Alaska Natural Gas Pipeline Proposals (North Slope to Market)
Chronology of Events: 1984-
by Betty Galbraith
7/15/09

March 7, 1984
The Joint Oil and Gas Committee met to receive briefings on the status of transporting and marketing North slope natural gas. Yukon Pacific Corporation's TAGS project for exporting gas to Pacific Rim countries was discussed as an alternative to ANGTS.

March 10, 1984
Legislative digest: A Forecast and Review reported that testimony before the Alaska Joint House-Senate Oil and Gas Committees indicated that natural gas markets in the U.S. and elsewhere would have to improve substantially before financing of the gas pipeline could be financed.

Dec 15, 1984
The Federal Energy Regulatory Commission issued an order conditionally approving an extension of the importation of natural gas from Canada for another 4 year period.

April 3, 1986
HCR 8 encouraging the Governor to consider a gas pipeline from the North Slope to Fairbanks with spurs to other communities as an alternative to other energy proposals, passed to become Alaska Legislative Resolve 36.

Nov 1, 1986
The Bureau of Land Management published a notice in the Federal Register, of their intent to prepare an environmental impact statement for the TAGS pipeline proposal.

Dec 5, 1986
Yukon Pacific Corporation issued its Trans-Alaska Gas System Project Description. The project involved a pipeline to transport North Slope gas to tidewater, a facility in the Valdez area to liquefy the gas for ocean transport to Asia. The project would be phased in over a period of years.

Dec 5, 1986
Yukon Pacific Corporation filed an application with the Bureau of Land Management and the Army Corps of Engineers to construct a large diameter pipeline between Prudhoe Bay and Anderson Bay (Valdez) to export LNG. The application, including downstream liquefaction and transportation Facilities was collectively known as the Trans-Alaska Gas System (TAGS) Project.

Dec 8-13, 1986
The Bureau of Land Management and Corps of Engineers held public hearings in Alaska, to gather information on environmental issues and concerns about the TAGS pipeline project. A scoping report was published containing information from these meetings in February 1987.
Dec 18, 1986  Yukon Pacific filed a petition with the Federal Energy Regulatory Commission for a declaratory order in Docket no. GP87-16-000 on whether the Natural Gas Act gave the Commission jurisdiction over the TAGS Project.

Feb 9, 1987  The Alaska State Senate established a Special Committee on Oil and Gas with passage of CSSR 4, which became Senate Resolve 3.

March 1987  The Bureau of Land Management and Army Corps of Engineers released a preliminary draft environmental impact statement for the Trans-Alaska Gas System (TAGS) for agency review.

May 15, 1987  The Alaska Senate Resolution SR 22 supporting environmentally sound development and construction of a natural gas pipeline was signed by the governor, to become Senate Resolve 14. A copy of the Resolve was sent to President Reagan, Northwest Alaskan Pipeline Co., the Yukon Pacific Corporation, and ambassadors of pacific rim countries that would be interested in purchasing the gas.

May 27, 1987  The Federal Energy Regulatory Commission determined that it had authority to approve or disapprove the place of export for the Yukon Pacific LNG Project. It declined at that time to exercise any discretionary authority to regulate siting, construction, and operation of the pipeline.

June 5, 1987  The Bureau of Land Management requested the Federal Energy Regulatory Commission to participate in the environmental impact statement of the entire TAGS project, as a cooperating agency. FERC agreed.

June 10, 1987  The gas pipeline right of way leasing bill (SB 108, HCS CSSB 108 L & C) was signed by the Governor. It became effective September 8, 1987. This bill set conditions under which the Alaska Department of Natural Resources could issue provisional right-of-way for the TAGS pipeline.


Oct 28, 1987  Alaska's governor issued Administrative Order 104. The order was to establish a management system for oversight of the Trans-Alaska Gas System (TAGS) including designating the lead agency, and procedures for processing and adjudicating Yukon Pacific Corporation's application for a common carrier pipeline right-of-way lease. It defined responsibilities of state agencies and procedures for processing the right-of-way lease and
monitoring preconstruction, construction, operations, closure and rehabilitation of TAGS. This management system was to also encompass activities of Northwest Alaskan Pipeline Company in regard to its pipeline proposal.

Dec 3, 1987  Yukon Pacific Corporation filed an application with the Economic Regulatory Administration of the Department of Energy for authority to export up to 14 million metric tons of LNG annually for 25 years, to Japan, South Korea and Taiwan.

Jan 12, 1988  A Presidential Finding was issued which determined that the effects of the proposed Yukon Pacific Corporation exports of LNG would not hinder the completion of the Alaska Natural Gas Transportation System (ANGTS).

Feb 11, 1988  SB 417 was introduced in the Alaska Senate. The act would have amended the Alaska Power Authority Act to allow for a railbelt gasline project. SB 418 was introduced in the Alaska Senate providing an appropriation for construction of the railbelt gasline project. Both bills never left committee.

March 2, 1988  A bill to provide gas pipeline construction incentive by reducing property tax, HB 241 (CSHB 421 L/C) was introduced in the Alaska State Legislature. The bill would lower overhead for construction of the proposed Yukon-Pacific gasline from Prudhoe to Valdez. The company got right-of-way cleared by the project under SB 108 Jun 1987.

June 1988  Trans-Alaska Gas System Final Environmental Impact Statement by the Bureau of Land Management and U.S. Army Corps of Engineers was published.

Oct 17, 1988  The Department of Interior issued a grant of right-of-way to Yukon Pacific Corporation for the Trans-Alaska Gas System. The right-of-way was for the construction, operation, and termination of a 36" gas transportation pipeline from Prudhoe Bay to Valdez. The ROW will expire October 17, 2018.

Jan 1989  The Alaska Power Authority issued a study by Stone & Webster Engineering on the costs and environmental impacts of a natural gas pipeline from Cook Inlet Alaska to deliver gas to Fairbanks. Railbelt Intertie Reconnaissance Study Volume 10: Estimated Costs and Environmental Impacts of a Natural Gas Pipeline System Linking Fairbanks with Cook Inlet Area

Jan 27 1989  The Alaska State Senate established a Special Committee on Oil and Gas with passage of SR 4, which became Senate Resolve 4.
Jan 24, 1989  The Department of Energy Economic Regulatory Administration held an
informal hearing, Yukon Pacific Corporation ERA Docket 87-68-LNG. The
informal proceeding included presentations by Alaskan Northwest
Natural Gas Transportation Co. and Foothills Pipelines, Ltd, backers of
the Trans-Canada pipeline, and Yukon-Pacific, backer on the all-Alaska
LNG proposal, and other interest parties. Alaska State AG Bob Maynard
testified that the federal Alaska Natural Gas Transportation Act,
authorizing the Trans-Canada gas project, did not preclude an alternative
pipeline. The State felt that both projects could ultimately be built, but felt
the market should decide which of the two went first. Northwest Alaskan
Pipeline Company maintained that there was not enough gas to support
both pipeline proposals. They also maintained that the gas would be
needed in the U.S. in the future.

Nov 16, 1989  The Department of Energy issued Order no. 350 which granted
conditional authorization to the Yukon Pacific Corporation to export
liquefied natural gas from the North Slope to the Asian market.

Dec 15, 1989  Alaskan Northwest Natural Gas Transportation Company filed a request
for rehearing on Department of Energy Order 350. They maintained that
Department of Energy's export authorization contravened explicit and
implicit ANGTA mandates.

July 27, 1990  The Alaska Senate's act establishing a task force to continue state
initiatives for development of a Trans-Alaska natural gas pipeline was
signed into law, with an effective date of December 15, 1990. The act
would be repealed February 1, 1992. SB 434

Aug 22, 1990  Alaska's governor issued Administrative Order 121. This order established
a state Pipeline Coordinator's Office within the Department of Natural
Resources. Prior to that it had been part of the Governor's Office.

Oct 1990  Michael J. Bayer was appointed Federal Inspector for the Alaska Natural
Gas Pipeline System. He held the post till April 1992.

Feb 4, 1991  The Alaska State Senate established a Special Committee on Oil and Gas
with passage of SR 1, which became Senate Resolve 1.

Feb 5, 1991  The Alaska State House of Representatives established a Special
Committee on Oil and Gas with passage of HR 1, which became House
Resolve 1.

