

Alaska Natural Gas Pipeline Proposals (North Slope to Market)
Chronology of Events: 1979
by Betty Galbraith
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- Jan 1979 Petro Canada (a Canadian Government oil company) purchased 53% of Pacific Petroleum of Calgary. Pacific owned 32% of West Coast Transmission Co. of Vancouver, which in turn owned 50% of Foothills Pipe Lines (Yukon) Ltd. This meant that the Canadian Government owned interest in the Alaska Highway Gas Pipeline Project.
- Jan 1, 1979 Alaska Oil and Gas Conservation Commission, and independent quasi-judicial agency, began operation pursuant to Title 31 of the Alaska Statutes. This commission took over the responsibilities of the former Division of Oil and Gas Conservation of the Alaska Department of Natural Resources. The office was established in Anchorage, Alaska.
- Jan 5, 1979 Alaska's Legislative Gas Pipeline Committee announced that it would make no recommendation on direct State investment in the pipeline during that session. They reconvened in June to continue their studies.
- Jan 10-25, 1979 Foothills Pipe Lines (South Yukon) Ltd. held public hearings on the proposed route of the Alaska Highway Pipeline through Yukon Territory. The Kluane Tribal Brotherhood in the Burwash area refused to attend the meeting, stating that the company had ignored their comments and concerns before and the brotherhood would not provide useless input.
- Jan 12, 1979 Foothills Pipe Lines (South Yukon) Ltd, of the Alcan Project, submitted its final environmental impact statement to Canada's Federal Environmental Assessment Review Office.
- Jan 12, 1979 Arlon Tussing and Connie Barlow released their report to the Alaska State Legislature on the financing problems of the gas pipeline. In The Alaska Highway Pipeline: A look at the Current Impasse, they concluded that only the U.S. and Canadian governments were financially capable of bearing a substantial part of the risk. They said that the companies would not see the project as a reasonable investment as things stood at the time. They also said that the State of Alaska would be foolish to commit itself to participate in gasline financing at that time.
- Jan 26, 1979 Northern Border Pipeline Company, a partnership of four major U.S. pipeline companies, filed an application with the Federal Energy Regulatory Commission to build pipeline facilities costing approximately

\$1.4 billion, to transport Canadian and Alaskan natural gas to the midwest U.S., as part of the Alaska Natural Gas Pipeline System. This section was known as the 'pre-build' section.

- Jan 27, 1979 Bonnor and Moore Associates Inc. released a report to Alaska's Royalty Oil and Gas Development Advisory Board recommending that the State take the lead in developing a gas liquids pipeline system from Prudhoe Bay through Fairbanks to Kenai. They noted that Northwest Alaskan Pipeline Co. might not be able to get financing. They suggested that the gas producers might be interested in producing gas liquids at a favorable price for petrochemical industry.
- Jan 29, 1979 Northern Border Pipeline Co. (consortium members: Northern Plains Natural Gas Co., Northwest Border Pipeline Co., Pan Border Gas Co., United Mid-Continent Pipeline Co.) filed an application with the Federal Energy Regulatory Commission to build an 809 mile extension of the Alaska Highway Gas Pipeline from Alberta to Ventura, Iowa.
- Jan 31, 1979 The Designated Officer of the Northern Pipeline Agency issued a detailed Engineering/Technical Order, dealing in part with engineering design of the pipeline, to the Foothills Pipe Lines group.
- Jan 31, 1979 The Joint Interim Gas Pipeline Financing Committee's report to the first session of the 11th Alaska State Legislature was submitted. It contained a summary of their research on direct state investment in the Alaska Highway Pipeline Project. The committee could not give a recommendation about direct state investment in the gas pipeline project at that time. They said more analysis was needed.
- Feb 1979 The National Energy Board received two applications for emergency natural gas exports to the U.S., to help stave off potentially serious shortages during the colder than normal winter. The Board decided to defer its decision until U.S. authorities evaluated the true situation.
- Feb 1979 *Legislative digest: A Forecast and Review* reported that purchase of state equity interest in the Northwest Alaskan Gas Pipeline Project remained an open question. The 1978 interim study committee decided that it could not make a recommendation at that time. The equity proposal had been moved on "hold" with the legislature passing the primary initiative back to the executive branch.
- Feb 1979 The Yukon Advisory Council was established to advise the Northern Pipeline Agency on matters related to the construction of the gas pipeline in the Yukon Territory. Only 8 of the 10 positions were filled at first because Yukon Native organizations refused to participate. The other 2 positions were held open in case the Native groups changed their minds.

- Feb 2, 1979 Federal Energy Regulatory Commission issued a proposed rulemaking stating that the producers of Alaskan North Slope gas should bear the responsibility of processing the natural gas for transportation through the Alaska Highway Pipeline. The gas conditioning facility could not be included in the costs of the pipeline.
- Feb 9, 1979 Northwest Pipeline representatives met with the Alaska State Legislature and Alaska's Governor to request the State to reconsider financial backing of the project. They said that the project would not be constructed without state financial aid.
- Feb 9, 1979 SB 128 was introduced in the Alaska Senate. It was an appropriation for \$175,000 to study the feasibility of a gas liquids pipeline. It was amended in Senate Resources to give the money to Senate Resources instead of the Department of Natural Resources. March 19th it was passed by the Senate, but never got out of the House. In the House a similar measure, HB 239, was introduced February 16th, and never made it out of committee.
- Feb 12, 1979 The Department of the Interior established a working group on the Alaska Natural Gas Transportation System composed of individuals with expertise in technical and environmental matters. Jack Turner, Authorized Officer of the Alaska Pipeline Office, was requested to chair the group.
- Feb 13, 1979 Alaska Gas Pipeline Perspectives: History, Current Perspectives and Potential Federal Influence Related to State Financial Participation by Joseph M. Chomski and Richard G. Haggart was submitted to the Alaska Legislative Affairs Agency. A supplemental memoranda was submitted April 27, 1979
- Feb 15, 1979 Alaskan Northwest Natural Gas Transportation Company filed a petition with the Federal Energy Regulatory Commission requesting expedited consideration and resolution of the incentive rate of return (IROR) issues.
- Feb 15, 1979 Northern Pipeline Agency issued a contract to study the impacts of the proposed gas pipeline on women and children in Yukon Territory and Northern British Columbia. The Women's Research Centre in Vancouver, the Fort Nelson Women's Centre, and Yukon Status of Women did the research. The report was released December 1979.
- Feb 15, 1979 Earth Resources Company of Alaska submitted their proposal that the gas liquefaction plant be placed in Fairbanks, and a petrochemical industry be allowed to develop there. Opportunities to Maximize Alaska's Benefits from the Design of the Natural Gas Pipeline and Location of the Conditioning Facilities

- Feb 16, 1979 Northwest Alaskan Pipeline Company began a center-line drilling program on the 193-mile segment from Delta Junction to the Canadian border, to determine subsurface soil conditions for design of the gasline.
- Feb 16, 1979 Canada's Northern Pipeline Agency released the second draft of the proposed environmental terms and conditions for the Yukon section of the project.
- Feb 22, 1979 The Federal Energy Regulatory Commission issued a report stating that the Commission intended to consider all the remaining issues associated with the IROR mechanism in a single consolidated rulemaking proceeding. It was believed that obtaining private financing for the project would be facilitated by further definition of the IROR parameters. The report contained an order requiring the project sponsors to file their proposed tariff by March 12, 1979.
- Feb 23, 1979 Alaska House Bill 293 was introduced. It was to amend the Right-of-Way Leasing Act by adding socioeconomic impact mitigation.
- Feb 26, 1979 Canada's National Energy Board released a revised draft of its "Incentive Rate of Return" plan for review.
- Feb 28, 1979 The Canadian National Energy Board issued its demand/supply report on natural gas, and announced a surplus of up to 3.4 trillion cubic feet of Canadian gas available for export. Exports of Canadian gas were expected to be transported through the pre-built sections of the Alaska Highway Gas Pipeline project.
- March 1979 *Legislative digest: A Forecast and Review* reported that Legislators reacted sharply to new demands from Northwest Alaskan Pipeline Co for unconditional state financial support for the project. John McMillian told the state administration and legislators that the State must remove restrictions on the revenue bonding authority passed in 1978 and must offer \$500 million in general obligation bonds to voters in a special election this year. This Northwest action came on the heels of a legislative report concluding that more time was needed by the State to consider a wide range of economic, political and regulatory questions associated with the project. A week later HJR 21 was introduced asking for more studies on the project. Resolution SCR 5 was introduced asking the governor to pursue a "definitive investment" agreement for legislative consideration. HB 247 was introduced which proposed a 20-mil tax on dormant gas reserves.

- March 1979 The Rowen Group published its findings in a statewide survey of Alaskan voters, concerning the issue of state government financial participation in the gas pipeline construction project. Their report concluded that the public was in favor of state participation in pipeline financing. The survey had been done for Northwest Pipeline Co.
- March 1, 1979 Northwest Alaskan Pipeline Company consolidated all of its Alaska operations at the company's headquarters in Fairbanks.
- March 1, 1979 Arlon Tussing and Connie Barlow, of the University of Alaska Institute of Social and Economic Research released their draft report Evaluating the Alaska Highway gas pipeline project: national and state benefits, commercial and financial viability, and the consequences of delay. This was a preliminary report to the Alaska State Legislature, covering part of the material to be included in the Final Report due to the Alaska State Legislature in April.
- March 2, 1979 Alaska Northwest applied to FERC for a final order approving certain pipeline design specifications. They requested a 48-inch diameter pipe size and 1260 psig operating pressure, for the Alaska gasline system, with a conditioning plant to be located at Prudhoe Bay.
- March 3, 1979 President Carter and Canada's Prime Minister Trudeau met to discuss the world energy situation. President Carter reaffirmed U.S. support for the Northwest Alaskan Natural Gas Pipeline system
- March 5, 1979 President Carter and Canadian Prime Minister Pierre Trudeau issued a joint communiqué reaffirming the "strong commitment" of their governments to the completion of the Alaska Highway Pipeline Project.
- March 9, 1979 The Federal Energy Regulatory Commission announced at a public briefing that it would expedite several of the key regulatory issues affecting progress of the Alaska Gasline system, giving the project renewed momentum.
- March 12, 1979 Alaskan Northwest Natural Gas Transportation Company filed its proposed tariff with the Federal Energy Regulatory Commission. The tariff was a contractual arrangement between the owners of the pipeline project and those companies using the transportation services of the pipeline.
- March 14, 1979 The Alaska Gas Pipeline Financing Authority submitted its report Financial And Alaska Impact Plan: A Report To The First Session Of The Eleventh Legislature. The Authority recommended that this report be accepted conditionally, and that the Legislature add 2 conditions: 1) that no bonds be sold unless this plan is amended and accepted by concurrent

resolution, 2) that the amendments include definitive answers to all matters unresolved in this report.

