

K N Energy, Inc., reimbursement have already been made for the 14 wells involved. As such, Applicants ask that the mutual release be fully enforced and that Applicants be released of refund liability as to total refund amount, both principal and interest. However, Applicants state that they are willing to refund and have refunded the principal of the excess reimbursements in accordance with their calculations. Also, Applicants indicate that the interest on the refunds creates a hardship and are unfair. Applicants are depositing in an escrow account the amount of interest on their principal liability and ask that their deposit of funds into the escrow account be approved.

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. Boerges,**  
*Acting Secretary.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. RP98-160-000]

#### Koch Gateway Pipeline Company; Notice of Proposed Changes in FERC Gas Tariff

March 19, 1998.

Take notice that on March 16, 1998, Koch Gateway Pipeline Company (Koch) tendered for filing as part of its FERC Gas Tariff, Fifth Revised Volume No. 1, Ninth Revised Sheet No. 1412, with an effective date of April 16, 1998.

Koch proposes an addition to Section 7.5(a) of the General Terms and Conditions regarding payments for firm transportation service requests. Section

7.5(a) requires Customers requesting firm transportation service to make a prepayment to Koch. This amount is credited back to the Customer once service commences or in the event Koch determines it is unable to provide the service. Koch proposes adding a provision reserving the right to waive this requirement on a non-discriminatory basis for any Customer who has paid transportation charges in an amount equal to or greater than the required payment during each of the three months prior to the request.

Section 7.5(a) is intended to prevent unnecessary requests for firm transportation service and therefore avoid unnecessary costs. Koch seeks to relieve established shippers and itself of the burden related to administering this provision while still maintaining a level of protection from such requests.

Any person desiring to be heard or to protest this filing should file a motion to intervene or a protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Sections 385.214 and 385.211 of the Commission's Rules and Regulations. All such motions or protests must be filed as provided in Section 154.210 of the Commission's Regulations. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceedings. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection in the Public Reference Room.

**David P. Boergers,**  
*Acting Secretary.*

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. SA98-17-000]

#### Midgard Energy Company; Notice of Petition for Adjustment

March 19, 1998.

Take notice that on March 6, 1998, Midgard Energy Company (Midgard) filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA),<sup>1</sup> requesting the grant of a procedural adjustment in connection with its refund liability to Panhandle Eastern Pipe Line Company

(Panhandle) for reimbursement of Kansas ad valorem taxes, as required by the Commission's September 10, 1997 order in Docket Nos. GP97-3-000, GP97-4-000, GP97-5-000, RP97-369-000.<sup>2</sup> This 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 clarified the refund procedures in its Order in Northern Natural Gas Company,<sup>4</sup> stating that it would grant extension of the refund due date for royalty refunds if a producer requests such an extension. In addition, the Commission indicated in its January 28th Order that it would consider adjustment requests as to the refund amounts and the refund procedures.

Midgard requests authorization to place into an escrow account both the principal and interest on pre-October 3, 1983 production and the interest on its remaining refunds to Panhandle. Midgard argues that it seeks to establish this procedure to ensure that it pays only that which is legitimately owed, and that if it is subsequently determined that it has no refund liability for interest or pre-October 3, 1983, production, 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 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

<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) (Public Service).

<sup>4</sup> 82 FERC ¶61,059 (1998).

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

in accordance with the Commission's Rules.

**David P. Boergers,**

*Acting Secretary.*

[FR Doc. 98-7771 Filed 3-24-98; 8:45 am]

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## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket No. SA98-44-000]

#### Molz Oil Company; Notice of Petition for Adjustment and Request for Extension of Time

March 19, 1998.

Take notice that on March 9, 1998, Molz Oil Company (Molz) filed a petition, pursuant to section 502(c) of the Natural Gas Policy Act of 1978 (NGPA), for an adjustment of the Commission's refund procedures [15 U.S.C. 3142(c)(1982)] with respect to Molz's Kansas ad valorem tax refund liability. Molz's petition is on file with the Commission and open to public inspection.

