

CALENDAR ITEM

25.

7/78
Thompson

REVIEW OF CURRENT CRUDE OIL PRICES AND THEIR
INTERRELATIONSHIP WITH 1978-1979 FISCAL YEAR
EXPENDITURES BY THE LONG BEACH UNIT

The 1978-1979 Plan of Development and Operations and Budget for the Long Beach Unit, as approved by the Commission at its April 1978 meeting, provided for projects and funding whose economic justification were based on two prospective actions: (1) that the Federal Department of Energy would eliminate the pricing bias against California low gravity crude oils created within the federal entitlements program, and (2) that this action would be followed by payment of ceiling prices for crude oil produced from the Long Beach Unit. Additionally, the Commission directed the staff and the City of the Long Beach to present at its June 1978 meeting a review of current crude oil pricing and its inter-relationship with the 1978-1979 Plan and Budget, along with any recommended modifications of the Plan and Budget.

At the June 22, 1978 Commission meeting the staff presented a review of new D.O.E regulations which could eliminate the crude oil pricing bias. The Commission requested that a further review of crude oil pricing be presented at its July meeting.

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