- March 19-Apr 28 '79 The Yukon Public Hearings Panel, chaired by Ken McKinnon and F. G. Hurtubiset began their review of the environmental impact statement prepared by Foothills Pipe Lines Ltd. and of the socioeconomic and environmental terms and conditions prepared by the Northern Pipeline Agency. Hearings were held in 9 communities in Yukon Territories, and ended April 28, 1979. (Whitehorse 19-20th, Faro 21-22, Beaver Creek 26th, Destruction Bay 27th, Teslin April 4th, The hearings were cosponsored by the Northern Pipeline Agency and the Canadian Federal Environmental Assessment Panel.
- March 19, 1979 Hearings were held by the Environmental Assessment Panel on Alcan Projects' Environmental Impact Statement. Hearings concluded April 28, 1979.
- March 28, 1979 Northwest Alaskan Pipeline Co. submitted their proposed socioeconomic stipulations.
- March 28, 1979 Exxon U.S.A., one of the producers of Alaskan North Slope natural gas, agreed to sell one-third of its Prudhoe Bay reserves to Pacific Gas & Electric Company, a partner in the Alaska Highway Pipeline Project.
- April, 1979 Arlon Tussing released a report to the Alaska State Legislature stating that the State should be prepared to invest in the pipeline as a resource owner of royalty gas. This participation should be tied to federal assistance guarantees. Without this assistance the pipeline would not be a viable enterprise for investors. Financing the Alaska Highway Gas Pipeline: What is to be Done? was the last report of a series done under contract to the Alaska Legislature by the Institute of Social and Economic Research of the University of Alaska.
- Apr 1-7, 1979 John McMillian, chairman of Northwest Alaskan Pipeline Co., was in Alaska the first week in April to encourage the State of Alaska and oil producers to examine all possibilities for participation in financing the Alaska Leg of the pipeline. He proposed that the State hold a special election to ask the people if they favored state participation. He asked the Sate to provide the vehicle for purchasing \$1 million in tax free bonds. In a separate proposal he asked the State to purchase \$500 million preferred equity in the pipeline.
- April 2, 1979 President Carter submitted his Federal Reorganization Plan #1 to Congress for approval. This plan included creation of the Office of the Federal Inspector for the Alaska gasline project.

- April 3, 1979 House Resolution 199, a resolution of disapproval of the President's Reorganization Plan, was introduced in the House and referred to Committee on Government Operations.
- April 4, 1979 "100,000 Alaskans for the Gas Pipeline", a committee to lobby for State financial assistance for the gasline was formed.
- April 4, 1979 U.S. Senate Resolution 126, a resolution of disapproval of the President's Reorganization Plan, was introduced in Senate and referred to the Committee on Governmental Affairs.
- April 5, 1979 CSHJR 21 was passed in the Alaska House. This affectively told Northwest Pipeline that no decision on equity financing of the gas line could not be made until critical issues were resolved. It reaffirmed Alaska's commitment to provide the tax free bonds, through the Alaska Gas Pipeline Financing Authority. The Resolution died in Senate May 6, 1979
- April 6, 1979 The Federal Energy Regulatory Commission issued notice of a proposed rulemaking establishing a single proceeding to resolve all remaining incentive rate of return and tariff issues connected with the Alaskan portion of the pipeline project.
- April 9, 1979 Hearings were held on Reorganization Plan No. 1 before the U. S. House Committee on Government Operations, resulting in House Report No. 96-222 accompanying House Resolution 199 (Committee on Government Operations).
- April 10, 1979 Alaska's House of Representatives, after considering the Pipeline Financing Authority's report, voted not to join in financing the gas pipeline. The Pipeline Financing Authority was requested to continue its studies and report back to the legislature the next year.
- April 10, 1979 Canada's Prime Minister announced that the Canadians had officially decided to support the construction of the Alaska Highway Gas pipeline.
- April 12, 1979 Hearings on Reorganization Plan No. I were held before the U.S. Senate Committee on Governmental Affairs, resulting in Senate Report No. 96-191 accompanying Senate Resolution 126 (Committee on Governmental Affairs).
- April 12, 1979 National Energy Board ordered that a public hearing be held in Ottawa on tariffs and tolls to be charged by Foothills Pipe Lines (Yukon) Limited.
- April 13, 1979 Alaska's Senate voted to hold off any decision on state financing of the Gas Pipeline for another year.

- April 17, 1979 HCR 20 was read by Alaska's Governor and became Senate Resolve #13. The resolve accepted the report of the Alaska Gas Financing Authority on financial and Alaska impact plan, contingent on further information being provided. CSHCR 20am
- April 20, 1979 The Federal Energy Regulatory Commission issued an order consolidating proceedings on all matters related to the importation of Canadian gas through pre-build segments of the Alaska Highway Gas Pipeline Project.
- April 25, 1979 Dome Petroleum Ltd. and TransCanada Pipe Lines and Alberta Gas Trunk Line Co. Ltd. agreed to join a maximum effort in Canada to fully support the early construction of the southern U.S. segments of the Alaska Gas Pipeline Project and commit their own gas exports to the project. Through this agreement all of the major natural gas transmission companies in Canada were now in support of, and participating in, the Alaska Highway gas pipeline project.
- April 27, 1979 Alaska gas pipeline perspectives: history, current perceptions and potential federal influence related to state financial participation: supplemental memoranda, by Joseph M. Chomski and Richard G. Haggart was published. This report was prepared for the Legislative Affairs Agency of the State of Alaska
- April 27, 1979 Alaska House Bill 438 required the Alaska Gas Pipeline Financing Authority to submit a new financial and Alaska impact plan. The plan submitted March 15, 1979 was deemed inadequate for the legislature's needs.
- April 28, 1979 The Yukon Public Hearings came to a close. The input from these hearings was considered in the Canadian Environmental Assessment Panel's report on the Environmental Impact Statement submitted by Foothills Pipe Lines Limited.
- April 28, 1979 The Canadian Environmental Assessment panel rejected the Environmental Impact Statement submitted by Foothills Pipelines (South Yukon) Ltd, stating that Foothills had provided insufficient information. They requested Foothills to complete its environmental assessment and resubmit its environmental impact statement.
- May 1979 Northwest Alaskan Pipeline Company issued its Preliminary Analysis Of Markets For Gas Distribution To Pipeline Corridor Communities. The document stated that the pipeline company was willing to provide gas taps in Alaska's railbelt communities along the pipeline but pointed out that the population and light demand would probably make the gas an expensive