April 3, 1992  Legislative digest: An Inside View of Alaska Policy reported that Governor
Walter Hickel announced that he was moving Natural Resources
Commissioner Harold Heinze to be point-man for getting the all-Alaska
gas pipeline project going.
May 19-26, 1992  The Federal Energy Regulatory Commission held meetings on environmental issues related to the Trans-Alaska Gas Pipeline LNG plant siting at Anderson Bay in Port Valdez.

June 11, 1992  Alaska House Bill HB 557 (CSHB 557 RES) was signed into law. It exempted production facilities and terminal facilities that were used only for production, compression, transportation, or storage of natural gas from preparation of discharge prevention and contingency plans. This would be a cost savings for the TAGS project.

Jan 21, 1993  Yukon Pacific Corporation submitted an amendment to the Trans-Alaska Gas System (TAGS) right of way lease (BLM serial number AA053559 and FF083941) for a large diameter pipeline. They requested a change from 36" to 42".

Jan 27, 1993  The Alaska State House established a Special Committee on Oil and Gas with passage of HR 4, which became House Resolve 4.

Jan 27, 1993  The Alaska State Senate established a Special Committee on Oil and Gas with passage of SR 1, which became Senate Resolve 1.

Feb 8, 1993  SB 104 was introduced in the Alaska Senate. The bill would have amended the manner of determining the royalty received by the state on gas production and determining the value of that gas. The bill never made it out of committee. A similar Bill had been submitted to the State House February 3rd. That bill became law July 21st. (HB 116)

April 15, 1993  Alaska's governor issued Administrative order 134. The order established The State Pipeline Coordinator's Office as the oversight coordinator for TAPS, ANGTS, TAGS, and the Mackenzie-Porcupine Project, and the MAPCO project, and other common carrier pipelines.

May 1993  The Federal Energy Regulatory Commission issued draft environmental impact statement on the Yukon Pacific Corporation project. This EIS covered the construction and operation of facilities to liquefy natural gas at Anderson Bay, Port Valdez Alaska, and to transfer the LNG to tankers for export. (CP88-105-000, CP88-105-001)  Yukon Pacific LNG Project: Draft Environmental Impact Statement

June 8, 1983  Meetings were held to take comments on the draft environmental impact statement on the Yukon Pacific Corporation project LNG Port Anderson facilities.

July 21, 1993  HB 116 was signed into law. This act amended the manner of determining the royalty received by the State on gas production and determining the
value of that gas. The bill’s effective date was retroactive to January 3, 1959. (CSHB 116 Fin am)

July 21, 1993 Alaska’s Legislative Resolve 18 was signed by the Governor. This resolve stated that the Legislature supported and endorsed the Governor’s efforts to sell the majority of Alaska’s royalty gas worldwide, under long-term contracts. (HCR 19, Legislative Resolve 18)

Feb 1995 Alaska’s Governor Knowles issued Administrative Order 152 creating the Oil and Gas Policy Council. The Council’s mission was to recommend courses of action and develop a policy framework to maximize the long term benefits of Alaska’s oil and gas resources, while ensuring fiscal and environmental responsibility. This order was revoked in January of 2001.


April 10, 1995 The Alaska State House established a Special Committee on Oil and Gas with passage of HR 6, which became House Resolve 5.

May 16, 1995 The U.S. Senate voted to lift the 23 year ban on exporting Alaskan North Slope oil to foreign purchasers.

Nov 8, 1995 The U.S. House of Representatives voted to end the ban on exporting Alaskan North Slope oil. President Clinton signed the law November 28, 1995.

Jan 29, 1996 Yukon Pacific Corporation presented a briefing on the Alaska Natural Gas Project to the Alaska Senate Resources Committee.

Feb 1996 The Oil and Gas Policy Council issued its first report to Alaska’s Governor. This report looked at possible changes to the State’s petroleum fiscal system and at its health, safety and environmental regulations to improve Alaska’s global competitiveness for oil and gas development. The report recommended that the State modify its petroleum fiscal plan to one less risk-averse for new discoveries and new investment. The Council stated that it was in the public interest for changes to be made in the State’s fiscal, leasing and regulatory systems. They felt that the benefits would outweigh the risks.

Feb 2, 1996 Legislative digest: An Inside View of Alaska Policy reported that Yukon Pacific Corporation, the major Alaska North Slope natural gas owners, and
the State of Alaska came together before several legislative committees to talk about development of a pipeline. Involved in the hearings were the Senate Resource Committee, The House Resource Committee and the House Special Committee on Oil and Gas.

April 18, 1996  
HJR 54 was introduced in the Alaska House of Representatives, urging North Slope producers to sell their gas, and expressing legislative support for a TAGS gas pipeline. It also asked the U.S. President and Alaska’s Governor to publicly support and help expedite the TAGS pipeline. The House Joint Resolution 54 Working Group was appointed to do the work. SCS CSHJR 54 res. Legislative Resolve 46.

June 24, 1996  
The House Joint Resolution 54 Working Group held legislative hearings on the status of a potential Alaskan LNG project. The first of these hearings was on the CS First Boston Report. Further hearings were held September 10, 1996, and January 22, 1997, with a final publication coming out after the final hearing.

June 24, 1996  
CS First Boston issued its report on the financial feasibility of the Trans-Alaska Gas System (TAGS) proposal as set forth by Yukon Pacific Corporation. Their analysis indicated that the project was financeable and would be profitable enough to satisfy all stakeholders.

Sept 10, 1996  
The House Joint Resolution 54 Working Group held hearings to receive updates from the North Slope gas owners and Yukon Pacific Corporation.

Dec 18, 1996  
The House Joint Resolution 54 Working Group held a hearing to receive updates from the Alaska Department of Natural Resources and the Alaska Department of Revenue, and responding comments from the Yukon Pacific Corporation and the North Slope leaseholders (Arco, Exxon and BP)

Jan 1997  
Report To The Legislature: The North Slope To Valdez Gas Pipeline/LNG Project was presented to the Alaska State Legislature, House of Representatives. Pursuant to HJR 54 the report was prepared by the House Joint Resolution 54 Working Group. The group reported that an Alaskan LNG project was not economically attractive investment at that time. The working group recommended that the Legislature adopt a resolution expressing its support for the TAGS pipeline and request the governor to identify fiscal terms and definitions that would facilitate advancement of an Alaskan LNG project, and negotiate a contract with North Slope gas leaseholders.

Jan 22 1997  
Alaska's Interim Task Force on the Gas Pipeline sometimes called the House Joint Resolution 54 Working Group, held hearings Jan 22, 1997, and then handed off the issue to the regular legislative structure.
Jan 31, 1997  Legislative digest: An Inside View of Alaska Policy reported that declining gas reserves in the Cook Inlet area had led to serious discussion of a spur pipeline from the North Slope natural gas pipeline to deliver natural gas to Southcentral Alaska.

Feb 12, 1997  Pedro Van Meurs of Van Meurs & Associates released his review of the status of Alaska fiscal terms applicable to a possible LNG project to the Alaska State Legislature. The project was economically submarginal, but economics could be improved if costs could be lowered. The study looked at the fiscal relationships between host governments and major LNG projects worldwide, and offered a menu of options to improve financeability of this pipeline. He suggested that a back-end load of taxes might be result in a better financeability. He pointed out that both state and municipalities could reduce property taxes, and the State could offer other forms of tax relief, in order to improve the project economics. Direct state investment in the project was also offered as a possibility. Suggestions for new terms for the Alaska North Slope LNG project: background report and Executive Summary.

March 14, 1997  HCR 1 had passed both the Alaska House and Senate to become Legislative Resolve #2. It urged state and federal governments, oil producers and others to work cooperatively to develop a stable fiscal and regulatory environment for a pipeline company to bring North Slope natural gas to tidewater at Valdez for sale in Asian markets. The resolution also gave the administration sanction to negotiate special fiscal terms for the project.

March 14, 1997  The Alaska State House established a Special Committee on Oil and Gas with passage of HR 6, which became House Resolve 5.

March 14, 1997  A bill was introduced in Alaska State Senate to establish a North Slope Gas Commercialization Team to develop recommendations regarding a North Slope gas project. House Bill 250 to do the same was introduced the same day.

