

REG-PREAMBLE, FERCSR 1977-1981 ¶30,090, **Dockets Nos. RM79-19 and RM79-12; Orders Nos. 45 and 31-A), October 19, 1979, 18 CFR 2, 18 CFR 271, 44 FR 61327**

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44 F. R. 61327 (October 25, 1979)

18 CFR Parts 2 and 271

[Dockets Nos. RM79-19 and RM79-12; Orders Nos. 45 and 31-A)

Treatment of Certain Production-Related Costs for Natural Gas To Be Sold and Transported Through the Alaska Natural Gas Transportation System; Statement of Policy; Order Granting Rehearing for the Purpose of Further Consideration and Order Staying Effective Dates

Issued October 19, 1979.

AGENCY: Federal Energy Regulatory Commission, DOE.

ACTION: Order staying effective dates.

SUMMARY: On August 24, 1979 the Commission issued two orders, both to be effective on October 23, 1979. The first, Order No. 45 (issued under Docket No. RM79-19) (44 FR 51554, September 4, 1979) amended Commission regulations under the Natural Gas Policy Act and

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provided a policy statement under the Natural Gas Act. Both regulations and policy statement addressed the issue of producer responsibility for production-related costs incurred in first sales of natural gas produced at Prudhoe Bay, Alaska for transport through the Alaska Natural Gas Transportation System. The second, [Order No. 31-A](#) (issued under [Docket No. RM79-12](#)) (44 FR 41681, September 4, 1979) implemented the policy of [Order No. 45](#). Petitions to rehear both orders have been received. In addition, the Secretary of Energy has requested rehearing to permit certain actions by the Department of Energy which will relate to [Order No. 45](#). For these reasons, the effective date of both orders is stayed.

DATE: Effective dates of Order No. 45 and Order No. 31-A stayed until December 5, 1979.

FOR FURTHER INFORMATION CONTACT: John Conway, Office of the General Counsel, Federal Energy Regulatory Commission, Room 8100K, 825 North Capitol Street, NE., Washington, D.C. 20426, (202) 357-8150.

SUPPLEMENTARY INFORMATION:

Treatment of certain production-related costs for natural gas to be sold and transported through the Alaska Natural Gas Transportation system, [Docket No. RM79-19](#); Determination of incentive rate of return, tariff and related issues, Docket No. R78-12.

On September 21, 1979, the Atlantic Richfield Company, the Sohio Natural Resources Company, and the Phillips Petroleum Company filed separate applications for rehearing of [Order No. 45](#), issued on

August 24, 1979, under [Docket No. RM79-19](#) and [Order No. 31-A](#) issued on August 24, 1979 under [Docket No. RM78-12](#). On September 24, 1979, the State of Alaska and the Exxon Corporation also filed separate applications for rehearing of [Order No. 45](#) and [Order No. 31-A](#). The applications for rehearing raise various issues regarding the lawfulness and appropriateness of the actions taken by the Commission in [Order No. 45](#) and [Order No. 31-A](#).

On October 15, 1979, The Commission was informed by letter from the Secretary of Energy, that the Secretary is holding discussions with North Slope producers for the purpose of involving them in the financing of the Alaska Natural Gas Transportation System (ANGTS). That letter stated that a formal filing by the Department of Energy reflecting the impact of producer financing commitments on [Order No. 45](#) will be made in [Docket No. RM79-19](#) and requested rehearing to reconsider [Order No. 45](#).

In response to the request of the Secretary of Energy and to conclude deliberations of the issues raised in the applications for rehearing, the Commission finds good cause to grant rehearing of Orders 45 and 31-A for the purpose of further consideration. Given the statutory directive of section 9(a) of the Alaska Natural Gas Transportation Act, 15 U.S.C. 719g(a), that actions necessary or related to the construction and initial operation of the ANGTS must be accomplished at the earliest practicable date, the Commission further finds it appropriate to stay the effective date of Ordering Paragraph (1) of [Order No. 45](#) and the effective date of Ordering Paragraph (B) of [Order No. 31-A](#) until a fixed date, December 5, 1979.¹

The Commission orders: (A) The applications for rehearing filed by Atlantic Richfield Company, Sohio Natural Resources Company, Phillips Petroleum Company, the State of Alaska, and Exxon Corporation are hereby granted for the limited purpose of further consideration. As provided by Section 1.34(d) of the Commissions's Regulations, no answer to the applications will be entertained by the Commission since this order does not grant rehearing on any substantive issues.

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(B) Ordering Paragraph (1) of [Order No. 45](#), issued August 24, 1979, under [Docket No. RM79-19](#) and Ordering Paragraph (B) of [Order No. 31-A](#), issued on August 24, 1979, under [Docket No. RM78-12](#) are stayed until December 5, 1979.

By the Commission.

Kenneth F. Plumb,

Secretary.

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¹ This order does not apply to Orders 31 and 31-B, issued under [Docket No. RM78-12](#). Orders 31 and 31-B are final orders not in effect.