product. The analysis did not include the potential for a petrochemical industry in the area.

- May 1, 1979 Exxon U.S.A. agreed to sell another one-third of its Prudhoe Bay gas reserves to Northern Natural Gas Company, a project partner.
- May 7, 1979 The Department of the Interior published its proposed stipulations for the Alaska Highway Pipeline Project. These stipulations, which established general environmental and technical standards and administrative procedures for the project, were necessary for the protection of the environment, public health and safety, and the integrity of the pipeline itself.
- May 8, 1979 Alaska's Governor Hammond sent out a concept paper created by the Department of Natural Resources, to establish a state-sponsored private Alaskan corporation to build, own and operate the gas conditioning facilities necessary for to pipeline. Alaska Gas & Petrochemical Company: A Concept.
- May 9, 1979 HR 3 was introduced in the Alaska House of Representatives. The resolution disapproved the Financial and Alaska Plan submitted by the Alaska Gas Pipeline Financing Authority. The resolution expired in the first session.
- May 11, 1979 The Northern Pipeline Agency approved the Instrumentation etc./Bid Package for the Northern Alberta Burst Test Facility.
- May 14, 1979 In connection with the establishment of a phased hearing process to grant certification to the southern U.S. segments of the Alaska Highway Gas Pipeline Project to be pre-built, Northwest Alaskan Pipeline Company submitted testimony which defined the relationship between the pre-built segments and the overall gasline system.
- May 15-23, 1979 The State of Alaska, Office of the Pipeline Coordinator held public meetings in Fairbanks, Tok, Delta Junction, Barrow, and Anaktuvuk Pass, to discuss the social and economic impacts of the proposed pipeline project.
- May 17, 1979 The Federal Energy Regulatory Commission's Alaskan Delegate issued a report stating that FERC should authorize a 48-inch diameter pipeline at a maximum pressure of 1260 psig for the Alaskan segment of the gasline project. This concurred with project sponsors' design of the gasline.
- May 19, 1979 Alaskan citizens supporting the gasline project, formed a committee called "Alaskans for the Gasline" to promote understanding of issues related to

transportation and use of Alaskan natural gas. The committee also supported legislation to facilitate financing and construction of the project.

- May 23, 1979 Senate Resolution 126 (to disapprove President Carter's Government Reorganization Plan No. 1) was rejected by the Senate.
- May 25, 1979 Exxon U.S.A. agreed to sell the remaining one-third of its Prudhoe Bay gas reserves to Michigan-Wisconsin Pipe Line Company.
- May 25, 1979 Drafts of socioeconomic terms and conditions for construction of the Saskatchewan, Alberta and southern British Columbia segments of the pipeline were released by the Northern Pipeline Agency.
- May 28, 1979 An Alaska State legislative resolution was approved, requesting a committee of the Alaska Legislature and Alaska Governor Jay Hammond to continue examining the possibility of direct financial participation by the State of Alaska in the gas pipeline.
- May 29, 1979 Congress approved President Carter's Limited Reorganization Plan for the Alaska gasline, establishing the office of the Federal Inspector, and an Executive Policy Board to advise it.
- June 1979 Dr. David G. Roseneau of LGL Alaska conducted nest surveys of peregrine falcons, the only endangered species along the proposed gasline route.
- June 1, 1979 J.K. (Ken) McKinnon was appointed Yukon Administrator for the Northern Pipeline Agency, and Elden Schorn appointed B.C. Administrator.
- June 4, 1979 Legislative Resolution 30 was signed. This resolution required the Joint Interim Committee on Gas Pipeline Financing further explore the legality of selling bonds for pipeline financing and to explore the financial feasibility of doing so. (SCR 33, CSSCR 33, HCS CSSCR 33)
- June 4, 1979 Alaska's Legislative Joint Interim Committee on Gas Pipeline Financing met for the first time since January. Their task was to evaluate plans for State participation in the Financing of the Pipeline.
- June 7, 1979 The Hon. Walter Baker, President of the Privy Council and minister of National Revenue, was Canada's appointed Minister responsible for Northern Pipeline Agency replacing the Hon. Allan J. MacEachen.
- June 7, 1979 The Alaska Legislative Affairs Agency contracted for the Arctic Environmental Information and Data Center (AEIDC) to keep that Agency, the Joint Gas Pipeline Committee, and Alaska State Legislature

informed on the technology associated with ANGTS. Interim reports were issued July 6 and July 27, 1979. Their final report was issued October 1979.