March 21, 1997  Legislative digest: An Inside View of Alaska Policy reported that Alaska's Governor Knowles, signed memorandums of understanding with Yukon Pacific Corporation, and the gas producers which lay out the groundwork for how the State would work with respective parties in negotiating possible changed fiscal terms of the all-Alaska pipeline project.

April 10, 1997  The Alaska House Special Committee on Oil and Gas held a hearing on Trans-Alaska Gas pipeline issues.
July 10, 1997

Alaska House Joint Resolution 35 was signed, requesting the U.S. Congress to enact tax legislation that would improve the economics of an Alaska LNG project. Legislative Resolve 38.

July 10, 1997

Alaska House Bill 250 was signed into law, establishing a North Slope Gas Commercialization Team to develop recommendations regarding a North Slope gas project. The team's assignment was to research and recommend changes to Alaska State law, in particular, the state tax and royalty structure on natural gas, and improve the economic feasibility of a North Slope gas project. The team was made up of Alaska Governor Knowles' cabinet members. The final report was to be delivered to the Legislature by January 12, 1998. HB 250

Sept 16, 1997

Legislative digest: An Inside View of Alaska Policy reported that consultants to the State of Alaska had stated that federal taxes imposed a more serious economic impediment to the gas pipeline competitiveness than state and local taxes.

Sept 19, 1997

At meetings with the State, municipalities that a pipeline might pass through voiced their concern about state plans to relieve the gas pipeline of local tax burdens in an effort to assist in relieving the financial burden and getting pipeline construction under way.

Jan 7, 1998

The Alaska North Slope Gas Commercialization Team issued its report to the Governor. The report stated that the North Slope to tidewater pipeline appeared to be the most promising option. It noted that changes in State and Federal Law would be needed for the pipeline company to compete in Asian markets. The committee offered a list of state and local municipality changes that would be appropriate to assist the project, but cautioned that it would be prudent to wait and see how the project structure formed before designing and negotiating a detailed fiscal system for the project. The Alaska Legislative Digest reported that none of the combined tax breaks, local and state and federal, would move the project over a 11.7% rate of return. This was below the consultants recommendation that a 12% plus return was needed to place the Alaska project in the same arena with other projects competing for the Asian LNG markets.

Jan 10, 1998

Alaska Legislative Digest reported that they had requested that more scenarios be run against the Gas Commercialization Team economic model. They reported that the only combination that produced a rate of return well over 12% was based on the following assumptions: 1) conversion of state taxes, royalties into profit participation; 2) no municipal taxes, industry pay annual "in Lieu" tax payments; 3) federal tax modifications (depreciation, etc.); 4) project costs reduced to $10 billion (it was $15 billion in 1998); 5) startup in 2010 to minimize losses to oil production.
Jan 29, 1998  Mayors of municipalities along the route of the proposed gas pipeline route presented a plan to the House Oil and Gas Committee for a five-year waiver of property taxes in return for equity participation in the project equal to the dollar value of the forgone taxes. They were very concerned that the State would offer up their taxes in a deal, without their approval.

Feb 10 1998  A bill was introduced in the Alaska Senate to make the fiscal climate better for bringing "stranded gas" to market. It would have allowed contracts with the State establishing payments in lieu of other taxes for projects to develop stranded gas. The bill never made it out of committee.

SB 288

Feb 11, 1998  A bill was introduced in the Alaska House of Representatives to make the fiscal climate better for bringing "stranded gas" to market. HB 393

Feb 19-26, 1998  The Alaska House Oil and Gas Committee held hearings on the governor's "stranded gas" legislation, HB 393.

April 17, 1998  Alaska House Bill 393, the Stranded Gas Development Act, passed in the Alaska House of Representatives.

May 12, 1998  The Stranded Gas Development Act passed in the Alaskan Senate, on reconsideration.

July 15, 1998  Alaska House bill 393 was signed into law. The bill was to reduce front end financial risk for a company building a gas pipeline by allowing the Commissioner the flexibility to set up a payment contract with the company rather than the existing tax and royalty schedules. It allowed the State to take royalty in kind or in value. It also created a Municipal Advisory Group for each proposal which would include one member appointed by the mayor of each impacted municipality. Only pipelines with an LNG export project were covered. This was called the stranded gas bill. It was also called the Stranded Gas Development Act. It was scheduled to expire in 2003, but was then extended to March 31, 2005. The act was allowed to expire in 2005. SCS CSHB 393 FIN

March 26, 1999  *Alaska Legislative Digest* reported that Fairbanks Representative Jim Whitaker would introduce legislation for a study of merits of the State building and owning a trans-Alaska gas pipeline and liquefied natural gas plant. It noted that the advantage of the scheme was that state ownership would exempt the project from federal taxes, a key impediment to the project's economics. The project would be financed with revenue bonds. (HB 170) A hearing was held April 29. Mayors of the pipeline boroughs were talking about an amendment to HB 170 that would split off 25% of
the State's net revenues from to project to be shared among the local governments.

March 31, 1999  HB 170 was introduced. The bill never made it out of committee

April 1999  BP announced plans to acquire Atlantic Richfield Co. (ARCO.) The merger was successful, but the Federal Trade commission required that the ARCO assets in Alaska be divested to Phillips Petroleum.

Oct 1999  The Alaska Gasline Port Authority was created. It was formed by the City of Valdez and the Fairbanks North Star Borough, and the North Slope Borough. Their goal was to build a pipeline from Prudhoe Bay to tidewater. The Authority would own the pipeline, but would contract for its construction.

Nov 1999  Cambridge Research Associates' White Paper: Alaskan Natural Gas prepared for BP Exploration stated that neither LNG nor the pipeline export alternative involving large volumes of gas could be in place for 5-7 years after a commercially feasible plan was decided on.

Jan 8, 2000  *Alaska Legislative Digest* gave an overview of natural gas issues the legislature was dealing with. The Alaska North Slope LNG Project led by ARCO Alaska Inc. was to submit an application to the state administration requesting modified fiscal terms. A state law enacted 2 years before allowed LNG project sponsors to negotiate a special contract providing for changed terms on state an local taxes. The application would go to the State Department of Revenue, and a negotiation process of 2 years was expected. The industry group would seek legislation that spring to change the state's regulatory framework on a gas pipeline and LNG project. The current law treated gas pipelines as common carriers, and provided no way for the project sponsors to guarantee delivery of a contracted volume of LNG to customers because others could demand access and capacity in the system. LNG contracts are long-term and must guarantee delivery of contracted volumes. But this was a sensitive issue because communities in Alaska wanted to make sure they could buy gas and transport it through the pipeline. Also local developers were planning industrial facilities that need to use natural gas.

Jan 14, 2000  Alaska Senate Bill 290 was introduced to amend state laws concerning natural gas pipelines. The aim of the bill was to remove a natural gas pipeline and LNG facility from the common carrier laws, thus allowing long term LNG supply contracts. This bill became law August 9, 2000.

Jan 15, 2000  *Alaska Legislative Digest* reported that Anchorage Representative Eric Croft planned to introduce legislation that week that would return the State to a separate accounting system for oil and gas income taxes. The State
lost $4.6 billion in tax revenues since separate accounting was repealed in 1981, in favor of the modified apportionment system. Croft maintained that a separate accounting would be more fair and accurate.

Jan 21, 2000 Alaska Legislative Digest reported that HB 290 had been introduced. The bill retained the common carrier requirement for intra-state gas shipments, but export shipments would be exempted from the state law. This would allow the owners of the gas system to guarantee delivery of gas to overseas customers. Those shipments would still be regulated by the U.S. Department of Energy. Hearings were scheduled before the House Oil and Gas Committee on Jan 27, 2000.

Jan 27, 2000 Alaska SB 226 was introduced. "An Act relating to stranded gas pipeline carrier and to the intrastate regulation by the Regulatory Commission of Alaska of pipelines and pipeline facilities of stranded gas pipeline carriers." The bill never got out of committee.

Feb 16, 2000 Called the Alaska Natural Gas Pipeline Incentive Act, HB 399 was introduced to levy and collect advalorem tax on North Slope natural gas in place. The bill never got out of committee.

Feb 25, 2000 HB 421 was introduced in the Alaska House of Representatives. The act was called the Stranded Gas Development Project, and was to amend standards applicable to determining if a new investment constituted a qualified project under the Alaska Stranded Gas Development Act. The bill never made it out of committee.

July 14, 2000 Alaska HB 290 was signed into law. The short title of the bill was "Stranded Gas Pipeline Carriers." Under this law a North Slope Natural gas pipeline was required to operate as a common carrier only with respect to intrastate transportation of North Slope natural gas. It would not be required to operate as a common carrier for its liquefied natural gas facility or marine terminal facility.

Sept 14, 2000 The Senate Committee on Energy and Natural Resources held an oversight hearing: "Transportation of Alaska North Slope Natural Gas To Market and to Investigate the Cost, Environmental Impacts and Energy Security Implications to Alaska and the Rest of the Nation for Alternative Routes and Projects". Foothills Pipe Lines Ltd. presented testimony that the ANGTS project that held permits and right of ways for the pipeline was still active, and resuming work on the ANGTS pipeline. The president of Exxon Mobil Production Co. testified that Exxon was evaluating ways to deliver Prudhoe Bay gas to the U.S. and internationally. Arctic Resources Company (ARC) pitched their Over-the-Top Pipeline, from Prudhoe Bay through the Mackenzie Valley and to market. They pointed out that this route would cost less, and have a advantage of a lower tariff. ARC
planned to place project ownership into the hands of Alaska Municipal Utilities and Canadian First Nation Groups. Hoglund argued that this ownership structure would make the pipeline tax exempt in both countries, thus lowering the operating costs.

October 2000
BP Exploration released their report "Alaska Natural Gas Clean Energy for North America", commonly called the Juneau Report. This report described various proposals for constructing the North Slope gas pipeline.

Nov 2000
Alaska's Governor Tony Knowles said "My way is the highway," announcing his support for the route that would bring more construction and operations jobs to Alaskans. He said that he planned to ask the Legislature to amend the Stranded Gas Act to allow concessions or subsidies to oil and gas producers for any gas commercialization project, including a pipeline.

Jan 1, 2001
Alaska's Governor issued Administrative Order 187. The order named the commissioner of the Department of Natural Resources, through the commissioner's designee the state pipeline coordinator, as the coordinator of state permits, authorizations, and oversight activities for pipelines designed to transport natural gas from the Alaska North Slope to market. It also created a special Natural Gas Pipeline Cabinet.

Dec 6, 2000
Alaska's three major gas producers announced a joint work program to evaluate and move forward a North slope natural gas pipeline project. The project team, the North American Natural Gas Pipeline group, was commonly called the Producers Pipeline Group. They announced that they would evaluate 2 routes: the Alaska Highway Route, and the Over-the-Top Route. The over-the-top route considered both a near shore, and offshore pipeline buried under the Beaufort Sea.

Jan 8, 2001
HB 21 was introduced in the Alaska House of Representatives. The short title of the bill was "Route of Natural Gas Pipeline." The bill never made it out of committee.

Jan 8, 2001
HB 9 was introduced in the Alaska House. The bill intended to change the qualifications of projects under the Alaska Stranded Gas Development Act. The bill never made it out of committee.

Jan 17, 2001
HB 38 was introduced in the Alaska House. The bill was also intended to amend the application deadline and change the qualifications of projects under the Alaska Stranded Gas Development Act. The bill never made it out of committee.

Jan 18, 2001
The Federal Energy Regulatory Commission issued a 29-page report on ANGTA. FERC concluded that sponsors seeking federal authority to build
A gas pipeline from the North Slope might be able to file an entirely new application for an entirely new pipeline proposal under the Natural Gas Act.

Jan 19, 2001  HB 83 was introduced in the Alaska House of Representatives. The short title of the bill was "Natural Gas Resourced Development", and would have required the natural gas pipeline to be built large enough to meet foreseeable in-state demand for natural gas. The bill never made it out of committee.

Jan 24, 2001  Alaska's governor issued Administrative Order 188. The order established the Governor's Alaska Highway Natural Gas Policy Council, to bring together a broad spectrum of Alaskans to advise the Governor and the Alaska Highway Gas Pipeline Cabinet in determining how the state could best promote the Alaska highway North Slope natural gas pipeline project and maximize benefits for Alaskans. This order also amended Administrative Order no. 197, changing the name of the Gas Pipeline Cabinet to Alaska Highway Gas Pipeline Cabinet.

Jan 26, 2001  Governor Knowles announced the co-chairs of the Governor's Alaska Highway Natural Gas Policy Council as Frank Brown, former ARCO Sr. Vice President, and Jim Sampson, former mayor of Fairbanks North Star Borough. He announced the remaining 26 members of the Council on Feb 2, 2001.

Feb 6, 2001  In a presentation to the Alaska State Legislature, Foothills Pipe Lines Ltd. stated that Foothills and TransCanada Pipelines Ltd. were the last remaining members of Alaskan Northwest Natural Gas Transportation Co. and that the President's Decision on ANGTA was still in effect. They also stated that the FERC Certificate of Convenience and Necessity issued in 1977 had no expiration date, and the Department of Interior right-of-way over Federal lands was still in effect till 2010 with the option to renew. Alaskan Northwest had recently extended two Clean Water Act wetlands permits through 2007.

Feb 9, 2001  *Alaska Legislative Digest* tried to clarify the contradictory statements made by the three groups touting gas pipeline proposals. Yukon Pacific Co. told legislators that in their opinion north American gas markets were headed for a fall and the State would be better selling LNG in Asia, and that their cost estimates showed that Alaska gas could be delivered to Asia for less than current suppliers were charging. They said that the overland pipeline approved by the President would be locked into specific outdated terms. They also stated that gas pipelines from Alberta south were full, with no room for Alaska Gas. Foothills Pipe Line maintained that the ANGTA pipeline has already done much preparatory work, and received permits and authorizations which meant they could deliver gas faster.
Their system was flexible enough to handle changed conditions. They said that gas pipelines from Alberta south could easily handle new gas supplies by adding compression, and extra pipe at key points. They also reminded the Legislature that they were a real pipeline company delivering gas, not a paper company. The Producers group said that they were doing research to define the best pipeline route (across the arctic route or the highway route) from an economic standpoint.

Feb 16, 2001 Alaska Legislative Digest reported the that the governor's HB 38 would amend the Stranded Gas Act to allow other gas projects than LNG. It specifically mentioned overland pipelines to the continental U.S. and gas-to-liquids projects in addition to LNG as being qualified under law. It also would extend the law's sunset date from June 30, 2001 to December 31, 2001. Representative Joe Green introduced HB 9 to amend the Stranded Gas Act by removing the LNG qualification so that any project of any technology to commercialize gas would be eligible.

Feb 23, 2001 Alaska Legislative Digest reported that Foothills Pipe Lines Ltd, and its owners Trans-Canada and Westcoast Energy, told Senate Resources Committee (last week of July) that their study showed that an Arctic coastal pipeline route offshore ANWR was not cheaper than the Alaska Highway Pipeline or any of the other alternative over-the-top routes, and had considerably higher risks. They studied 3 alternative off-shore routes were reviewed: a near-shore route, a foreshore route, and an offshore route.

Feb 23, 2001 Alaska Legislative Digest reported that the Alaska Railroad and the Gas Producers had been talking about how the proposed project to extend the Alaska Railroad into Canada could be to the advantage of all. The Pipeline and the railroad could follow the same route, resulting in reduced expenses in the planning and construction phases. The only question was which project should be built first.

March 1, 2001 The Alaska Highway Natural Gas Policy Council began a series of hearings and public meetings around the state to gather constituent opinion. These meetings concluded October 31, 2001

March 6, 2001 HCR 8 was introduced in the Alaska House. The resolution expressed the legislature's opposition to the proposed "northern" or "over the top" route for deliver of natural gas to market. The resolution never made it out of committee.

