

55-1406. Same; effect of indefinite price escalator clauses on gas produced from new wells or reservoirs and stripper wells; price calculated monthly; category determinations. Notwithstanding the restriction on operation of indefinite price escalator clauses in gas purchase contracts imposed by K.S.A. 55-1404 and 55-1405, after March 1, 1979, with respect to natural gas which is subject to this act, and which qualifies as gas produced from new wells, new reservoirs or stripper wells as defined in this act, such indefinite price escalator clauses may be given effect in accordance with their terms to the extent that the price payable under such contracts is not increased above the maximum price such gas would receive if it had been committed or dedicated to interstate commerce. The maximum price shall be calculated on a monthly basis. If the parties to the contract cannot agree as to the category of gas for which such gas qualifies under the terms of the natural gas policy act of 1978, then such category determination shall be made by the commission.

History: L. 1979, ch. 171, § 6; May 29.