

106 FERC ¶ 61,172  
FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D.C. 20426

February 18, 2004

In Reply Refer To:  
Docket Nos. RP98-39-034  
GP98-5-000  
GP98-12-000  
GP98-14-000

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Attn: Frank X. Kelly  
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Dear Mr. Haskell and Mr. Kelly:

1. On December 23, 2003, Northern Natural Gas Company (Northern) and Anadarko Petroleum Corporation (Anadarko), BP America Production Company (formerly Amoco Production Company) (BP America), and ExxonMobil Oil Corporation (formerly Mobil Oil Corporation) (Exxon), (collectively, Indicated Producers), filed a Supplemental and Final Stipulation and Agreement of Settlement Resolving All Reserved Issues (Settlement) among Northern and the Indicated Producers in this proceeding.
2. On January 5, 2004, Commission Trial Staff filed initial comments in support of the Settlement. Comments in support of the Settlement were also filed on January 5, 2004 by the Kansas Corporation Commission. Indicated Producers filed Reply Comments on January 9, 2004. No party filed comments opposing the Settlement.
3. On January 12, 2004, the Presiding Administrative Law Judge certified the Settlement to the Commission as uncontested.
4. The Settlement addresses Northern's claim for additional refunds of Kansas ad valorem taxes paid to Indicated Producers or their respective predecessors over

and above those refunds previously resolved by the November 20, 2000 Settlement agreement approved by the Commission on December 27, 2000 in this proceeding. 93 FERC ¶ 61,311 (2000).

5. ARTICLE III of the Settlement provides Northern with a release from any potential claims Indicated Producers may have concerning breach of the November 2000 Settlement and provides that Indicated Producers will pay Northern a lump sum payment within 14 days of the Effective Date of the Settlement. Such payment does not constitute an admission of liability by any Indicated Producer herein.

6. ARTICLE IV of the Settlement provides the Indicated Producers with a full and complete release from any further liability for Kansas ad valorem tax reimbursements on Northern's system related to periods prior to June 28, 1988, provided, however, that if after the date of execution of the Settlement Indicated Producers or their successors acquire a controlling ownership interest in the common stock or partnership shares of a producer listed in Exhibit No. 2, 3 or 6 (of the Settlement) that has not settled its refund obligations hereunder, such unresolved claims shall not be extinguished.

7. The Commission finds that the Settlement is fair, reasonable and in the public interest. Accordingly, the Commission approves the Settlement. The Commission's approval of this Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding.

8. This letter terminates Docket No. RP98-39-034. In addition it terminates Docket Nos. GP98-5-000 (Exxon); GP98-12-000 (BP Amoco); and GP98-14-000 (Anadarko).

By direction of the Commission

Linda Mitry,  
Acting Secretary.

cc: All Parties