June 7, 2001 Alaska SB 164 was passed. The Act prohibited leases under the right-of-way leasing act on any state land in or adjacent to the Beaufort Sea. The state legislature year end report stated that this effectively prohibited pipeline construction along the over-the-top pipeline route.
June 25, 2001  A bill was signed into law directing the commissioner of revenue to prepare a report to the legislature on state participation in, owning or financing a gas pipeline project. The act would only take effect after the 22nd State Legislature adopted a final version of Senate Concurrent Resolution 14, establishing a Joint Committee on Natural Gas Pipelines. SB 158

July 20, 2001  SB 143 was passed. The bill limited the State's financial risk in permitting proposed pipeline routes by allowing the State to collect fees for pre-application work performed when a pipeline right-of-way application was filed.

July 22, 2001  SCR 14 was signed by the Governor, establishing a Joint Committee on Natural Gas Pipelines to meet in the interim and study issues relating to a proposed gas pipeline and to consider what legislation should be proposed during the next legislative session. It became Legislative Resolve 32.

March 26, 2001  The Alaskan Northwest Natural Gas Transportation Company through its authorized agent Foothill Pipe Lines Alaska Inc, notified the State Pipeline Coordinator that it would like the State to resume processing its application for a right-of-way lease for ANGTS.

May 11, 2001  *Alaska Legislative Digest* reported that SB 76 had passed. It extended the state ROW leases from 10 years to 30 years.

Oct 31, 2001  *Alaska Legislative Digest* reported that the North Slope natural gas producers working on gas pipeline studies released a preliminary economic assessment showing that both a Alaska Highway and an over-the-top pipeline would be uneconomic.

Dec 21, 2001  Alaskan Northwest Natural Gas Pipeline Co. presented a commercial proposal to the North Slope producers to provide financing for the pipeline. The producers responded that this was a solid starting point for discussions. "Executive Summary of the Alaska Natural Gas Transportation System Commercial Proposal to the Alaska North Slope Shippers."

Jan 2002  Econ One Research issued its study for the Alaska Department of Natural Resources, Oil and gas Division on how natural gas and natural gas liquids markets operate in North America, and the economic and market factors that would determine value of gas and gas liquids.

Jan 7, 2002  *Alaska Legislative Digest* reported that North Slope Producers were working on feasibility studies and conceptual engineering for a natural gas pipeline to the Lower 48 states. They were due to complete their work Dec
2002. House-Senate Gas Committee was evaluating the response to the special fiscal terms requested by the producers. Presumably the producers wanted was something like the special fiscal terms contemplated for liquefied natural gas (LNG) projects in House Bill 393 passed in 1998. That bill had lapsed. Dr. Pedro van Meurs was hired to help. An initiative was collecting signatures supporting an LNG export project. The Initiative would create a state authority to build an LNG project. The lawmakers might take action in adopting something similar so that lawmakers would not have to deal with an authority created by initiative. They expected a royalty gas sales contract to be placed before the Legislature that spring.

Jan 14, 2002  
HB 302 was introduced in the Alaska House of Representatives. The act was to establish the Alaska Gas Corporation, which would evaluate whether construction and operation of a natural gas transmission pipeline, by said Corporation, would be feasible. The bill never made it out of committee.

Jan 18, 2002  
The *Alaska Legislative Digest* reported that the Joint House-Senate Natural Gas Committee was going to request legislation opposing the over-the-top route for delivering natural gas. A recent Canadian Mackenzie Valley pipeline proposal had included over-the-top extension into northern Alaska. Preliminary permit information had been filed in Canada the week before. In 2001 the Legislature passed a bill that did not allow the state to issue a right-of-way lease access to state lands for going east from the North Slope oil and gas fields to northern Canada.

Jan 23, 2002  
The Alaska Natural Gas In-State Demand Study was published. It was prepared for the Alaska Department of Natural Resources. The report examined the future natural gas demand of Alaska communities and businesses.

Jan 31, 2002  
The Alaska Department of Revenue issued its report State Financial Participation in an Alaska Natural Gas pipeline. The analysis of the merits of State ownership or financing of an Alaska Gas Pipeline project had been carried out pursuant to Senate Bill 158. They reported that the financial risks to the State would be substantial, and the State was in a precarious financial position at that time.

Feb 13, 2002  
HB 410 and SB 423 were introduced in the Alaska Legislature. The bills would have authorized and funded the Alaska Railroad to acquire the infrastructure to ship natural gas within the state. The bills never made it out of committee.

Feb 13, 2002  
HB 423 was introduced in the Alaska House of Representatives. The bill would have created an Alaska Natural Gas Development Authority, to
plan for construction and operation of a natural gas pipeline by the Authority. The bill never made it out of committee.

Feb 19, 2002

HJR 44 was introduced in the Alaska House. The resolution asked the President and Congress to support construction and operation of the Alaska Highway Natural Gas Pipeline route. The resolution never made it out of committee.

Feb 20, 2002

SJR 42 was introduced in the Alaska Senate. The resolution asked the President and Congress to support construction and operation of the Alaska Highway Natural Gas Pipeline route. The bill never made it out of committee.

April 14, 2002

SB 360 was introduced in the Alaska Senate. It would have changed requirements for applications for Right-of-Way Leasing Act for a North Slope gas pipeline and authorizing expedited priority treatment of all applications under that act. The bill never made it out of committee.

April 16, 2002

HB 519 was introduced in the Alaska House of Representatives. The short title of the bill was "Natural Gas Pipeline Special Provisions" and would have changed provisions of the Alaska Stranded Gas Development Act. The bill never made it out of committee.

May 6, 2002

HB 530 was introduced in the Alaska House of Representatives. The short title of the bill was "Encourage Natural Gas Pipeline/Gas Tax." It would have imposed a tax on North Slope Gas in place if requirements for its sale and delivery were not met. The bill never made it out of committee.

May 20, 2002

SB 2011 was introduced in the Alaska Senate. The bill was another attempt to authorize and fund the Alaska Railroad to acquire the infrastructure to ship natural gas within the state. The bill never made it out of committee.

Nov 5, 2002

The Alaska Natural Gas Development Authority was created by voter initiative. (Ballot Measure 3) The Authority was to be a public corporation to acquire and condition North Slope natural gas, and construct a pipeline to transport the gas from the North Slope to Prince William Sound. The Authority would operate and maintain the pipeline, ship and market the gas. The Act established a 7 member Board to govern the Authority. This was called the All-Alaskan Gasline Initiative: An Act Establishing the Alaska Natural Gas Development Authority, to maximize revenues for Alaska and jobs and Gas for Alaskans. The bill also called the organization the Alaska Gas Pipeline Development Authority.

Jan 17, 2003

*Alaska Legislative Digest* reported that HB 16 was introduced. It re-established the state Stranded Gas Act, which lapsed 2 years prior, and
allowed any gas pipeline to come under it. It also allowed facilities on the North Slope related to production and processing of gas to be included. The Stranded Gas Act allowed projects to negotiate a contract with the State that would allow altered fiscal terms, including state royalty and taxes. This would allow taxes to be back end loaded rather than front end loaded.

April 4, 2003  *Alaska Legislative Digest* reported that Governor Murkowski would not appoint members to the voter-approved state gas authority voted in on Nov 5. He would wait till legislature appropriated funds. He finally announced the members of the Board, June 9, 2003.

April 9, 2003  Alaska’s HB 16 became law, reactivating and amending the Stranded Gas Development Act to include companies shipping gas in other forms than LNG.  (CSHB 16 FIN AM)  The Governor expected a filing from BP, ConocoPhillips and ExxonMobile.

May 2, 2003  *Alaska Legislative Digest* reported that SB 151 would change the regulatory Commission of Alaska’s authority in setting tariffs for natural gas transported through regulated pipelines.

July 7, 2003  ConocoPhillips made a presentation to the Alaska Natural Gas Development Authority on the Alaska North Slope LNG Sponsor Group project to bring gas from the North Slope to tidewater, and on the Alaskan Natural Gas Pipeline from Prudhoe Bay to the continental United States.

Aug 20, 2003  Alaska’s HB 267 was passed authorizing the Alaska Railroad to issue up to $17 billion in tax exempt bonds to provide financing for the an Alaska gas pipeline project. The railroad had special authority under federal law to issue tax-free industrial development bonds.  (CSHB 267 FIN)

Dec 19, 2003  *Alaska Legislative Digest* reported that the North Slope Gas Producers were holding off on an application to the State under the Stranded Gas Act while they waited to see what happened with the energy bill in Congress. The Governor tried to goose the producers by announcing that he was open to any qualified group making an application (i.e. TransCanada pipelines), and would also consider a sale of state royalty gas as part of the deal.  The State’s Alaska Natural Gas Development Authority, which was working on a liquefied natural gas (LNG) project said it was willing to finance and build the Alaska portion of the pipeline. The Authority contemplated a large-diameter pipeline from Prudhoe Bay to Delta to serve both the continental U.S. and a spur line to Valdez for a LNG Project.