- June 8, 1979 The Federal Energy Regulatory Commission issued Order #31 approving the incentive rate of return and setting a center rate of 17.5% for Alaska. It also established inflation adjustments and change in scope procedures, as well as some tariff provisions.
- June 8, 1979 John Rhett, of the Environmental Protection Agency, was nominated by President Carter to be Federal Inspector for the Alaska Highway Pipeline Project. The Federal Inspector would be responsible for coordination of all permits and applications for the project and would have enforcement authority of all executive branch agencies and departments with jurisdiction over aspects of the gasline project.
- June 8, 1979 Foothills Pipe Lines (Yukon) Ltd. and its subsidiary Foothills Pipe Lines (South Yukon) Ltd. merged. This was done in an effort to cut costs and streamline the project. Foothills (Yukon) had been responsible for regulatory matters and hearings on the project, while Foothills (South Yukon) had been responsible for actual construction plans.
- June 9, 1979 The Trans-Alaska Pipeline was shut down when a leak was discovered near Atigun Pass. The leak was the result of a section of wrinkled pipe. Oil flow was reinstated June 12.
- June 11, 1979 Reorganization Plan No. 1 was signed by the President, and filed for publication in the Federal Register. This Plan spelled out the duties of the Federal Inspector. Reorganization Plan No. 1 was published in Federal Register, Vol. 44, No. 114, beginning at Page 33663.
- June 12, 1979 The National Energy Board of Canada convened its Phase I hearings on Foothills Pipe Lines' proposed "Gas Transportation Tariff" for the Alaska Highway Gas Pipeline Project.
- June 12, 1979 The National Energy Board of Canada convened its Phase I hearings on Foothills Pipe Lines' proposed "Gas Transportation Tariff" for the Alaska Highway Gas Pipeline Project.
- June 13, 1979 The Department of the Interior granted a conditional right-of-way for the proposed general routing of the Alaskan segment of the Alaska Highway Pipeline Project. Department of the Interior said the route proposed by the project's sponsors was a valid basis for further planning and design of the project.

- June 14, 1979 Alaska's Department of Revenue executed a contract with Wholforth & Flint to provide legal opinion concerning the constitutionality of using state general obligation bonds to participate in pipeline financing, and to issue a legal opinion concerning the use of state guarantees or general obligation bonds to support an Alaska General Stock Ownership Corporation investment in the system.
- June 15, 1979 A three inch rupture was discovered in the Trans-Alaska Pipeline. The oil flow was not shut down while the repair crew worked 25 hours to repair the damage.
- June 18, 1979 Federal Energy Regulatory Commission began Phase I of the hearings on the application to pre-build southern portions of the Alaska Highway Gas Pipeline Project. Hearings concluded June 28, 1979.
- June 21, 1979 Executive Order 12142 was signed by the President. This order established the Executive Policy Board to advise the Federal Inspector on policy issues and enforcement actions and laws affecting the Alaska Highway Gas Pipeline Project. (Executive Order 12142 was published in the Federal Register June 25, vol. 44, no. 123) The executive order became effective July 1, 1979.
- June 22, 1979 The confirmation hearing for John T. Rhett as Federal Inspector was held before the Senate Committee on Energy and Natural Resources.
- June 26, 1979 National Energy Board Phase I hearings on tariffs and tolls were completed.
- June 29, 1979 Foothills Pipe Lines (Yukon) Ltd. filed an application with Canada's National Energy Board and the Department of Indian and Northern Affairs for construction and operation of the Dempster Lateral Gas Pipeline. Foothills stated that construction of the lateral, which would tap the 5.3 trillion cubic feet of gas reserves in the MacKenzie Delta, and tie into the Alaska gasline system, would begin in 1985 with first gas flowing in January 1987.
- July 1, 1979 The Office of the Federal Inspector was established.
- July 1, 1979 State of Alaska, Office of the Pipeline Coordinator for the gas pipeline moved to Fairbanks. The Anchorage office, headed by Bill Thompson, continued to handle TAPS matters.
- July 1, 1979 May 1, 1979 SOHIO Natural Resources Company agreed to sell one-third of its Prudhoe Bay gas reserves to Northern Natural Gas Company, a ANGTS project partner.

- July 1, 1979 This was the effective date of Reorganization Plan No. I of 1979 (Section 1-101 of the Executive Order) and Executive Order 12142. Section 1-102 of the Executive Order established the Executive Policy Board, consisting of eight Federal agencies, and defined the Energy Policy Board's role of adviser to the Federal Inspector.
- July 2, 1979 Charles Behlke was appointed State Pipeline Coordinator for the gasline project. He succeeded Amos "Mo" Mathews. Mathews became director of the Alaska Office of the Federal Inspector on June 4, 1980.
- July 5, 1979 The Institute of Arctic Biology-Anthropology Department of the University of Alaska began its second season of archaeological field research. Work focused on the segment of the pipeline route between Delta Junction Alaska and Yukon Territory the border.
- July 6, 1979 Alaska pipeline sponsors filed reply comments to the Federal Energy Regulatory Commission on the Commission's initial order on terms and conditions for the construction and operation of the Alaskan segment of the Alaska Highway Pipeline Project. These comments, dealing largely with socioeconomic concerns, were in response to remarks made by other interested parties on the initial Federal Energy Regulatory Commission order.
- July 8, 1979 The Federal Energy Regulatory Commission issued Order 31, which set values for the incentive rate of return, and establishing inflation adjustments.
- July 9, 1979 Alaska Highway Pipeline project sponsors filed a motion with the Federal Energy Regulatory Commission for a rehearing in the matter of the incentive rate of return, tariff and related issues (FERC Order No. 31). The sponsors opposed Federal Energy Regulatory Commission's proposal to base the incentive rate of return on March 1977 cost estimates, and to hold project sponsors responsible for cost increases in the project, which would be beyond their control.
- July 10, 1979 Canada's National Energy Board began a series of phased hearings to consider export applications for Canadian gas intended for transport through the pre-built segments of the Alaska Highway Pipeline Project. The two-part hearing process consisted of a "License Phase" and a "Certificate Phase."
- July 11, 1979 The U.S. House Subcommittee on Energy and the Environment held hearings on the Priority Energy Project Act of 1979 (H R 4573.) This act was to establish a coordinated, prompt, and simplified process for federal approval of significant non-nuclear energy projects.

