Public Utilities Commission of The State of California

Copy for:

Orig. and Copy to Executive Director RESOLUTION NO. L-239 LEGAL DIVISION DATE: August 26, 1987

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RESQLUTION

_____Director _____Numerical File _____Alphabetical File _____Accounting Officer

> SUBJECT: Order Exercising Jurisdiction Over The Local Distribution Functions and Facilities of Wyoming-California Pipeline Company

WHEREAS, the local distribution of natural gas to customers situated within the State of California is purely a matter of local concern; and

WHEREAS, under Section 1(b) of the Natural Gas Act, 15 U.S.C. §717(b), the provisions of the Natural Gas Act apply to the transportation of natural gas in interstate commerce "but shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution"; and

WHEREAS, the Public Utilities Commission of the State of California is presently implementing its new regulatory framework for the natural gas industry within California, including its program for the transportation of natural gas to enhanced oil recovery ("EOR") and other customers in Kern County, California; and

WHEREAS, the Public Utilities Commission of the State of California is authorized and required by the California Constitution and the California Public Utilities Code to regulate the local distribution of natural gas within California and all functions and facilities relating thereto; and

WHEREAS, the bypass of California's existing local distributing companies, facilities and systems, all of which are regulated by the Public Utilities Commission of the State of California, will likely affect adversely the cost and quality of natural gas service for all California citizens; undermine the ability of the Public Utilities Commission of the State of California to fulfill its state constitutional and statutory duty to assure just and reasonable natural gas rates and service for all California citizens; and interfere with the operation of the lines, plants and systems of California's existing local distributing companies, which lines, plants and systems were authorized and constructed for the benefit of all California citizens; and

WHEREAS, the protection of all California citizens from the adverse consequences of such bypass is of vital concern to the State of California; and

WHEREAS, Wyoning-California Pipeline Company has filed an application for a certificate of public convenience and necessity with the Federal Energy Regulatory Commission (Docket No. CP87-479) for authority to construct, own and operate the Wyoming-California Pipeline and to transport gas into California and to locally distribute that gas to EOR and other customers in Kern County, California; and

WHEREAS, if the Federal Energy Regulatory Commission lawfully certificates the construction of that pipeline and its use to transport natural gas into California, the Public Utilities Commission of the State of California would not withhold its approval of local distribution of the gas so transported but would, and hereby does, assert its authority to determine the manner in which and the rate at which the local distribution of such gas is accomplished; and

WHEREAS, Section 1001 of the California Public Utilities Code provides that no gas corporation shall construct a pipeline in California without having first obtained a certificate of public convenience and necessity, and, further, that the Public Utilities Commission may prescribe terms and conditions for the placement of such pipeline if its construction is interfering or about to interfere with the operations of another public utility;

IT IS RESOLVED THAT:

(1) The Wyoming-California Pipeline Company must apply to and receive from the Public Utilities Commission of the State of California a certificate of public convenience and necessity before it may begin the construction of facilities related to, and before it may engaged in, the local distribution of natural gas in California;

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(2) The Wyoming-California Pipeline Company must file a tariff and comply with all of the rules and regulations of the Public Utilities Commission of the State of California before it may locally distribute natural gas to customers in California; (3) If the Federal Energy Regulatory Commission should lawfully authorize the construction of the Wyoming-California Pipeline to transport natural gas into California, the Public Utilities Commission of the State of California will not withhold its approval of the local distribution of such gas, but will require that such local distribution be accomplished in a manner and at a rate which, in the judgment of the Public Utilities Commission, is just and reasonable and protects the interests of all California citizens;

(4) The Executive Director of this Commission shall certify this resolution and shall forthwith cause it to be delivered to the Federal Energy Regulatory Commission, thereby communicating to that Commission that the local distribution functions and facilities of the Wyoming-California Pipeline Company within California are subject to the regulatory jurisdiction of the Public Utilities Commission of the State of California, and that the Public Utilities Commission of the State of California is exercising such jurisdiction; and

(5) Because it is necessary for the Federal Energy Regulatory Commission to be promptly informed that the Public Utilities Commission of the State of California is exercising such regultory jurisdiction, this resolution is effective today.

I hereby certify that this resolution was adopted by the Public Utilities Commission of the State of California at its conference on August 26, 1987. The following Commissioners approved it:

Executive Director

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STANLEY W. HULETT President DONALD VIAL G. MITCHELL WILK JCHN B. OHANIAN Commissioners

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Commissioner Frederick R. Duda, being necessarily absent, did not participate.

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- You will be preparing these documents to be filmed on the notary cameras.
- You will make a face sheet for each rubberbanded group, or binder group of resolution numbers.
- You will place POST-IT-TABS to indicate duo-sided documents.
- You will place all rubberbanded groups back into their respective cost it the order shown on the batch control sheet for that bex.
- reported detain all documents from their respective anders. You will place a successand around each binder that is prested, preventing documents from being intermixed.
- E you will make face sheets for each binder or rubberbanded group of reconnects. It some instances, the face sheets were prepared by the customer.
- For well create a catch control for each box that is preposed, an exception to this would be if one was created by the customer in edvance.
- Four will place the rubberbands, or paper clips back onto each group or binder of documents you prep. This will prevent the documents trom being. intermixed.
- 3 If there is a <u>gap</u> between a group of resolution numbers, don't concern yourself with this matter. Place the next ascending resolution number in its sequential order.
- You will use standard document prep procedures.
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