

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of

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|------------------------------------|------------|
| THE APPLICATIONS OF J. W. KINZER) | |
| OIL AND GAS COMPANY; BOW GAS) | |
| COMPANY AND ALERT OIL AND GAS) | CASE'S NO. |
| COMPANY, INC.; FOR AUTHORITY TO) | 7322, 7323 |
| ADJUST THEIR RETAIL NATURAL GAS) | and 7324 |
| RATES) | |

Consolidated Order

On January 9, 1979, J. W. Kinzer on behalf of J. W. Kinzer Oil and Gas Company (Kinzer), Bow Gas Company (Bow), and Alert Oil and Gas Company, Inc. (Alert) filed applications seeking to establish retail rates for natural gas at the maximum lawful price authorized by Section 108 of the Natural Gas Policy Act of 1978 and to establish a minimum bill of 2 MCF per month.

After investigation, by Orders dated November 9, 1979, the Commission set public hearings on these matters for January 8, 1980, and directed the Applicants to publish their proposed rates and notice of such hearing as prescribed by Kentucky law and the rules of this Commission.

The hearings were held as scheduled with one intervenor, the Office of the Attorney General's Division of Consumer Protection, being present. At said hearings, the Commission, on its own motion, ordered the cases consolidated for the purpose of decision and order.

The Commission, after consideration of the applications and all evidence of record in these cases, is of the opinion and FINDS that:

(1) The Applicants sell the majority of their gas to Inland Gas Company, Inc., Kentucky West Virginia Gas Company and Columbia Gas for resale.

(2) Kinzer, Bow and Alert have 12, 69 and 250 retail customers, respectively; all served under KRS 278.485.

(3) Mr. J. W. Kinzer, the operator of the Applicants, has testified that "the Applicants intend to continue servicing their present KRS 278.485 customers".

(4) The wells listed below, being wells operated by the respective Applicants, have been properly certified as stripper wells under Section 108 of the Natural Gas Policy Act of 1978:

- (A) J. W. Kinzer Oil and Gas Company
Montgomery Coal-Red Oak
- (B) Bow Gas Company
Bow #1
Bow #2
- (C) Alert Oil and Gas Company Inc.
Potter #1
Potter #2
Potter-Damron
A-1 Mims
Picklesimer
Damron Fork Development #1
Damron Fork Development #3
Damron Fork Development #4
Damron Fork Development #6
Damron Fork #7
Damron Fork #8
A-2 King Damron Well
Elswick Development #1
Elswick Development #2
Elswick Development #3
WHC Johnson #1
WHC Johnson #2
WHC Johnson #3
Worden & Hagans Well
R. P Call Well
Langley Well
Shelby Creek Development #1
Shelby Creek Development #2

(5) The rates proposed by the Applicants are equal to the wholesale rates authorized under Section 108 of the Natural Gas Policy Act of 1978.

(6) The rates proposed by the Applicants are fair, just and reasonable and should be approved.

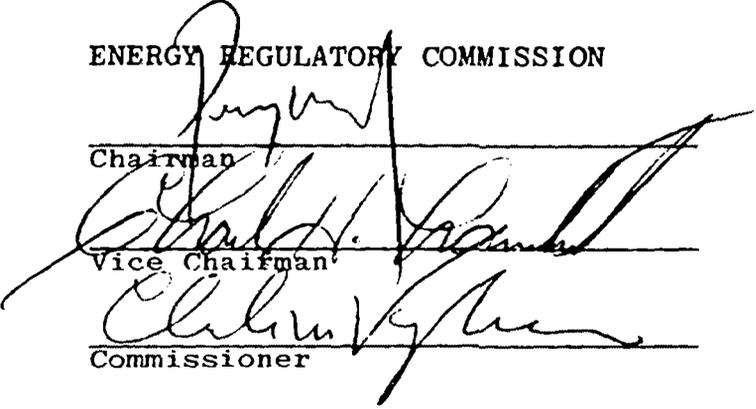
IT IS THEREFORE ORDERED, that the rates proposed by the Applicants and authorized as the maximum lawful price for stripper well natural gas under Section 108 of the Natural Gas Policy Act are hereby approved for all KRS 278.485 sales of gas, from wells properly qualified under said Act, by J. W. Kinzer Oil and Gas Company, Bow Gas Company and Alert Oil and Gas Company, Inc., on and after the date of this Order.

IT IS FURTHER ORDERED, that Applicants are authorized to establish a minimum bill of 2 MCF per month.

IT IS FURTHER ORDERED, that the Applicants shall file with this Commission within thirty (30) days from the date of this Order its tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 6th day of February, 1980.

ENERGY REGULATORY COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Acting Secretary