

DEPARTMENT OF ENERGY**Federal Energy Regulatory Commission**

[Docket No. GP98-9-000]

Amoco Production Company; Notice of Offer of Settlement and Call for the Protection of Rights Pending Adjudication or Settlement

March 3, 1998.

Take notice that on February 24, 1998, Amoco Production Company (Amoco), 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 Amoco'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. Amoco's pleading is on file with the Commission and, except for Amoco's confidential offer of settlement, is open to public inspection.

Amoco 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. Amoco suggests that a Settlement Judge be appointed, that Amoco's refund obligation to Panhandle be held in abeyance and that interest be tolled, on the basis that Amoco 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 Amoco previously collected from Panhandle. Amoco further alleges that it made a settlement offer to Panhandle, and that Panhandle rejected that offer.

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

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

(2) How much (if any) of the dollars Amoco 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 Amoco 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 Amoco contends will govern the amount of interest owned.

Amoco'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 Amoco's privileged and confidential offer of settlement to Panhandle (Amoco's Attachment A). Amoco 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 Amoco's offer of settlement should file with the Federal Energy Regulatory Commission, 888 First Street, NE., Washington, DC 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. GP98-10-000]

Amoco Production Company; Notice of Offer of Settlement and Call for the Protection of Rights Pending Adjudication or Settlement

March 3, 1998.

Take notice that on February 24, 1998, Amoco Production Company (Amoco), 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 Amoco's Kansas and valorem tax refund obligation to Colorado Interstate Gas Company (CIG), identified in the

Statement of Refunds Due filed by CIG in Docket No. RP98-54-000. Amoco's pleading is on file with the Commission and, except for Amoco's confidential offer of settlement, is open to public inspection.

Amoco contends that the Commission has established a procedure to follow, under 18 CFR 385.605 of the Commission's regulations, when informal settlement or reconciliation efforts fail, and that it has complied with the requisites of that Section. Amoco suggests that a Settlement Judge be appointed, that Amoco's refund obligation to CIG be held in abeyance and that interest be tolled, on the basis that Amoco 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 Amoco previously collected from CIG. Amoco further alleges that it made a settlement offer to CIG, and that CIG rejected that offer.

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

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

(2) How much (if any) of the dollars Amoco 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 Amoco 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 Amoco contends will govern the amount of interest owned.

Amoco's pleading includes its claim that it has complied with the Commission's orders requiring a statement of its basic principles for rejecting CIG's refund claim, and Amoco's privileged and confidential offer of settlement to CIG (Amoco's Attachment A). Amoco 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