- July 12, 1979 John Rhett was confirmed as the Federal Inspector for the Alaska gasline project, by the U.S. Senate. As Federal Inspector, Rhett would coordinate federal permitting activities and oversee the planning and construction of the project.
- July 13, 1979 John Rhett was sworn in as Federal Inspector.
- July 16, 1979 President Carter, in a nationally televised speech on America's energy situation, said the Alaska Highway Gasline Project was America's top, near-term energy priority. "The North Slope producers have dragged their feet in helping to finance a pipeline needed to bring that gas to market...I will insist personally that this gas pipeline be built without further delay," the President said.
- July 20, 1979 The first meeting between the U.S. Federal Pipeline Inspector and Canadian pipeline officials took place in Ottawa to discuss regulatory policies related to the Alaska Highway Gas Pipeline.
- July 27, 1979 Birch, Horton, Bittner and Monroe transmitted their Alaska Natural Gas Pipeline: Current Prospects for Federal Assistance to the Joint Interim Natural Gas Pipeline Financing Committee. They stated that federal financial assistance for the Northwest Alaskan natural gas pipeline had become quit likely.
- July 27, 1979 Soil resistivity surveys from Delta Junction to Prudhoe Bay began for Northwest Alaskan Pipeline Company.
- July 27, 1979 The draft environmental impact statement on the placement of the sales gas conditioning facility was released by the Federal Energy Regulatory Commission. This study recommended the placement of the facility at Prudhoe Bay. Prudhoe Bay Project Draft Environmental Impact Statement: Construction and Operation of a Sales Gas Conditioning Facility at Prudhoe Bay, Alaska.
- July 30, 1979 Canada's National Energy Board issued its decision on Phase I of the hearing into Foothills Pipe Lines (Yukon) Ltd. application in respect to tariffs and financing of the Canadian portion of the pipeline. The Board approved the cost of service tariff with some changes, and approved Foothills preliminary expenditures to December 1978 for inclusion in the rate base. It also issued Order no. TG-1-79
- Aug 1979 The Canadian Environmental Assessment Panel concluded its study of the Alcan Project Environmental Impact Statement. No decision was made. They instead called for a new and complete Environmental Impact Statement to be submitted by the project for further review.

- Aug 1979 A borehole drilling began along the proposed gasline alignment between Delta Junction and Prudhoe Bay for Northwest Alaskan Pipeline Company.
- Aug 1979 A reconnaissance program evaluating material sites along the gasline route from Delta Junction to Prudhoe Bay was begun for Northwest Alaskan Pipeline Company.
- Aug 1979 Nortec began a hydrology study to gather data required for preliminary design of stream crossings along the gasline route from Delta Junction to Prudhoe Bay for Northwest Alaskan Pipeline Company.
- Aug 1, 1979 The Federal Power Commission issued its Environmental Impact Statement, stating that Prudhoe Bay was an acceptable site for the gas conditioning plant.
- Aug 6, 1979 The Federal Energy Regulatory Commission issued its decision in favor of a 48-inch diameter pipe size and 1260 psig operating pressure, for the Alaska gasline system, with a conditioning plant to be located at Prudhoe Bay.
- Aug 6, 1979 Lawrence Eppenbach submitted a report on the producer benefits from selling gas vs. reinjecting gas to the Joint Interim Gas Pipeline Financing Committee, the Legislative Affairs Agency and the Alaska Department of Natural Resources.
- Aug 8, 1979 Representatives of the major North Slope gas producers (Atlantic Richfield Co, Exxon, and BP-Sohio) met with officials of the Department of Energy in Washington to discuss possible financial participation in the Alaska gasline project. On August 20 Sohio Board Chairman Alton Whitehouse said his firm was willing to help finance the gasline, but would require equity interest.
- Aug 9, 1979 The Canadian National Energy Board completed omnibus proceedings on applications for exports of Canadian gas. The National Energy Board expected to submit its report on availability of gas for export to the Canadian Cabinet in November 1979. This was phase II of the hearing.
- Aug 17, 1979 The Federal Energy Regulatory Commission issued a ruling that the North Slope gas producers would be responsible for processing and conditioning costs associated with North Slope natural gas. The Federal Energy Regulatory Commission also selected Prudhoe Bay as the superior site for construction of the gas processing plant. Enforcement of this ruling was delayed pending the outcome of project financing negotiations between gasline sponsors and the producers.

