

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

RESOLUTION NO. G-2233

Orig. and Copy
to Executive Director

R E S O L U T I O N

UTILITIES DIVISION
BRANCH/SECTION: Gas
DATE: August 8, 1978

Director
Numerical File
Alphabetical File
Accounting Officer

SUBJECT: Gas Exploration and Development Adjustment (GEDA) Project
Letter No. 78-K 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-K filed July 11, 1978 have requested approval of gas exploration and development activities in the Sacramento Valley under the following circumstances:

1. Applicant's request is for authority to participate in the funding of exploration and development activities of Texaco, Inc. (Texaco) on five prospects in the Sacramento Valley.

2. Under the agreement with Texaco, Natural Gas Corporation of California (NGC) is committed to provide a maximum of \$3,164,000 in 1978 and \$974,000 in 1979 for the drilling of eight wells.

3. In return for the funds committed, NGC will earn a 50% working interest after payout in each prospect to the depth drilled and a call on Texaco's share of the gas. Prior to payout NGC is entitled to recover the drilling costs from each producing well and portions of the costs of the unsuccessful wells from 75% of the gross revenue from each prospect.

4. The resulting cost of service is estimated at \$51,841 or 0.0007 ¢/therm in 1978 with a maximum of \$359,972 or 0.005¢/therm in 1980.

5. 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-2233. 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 8th day of August, 1978, the following Commissioners voting favorably thereon: