

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 requirement and the timing and procedures for implementing the refunds, based on the individual circumstances applicable to each first seller.

Dorchester requests authorization, pursuant to the Commission's January 28 Order, to defer payment to Panhandle Eastern Pipe Line Company (Panhandle) of principal and interest refunds attributable to unrecovered royalties for one year until March 9, 1999. In addition, Dorchester requests that it be allowed to place into an escrow account during the requested 1-year deferral period: (1) An amount equal to the principal and interest on royalty refunds which have not been recovered as of February 27, 1998 (to curtail the level of interest); (2) an amount equal to the interest on royalty refunds recovered after February 27, 1998, where the principal of that royalty refund is paid to Panhandle, except for pre-October 3, 1983 production (to protect the interests of royalty owners); (3) an amount equal to the principal and interest attributable to production prior to October 3, 1983, excluding uncollected royalties attributable thereto (to protect Dorchester's and the royalty owners' property rights pending judicial review); and (4) an amount equal to the interest on the total remaining amount of refunds allegedly due (i.e., the interest due on principal), excluding royalties and pre-October 3, 1983, production (to protect Dorchester's property rights pending judicial review and potential legislative action).

Dorchester argues that it seeks to establish these procedures to ensure that it pays only that which is legitimately owed, and that it will be able to recover the overpayment, if it is subsequently determined that Dorchester's refund liability was less than the originally claimed by Panhandle. Dorchester asserts that a one-year deferral in the obligation to make royalty refunds is necessary in order to allow it to confirm the appropriate refund amounts due, to attempt to locate the prior royalty owners, and to seek recovery of such

amounts from the proper royalty owners.

On or before March 9, 1999, Dorchester proposes to file documentation with the Commission, of those royalties which were not collectible and disburse the recovered royalty refund principal to Panhandle, except for refunds attributable to pre-October 3, 1983, production. Until that time, Dorchester proposes to place the interest from royalty refunds which was recovered in its escrow account to protect the royalty owners. In addition, Dorchester argues that its proposal for an escrow account is necessary to protect its property and that of its royalty owners.

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, 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 384.214, 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. GT98-22-000]

#### Egan Hub Partners, L.P.; Notice of Proposed Changes in FERC Gas Tariff

March 5, 1998.

Take notice that on March 2, 1998, Egan Hub Partners, L.P. (Egan Hub), tendered for filing a part of its FERC Gas Tariff, Original Volume No. 1, Second Revised Sheets Nos. 1, 58, 61, 82, 85, 88, 97, 102, 105, 109 and 112 replacing 2nd Sub., First Revised Sheets of the same numbers. Egan Hub proposes that the tariff sheets become effective on March 2, 1998.

Egan Hub states that the main purpose of its March 2 filing is to update Egan Hub's address, phone and fax numbers

in its tariff. In addition, Egan Hub provides Second Revised Sheet No. 82 to correct erroneous tariff language. Finally, Egan Hub provides Second Revised Sheet No. 112 which demonstrates that the proposed Columbia Gulf receipt/delivery point is now an actual receipt/delivery point.

Egan Hub states that copies of the filing have been served upon its affected customers and any interested State Commissions.

And person desiring to be heard or to protest this filing should file a motion to intervene or 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 protest must be filed in accordance with 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 proceeding. 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. SA98-8-000]

#### Ensign Oil & Gas Inc.; Notice of Petition for Adjustment and Dispute Resolution Request

March 5, 1998.

Take notice that on March 2, 1998, Ensign Oil & Gas Inc. (Ensign), filed a petition for adjustment under section 502(c) of the Natural Gas Policy Act of 1978 (NGPA),<sup>1</sup> and a dispute resolution request, with respect to its Kansas ad valorem tax refund liability under the Commission's September 10, 1997 Order in Docket Nos. RP97-369-000, GP97-4-000, and GP97-5-000.<sup>2</sup>

The Commission's September 10 order on remand from the D.C. Circuit

<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>4</sup> 82 FERC ¶ 61,059 (1998).

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 requirement and the timing and procedures for implementing the refunds, based on the individual circumstances applicable to each first seller.