- Aug 24, 1979 The Federal Energy Regulatory Commission issued Order No. 45 (Docket No. RM79-19) setting final regulations respecting production related costs for gas being shipped through the Alaska Highway Pipeline. The cost of conditioning the gas was to be borne by the gas producers, not the pipeline.. On the same day the FERC issued Order No. 31-A in Docket RM78-2 which applied the policy of Order 45.
- Aug 28, 1979 Foothills Pipe Line (Yukon) Ltd. applied to the National Energy Board for a review of the Board's decision on Phase I of the hearings.
- Aug 29, 1979 The Federal Energy Regulatory Commission published its final Incentive Rate of Return.
- Aug 29, 1979 John McMillian, president and chief executive officer of Northwest Alaskan Pipeline Co., sent letters to both President Carter and Governor Hammond about Northwest's lack of success in obtaining financial commitments from the State of Alaska. To Hammond, McMillian wrote "therefore, we hereby withdraw the proposed financing plan and other arrangements based thereon which we have with the State of Alaska." McMillian presented two other financing concepts for the Governor's consideration: 1) State participation in the entire project of 1/8 in relation to its 1/8th royalty gas, 2) participate in financing at the same level as the producers. To the President he added that if the State of Alaska did not participate in financing the pipeline that the federal government should "pass special federal legislation which will ensure that the State does not retain all the project benefits, such as intrastate use of Alaska gas for Alaskans.." Hammond sent a letter to the President Sept 20, 1979 stating the State's position on financing.
- Sept 1979 *Alaska From the Inside* reported that FERC held hearings in Anchorage and Fairbanks to receive comment on the draft environmental impact statement on the Alaska Highway gas pipeline. Local comments strongly favored locating the gas conditioning site in Fairbanks rather than the North Slope. FERC commissioner Matthew Holden stated that the North Slope conditioning plant fulfilled FERC's mandate to "move expeditiously" and the only likely way to change the decision would be through court challenge. A resolution from the Governor's Blue Ribbon Task Force, which had been formed to study the issue, was read into the record.
- Sept 1979? *Alaska From the Inside* reported that John McMillian, president and chief executive officer of Northwest Alaskan Pipeline Co. had withdrawn his offer to let the State of Alaska participate in financing of the pipeline by providing a conduit to sell \$1 billion in tax exempt revenue bonds. He

would now negotiate with the governor to put up one eighth of the backing of the project to match Alaska's one eighth of the royalty gas.

- Sept 4, 1979 The Governor's Blue Ribbon Task Force on the Conditioning Plant for Prudhoe Bay Gas issued Resolution 1, requesting FERC not to adopt any order that would jeopardize the economic in-state use of natural gas and gas liquids. It also requested Alaska's Attorney General to be prepared to appeal any order by FERC that would jeopardize economic in-stat use of natural gas.
- Sept 5, 1979 The Federal Energy Regulatory Commission convened Phase II of its pre-build hearings. The hearings concerned the terms which would govern importation and sale of Canadian gas.
- Sept 6, 1979 The Federal Energy Regulatory Commission issued its final order #31-B on the incentive rate of return for equity investors in the Alaska and Northern Border (eastern leg) segments of the Alaska Highway Pipeline Project. The order allowed 17.5% return on investment if the project was completed within the approved estimated costs. The Federal Energy Regulatory Commission order also approved project sponsors' pipeline tariffs for the Alaskan and Northern Border (eastern leg) segments.
- Sept 6, 1979 Canada's National Energy Board issued Order no. RH-R-1-79, setting the review of the Phase I decision, requested by Foothills Pipe Lines (Yukon), to be held at the beginning of the Phase III hearings October 23, 1979.
- Sept 12, 1979 *Alaska From the Inside* reported the results of an AftI-Dittman Poll. The question was " Now that President Carter has strongly endorsed construction of the Alaska Highway Gas Pipeline from the North Slope thorough Canada to the midwestern United Sates, do you feel construction will begin soon or do you feel it will continue to be delayed?"
- Sept 14, 1979 Alaska Economic Report announced that Governor Hammond had instructed the Alaska Gas Pipeline Financing Authority to survey the status of financing problems affecting the pipeline. This three-member cabinet panel was formed under state legislation authorizing state participation in pipeline financing through revenue bonds. The panel was surveying proposed changes in state law that would allow a bond sale to proceed.
- Sept 14, 1979 ARCO, one of the three major gas producers on Alaska's North Slope, agreed to commit its volumes of Prudhoe Bay gas to subsidiaries of five U.S. Pipeline companies. With the ARCO agreements, all of the Prudhoe Bay gas owned by the three major producers had now been committed or was under contract to U.S. pipeline companies. The three producers owned approximately 85% of the gas reserves in the Prudhoe Bay field.

- Sept 17, 1979 The third draft of socioeconomic terms and conditions and the second draft of environmental terms and conditions applying to the northern British Columbia section of the project were released by Canada's Northern Pipeline Agency.
- Sept 20, 1979 The Minister of the Environment released the report of the Alaska Highway Environmental Assessment Panel on the public hearings in the Yukon, and the Environmental Impact Statement submitted by Foothills Pipe Lines (South Yukon) Ltd. (the Alcan Project). They reported that they could not determine the possible environmental impact of the project until they received more information.
- Sept 21, 1979 Atlantic Richfield Company Sohio Natural Resources Company and Phillips Petroleum Company filed separate applications for rehearing on FERC Order 45, and Order 31-A.
- Sept 21, 1979 Director of the Bonding Authority, John Messenger, reported to Alaska's Revenue Commissioner Tom Williams, the changes that Northwest Pipeline Company sought wanted in the bonding legislation.
- Sept 21, 1979 The report of the Governor's Blue Ribbon Working Group on the Conditioning Plant for Prudhoe Bay Gas issued. The working group also issued Resolution 2, requesting Alaska's Governor determine the feasibility of a petrochemical industry in Alaska, and that the Governor request FERC to re-open for hearing the size and pressure of the gas pipeline. It also issued Resolution 3, requesting Alaska's Governor to continue the Blue Ribbon Working Group's existence.
- Sept 24, 1979 The State of Alaska and Exxon Corporation filed separate applications for rehearing on FERC Order 45, and Order 31-A.
- Oct 1979 Northwest Alaskan Pipeline Company's frost heave test facility in Fairbanks began operation.
- Oct 1979 The Federal Energy Regulatory Commission denied petitions of the State of Alaska and others to reconsider its ruling setting gas pipeline pressure at 1,260 psi
- Oct 1979 Chem Systems Inc released its study Pacific Rim Markets for Petrochemicals, A Study for Royalty Oil & Gas Advisory Board, Department of Natural Resources, State of Alaska. They concluded that the petrochemical markets in the Pacific Rim area were sufficient to support a major petrochemical complex in Alaska.

