

COMMONWEALTH OF KENTUCKY
BEFORE THE ENERGY REGULATORY COMMISSION

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In the Matter of:

ADJUSTMENT OF RATES OF THE)
KENTUCKY OHIO GAS COMPANY) CASE NO. 7874

O R D E R

On May 6, 1980, Kentucky Ohio Gas Company filed its Notice wherein it proposed to increase its retail rates for natural gas service rendered on and after the 1st day of July, 1980. The proposed rates are equal to the maximum lawful price authorized by Section 108 of the Natural Gas Policy Act of 1978.

After investigation, by Order dated June 17, 1980, the Commission set a public hearing on this matter for July 24, 1980, and directed the Applicant to publish its proposed rates and notice of such hearing as prescribed by Kentucky law and the rules of this Commission. The hearing was held as scheduled with one intervenor, the Office of the Attorney General's Division of Consumer Protection, being present.

The Commission, after consideration of the application and all evidence of record in this case, is of the opinion and FINDS that:

- (1) The Applicant sells the majority of its gas to Columbia Gas Transmission Corporation for resale.
- (2) Kentucky Ohio Gas Company has 422 retail customers, all served under KRS 278.485.
- (3) The wells listed in Applicant's Exhibit 2, being wells operated by the Applicant, have been properly certified as stripper wells under Section 108 of the Natural Gas Policy Act of 1978.
- (4) Once the Federal Energy Regulatory Commission (FERC) certifies the wells as stripper wells, state commissions must, in turn, allow such rates to be charged to customers served by these wells.

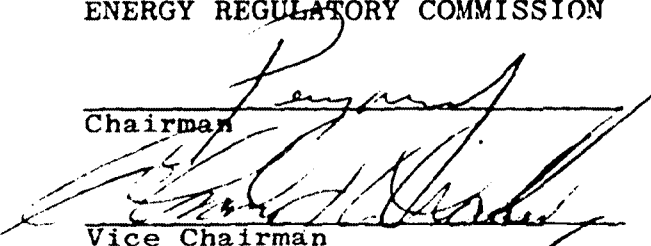
(5) The rates proposed by the Applicant are equal to the wholesale rates authorized under Section 108 of the Natural Gas Policy Act of 1978.

IT IS THEREFORE ORDERED, that the rates proposed by the Applicant 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 Kentucky Ohio Gas Company on and after the date of this Order.

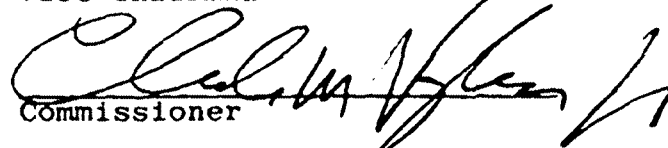
IT IS FURTHER ORDERED, that the Applicants shall file with this Commission within thirty (30) days from the date of this Order its tariff sheets setting out the rates approved herein.

Done at Frankfort, Kentucky, this 11th day of November, 1980.

ENERGY REGULATORY COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:

Secretary