Jan 13, 2004  BP, ConocoPhillips, and ExxonMobil submitted an application for a North Slope gas pipeline project under the Stranded Gas Act.
Jan 21, 2004  SB 271 was introduced in the Alaska Legislature. It would have expanded the authority of the Alaska Natural Gas Development Authority to include participation in the Alaska Highway Gas Pipeline. It also would have required them to assess opportunities for private sector involvement. On February 16 HB 465 was introduced to do the same. Neither bill made it out of committee.

Jan 23, 2004  The State of Alaska received an application under the Stranded Gas Act for a North Slope gas pipeline. It was from MidAmerica Energy Holdings of Des Moines Iowa, Pacific Star Energy (a joint venture of 13 Alaska Corporations), and Cook Inlet Region Inc. MidAmerica Energy Holdings would build the Alaska Leg, and TransCanada Pipelines would build the Canadian leg.

Jan 27-29, 2004  The Senate Resources Committee held hearings on bills related to gas, and to hear Alaska Natural Gas Development Authority CEO Harold Heinze defend the appropriation request for the study.

Jan 28, 2004  State of Alaska Department of Revenue approved the application of MEHC Alaska Gas Transmission Company and MidAmerican Energy Holdings Co. to be considered under the Alaska Stranded Gas Development Act. Cook Inlet Region Inc. and Pacific Star Energy were cosponsors of this project. MAGTC is a subsidiary of MidAmerican Energy Holdings Company. Their proposed route would follow the Trans-Alaska oil pipeline to Fairbanks then to the Alaska/Canada border at Beaver Creek. There it would connect with the TransCanada/Foothills pipeline.

Feb 6, 2004  *Alaska Legislative Digest* reported that Governor Frank Murkowski suggested that the State should consider investing in the pipeline. He said this would put the State at the table with the producers.

Feb 6, 2004  Senator Lisa Murkowski sent a letter to the Alaska's Governor Frank Murkowski urging the State to require that Alaskans have the right to own a part of any gas line, and that it protect the ability of an All-Alaska LNG project to proceed either as a stand alone project or as part of the contract, and that it seek Alaska hire, worker training and labor agreements, as it negotiated agreements with potential natural gas pipeline builders under the Stranded Gas Act.

March 26, 2004  *Alaska Legislative Digest* reported that the MidAmerican gas pipeline negotiations collapsed the week before, with MidAmerican withdrawing its application.
Jan 21, 2004
SB 271 was introduced in the Alaska Legislature. It would expand the authority of the Alaska Natural Gas Development Authority to include participation in the Alaska Highway Gas Pipeline. It also required the Authority to assess opportunities for private sector involvement. On February 16 HB 465 was introduced to do the same. Neither bill made it out of committee.

March 26, 2004
*Alaska Legislative Digest* reported that TransCanada Pipelines announced that it would step in to lead an effort to create an independent pipeline consortium, essentially taking MidAmerican's place.

March 31, 2004
HR 9 was introduced in the Alaska State Legislature to form a House Special Committee on Natural Gas Pipelines. The committee was to meet through the year and submit recommendations at the start of the 2005 session. It was to review all findings, proposed contracts and support data on gas pipeline proposals, without encroaching on state Stranded Gas Act proceedings, and to take whatever action appropriate to ensure the best interests of the State were protected. The committee would also review the collapse of negotiations between the Murkowski administration and MidAmerican Energy Holding Co. The committee should also have a seat at the table in future negotiations.

March 31, 2004
The Senate Resources Committee held oversight hearings on the State Stranded Gas Act applications. They want to sort out what had happened in the MidAmerica negotiations collapse, and to be more involved in the pipeline issue.

April 7, 2004
HB 340 was passed to extend the authority of SB 264, which allowed the State to agree to cost-reimbursement contracts when negotiating of pipeline right-of-way agreements. SB 264 had expired December 2003. Without it the State Department of Natural Resources would be hampered in its work on large project right-of-way applications.

April 9, 2004
*Alaska Legislative Digest* reported that SB 241 had passed, funding research by the Alaska Natural Gas Development Authority (ANGDA). The funding would go to the Alaska Department of Revenue rather than the authority. The Legislative digest reported that there were fears among the legislators that very little of this money would make it to the authority.

April 19, 2004
A memorandum of understanding was executed between the State of Alaska and TransCanada Corporation. The MOU provided that the State would expeditiously resume processing TransCanada’s lease application. The application would be submitted by Alaskan Northwest Natural Gas Transportation Co. and TransCanada.
April 24, 2004  The *Alaska Legislative Digest* reported that TransCanada would apply for special fiscal terms under the state's Stranded Gas Act. The governor said that TransCanada was willing to accept Alaskan partners in the project. TransCanada agreed to sign a cost-reimbursement agreement with the State for costs associated with processing the Stranded Gas Act application. MidAmerican had refused to do so. This gave the TransCanada project more credibility with the State. The asset TransCanada brought to the State and producers was its rights-of-way and permits in Canada and Alaska from the ANGTS project.

June 1, 2004  Alaskan Northwest Natural Gas Transportation Company (ANNGTC) and TransCanada Alaska Company LLC filed an updated application for a natural gas pipeline right-of-way lease across Alaska State Lands for the Alaska Natural Gas Transportation System (ANGTS.)

June 1, 2004  TransCanada Corporation applied to have the Alaska Northwest Natural Gas Transportation Company pipeline proposal designated a "stranded gas" project under the Stranded Gas Development Act.

Aug 2004  TransCanada Pipelines acquired Duke Energy Transmission's 50% interest in Foothills Pipe Line Ltd. and it's subsidiaries. As a result TransCanada owned 100% of Foothills. They maintained that TransCanada then held the rights to build the Canadian portion of the Alaska Natural Gas Pipeline.

Sept 2004  The Alaska Natural Gas Development Authority released its first report to the people. The public corporation was created to bring North Slope natural gas to market. This report concluded that there were several possibilities for action: 1) build a small all-Alaska LNG pipeline to handle 2 bcf/day, 2) build a bulletline to bring North Slope gas to the Cook Inlet, or 3) if a large pipeline was built to run a spurline from that pipeline to the Cook Inlet area.

Oct 13, 2004  The Alaska Natural Gas Pipeline Act of 2004 was passed by Congress. This act settled many questions from the Alaska Natural Gas Transportation Act of 1976. Among these, it prohibited an over-the-top route for a natural gas pipeline in Alaska. It gave the State of Alaska specific rights to ship royalty gas for in-state needs. New pipeline proposals could seek certification. It authorized loan guarantees to the sum of $18 billion, indexed for inflation. It gave Federal Energy Regulatory Commission the power to require expansion of any project to meet future need.

Oct 24, 2004  The Alaska Department of Natural Resources, State Pipeline Coordinator's Office issued the Commissioners Analysis and Proposed Decision and
Action ADL 403427 on the revised application for Alaska Natural Gas Transportation System (ANGTS) right-of-way lease across state lands.

Nov 8, 2004
Information Insights Inc. released its analysis of the impacts of the Producers Pipeline Proposal and contract on the municipalities and unorganized borough areas that the pipeline would traverse. The Alaska Department of Revenue, Municipal Advisory Group contracted for this report.

Nov 24, 2004
*Alaska Legislative Digest* reported that the outlook was more favorable for State of Alaska participation in a natural gas pipeline project. The State was looking at participation in the form of a production sharing agreement. Producers would benefit from the fact that the State's participation would build tax stability into the project and would reduce the potential for downstream litigation between the State and producers. The linchpin for the project, and what made state participation viable, was the federal debt guarantee of 80% of pipeline costs. This would reduce overall project risk.

Jan 28, 2005
*Alaska Legislative Digest* reported that State Natural Resources Commissioner Tom Irwin was reviewing TransCanada Corporation's application for a gas pipeline right-of-way across state lands, and was leaning toward granting the company's request for unconditional right-of-way. They reported that this was a concern to the Producer companies who also had a pipeline proposal for the same general route.

