

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

RESOLUTION NO. G-2216

Orig. and Copy  
to Executive Director

UTILITIES DIVISION  
BRANCH/SECTION: Gas  
DATE: May 16, 1978

R E S O L U T I O N

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Director
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Numerical File
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Alphabetical File
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Accounting Officer

SUBJECT: Gas Exploration and Development Adjustment (GEDA) Project  
Letter No. 78-D Filed for Approval Pursuant to Procedures  
Prescribed by Decision No. 88121.

WHEREAS: NATURAL GAS CORPORATION OF CALIFORNIA AND PACIFIC GAS AND ELECTRIC COMPANY by GEDA Project letter No. 78-D filed March 29, 1978, have requested approval of gas exploration and development activities in the Lower Cook Inlet area of the Outer Continental Shelf (OCS) of Alaska under the following circumstances:

1. Applicant's request is for authority to acquire an interest in seven tracts in the OCS area of Cook Inlet and participate in the funding of three wells.
2. Under an agreement with Shell Oil Company (Shell), Natural Gas Corporation of California (NGC) is committed to an expenditure of \$47,615.95 for bonus money for a 1/3 share of one tract and \$1,000,000 to purchase portions of six other tracts in the OCS area of Cook Inlet. NGC also plans to spend \$2,250,000 in 1978 for seismic work and to participate in the drilling of one well and \$2,000,000 in 1979 to participate in two wells.
3. In return for the funds committed, NGC will acquire a 25% working interest in the first tract and the gas call on another 25%. In each of the six additional tracts NGC will acquire from a 1.25 to a 6.25% working interest.
4. The resulting 1978 cost of service is estimated at \$211,050 or 0.0028¢/therm.
5. The Commission has approved eight GEDA projects in the Cook Inlet area. An additional 0.6 trillion cubic feet is necessary to support Phase I (200 mmcf) of the PacAlaska LNG Project and another 1.6 trillion cubic feet for Phase II (400 mmcf).
6. We find that the request to participate in the funding of the above project should be granted and that a public hearing is not necessary, therefore, good cause appearing,

IT IS ORDERED that:

1. Authority be granted pursuant to the provisions of Decision No. 88121 for Natural Gas Corporation of California and Pacific Gas and Electric Company to participate in funding the above project.
2. The 1978 cost of service associated with the funding shall be accumulated and reflected in the next annual adjustment for under or over collections.
3. 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-2216. 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 16th day of May, 1978, the following Commissioners voting favorably thereon:

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Executive Director