

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. GP98-7-000]

OXY USA, Inc.; Notice of Offer of Settlement and Call for the Protection of Rights Pending Adjudication or Settlement

March 3, 1998.

Take notice that on February 23, 1998, OXY USA, Inc. (OXY), alleging compliance with the Commission's January 28, 1998 Order Clarifying Procedures (82 FERC ¶ 61,059), filed an offer of settlement with the Commission, and called for the protection of its rights pending adjudication or settlement, with respect to OXY's Kansas ad valorem tax refund obligation to Panhandle Eastern Pipe Line Company (Panhandle), identified in the Statement of Refunds Due filed by Panhandle in Docket No. RP98-40-000. OXY's pleading is on file with the Commission and, except for OXY's confidential offer of settlement, is open to public inspection.

OXY contends that the Commission has established a procedure to follow, under 18 CFR 385.602 of the Commission's regulations, when informal settlement or reconciliation efforts fail, and that it has complied with the requisites of that Section. OXY suggests that a Settlement Judge be appointed, that OXY's refund obligation to Panhandle be held in abeyance and that interest be tolled, on the basis that OXY has a constitutional and statutory right to a hearing before it may be deprived of property, i.e., the 1983-1988 Kansas ad valorem tax reimbursement dollars that OXY previously collected from Panhandle. OXY further alleges that it made a settlement offer to Panhandle, and that Panhandle rejected that offer.

OXY also requests a full and fair hearing, and claims that there are contested issues of material fact (measurable in dollars) on which Panhandle and OXY disagree. OXY further argues that these issues must be adjudicated. OXY's alleged issues of material fact include:

(1) The amount of dollars of revenue OXY collected for the sale of its gas in each relevant time period;

(2) How much (if any) of the dollars OXY collected were in excess of the maximum lawful price (MLP) in each relevant time period;

(3) How much (if any) of the excess dollars collected by OXY were actually paid by customers of interstate pipelines through the pipeline's PGA process, i.e.,

how much were the pipeline's customers overcharged; and

(4) Assuming that part of the refund amount is interest, then when did the interstate pipeline customers begin paying a fraction of the amounts determined to be in excess of the MLP, which OXY contends will govern the amount of interest owned.

OXY's pleading includes its claim that it has complied with the Commission's orders requiring a statement of its basic principles for rejecting Panhandle's refund claim, and OXY's privileged and confidential offer of settlement to Panhandle (OXY's Attachment A). OXY also provides its own assessment as to how to compute the correct refund amount.

The procedural rules governing settlements are set forth in Section 385.602 of the Commission's Rules of Practice and Procedure. Under Section 385.602(f), any person wishing to make comments with respect to an offer of settlement must do so not later than 20 days after the date the settlement offer was filed. Reply comments must be filed not later than 30 days after the date the settlement offer was filed. Accordingly, any person desiring to file comments with respect to OXY's offer of settlement should file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, by March 16, 1998, in accordance with the requirements of the Commission's Rules of Practice and Procedure [18 CFR 385.602(f)].

David P. Boergers,

Acting Secretary.

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DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. GP98-8-000]

OXY USA, Inc.; Notice of Offer of Settlement and Call for the Protection of Rights Pending Adjudication or Settlement

March 3, 1998.

Take notice that on February 23, 1998, OXY USA, Inc. (OXY), alleging compliance with the Commission's January 28, 1998 Order Clarifying Procedures (82 FERC ¶ 61,059), filed an offer of settlement with the Commission, and called for the protection of its rights pending adjudication or settlement, with respect to OXY's Kansas ad valorem tax refund obligation to Northern Natural Gas Company (Northern Natural), identified

in the Statement of Refunds Due filed by Northern Natural in Docket No. RP98-39-000. OXY's pleading is on file with the Commission and, except for OXY's confidential offer of settlement, is open to public inspection.

OXY contends that the Commission has established a procedure to follow, under 18 CFR 385.602 of the Commission's regulations, when informal settlement or reconciliation efforts fail, and that it has complied with the requisites of that Section. OXY suggests that a Settlement Judge be appointed, that OXY's refund obligation to Northern Natural be held in abeyance and that interest be tolled, on the basis that OXY has a constitutional and statutory right to a hearing before it may be deprived of property, i.e., the 1983-1988 Kansas ad valorem tax reimbursement dollars that OXY previously collected from Northern Natural. OXY further alleges that it made a settlement offer to Northern Natural, and that Northern Natural rejected that offer.

OXY also requests a full and fair hearing, and claims that there are contested issues of material fact (measurable in dollars) on which Northern Natural and OXY disagree. OXY further argues that these issues must be adjudicated. OXY's alleged issues of material fact include:

(1) The amount of dollars of revenue OXY collected for the sale of its gas in each relevant time period;

(2) How much (if any) of the dollars OXY collected were in excess of the maximum lawful price (MLP) in each relevant time period;

(3) How much (if any) of the excess dollars collected by OXY were actually paid by customers of interstate pipelines through the pipeline's PGA process, i.e., how much were the pipeline's customers overcharged; and

(4) Assuming that part of the refund amount is interest, then when did the interstate pipeline customers begin paying a fraction of the amounts determined to be in excess of the MLP, which OXY contends will govern the amount of interest owned.

OXY's pleading includes its claim that it has complied with the Commission's orders requiring a statement of its basic principles for rejecting Northern Natural's refund claim, and OXY's privileged and confidential offer of settlement to Northern Natural (OXY's Attachment A). OXY also provides its own assessment as to how to compute the correct refund amount.

The procedural rules governing settlements are set forth in Section 385.602 of the Commission's Rules of