

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

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| ELECTRONIC APPLICATION OF ATMOS |) | |
| ENERGY CORPORATION FOR A CERTIFICATE |) | CASE NO. |
| OF PUBLIC CONVENIENCE AND NECESSITY |) | 2024-00371 |
| TO BID ON A FRANCHISE TO SERVE THE CITY |) | |
| OF CADIZ, KENTUCKY |) | |

ORDER

On November 23, 2024, Atmos Energy Corporation (Atmos Energy) filed its application with the Commission seeking a Certificate of Public Convenience and Necessity (CPCN) to authorize it to bid on a franchise offered by the city of Cadiz, located in Trigg County, Kentucky, for the transmission and distribution of natural gas. Atmos Energy provided a copy of the public notice of the sale of franchise which was published on November 14, 2024.¹

Sections 163 and 164 of the Kentucky Constitution and KRS Chapter 96 authorize municipal corporations to require public utilities, including non-governmental providers of electricity within the municipal corporations' boundaries, to operate under franchise agreements and to grant utilities the right to use public right-of-way on reasonable and necessary conditions. Under the provisions of KRS 278.020(5), no utility may apply for a franchise from any governmental agency until it has obtained a CPCN from this Commission based on our finding that there is a need and demand for the service sought to be rendered.

¹ Application, Exhibit B.

Although the city of Cadiz's has taken the unusual step of establishing a franchise without an ordinance creating the natural gas transmission and distribution franchise, based upon the city's public posting the Commission determines that there is sufficient evidence in the record of a need and demand for natural 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 qualifications of the bidder, the validity of the franchise, 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.

The Commission directs Atmos Energy to the Commission's July 22, 2021, Order in Case No. 2020-00085² regarding filings with the Commission.

IT IS THEREFORE ORDERED that:

1. Atmos Energy is granted a CPCN that authorizes it to bid on a franchise offered by the city of Cadiz, Kentucky, for the transmission and distribution of natural gas.
2. If Atmos Energy is not the successful bidder, Atmos Energy shall file with the Commission, within ten days of the award of the franchise at issue, a written notice stating that Atmos Energy was not the successful bidder.
3. If Atmos Energy is the successful bidder, Atmos Energy shall file with the Commission, within ten days of the award of the franchise at issue, a copy of the executed franchise agreement and a statement disclosing the amount of the initial franchise fee.

² Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC July 22, 2021), Order (in which the Commission ordered that for case filings made on and after March 16, 2020, filers are NOT required to file the original physical copies of the filings required by 807 KAR 5:001, Section 8).

4. If Atmos Energy is the successful bidder, Atmos Energy shall file with the Commission, within ten days of an increase or decrease in the amount of the initial franchise fee set forth in the franchise agreement, documentation setting forth the revised fee.

5. Any documents filed pursuant to ordering paragraphs 2, 3, or 4 of this Order shall reference the number of this case and shall be electronically submitted via the Commission's electronic Tariff Filing System.

6. This Order shall not be construed as granting a CPCN to construct utility facilities in said city.

7. This case is closed and removed from the Commission's docket.

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PUBLIC SERVICE COMMISSION



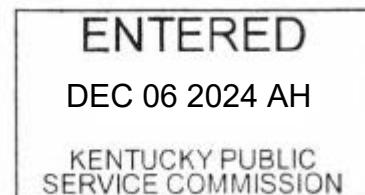
Chairman



Commissioner



Commissioner



ATTEST:



Executive Director

*L. Allyson Honaker
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*Atmos Energy Corporation
3275 Highland Pointe Drive
Owensboro, KY 42303

*Brittany H. Koenig
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*Heather Temple
Honaker Law Office, PLLC
1795 Alysheba Way
Suite 1203
Lexington, KENTUCKY 40509

*John N Hughes
124 W. Todd Street
Frankfort, KENTUCKY 40511

*Mark A Martin
Atmos Energy Corporation
810 Crescent Centre Drive, Suite 600
Franklin, TN 37067