

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:
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to Executive Director

RESOLUTION NO. G-2219

RESOLUTION

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

Director
Numerical File
Alphabetical File
Accounting Officer

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

WHEREAS: PACIFIC LIGHTING SERVICE COMPANY AND SOUTHERN CALIFORNIA GAS COMPANY by GEDA Project Letter No. 78-A filed February 23, 1978, have requested approval of gas exploration and development activities in the Cook Inlet area of South Alaska under the following circumstances:

1. Applicant's request is for authority to acquire certain options regarding future natural gas purchases and leasehold interests on Cook Inlet Region, Inc. (CIRI) lands in Cook Inlet. CIRI is an Alaskan native corporation.
2. Under an agreement with CIRI, Pacific Lighting Gas Development Company (PLGD) has agreed to pay \$2,200,000 in return for an exclusive option to enter into a Gas Purchase Agreement prior to July 1, 1982 for royalty gas from the Kenai field and all royalty or other interests from the Tyonek Prospect. All funds provided, with the possible exception of \$200,000, are refundable from future CIRI gas sales. Pending future negotiations, PLGD may also participate in the evaluation, exploration and development of 20,000 acres on the Kenai Peninsula which CIRI may acquire.
3. No working interest will be acquired by PLGD by this project. Working interests may subsequently be acquired depending on future negotiations.
4. The Commission has previously approved eight GEDA projects in the Cook Inlet area but additional reserves must be dedicated to support the PacAlaska LNG project. Decision No. 88121 specifically allows "advance payments or similar funding arrangements" on projects in Cook Inlet.
5. The resulting 1978 cost of service is estimated at \$214,000 or 0.003¢/therm.
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 Pacific Lighting Service Company and Southern California Gas Company to participate in the funding of 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-2219. The effect 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: