

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PROPOSED ABANDONMENT OF SERVICE)
BY MAGOFFIN GAS COMPANY, INC.)

AN INVESTIGATION TO DETERMINE THE)
NEED FOR AN APPOINTMENT OF A)
RECEIVER FOR MAGOFFIN GAS COMPANY)
INC. PURSUANT TO KRS 278.021)

CASE NO. 95-417

O R D E R

On April 12, 1995, Magoffin Gas Company, Inc. ("Magoffin Gas") notified the Commission that it had ceased business and effective June 1, 1995, would no longer provide service to its customers (Appendix A). Magoffin Gas stated that during the interim period, Estill Branham would service the company's lines and customers. Magoffin Gas indicated that its customers located in the Ivyton community may be able to receive service once Mr. Branham's proposed pipeline near Ivyton is completed.¹

On April 13, 1995, Magoffin Gas requested that its "certificate of operation" be revoked by the Commission (Appendix B). In this correspondence, Magoffin Gas stated that "(D)uring the interim until abandonment, the system will be temporarily operated by Estill Branham under a separate agreement."

¹ Case No. 94-435, The Petition of Sigma Gas Corporation for Approval of a Certificate of Convenience and Necessity to Construct Facilities and Approval of Financing. Final Order dated August 22, 1995.

To determine the operating status of Magoffin Gas and the nature of its agreement with Mr. Branham; and to determine whether existing conditions require Commission action to seek a receiver for Magoffin Gas pursuant to KRS 278.021, the Commission, on its own motion, HEREBY ORDERS that:


1. Donald A. Cohen, owner and manager of Magoffin Gas, shall appear before the Commission on October 30, 1995 at 10:00 a.m., E.D.T., in Hearing Room 1 of the Commission's offices at 730 Schenkel Lane, Frankfort, Kentucky, to present information relating to the current operating status of Magoffin Gas.

2. Within 15 days of the date of this Order, Mr. Cohen shall provide the Commission with a copy of the agreement entered into between Magoffin Gas and Mr. Branham.

Done at Frankfort, Kentucky, this 22nd day of September, 1995.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-417 DATED 9/22/95

MAGOFFIN GAS
P.O. BOX 22000
CINCINNATI, OHIO 45222

REC-111

APR 12 1995

PUBLIC SERVICE
COMMISSION

Commonwealth of Kentucky
Public Service Commission
730 Schenkel Lane
PO Box 615
Frankfort, KY 40602

Attn: Mr. Don Mills

April 7, 1995

Dear Sir,

It is with great regret that Magoffin Gas Co. has ceased business. Beseet with a huge deficit, unable to pay it's payables and with no means to continue operations, the officers and stockholders have closed the company's operations.

It's pipeline and meters in Royalton are available for sale. Estel Branham has agreed to service the company's lines and customers in Royalton until June 1, 1995. After that date, there will be no further service.

Mr. Branham has agreed to continue the service in Ivyton until such time as the new line being installed there will be available to new customers in this area.

Sincerely,



Donald A. Cohen

Ex-Manager

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE
COMMISSION IN CASE NO. 95-417 DATED 9/22/95

~~CONFIDENTIAL - SECURITY INFORMATION~~
4/11/95

OFFICE OF PUBLIC UTILITIES

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MAGOFFIN GAS
P. O. BOX 28006
CINCINNATI, OHIO 45228

Commonwealth of Kentucky
Public Service Commission
730 Schenkel Lane
PO Box 615
Frankfort, KY 40602

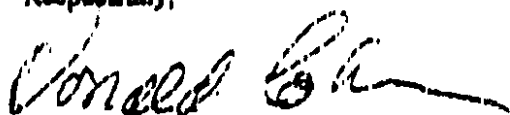
Attn: Don Mills

April 13, 1995

Magoffin Gas Co. Inc. respectfully requests under KRS 278-62(1) to have it's certificate of operation revoked and discontinue service. Despite it's intensive investment and continuing efforts, it is unable to provide the manpower or funds to operate properly.

During the interim until abandonment, the system will be temporarily operated by Patti Branham under a separate agreement.

Respectfully,



Donald Cohen