

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

RESOLUTION NO. G-2033

Orig. and Copy
to Acting Executive Director

UTILITIES DIVISION
BRANCH/SECTION: Gas
DATE: February 15, 1977

RESOLUTION

Director
Numerical File
Alphabetical File
Accounting Officer

SUBJECT: Gas Exploration and Development Adjustment (GEDA) Project Letter
No. 76-A for Approval Pursuant to Procedures Prescribed by
Decision No. 81898 and Decision No. 85849 Extending the Authority
to April 15, 1977

WHEREAS: PACIFIC LIGHTING SERVICE COMPANY and SOUTHERN CALIFORNIA GAS
COMPANY (SoCal), by GEDA Project Letter No. 76-A, filed December 16, 1976,
have requested approval of gas exploration and development activities in the
Cook Inlet area of Alaska, pursuant to Decisions Nos. 81898 and 85849, and

WHEREAS: Pacific Lighting Gas Development Company (PLGD) and Union Oil
Co. of California (Union) have entered into a joint venture agreement to
explore for, and develop natural gas reserves in the Cook Inlet of Alaska,
and

WHEREAS: The agreement is conditioned on regulatory approval by April 1,
1977, and

WHEREAS: Union has acquired leases and has conducted certain preliminary
work; PLGD will bear 100% of the cost of further evaluation and any
exploratory wells to be drilled, and

WHEREAS: PLGD will have the option of participating in the exploratory
wells, and if so, will gain a 50% working interest and a call on Union's
share of any gas developed, and

WHEREAS: Each party will bear 50% of the costs of development drilling
subsequent to a discovery well in a prospect, and

WHEREAS: If PLGD does not choose to participate in drilling, it will
retain a 5% overriding royalty until it has recovered 150% of its costs
on the prospect, and

WHEREAS: PLGD will be contractually obligated to a minimum expenditure of
\$3.5 million and a maximum could reach \$35 million, and

WHEREAS: This filing will not increase rates to customers. The initial
filing will be an annual increase of \$231,000 or 0.003¢/therm to \$2.9 million
or 0.04¢/therm by 1980, and

WHEREAS: The Commission has approved six GEDA projects in the Cook Inlet
and now has one trillion cubic feet of gas committed to the Pacific
Alaska LNG project, and

WHEREAS: An additional 600 billion cubic feet are necessary to support deliveries of 200 MMcfd, and

WHEREAS: The staff has analyzed the joint venture, been to the Cook Inlet area, and recommends approval, and

WHEREAS: A public hearing is not necessary; therefore, good cause appearing

IT IS ORDERED that authority be granted pursuant to the provisions of Decisions Nos. 81898 and 85849 for Pacific Lighting Service Company and Southern California Gas Company to participate in the above project and to file for recovery of the associated cost-of-service

IT IS FURTHER ORDERED that the project letter be marked to show that it was accepted for filing under Resolution of the Public Utilities Commission of the State of California No. G-2033. The effective date of this Resolution is the date hereof.

I hereby certify that the foregoing Resolution was duly introduced, passed and adopted at a regular conference of the Public Utilities Commission of the State of California, held on the 15th day of February, 1977, the following Commissioners voting favorably thereon:

Acting Executive Director