The Commission's September 10, 1997, order on remand from the D.C. Circuit Court of Appeals,<sup>1</sup> in Docket No. RP97-369-000, *et al.*,<sup>2</sup> directed first sellers to make Kansas ad valorem tax refunds, with interest, for the period from 1983 to 1988. The Commission clarified the refund procedures in its Order Clarifying Procedures [82 FERC ¶ 61,059 (1988)], stating therein that producers [first sellers] could request additional time to establish the uncollectability of royalty refunds, and that first sellers may file requests for NGPA section 502(c) adjustment relief from the refund requirement and the timing and procedures for implementing the refunds, based on their individual circumstances.

Molz requests, on behalf of first sellers for whom it operated (First Sellers), that the Commission: (1) Extend the time by 90 days from March 9, 1998, in which to obtain the necessary documents and information to determine if the amount of refund set forth in the Statement of Refunds Due [SRD] received from Panhandle Eastern Pipe Line Company [Docket No. RP98-40-000] is correct and to reach an agreement on the amount before submitting the dispute to the Commission; and (2) grant an

<sup>1</sup> *Public Service Company of Colorado v. FERC*, 91 F.3d 1478 (D.C. Cir. 1996), *cert. denied*, 65 U.S.L.W. 3751 and 3754 (May 12, 1997) (Nos. 96-954 and 96-1230).

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

adjustment to its procedures to allow First Sellers to place into an escrow account the disputed amount of the refund, and, after the resolution of the dispute, retain in the account (i) principal and interest on amounts attributable to production prior to October 4, 1983, and (ii) interest on all reimbursed principal amounts determined to be refundable as being in excess of maximum lawful prices (excluding interest retained under (i) above). Molz also requests a determination that it is liable solely for its proportionate share of the tax refunds.

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.W., 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. SA98-45-000]

#### Molz Oil Company; Notice of Petition for Adjustment and Request for Extension of Time

March 19, 1998.

Take notice that on March 9, 1998, Molz Oil Company (Molz) and the working interest owners (First Sellers) for whom it operated,<sup>1</sup> filed a petition for adjustment and a request for extension of time under section 502(c) of the Natural Gas Policy Act of 1978

<sup>1</sup> First Sellers are Donald Albers, Darry Brown, Rick Caruthers, Judy Courson, Donald E. Evans, Helen Evans, K.B. Evans, Martha Evans, Beverly Molz, Jim Molz, Ben Rathgeber, Bob and Lometa Rathgeber, Lamoine Shrock, R.K. Sweetman and Westmore Drilling Co.

(NGPA), requesting an adjustment to its obligation to make Kansas ad valorem tax reforms to Williams Natural Gas Company (WNG), all as more fully set forth in the petition which is on file with the Commission and open to public inspection.

It is stated that Molz's petition is filed in response to the Commission's September 10, 1997, order in Docket Nos. RP97-369-000, GP97-3-000, GP97-5-000<sup>2</sup> on remand from the D.C. Circuit Court of Appeals,<sup>3</sup> which directed first sellers under the NGPA to make Kansas ad valorem tax refunds, with interest, for the period from 1983 to 1988.

Molz requests that the Commission grant an adjustment to its procedures to allow First Sellers to place into an escrow account the disputed amount of the refund set forth in the Statement of Refunds Due (SRD) from WNG,<sup>4</sup> and, after resolution of the dispute, to retain in the account (a) principal and interest on amounts attributable to production prior to October 4, 1983, and (b) interest on all reimbursed principal amount determined to be refundable as being in excess of maximum lawful prices (excluding interest retained under (a) above). It is stated that the SRD received from WNG was \$93,447.06, including interest accrued through December 31, 1997.

Molz also requests an extension of time to permit an additional 90 days beginning March 9, 1998, in which to obtain the necessary documents and information to verify the correct amount of its actual refund liability and to reach an agreement on the amount before submitting the dispute to the Commission.

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

<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. Cir. 1996), *cert. denied*, 65 U.S.L.W. 3751 and 3754 (May 12, 1997) (Nos. 96-954 and 96-1230).

<sup>4</sup> See. Docket No. RP98-52-000.