

into an escrow account: (i) Amounts attributable to royalty refunds which have not been collected from the royalty owner (principal and interest), (ii) interest on royalty amounts which have been recovered from the royalty owners (the principal of which was refunded); and (iii) interest on the total amount of refunds allegedly due (excluding royalties, disputed amounts, and pre-October 3rd production).

In support of its request Hoffmann states that it is not seeking to relieve itself of its refund obligation, rather it merely seeks to establish procedures which ensure that it pays only that which is legitimately owed and that if it is subsequently determined that its refund liability was less than that claimed by Panhandle, it can recover the overpayment.

Any person desiring to be heard or to make any protest with reference to said petition should on or before 15 days after the date of publication in the **Federal Register** of this notice, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, DC 20426, a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211, 385.1105, and 385.1106). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

**David P. Boergers,**

*Acting Secretary.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. SA98-27-000]

#### Kaiser-Francis Oil Company; Notice of Petition for Adjustment

March 20, 1998.

Take notice that on March 9, 1998, Kaiser-Francis Oil Company (Kaiser-Francis) filed a petition for adjustment, pursuant to section 502(C) of the Natural Gas Policy Act of 1978 [15 U.S.C. 3142(c) (1982)], requesting that the Commission issue an order determining that the Kansas ad valorem tax refunds required by the

Commission's September 10, 1997 order (in Docket No. RP97-369-000 *et al*<sup>1</sup> on remand from the D.C. Circuit Court of Appeals,<sup>2</sup> are barred by operation of law. The subject refunds have been sought by Colorado Interstate Company (CIG), in response to the Commission's September 10 order. Kaiser-Francis's petition is on file with the Commission and open to public inspection.

Kaiser-Francis requests that the commission (1) grant an adjustment to its procedures to allow Kaiser-Francis to defer payment of principal and interest attributable to royalties for one year until March 9, 1999; and (2) grant an adjustment to the Commission's procedures to allow Kaiser-Francis to place into an escrow account in a federally-insured financial institution: (i) amounts attributable to royalty refunds which have not been collected from the royalty owner (principal and interest), (ii) interest on royalty amounts which have been recovered from the royalty owners (the principal of which was refunded); and (iii) interest on the total amount of refunds allegedly due (excluding royalties).

Any person desiring to be heard or to make any protest with reference to said petition should on or before 15 days after the date of publication in the **Federal Register** of this notice, file with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426 a motion to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 385.214, 385.211, 385.1105, and 385.1106). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a motion to intervene in accordance with the Commission's Rules.

**David P. Boergers,**

*Acting Secretary.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. SA98-29-000]

#### Kaiser-Francis Oil Company; Notice of Petition for Adjustment

March 20, 1998.

Take notice that on March 9, 1998, Kaiser-Francis Oil Company (Kaiser) filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA),<sup>1</sup> requesting that the Commission: (1) Grant an adjustment to its procedures to allow Kaiser to defer payment of principal and interest attributable to royalties for one-year until March 9, 1999; and (2) Grant a procedural adjustment to allow Kaiser to place into an escrow account: (i) amounts attributable to royalty refunds which have not been collected from the royalty owner (principal and interest); (ii) interest on royalty amounts which have been recovered from the royalty owners (the principal of which was refunded); and (iii) interest on the total amount of refunds allegedly due (excluding royalties). The March 9, 1998, deadline was established for first sellers to remit refunds of Kansas ad valorem taxes to their pipeline purchasers, as required by the Commission's September 10, 1997 order in Docket Nos. GP97-3-000, GP97-4-000, GP97-5-000, and RP97-369-000.<sup>2</sup> Kaiser's petition is on file with the Commission and open to public inspection.

The Commission's September 10 order on remand from the D.C. Circuit Court of Appeals<sup>3</sup> directed first sellers under the NGPA to make Kansas ad valorem tax refunds, with interest, for the period from 1983 to 1988. The Commission issued a January 28, 1998 order in Docket No. RP98-39-001, *et al.* (January 28, Order),<sup>4</sup> clarifying the refund procedures, stating that producers could request additional time to establish the uncollectability of royalty refunds, and that first seller may file requests for NGPA section 502(c) adjustment relief from the refund requirements and the timing and procedures for implementing the refunds, based on the individual

<sup>1</sup> 15 U.S.C. 3142(c) (1982).

<sup>2</sup> See 80 FERC ¶ 61,264 (1997); order denying reh'g issued January 28, 1998, 82 FERC ¶ 61,058 (1998).

<sup>3</sup> *Public Service Company of Colorado v. FERC*, 91 F.3d 1478 (D.C. 1996), cert. denied, Nos. 96-954 and 96-1230 (65 U.S.L.W. 3751 and 3754, May 12, 1997).

<sup>4</sup> 82 FERC ¶ 61,059 (1998).

<sup>1</sup> See 80 FERC ¶ 61,264 (1997); order denying reh'g issued January 28, 1998, 82 FERC ¶ 61,058 (1998).

<sup>2</sup> *Public Service Company of Colorado v. FERC*, 91 F.3d 1478 (D.C. 1996), cert. denied, Nos. 96-954 and 96-1230 (65 U.S.L.W. 3751 and 3754, May 12, 1997) (Public Service).