Ensign requests that the Commission resolve any potential dispute between Ensign and Williams Gas Pipelines Central, Inc., formerly: Williams Natural Gas Company (Williams), finding that Ensign has no liability for reimbursement of Kansas ad valorem taxes paid over the period 1983 to 1988, based on a 1990 Settlement Agreement between Ensign and Williams or, in the alternative (if the Commission decides that the Ensign-Williams settlement does not resolve the refund liability issues) that adjustment relief from such refund liability be granted to Ensign, based on Ensign's assertion that it would be inequitable and an unfair distribution of burdens for the Commission to require Ensign to make refunds when Ensign, in good faith, negotiated a settlement with Williams in 1990, under which Ensign gave up its claims against Williams in return for a release from all claims by Williams that were not excluded under the 1990 Settlement Agreement. Ensign further argues that it would be inequitable and an unfair distribution of burdens for the Commission to require Ensign to refund royalties with respect to its sales to Williams, since Amoco Production Company made all of the royalty disbursements and Ensign has no knowledge of who the royalty interest owners are. Ensign also asserts that relief is justified on equitable grounds, in view of the fact that Ensign previously relied on the Commission's orders that permitted first sellers to collect Kansas ad valorem tax reimbursements.

In addition, Ensign requests procedural adjustment relief, pursuant to the January 28 Order, with respect to sales to Northern Natural Gas Company

(Northern). Specifically, Ensign requests that it be allowed to:

(1) Defer payment of principal and interest attributable to royalty refunds under these sales for one year until March 9, 1999;

(2) Place into its escrow account the principal on its share of refunds allegedly due Northern [excluding royalties covered above in 1) above], pending a final determination whether there has been any violation of the maximum lawful prices under the NGPA;<sup>5</sup> and

(3) Place into its escrow account the interest on the total amount of refunds allegedly due Northern [excluding royalties deferred under 1) above], pending resolution of the maximum lawful price issue discussed in 2) above and pending final judicial action on review of the Commission's orders establishing the interest obligation.

Ensign states that it is committed to resolve the maximum lawful price issue or present it to the Commission on or before September 6, 1998.

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, 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 384.214, 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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<sup>5</sup> Ensign indicates that it will disburse the principal on recovered royalties to Northern Natural, if it has been determined that the price collected, plus the Kansas ad valorem tax reimbursement, exceed the maximum lawful price. Ensign also indicates that it will, at that time, place the interest on recovered royalties in its escrow account, and will file with the Commission for relief from unrecovered or de minimus royalties (principal and interest).

## DEPARTMENT OF ENERGY

### Federal Energy Regulatory Commission

[Docket Nos. TM98-3-4-000 and RP98-155-000]

#### Granite State Gas Transmission, Inc.; Notice of Proposed Changes in FERC Gas Tariff

March 5, 1998.

Take notice that on March 2, 1998, Granite State Gas Transmission, Inc. (Granite State), tendered for filing as part of its FERC Gas Tariff, Third Revised Volume No. 1, the following revised tariff sheets listed below for effectiveness on April 1, 1998:

Eleventh Revised Sheet No. 21

Twelfth Revised Sheet No. 22

First Revised Sheet Nos. 333 and 334

According to Granite State, the foregoing revised tariff sheets comprise the quarterly adjustment in its Power Cost Adjustment (PCA), surcharge, a tracking mechanism to pass through to Granite State's firm transportation customers certain electric power costs for which it is obligated to reimburse Portland Pipe Line Corporation under the terms of a lease of a pipeline. Granite State further states that the foregoing revised tariff sheets include a revision in the reconciliation procedure in the PCA tariff provision for past over and under collections of electric power costs billed Granite State by Portland Pipe Line. However, in the event that the Commission does not accept the foregoing tariff sheets, Granite State has submitted the alternate revised tariff sheets below for effectiveness on April 1, 1998:

Alternate Eleventh Revised Sheet No. 21

Alternate Twelfth Revised Sheet No. 22

According to Granite State, the PCA surcharge tariff provision was accepted by the Commission in a filing in Docket No. RP97-300-000 and approved as part of the settlement of Granite State's most recent rate proceeding in Docket No. RP97-8-000. Granite State further states that it proposes to change the reconciliation procedure in the tariff provision to a quarterly sequence, beginning October 1, 1998, instead of semi-annual sequence, each January and July. Granite State says that it has had one year's experience with the present reconciliation procedure and the semi-annual reconciliations result in erratic swings in the PCA surcharge; it states that quarterly reconciliations of past over and under collections for the reimbursement power costs due Portland Pipe Line will result in surcharges that are more reflective of

<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).