

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF MAJOR PIPELINE,)	
LLC FOR APPROVAL OF THE TRANSFER OF)	CASE NO.
SHAWNEE PIPELINE JOINT VENTURE)	2011-00436

O R D E R

Major Pipeline, LLC (“Major Pipeline”) has applied for Commission approval of the transfer of the assets of the Shawnee Pipeline Joint Venture (“Shawnee”) to Major Pipeline. Having considered the evidence of record and being otherwise sufficiently advised, the Commission finds that:

1. Major Pipeline is a Michigan corporation authorized to do business in the Commonwealth of Kentucky.¹ Major Pipeline is currently the primary owner and managing partner of Shawnee as approved by the Commission in Case No. 2002-00044.²

2. Shawnee, which was formed on November 12, 1990,³ owns and operates a 4-inch to 6-inch natural gas intrastate pipeline in Pendleton County, Kentucky.⁴

3. Major Pipeline currently owns 34.375 percent of Shawnee and has offered to purchase the remaining 65.625 percent from the other partners in the joint venture, all

¹ Application, Exhibit 1.

² Case No. 2002-00044, The Application of Major Gathering Company for Approval of the Transfer of Stock (Ky. PSC Mar. 26, 2002).

³ Id. at 1.

⁴ Id., Exhibit 6.

of whom have agreed to sell. The offer and consent forms of the parties, which contain the terms and conditions of the proposed transfer, along with a draft assignment for the transfer of the assets to be executed upon approval of the transfer, are included in the application.⁵

4. Following the transfer, Major Pipeline will own 100 percent of the assets currently owned by Shawnee. The principal assets being acquired by Major Pipeline include the Shawnee pipeline, meter station and all related contracts, easements, and certificates. A contract for natural gas transportation service to Carmeuse Lime and Stone, Inc., the only customer served by Shawnee, is included in the transaction.⁶

5. Major Pipeline will become the surviving utility with the transaction resulting in the termination of the Shawnee joint venture.⁷ Major Pipeline will be operated in the same manner as Shawnee, by the same personnel who have been involved in the operation of the facilities since 1992 and who will continue in their current positions.⁸

6. All of the rates, contracts, and tariffs of Shawnee will remain in effect and will be adopted by Major Pipeline following the transfer.⁹

⁵ Id., Exhibit 3.

⁶ Letter from John N. Hughes, Attorney for Major Pipeline, LLC, to Jeff Derouen, Executive Director, Public Service Commission (Dec. 1, 2011).

⁷ Id.

⁸ Application at 2.

⁹ Id.

7. Shawnee is not regulated by the Commission for rates or service, but is subject to Commission safety regulation.

8. KRS 278.020(5) provides that:

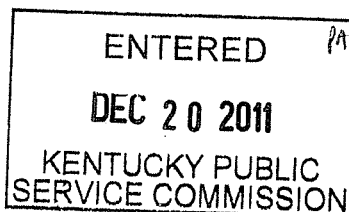
No person shall acquire or transfer ownership of, or control, or the right to control, any utility under the jurisdiction of the commission by sale of assets . . . without prior approval by the commission. The commission shall grant its approval if the person acquiring the utility has the financial, technical, and managerial abilities to provide reasonable service.

9. Major Pipeline has the financial, technical, and managerial abilities to provide reasonable service, and the proposed transaction is consistent with the public interest and will be made in accordance with law and for a proper purpose. Consequently, the proposed transfer should be approved.

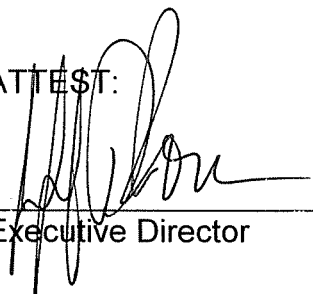
IT IS THEREFORE ORDERED that:

1. The transfer of all assets of Shawnee to Major Pipeline is approved.
2. Major Pipeline shall notify the Commission of the transfer within ten days of its consummation or, in the alternative, shall notify the Commission if the proposed transaction does not occur.
3. Within ten days of the date of this Order, Major Pipeline shall file an Adoption Notice pursuant to 807 KAR 5:011, Section 11.

By the Commission



ATTEST:



Executive Director

Honorable John N Hughes
Attorney at Law
124 West Todd Street
Frankfort, KENTUCKY 40601