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JUN 19 2012

PUBLIC SERVICE
COMMISSION

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OVERNIGHT DELIVERY

June 18, 2012

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

RE: City of Hardinsburg, 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 Hardinsburg, Kentucky, for filing in your office.

The City has established July 9, 2012 as the deadline for submitting bids. We would therefore appreciate entry of an order prior to that date.

Very truly yours,



Mark R. Hutchinson

Enclosures

c: Mark Martin

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PUBLIC SERVICE
COMMISSION

BEFORE THE

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 HARDINSBURG,
KENTUCKY

CASE
NO. _____

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 Hardinsburg (sometimes hereinafter called the "City") is a municipal corporation situated in Breckenridge 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 July 9, 2012. 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-Rates 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
Mark A. Martin

SUBSCRIBED AND SWORN to before me by Mark A. Martin as Vice President – Rates and Regulatory Affairs of Atmos Energy Corporation, Kentucky/Mid-States Division, on this the 15 day of June, 2012.

Bonnie Kravinkel
Notary Public
Notary No. N/A
My Commission Expires: 7/30/12

CITY OF HARDINSBURG
MUNICIPAL ORDINANCE NO. 2012-05

AN ORDINANCE OF THE CITY OF HARDINSBURG, KENTUCKY, PROVIDING FOR THE CREATION AND SALE OF A FRANCHISE FOR THE PRIVILEGE OF CONSTRUCTING, TRANSPORTING, OPERATING, MAINTAINING AND DISTRIBUTING NATURAL GAS, ARTIFICIAL GAS, OR MIXTURE OF SUCH GASES TO THE RESIDENTS AND BUSINESSES LOCATED WITHIN THE MUNICIPAL BOUNDARIES OF THE CITY FOR LIGHT, HEAT, POWER, AND OTHER USES AND THE RIGHT TO USE, FOR THE PURPOSES DESCRIBED ABOVE, THE PRESENT AND FUTURE STREETS, ROADS, HIGHWAYS, ALLEYS, PUBLIC WAYS, AND REAL PROPERTY LOCATED IN, AND OWNED OR CONTROLLED BY, THE CITY; AND PRESCRIBING THE TERMS AND CONDITIONS FOR THE FRANCHISE AND RIGHTS.

WHEREAS, the existing natural gas franchise agreement between the City of Hardinsburg, Kentucky and Atmos Energy Corporation expires on September 7, 2012; 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 HARDINSBURG, 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, install, lay, operate, maintain, repair, remove, and replace a Gas System (as hereinafter defined) to be used for the sale, transmission, distribution, and transportation of Gas (as hereinafter defined) to the residents and businesses located within the municipal boundaries of the City for light, heat, power, and other uses and the right to use, for the purposes described above, the Public Ways (as hereinafter defined) of the City, subject to the terms and conditions hereinafter set forth.

Article I

Definitions

For purposes of this Ordinance, the following terms shall have the meanings set forth below:

Section 1.1 Franchisee. The term "Franchisee" shall mean the individual person, corporation, company, partnership, firm, unincorporated association, trustee, or public corporation that is awarded by the City the franchise created by this Ordinance.

Section 1.2. Gas. The term "Gas" shall mean natural gas, artificial gas, and any mixture of such gases.

Section 1.3. Gas System. The term "Gas System" shall mean any and all Pipelines (as hereinafter defined), meters, valves, compressors, anti-corrosion items, facilities, structures, machinery, equipment, and appurtenances of any kind that Franchisee, in its sole discretion, may deem necessary or advisable for the exercise of the franchise and rights granted to Franchisee pursuant to this Ordinance.

Section 1.4. Pipelines. The term "Pipelines" shall mean any and all above-ground and below-ground pipes, including, but not limited to, mains, distribution lines, secondary lines, laterals, and other pipes, that have been, are being, or are intended to be used at any time in, or in connection with, the sale, transmission, distribution, or transportation of Gas within the City.

Section 1.5. Public Ways. The term "Public Ways" shall mean the present and future streets, alleys, avenues, boulevards, lanes, parkways, sidewalks roads, highways, rights-of-ways, and other public ways and real property located within the municipal boundaries of the City and owned by, or under the control of, the City.

ARTICLE II

Term

Section 2.1. Term. The term of the franchise and rights created hereby shall be for a period of twenty (20) years, commencing on the date that Franchisee's bid to purchase this franchise is accepted by the City.

ARTICLE III

OBLIGATIONS OF FRANCHISEE

Section 3.1. No Obstruction of Public Property. Franchisee shall not, unnecessarily or for any unreasonable period of time, obstruct or interfere with the public use of any of the Public Ways.

Section 3.2. Repair of Damages. Franchisee shall repair any and all damages caused solely by Franchisee to any of the Public Ways and shall restore, as nearly as

practicable, such property to substantially its condition immediately prior to the incident causing such damage. Franchisee shall commence such repairs immediately upon completion of the work or activity in which Franchisee was involved at the time the damage occurred and shall complete such repairs as promptly as possible.

