

circumstances applicable to each first seller.

Kaiser states it is substantially and adversely affected by the potential Kansas ad valorem tax refund requirement. Kaiser is not seeking to relieve itself of that refund obligation. Rather Kaiser seeks to establish procedures which ensure: (a) That it pays only that which is legitimately owned; and (b) that if it is subsequently determined that its refund liability was less than that originally claimed by Panhandle Eastern Pipe Line Company (Panhandle) in Docket No. RP98-40-000, it can recover the overpayment. Accordingly, Kaiser requests an adjustment to the general refund procedures to permit it to pay the following amount into an escrow account: (a) the principal and interest on the uncollected royalties; and (b) interest on amounts not disputed herein other than amounts listed in (a) above.

Kaiser states that with respect to the royalty amounts of the alleged refunds due, Kaiser has been working diligently to determine its potential refund liability and to obtain contribution from its royalty owners. However, Kaiser has not been able either to obtain reimbursement or confirm the uncollectibility of the vast majority of its royalty amounts for which refunds are due. Rather than deferring royalty refunds, Kaiser would prefer to pay the amount of the refunds which it believes may be uncollectible into an escrow account. Accordingly, Kaiser intends to place the amount of \$33,830.61 (reflecting all royalties and related interest) into its escrow account and hereby requests all necessary approval to do so. Kaiser requests a one-year extension of the refund due date for the purpose of allowing it to try to collect the royalty refunds. In addition, Kaiser seeks authorization to place the following amounts into its escrow account: (a) the interest on the royalty refunds, the principal of which is paid to Panhandle; and (b) the interest on refunds due (other than royalties), in the amount of \$64,627.10. Kaiser intends to place these amounts in its escrow account on March 9, 1998, and requests appropriate adjustment relief to authorize that plan.

Kaiser states that although there are issues relating to portions of the principal refunds which are pending before the Court,<sup>5</sup> to demonstrate its good faith in these proceedings Kaiser has paid the principal amount of

refunds attributable to Kaiser's working interest in the amount of \$39,912.22 to Panhandle. Should the Commission provide assurances that Kaiser will be able to recover any overpayments without having to initiate a prompt return of refund amounts determined not to be due (such return of refunds not dependent upon recovery from consumers), Kaiser would agree to waive this request for escrowing certain monies. Without such assurances, Kaiser is entitled to have its property protested until the issue of liability has been fully resolved in Courts or Congress.

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. SA98-53-000]

#### Kansas Petroleum, Inc.; Notice of Petition for Adjustment

March 20, 1998.

Take notice that on March 9, 1998, Kansas Petroleum, Inc. (Kansas Petroleum), care of 200 West Douglas—Fourth Floor, Wichita, Kansas 67202-3084, filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA),<sup>1</sup> requesting, on behalf of first sellers (First Sellers<sup>2</sup>

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

<sup>2</sup> First Sellers are identified as: E.N. Diderich Trust, Howard M. Gillespie Living Trust, Gail P. Popovich, James E. Rhude, James Tashoff, Arthur O. Wilkonson, and Lester Wilkonson Trust.

for whom it operated, that the Commission grant them relief from any further refund liability not heretofore paid for the Kansas ad valorem tax reimbursements set forth in the Statement of Refunds Due (SRD)<sup>3</sup> submitted to Kansas Petroleum by Northern Natural Gas Company (Northern), all as more fully set forth in the petition which is open to the public for inspection.

Kansas Petroleum also requests that the Commission, pending resolution of this proceeding, permit Kansas Petroleum to place in an escrow account the amount of interest on the refund liability as calculated.

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. CP98-262-000]

#### Kern River Gas Transmission Company; Notice of Request Under Blanket Authorization

March 20, 1998.

Take notice that on March 4, 1998, Kern River Transmission Company (Kern River), 295 Chipeta Way, Salt Lake City, Utah 84108, filed a request with the Commission in Docket No. CP98-262-000, pursuant to Sections 157.205 and 157.211 of the

<sup>3</sup> Kansas Petroleum states that Northern's SRD claims \$84,976.18 for the principal and \$156,844.71 in interest accrued through March 9, 1998, for a total of \$241,820.89.

<sup>5</sup> See, Case No. 98-60043, United States Court of Appeals for the Fifth Circuit in *Anadarko Petroleum Corp. v. FERC*, and *Union Pacific Resources Company v. FERC*.