids to the City of Eddyville at its first meeting scheduled after the Bid Deadline for the City's consideration and approval. The City reserves the right to accept any bid, to reject any and all bids received, to waive any irregularities or informalities in awarding the franchise and to accept what, in its opinion, is the best responsive and responsible bid. In the event all bids are rejected, the City reserves the right to direct by resolution or ordinance that the franchise created hereunder be offered again for sale until a satisfactory bid is received and approved.

2009/06/01A Ordinance

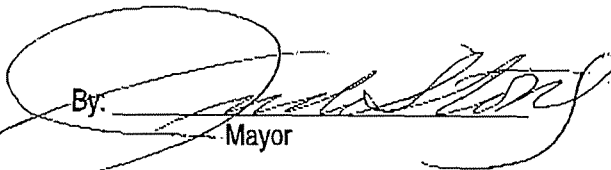
Page 2

The franchise created by this ordinance shall become effective when the franchise agreement is signed by the successful bidder and the City.

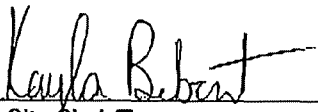
**INTRODUCED AND PUBLICLY READ ON FIRST READING**, this the 1st day of June, 2009.

**PUBLICLY READ AND FINALLY APPROVED ON SECOND READING**, this the 22<sup>nd</sup> day of June, 2009

CITY OF EDDYVILLE, KENTUCKY

By:   
Mayor

ATTEST:

  
City Clerk/Treasurer

**NOTICE OF SALE OF GAS FRANCHISE**

**NOTICE IS HEREBY GIVEN** that the City of Eddyville, Kentucky, will on August 3, 2009, at 6:00 p.m. at City Hall, Eddyville, Kentucky, consider offers for sale to the highest and best bidder, plus all costs, including advertising cost, a franchise as defined in Ordinance 2009/06/01 B adopted by Eddyville City Council on June 22, 2009. The full text of which Ordinance, including the agreement containing the terms of the franchise, is available for inspection in the Office of the City Clerk, City Hall, 153 West Main Street, Eddyville, Kentucky between the hours of 8:30 a.m. and 4:30 p.m., Monday through Friday.

**ORDINANCE 2009/06/01 B**

**AN ORDINANCE OF THE CITY OF EDDYVILLE, KENTUCKY, PROVIDING FOR THE CREATION AND SALE OF A FRANCHISE FOR THE PRIVILEGE OF CONSTRUCTING, TRANSPORTING, OPERATING, MAINTAINING AND DISTRIBUTING NATURAL GAS ALONG AND UNDER PUBLIC RIGHT OF WAY WITHIN THE CITY OF EDDYVILLE, KENTUCKY, FOR A TERM OF FIVE (5) YEARS IN CONSIDERATION FOR WHICH, THE SUCCESSFUL FRANCHISEE SHALL PAY TO THE CITY AN ANNUAL SUM EQUAL TO TWENTY CENTS (\$0.20) PER METER; AND FURTHER ESTABLISHING A BID PROCEDURE FOR THE AWARD OF SAID FRANCHISE TO THE SUCCESSFUL BIDDER.**

Ssealed Bids are to be delivered to Eddyville City Clerk, Eddyville, Kentucky, to be publicly opened and read at 6:00 p.m., C.S.T. on August 3, 2009.

The City of Eddyville reserves the right to accept any bid, to reject any and all bids, to waive any irregularities or informalties in awarding the franchise and to accept what, in its opinion, is the best responsive and responsible bid.