

News from Senator

BOB DOLE



(R - Kansas)

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FERC OKAYS DOLE REQUEST; WAIVES RULE FOR KANSAS FIRMS

Washington, DC -- The Federal Energy Regulatory Commission (FERC) has granted a waiver exempting several Kansas natural gas producers and small pipeline companies from complying with a recent federal rule concerning natural gas sales, according to Sen. Bob Dole.

FERC's so-called "Rule 436" prohibited gas producers from seeling their product to Northwest Central Pipeline Company if the gas was not flowing through the pipeline previous to October 9, 1985. Upon learning the rule would have a detrimental affect on several Kansas companies and numerous royalty owners, Sen. Dole asked FERC Chairman Raymond J. O'Connor for a waiver on behalf of several state companies.

"Recently at a Town Meeting in Atchison," recounted Dole, "I discussed the rule with several gas producers and pipeline company officials who would be adversely affected by the FERC action. After reviewing the situation, I agreed the rule was not fairly implemented and asked Chairman O'Connor to also look into it and take appropriate action. I'm thankful he agreed with my request, and that the proposed gas sales to Northwest Central Pipeline can proceed."

Dole said the Kansas firms had already entered into contracts to sell gas to Northwest Central Pipeline, and had begun to install costly equipment in order to facilitate the sales. The companies, he noted, would have been in compliance with the FERC rule in every area except the Oct. 9 deadline.

The FERC waiver, confirmed yesterday, will affect Citation Pipeline Corp. and Lomex Oil Co., both in McLouth; oil producer Jerry Lutz of McLouth; Montco Gas of Cherryvale; Simco Petroleum in Leavenworth; and Kansas Pipeline Co., of Kansas City, KS.; as well as approximately 100 gas royalty owners in eastern Kansas.

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