

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE APPLICATION OF MAJOR GATHERING)	
COMPANY FOR APPROVAL OF THE)	CASE NO. 2002-00044
TRANSFER OF STOCK)	

O R D E R

On January 25, 2002, Major Gathering Company (Major Gathering) filed an application with the Commission requesting approval to purchase the 50 percent ownership interest in Major Gathering currently owned by Frank Ross. It further requested approval to change the corporation s name from Major Gathering to Major Pipeline, L.L.C.

On November 12, 1990, a Joint Venture Agreement was entered into by and among Major Gathering, Daset Mining Corporation, John H. Odinga, Frank F. Ross, Rush Petroleum, Inc., Frank J. Ross, and William E. Patterson for the purpose of acquiring, owning and operating Shawnee Pipeline Company, a pipeline facility located in Pendleton County, Kentucky. The Commission approved the transfer of the assets of the Shawnee Pipeline Company to Shawnee Joint Venture (Joint Venture) on November 12, 1990.¹ Pursuant to the terms of the Joint Venture Agreement the management of the Joint Venture was vested solely in Major Gathering.

¹ Case No. 90-241, The Application of Major Gathering Company for Approval of the Transfer and Sale of Shawnee Pipeline Company, Order dated November 12, 1990.

Major Gathering, a Pennsylvania corporation, currently holds a 34.375 percent ownership interest in the Joint Venture.² Frank F. Ross and Jerald Rushmore each hold a 50 percent ownership interest in Major Gathering. Major Gathering requests that it be granted approval to purchase Frank Ross's interest. It states that this change in ownership will not change the manner in which the utility is being operated and that all the rates, tariffs and contracts currently in effect will remain in effect and will be adopted by the company.

Major Gathering also requests approval from the Commission to change its name to Major Pipeline, L.L.C. (Major Pipeline). Approval of the change in name is not required. Major Gathering, a Pennsylvania corporation, ceased operations on September 17, 2001. Major Pipeline, a limited liability company, was organized in the State of Michigan on September 17, 2001 and was authorized to do business in the Commonwealth of Kentucky on January 25, 2002. Major Gathering and Frank F. Ross entered into a Stock Sale and Purchase Agreement on June 29, 2001 and the stock was transferred on to Major Pipeline on September 17, 2001. All assets and liabilities of Major Gathering were transferred to Major Pipeline on September 17, 2001.³

KRS 278.020(4) prohibits any person from acquiring or transferring ownership or control of any utility under the jurisdiction of the Commission, by sale of assets, transfer of stock or otherwise, without having received prior approval. The Commission finds that KRS 278.020(4) applies to the transaction proposed in the application and that

² Response to the Commission Staff's First data Request dated March 8, 2002, Item 9.

³ Information provided by the applicant on March 26, 2002.

Commission approval was required. The Commission notes with concern that this transfer was completed prior to receiving its approval. However, it finds that Major Gathering, now Major Pipeline, has the financial, technical, and managerial expertise to provide reasonable service and that had the application been properly presented to the Commission, it would have approved the transfer.

IT IS THEREFORE ORDERED that the transaction proposed in the application is reasonable and is approved.

Done at Frankfort, Kentucky, this 26th day of March, 2002.

By the Commission

ATTEST:


Executive Director