Section 3.3. Conduct of Work and Activities. Franchisee shall use reasonable care in conducting its work and activities in order to prevent injury to any person and unnecessary damage to any real or personal property.

Section 3.4. Installation of Underground Pipelines. Franchisee shall, when reasonably practicable, install all Pipelines underground at such depth and in such manner so as not to interfere with the existing pavement, curbs, gutters, underground wires or cables, or water or sewer pipes owned or controlled by the City.

ARTICLE IV GENERAL PROVISIONS

Section 4.1. Removal of Gas System. Franchisee may remove all or any part of the Gas System upon the expiration or termination of the franchise and rights granted hereby.

Section 4.2. Force Majeure. Notwithstanding anything expressly or impliedly to the contrary contained herein, in the event Franchisee is prevented, wholly or partially, from complying with any obligation or undertaking contained herein by reason of any event of force majeure, then, while so prevented, compliance with such obligations or undertakings shall be suspended. The term "force majeure," as used herein, shall mean any cause not reasonably within Franchisee's control and includes, but is not limited to, acts of God; strikes; lock-outs; wars; riots; orders or decrees of any lawfully constituted federal, state, or local body; contagions or contaminations hazardous to human life or health; fire; storms; floods; wash-outs; explosions; breakages or accidents to machinery or Pipelines; inability to obtain or delay in obtaining rights-of-way, materials, supplies, or labor permits; permanent or temporary failures of gas supply or gas transportation services; or necessary repair, maintenance, or replacement of facilities used in the performance of the obligations contained in this Ordinance. Nothing in this force majeure provision or the operation hereof shall cause or be deemed to cause the term of this franchise to extend beyond twenty (20) years as set forth in Section 2.1.

Section 4.3. Assignment. Franchisee is hereby given the right to assign, without the consent of the City, the franchise created by this Ordinance to any person, firm, or corporation that has received from the Kentucky Public Service Commission any and all required certificates of convenience and necessity for obtaining a franchise.

Section 4.4. Binding Effect. This Ordinance shall extend to, be binding upon, and inure to the benefit of, the parties hereto and their respective successors and assigns.

Section 4.5. Repeal of Conflicting Ordinances. All other Ordinances of the City or portions thereof that are in conflict or inconsistent with any of the terms or provisions of this Ordinance are hereby repealed to the extent of such conflict or inconsistency.

Section 4.6. Severability. In the event any part of this Ordinance is determined to be invalid or illegal for any reason whatsoever, such invalidity or illegality shall not affect the validity or legality of this Ordinance as a whole or of any other parts hereof.

Section 4.7. Effectiveness of Ordinance. This Ordinance shall be deemed effective upon its publication pursuant to Chapter 424 of the Kentucky Revised Statutes.

Section 4.8. Section and Other Headings. The section and other headings contained in this Ordinance are for reference purposes only and shall not affect in any way the meaning or interpretation of this Ordinance.

ARTICLE V

BID REQUIREMENTS

Section 5.1. Receipt of and Advertisement for Bids. The Mayor, or such other person as the Mayor may designate, shall, after due advertisement, receive bids publicly for the franchise created in this Ordinance. Such bids shall be in writing and shall be delivered to the Mayor or the Mayor's designee by 12 NOON on July 9, 2012 (the "Bid Deadline"). Advertisements for such bids shall be published in a newspaper meeting the qualifications of Section 424.120 of the Kentucky Revised Statutes once a week for three successive weeks, provided that at least one of such publications shall occur not less than seven (7) nor more than twenty-one (21) days before the Bid Deadline. All costs and expenses for such advertisements shall be borne by Franchisee and shall be paid directly by Franchisee or

reimbursed to the City within a reasonable time after the City's acceptance of Franchisee's bid.

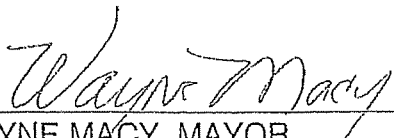
Section 5.2. Consideration of Bids. The Mayor shall present all written bids to the City Council at its first meeting scheduled after the Bid Deadline for the City Council's consideration and approval. The City Council reserves the right to reject any and all bids received and, in such event, to direct, by resolution or ordinance, that the franchise created hereby be offered again for sale until a satisfactory bid is received and approved.

Section 5.3. Deposit and Bond Requirements. Each bid shall be accompanied by a deposit and bond in compliance with Section 96.020 of the Kentucky Revised Statutes, provided, however, that no deposit or bond shall be required of a bidder that already owns in the City a plant and equipment sufficient to render the service required under this Ordinance.

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 11th day of June, 2012.

PUBLICLY READ AND FINALLY APPROVED ON SECOND READING, this 13th day of June, 2012.



WAYNE MACY, MAYOR
CITY OF HARDINSBURG, KENTUCKY

ATTEST:



MARY JO HESS, CITY CLERK
CITY OF HARDINSBURG, KENTUCKY