

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Copy for:

RESOLUTION NO. G-2299

Orig. and Copy  
\_\_\_\_\_ to Executive Director

## R E S O L U T I O N

UTILITIES DIVISION  
BRANCH/SECTION: Gas  
DATE: August 28, 1979

\_\_\_\_\_ Director  
\_\_\_\_\_ Numerical File  
\_\_\_\_\_ Alphabetical File  
\_\_\_\_\_ Accounting Officer

SUBJECT: Equalization of Gas Exploration and Development (GEDA) Costs in the Cook Inlet Area of South Alaska. GEDA Project Letter No. 79-B.

WHEREAS: PACIFIC GAS AND ELECTRIC COMPANY (PG&E) and NATURAL GAS CORPORATION OF CALIFORNIA (NGC) by GEDA Project Letter No. 79-B, filed July 11, 1979, have requested approval of revised GEDA funding arrangements in the Cook Inlet Area of South Alaska under the following circumstances:

1. NGC and Pacific Lighting Gas Development Company (PLGD), an affiliate of Southern California Gas Company (SoCal), propose the formation of an exploration partnership in order to pursue future GEDA projects in the Cook Inlet Area on a joint basis and to equalize the costs of NGC and PLGD in GEDA projects previously authorized by the Commission.
2. Under the terms of the partnership NGC will be obligated to contribute 100% of the funding of Commission authorized projects until NGC and PLGD costs are equalized. The NGC gross expenditures on presently authorized PLGD projects required to affect equalization is estimated at \$36.5 million dollars over the next three years.
3. The resulting maximum increase in PG&E's annual cost of service is estimated to be \$2,302,000 or 0.03 cents per therm, which will be reached in 1981. SoCal's prospective GEDA cost of service will, consequently, be equivalently reduced.

WHEREAS: Decision No. 88121, in Case No. 10056 indicated that all GEDA projects should be undertaken as joint ventures whenever two or more utilities have a common interest in the energy resource involved, and

WHEREAS: We find that the request to revise the funding arrangements for Cook Inlet projects 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 PG&E and NGC to fund presently authorized PLGD GEDA projects until the costs of NGC and PLGD in the Cook Inlet area are equalized and, thereafter, to pursue Cook Inlet GEDA projects on a joint basis under a partnership agreement.
2. Revisions to the SoCal and PG&E cost of service associated with the revised funding arrangements shall be accumulated and reflected in subsequent annual rate adjustments for under- or over-collections.
3. PG&E Project Letter No. 79-B be marked to show that it was accepted for filing under Resolution of the Public Utilities Commission of the State of California No. G-2299. The effective date of the 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 28th day of August, 1979, the following Commissioners voting favorably thereon:

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- 1. NGC and Pacific Lighting Gas Development Company (PLGD), an affiliate of Southern California Gas Company (SoCal), propose the formation of an exploration partnership in order to pursue future GEDA projects in the Cook Inlet Area on a joint basis and to equalize the costs of NGC and PLGD in GEDA projects previously authorized by the Commission.
- 2. Under the terms of the partnership NGC will be obligated to contribute 100% of the funding of Commission authorized projects until NGC and PLGD costs are equalized. The NGC gross expenditures on presently authorized PLGD projects required to affect equalization is estimated at \$36.5 million dollars over the next three years.
- 3. The resulting maximum increase in PG&E's annual cost of service is estimated to be \$2,302,000 or 0.03 cents per therm, which will be reached in 1981. SoCal's prospective GEDA cost of service will, consequently, be equivalently reduced.

WHEREAS: Decision No. 88121, in Case No. 10056 indicated that all GEDA projects should be undertaken as joint ventures whenever two or more utilities have a common interest in the energy resource involved, and

WHEREAS: We find that the request to revise the funding arrangements for Cook Inlet projects 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 PG&E and NGC to fund presently authorized PLGD GEDA projects until the costs of NGC and PLGD in the Cook Inlet area are equalized and, thereafter, to pursue Cook Inlet GEDA projects on a joint basis under a partnership agreement.
- 2. Revisions to the SoCal and PG&E cost of service associated with the revised funding arrangements shall be accumulated and reflected in subsequent annual rate adjustments for under- or over-collections.
- 3. PG&E Project Letter No. 79-B be marked to show that it was accepted for filing under Resolution of the Public Utilities Commission of the State of California No. G-2299. The effective date of the Resolution is the date hereof.

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SUBJECT: Equalization of Gas Exploration and Development (GEDA) Costs in the Cook Inlet Area of South Alaska. GEDA Project Letter No. 79-B.

WHEREAS: PACIFIC GAS AND ELECTRIC COMPANY (PG&E) and NATURAL GAS CORPORATION OF CALIFORNIA (NGC) by GEDA Project Letter No. 79-B, filed July 18, 1979, have requested approval of revised GEDA funding arrangements in the Cook Inlet Area of South Alaska under the following circumstances:

1. NGC and Pacific Lighting Gas Development Company (PLGD), an affiliate of Southern California Gas Company (SoCal), propose the formation of an exploration partnership in order to pursue any future GEDA projects in the Cook Inlet Area on a joint basis and to equalize the gross expenditures of NGC and PLGD in GEDA projects previously authorized by the Commission.
2. Under the terms of the partnership NGC will be obligated to contribute 100% of the funding of Commission authorized projects until NGC and PLGD gross expenditures are equalized. The NGC gross expenditures on presently authorized PLGD projects required to affect equalization is estimated at \$36.5 million dollars over the next three years.
3. The resulting maximum increase in PG&E's annual cost of service is estimated to be \$2,302,000 or .003 cents per therm, which will be reached in 1981. SoCal's prospective GEDA cost of service will, consequently, be equivalently reduced.

WHEREAS: Decision No. 88121, in Case No. 10056 indicates that all GEDA projects should be undertaken as joint ventures whenever two or more utilities have a common interest in the energy resource involved, and

WHEREAS: We find that the request to revise the funding arrangements for Cook Inlet projects 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 PG&E and NGC to fund presently authorized PLGD GEDA projects until the gross expenditures of NGC and PLGD in the Cook Inlet area are equalized and to pursue any authorized additional Cook Inlet GEDA projects on a joint basis under a partnership agreement.
2. Revisions to the SoCal and PG&E cost of service associated with the revised funding arrangements shall be accumulated and reflected in subsequent annual rate adjustments for under- or over-collections.
3. PG&E Project Letter No. 79-B be marked to show that it was accepted for filing under Resolution of the Public Utilities Commission of the State of California No. G-2299. The effective date of the Resolution is the date hereof.

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