Jan 28, 2005
In response to an inquiry from the Alaska House of Representatives Minority Leader Ethan Berkowitz asking the Federal Energy Regulatory Commission for clarification on anti-trust issues for a gas producer owned pipeline, FERC Chair Pat Wood said that there could be anti-trust issues. The producers own 90% of the gas on the North Slope, and 37% of North American markets. A blended project with producers and an independent pipeline company might be a more secure legal pathway for an Alaska Gas pipeline project.

Feb 18, 2008
*Alaska Legislative Digest* reported that MidAmerican Energy Holdings Co. was talking with TransCanada about joining their pipeline project. Cook Inlet Region Inc. was also in talks with TransCanada and MidAmerican about joining the project.

Feb 25, 2005
*Alaska Legislative Digest* reported that HCR 2 was introduced requesting the administration to get moving on a study of in-state gas needs and possible gas offtake points from a large-diameter gas pipeline. New rules from the Federal Energy Regulatory Commission covering open seasons on a pipeline required the in-state needs study as part of the open-season process.
March 18, 2005  Alaska Legislative Digest reported that HB 223 had been introduced to tax gas reserves. The bill was designed to create a financial burden for gas producers that hold gas without sales contracts. It was called the Gasline Now Act.

March 25, 2005  Alaska Legislative Digest reported that there was a battle going in Canada between TransCanada and Enbridge over whether TransCanada has exclusive right to build a gas pipeline, under the authority conferred in the late 1970s Canadian Pipeline Act.

March 31, 2005  The Alaska Gasline Port Authority submitted its Stranded Gas Act application.

March 31, 2005  This was the last day for a gas pipeline consortium to apply under the Stranded Gas Act. Governor Murkowski and his administration would negotiate a contract with the consortiums which would then be submitted to the Alaska State Legislature for ratification.

April 4, 2005  The Alaska Natural Gas Development Authority applied for a State right-of-way lease for a 24” spur line from Glennallen to the Palmer Alaska. It would connect with the Alaska Highway Gas Pipeline and deliver North Slope Gas to southcentral Alaska.

April 20, 2005  Spencer Hosie, San Francisco oil and gas attorney under contract to the Alaska Department of Law, advised Legislative Budget and Audit Committee that there were implicit covenants in state oil and gas leases requiring producers to produce and market undeveloped oil and gas. The State could take actions such as lease cancellation or even imposition of a reserves tax if producers repeatedly rejected to proposals to purchase or commit natural gas to commercialization projects.

May 13, 2005  Alaska Legislative Digest reported that HB 254 that would have directed the Alaska Natural Gas Development Authority to use funds from the Railbelt Energy Fund for preliminary engineering on a natural gas spur line to transport North Slope natural gas to the southcentral Alaska gas distribution grid was held-up in the House Finance committee. HB 253 that would have appropriated $8 million from the Railbelt Energy Fund to the Alaska Natural Gas Development authority for work on a spur pipeline was being held-up in the House finance Committee.

Dec 2005  Alaska Legislative Digest reported that Governor Murkowski’s administration budget proposed to fund a state equity share in a gas pipeline.
Dec 16, 2005  Alaska's Governor announced that the State and industry negotiating teams had reached agreement on financial terms on a gas project deal with BP, ConocoPhillips and ExxonMobil. The financial terms included the State taking a $4 billion ownership stake in a $20 billion project, with $1 billion as equity and the remaining $3 billion financed by debt. As part of the deal was the State would take a major share of gas production directly as royalty-in-kind and in lieu of tax revenue, perhaps 20% of the total. That would have the State controlling and marketing approximately 800 million cubic feet of gas daily. Alaska would be one of the biggest marketers of gas in the U.S.

Jan 12, 2006  Former state Resources Commissioner Tom Irwin told Alaska State Legislators that he felt the project was very profitable for the gas producers BP, ConocoPhillips and ExxonMobil under most future gas price forecasts, and that tax concessions from the State were not needed. He felt that the State taking its taxes and royalty gas in-kind and marketing the gas independently would expose the State to huge risks. Former Alaska Oil and Gas Director Mark Myers said that he felt it was unlikely that the State could get best price for the gas as an independent marketer.

Jan 23, 2006  The Commissioner of Revenue approved a proposal application for a Stranded Natural Gas Project from BP Exploration (Alaska) Inc., ConocoPhillips Alaska Inc., and ExxonMobil Alaska Production Inc. The proposal was to build a pipeline and related facilities to treat and transport gas, from the North Slope to North American markets. The treatment plant would be on the North Slope, and the route would follow TAPS to Fairbanks then generally follow the Alaska Highway.

Feb 21, 2006  Governor Murkowski announced that the Alaska State Administration had concluded negotiations with the 3 major North Slope produces on a gas pipeline agreement.

March 6, 2006  An initiative petition proposing a 3% per thousand cubic feet tax on North Slope natural gas until it is sold or contracted for delivery through a pipeline was approved for the November election ballot.

March 8, 2006  Dunmire Consulting Team released their study of energy needs of the Cook Inlet Area. They said that natural gas production was going to drop in the decade. Anchorage and the Cook Inlet areas needed another energy source. Among their top alternatives was to bring natural gas down from the North Slope. Cook Inlet Energy Supply Alternatives Study.

April 21, 2006  *Alaska Legislative Digest* reported that SB 316/HB 502 were introduced. These bills would prohibit any court challenges, stays or injunctions to the Best Interest Finding on the fiscal contract negotiated under the Stranded Gas Act. by the Commissioner of Revenue, except for those based on
constitutional issues. Hearing on the bills had begun the prior Wednesday in the House and Senate Judiciary Committees, and would continue through the week. The bills amended the Stranded Gas Act, which authorized the governor to negotiate the terms of the contract with North Slope Producers. The law required the commissioner to prepare a final finding and determination that the gas was economically stranded and that the contract was in the best interest of the State.

May 10, 2006
The Proposed Alaska Stranded Gas Fiscal Contract and the Preliminary Findings and Determination as Required by the Stranded Gas Development Act for a contract between the State of Alaska and BP Exploration (Alaska) Inc., ConocoPhillips Alaska Inc., and ExxonMobil Alaska Production Inc., was released in draft form. The contract included 20% State ownership of the pipeline.

May 10, 2006
The Alaska Department of Revenue released a report stating that the contract between the State of Alaska, BP and ConocoPhillips and ExxonMobil met the purposes of the Stranded Gas Development Act and would benefit the state treasury.

May 11, 2006
A special session was held for legislative review of the Proposed Alaska Stranded Gas Fiscal Contract and the Preliminary Findings and Determination as Required by the Stranded Gas Development Act for a contract between the State of Alaska, BP Exploration (Alaska) Inc., ConocoPhillips Alaska Inc., and ExxonMobil Alaska Production Inc.

May 19-June 15
The Alaska Department of Revenue held a series of public hearings to take comments on the proposed contract and findings for the Alaska Stranded Gas Development Act proposals.

May 24, 2006
The draft Alaska stranded gas fiscal contract between the State of Alaska and BP Exploration (Alaska) Inc., ConocoPhillips Alaska, Inc. and ExxonMobil Alaska Production Inc. was released.

May 30, 2006
*Alaska Legislative Digest* contained a discussion of the issue of freezing taxes as part of the fiscal contract for BP, ConocoPhillips and ExxonMobil Stranded Gas pipeline proposal.

May 31, 2006
Alaska's Governor Murkowski forwarded to the State Senate SB 2003 "An Act establishing the Alaska Natural Gas Pipeline Corporation to finance, own, and manage the state's interest in the Alaska North Slope natural gas pipeline project and relating to that corporation and to subsidiary entities of that corporation; relating to owner entities of the Alaska North Slope natural gas pipeline project, including provisions concerning Alaska North Slope natural gas pipeline project indemnities; establishing the gas pipeline project cash reserves fund in the corporation
and establishing the Alaska natural gas pipeline construction loan fund in the Department of Revenue; making conforming amendments; and providing for an effective date." The bill never made it out of committee

Summer 2006 Governor Murkowski's Report to Anchorage stated that the State of Alaska had recently concluded 75 days of public comments on the gas pipeline contract that the administration negotiated. The contract would net $2-$3 billion per year of new revenue. There would be 9,300 new jobs. The State would take its royalty gas and production tax in the form of gas and would market, sell and ship its gas. A new corporation would be set up to do this. The State would own a share of the pipeline. There would be four off-take points: Fairbanks, Delta Junction area, Yukon River, and a point to provide a spur line to southcentral Alaska.

July 11, 2006 Alaska Legislative Digest issued a special Gas Pipeline Overview Report.

July 20, 2006 Alaska Department of Natural Resources gave the Alaska Natural Gas Development Authority (ANGDA) a conditional right-of-way lease for a gas pipeline from Glennallen to Palmer. This pipeline would connect to the pipeline that would eventually bring natural gas from the North Slope. ANGDA had up to 10 years to produce the necessary development plans covering all technical, financial, and environmental aspects of the construction project.

Aug 2006 Commonwealth North issued its study of Governor Murkowski's proposed gas pipeline contract with the North Slope producers.

Aug 10, 2006 Governor Murkowski's bill to amend the time allowed under the Stranded Gas Development Act for the commissioner of revenue to summarize public comments and make findings and a determination failed.

Dec 5, 2006 The Alaska Natural Gas Development Authority gave a briefing to Alaska's Governor Palin on the alternatives for an in-State gas pipeline system based on Alaska gas markets. They recommended that a spur line from Delta Junction to Cook Inlet and Valdez, connecting to a large scale gas pipeline would be the best. If no large scale gas pipeline to bring natural gas from Prudhoe Bay to market were to be built in a reasonable time, that the State should consider building a 16"-24" gas pipeline from Prudhoe Bay Field through Fairbanks to Cook Inlet or Valdez.

Jan 6, 2007 The Alaska Natural Gas Development Authority (ANGDA) and the Alaska Gas Pipeline Authority signed a memorandum of understanding This agreement was to facilitate increased information sharing and cooperation between the organizations.
March 2, 2007  Alaska's governor Sarah Palin submitted the Alaska Gas Pipeline Incentives Act (AGIA) to the Alaska State Legislature. The bill proposed a matching contribution of up to $500 million paid out during the highest risk phase of the natural gas pipeline project, the period when the applicant was doing the work necessary to receive FERC certification, and Regulatory Commission of Alaska approvals. Some documents refer to this as the Alaska Gas Pipeline Incentives Act. HB 177.

May 12, 2007  Senate CS for CS for House Bill No. 177 (FIN) was submitted to the Alaska State Legislature. The Gasline Inducement Act was to provide inducements for the construction of a natural gas pipeline and shippers that commit to use that pipeline. AS 43 was amended by adding a new chapter to read: Chapter 90. Alaska Gasline Inducement Act. 8, Article 1. Inducement to Construction of a Natural Gas Pipeline in this State.


July 2, 2007  The State of Alaska released its detailed request for proposals under AGIA. Due Date for applications was November 30, 2007. Five AGIA applications were filed.


Nov 30, 2007  TransCanada Alaska Company and Foothills Pipe Lines Alaska Inc. submitted an application AGIA license application. TransCanada's AGIA application was based upon utilizing the Alaska Natural Gas Pipeline Act FERC certification of the Alaska section of the Project. It also suggested the TransCanada and the State work together to convince the U.S. Government to assume all or part of the financial risk of the project by acting as a bridge shipper.

Nov 30, 2007  Five companies applied for AGIA. The Little Susitna Construction Company, a local Alaskan firm, submitted an AGIA application with a subsidiary of the Chinese energy conglomerate, China Petroleum and Chemical Corporation (Sinopec), as its prime sub-contractor. Its AGIA application proposed a project which included a pipeline to Valdez, where the gas would be liquefied for shipment to Pacific Rim buyers using a dedicated fleet of tankers. The Alaska Natural Gasline Development Authority, a public corporation created by the citizens of Alaska, proposed to build a lateral "spur line" link off a major pipeline project, which it
assumed would be built by another entity. The spur line would run into South Central Alaska and serve local needs. The Alaska Gasline Port Authority (Port Authority), a municipal entity, created by the City of Valdez, Fairbanks North Star Borough, and the North Slope Borough, proposed a natural gas pipeline project from Prudhoe Bay to Valdez, where gas would be liquefied and exported. A Energia LLC, a start-up company formed by individuals with personal experience and knowledge about large geo-technical and engineering projects, proposed to be the project manager for a natural gas pipeline project which would go from the North Slope to Alberta and would be jointly owned 74 percent by the natural gas producers, 25 percent by the State of Alaska and 1 percent by A Energia. TransCanada Alaska Company, LLC and Foothills Pipe Lines Ltd, as joint applicants for the Alaska highway route.

Nov 30, 2007
ConocoPhillips submitted an application to build the pipeline, but not under AGIA. This application did however cover all the points required by AGIA. The proposal was for a North Slope gas treatment plant and a pipeline to run from Alaska North Slope to Alberta, and possibly on to Chicago, Illinois. Conoco stated that its proposal did not meet the requirements of AGIA in some respects, but that it hoped the State would nonetheless consider it. Conoco suggested that it would begin field work in 2008 and bring initial gas to market in mid-2018.

January 4, 2008, The State announced that it had finished the application completeness review of the five applications and determined that only TransCanada’s proposal meets the requirements of the AGIA program and would be considered as a conforming bid for an AGIA License. The State also rejected Conoco’s proposal. Concurrent with the State’s announcement that its initial review was complete, all of the AGIA documents, applications and correspondence regarding all five applications were made public on the State of Alaska’s AGIA webpage.

Jan 4, 2008
The period for public comment on the AGIA application began, and ran through March 6, 2008. The State conducted a series of small town-meetings.

Feb 19, 2008
TransCanada and Foothills withdrew their application for right-of-way across state lands for the Alaska Natural Gas Transportation System. They planned to submit a revised application on their own without the Alaskan Northwest Natural Gas Pipeline Company.

Jan 29, 2008
The Department of Energy, Office of Fossil Energy issued a comprehensive new report entitled, “Alaska North Slope Oil and Gas: A Promising Future or an Area in Decline?” This report examined the potential for Arctic Alaska to remain a major contributor to the Nation’s domestic energy supply under different development scenarios. The report
evaluated potential oil and natural gas resources on the all of Arctic Alaska, including the North Slope, regardless of whether certain areas are currently available for exploration and development.

March 2008

A flurry of public interest and newspaper comment arose when TransCanada began lobbying in Washington D.C. to have the U.S. Government act as a bridge shipper for the pipeline. As bridge shipper the federal government would pay pipeline transportation fees in the event that the pipeline failed to attract regular paying customers such as the natural gas producers.

March 6, 2008

The public review period for the AGIA applications ended.

March 28, 2008

Alaska's Governor Palin announced that the administrations recommendation concerning TransCanada Corporation's proposal would be released to the legislature by May 19th. She called for a special legislative session to begin June 3rd.

April 8, 2008

Prudhoe Bay natural gas producers BP and ConocoPhillips announced that they had combined resources to create "Denali - The Alaska Gas Pipeline." This project would build a gas pipeline to deliver natural gas from Prudhoe Bay to market. The project would consist of a gas treatment plant and a large-diameter pipeline from the North Slope to Alberta, where it would connect with existing pipeline facilities to the continental United States. They announced that they already had staff assigned to the project.

May 28-30, 2008

Alaska's Governor Palin held the Alaska Gasline Determination Public Forum. This forum presented the analysis and conclusions of the selection of TransCanada Alaska Proposal for the Alaska Gasline Inducement Act: AGIA. The forum was held in Anchorage.

June 3, 2008

HB 3001(EFD FLD), an Act to approve the issuance of an AGIA license to TransCanada Alaska Company and Foothills Pipe Lines Ltd. was read in the Alaska State Legislature.

August 1, 2008

The bill approving the issuance of an AGIA license to TransCanada Alaska Company and Foothills Pipe Lines Ltd. passed. It was transmitted to the governor August 20, 2008. HB 3001 (EFD FLD)

August 7, 2008

The Alaska State Legislature passed SCS CSHB 4001 (FIN), appropriating funds for AGIA.