- Oct 2, 1979 The Hon. Robert de Cotret, Minister of Industry, Trade and Commerce, and Minister of State for Economic Development, was appointed Minister responsible for the Northern Pipeline Agency replacing the Hon. Walter Baker.
- Oct 4, 1979 The National Energy Board of Canada published a decision approving the pre-build tariff, subject to certain conditions, and issued Order no. TG-4-79 approving the form and content of the Foothills Pipe Lines (Yukon) tariff.
- Oct 5, 1979 The State of Alaska filed an appeal before the District of Columbia Circuit, to the August 6 Federal Energy Regulatory Commission decision setting the operating pressure of the Alaska section of the Pipeline at 1260 pounds per square inch. Alaska was requesting further study of a higher operating pressure in order to enhance the system's capability to transport gas liquids. (Earth Resources Company of Alaska et al. v. FERC, D.C. Cir. No. 79-2191) Hearings were then held December 3, 1979 and the court issued its opinion affirming the FERC Order on January 3, 1980.
- Oct 9, 1979 Final regulations for management of oil and gas pipelines on Federal Lands were established.
- Oct 10, 1979 The Fairbanks Chamber of Commerce released its response to the Federal Energy Regulatory Commissions Sales Gas Conditioning Facility Environmental Impact Statement. This document attempted to refute FERC's statement that Prudhoe Bay was a better location, and prove Fairbanks as a better location of the facility. Cost comparisons, Prudhoe Bay vs. Interior as gas conditioning site: report. The common title for this report was The Fairbanks Response.
- Oct 10, 1979 Robert Maynard, Alaska's Assistant Attorney General issued his overview of issues the state was facing concerning in-state use of gas liquids, as related to the natural gas pipeline. He noted that Federal and Company pipeline plans existing at that time would probably prevent development of a gas liquids based petrochemical industry in Alaska. Overview Of Natural Gas Pipeline And In-State Use Of Gas Liquids.
- Oct 10, 1979 The Alaska State Legislature's Joint Gas Pipeline Committee released its mid-interim report.
- Oct 12, 1979 The Department of Interior published proposed EEO/MBE regulations in the Federal Register. These regulations would assure that women and minorities had the opportunity to participate in construction of the project. "Requirements for Equal Opportunity During Construction and Operation of the Alaska Natural Gas Transportation System"

- Oct 12, 1979 The second draft of the environmental terms and conditions for the construction of the Alberta segment of the Alaska Highway Gas Pipeline was released by the Northern Pipeline Agency.
- Oct 15-16, 1979 House Committee on Interior and Insular Affairs, Subcommittee on Oversight and Investigations held general update hearings on the Alaska Natural Gas Transportation System.
- Oct 16, 1979 Alaska's special pipeline counsel, Robert Loeffler, told the U.S. House Interior Subcommittee On Oversight And Investigations that Alaska would amenable to financial aid to the Alaska Highway Pipeline if a higher pressure were approved for the pipeline. The State of Alaska maintained that the low pressure that FERC and the pipeline company had agreed to would prevent in-state development of a petrochemical industry.
- Oct 16, 1979 In response to questions during his testimony before the House Interior Subcommittee Hearings on the Alaska Gasline System, Federal Energy Regulatory Commission Chairman, Charles Curtis said the Federal Energy Regulatory Commission would be ready to issue a final decision on prebuild plans for the project's western leg by year-end 1979. Curtis also said that the commission would be ready to issue a final decision on the prebuild proposal for the eastern leg early in 1980, and on the Alaskan segment six months after project sponsors had submitted their final filing.
- Oct 16, 1979 The Fairbanks Chamber of Commerce passed a resolution requesting the Governor to advise FERC, the Congressional Oversight Committee, and members of the Alaska Congressional Delegation that the State's first priority was the in-state use and processing of the state's North Slope royalty gas.
- Oct 17, 1979 The appointment of Robert Rene de Cotret as Minister Responsible for the Northern Pipeline Agency was announced. He replaced Walter Baker.
- October 17, 1979 Earth Resources Company of Alaska (ERCA) submitted a proposal to act as sponsor for the construction and operation of a publicly owned natural gas conditioning facility to be financed by the Alaska Industrial Development Authority (AIDA) through the issuance of bonds. The facility would be located at an interior Alaska site. Proposal for Financing, Constructing, and Operating a publicly Owned Natural Gas Conditioning Facility by the Alaska Industrial Development Authority, Sponsored by Earth Resources Company of Alaska.
- October 18, 1979 FERC granted a rehearing for Order 45 and Order 31-A. This was done at the request of the Secretary of Energy. Order 45 set the conditioning of the natural gas as the responsibility of the gas producers. On the following

day the Federal Energy Regulatory Commission granted a rehearing on FERC Order 31-B concerning incentive rate of return. This stayed their effects until the rehearing was finished.

- Oct 23, 1979 Canada's National Energy Board began public hearings on the incentive rate of return for the Canadian portion of the Alaska Highway gas pipeline. This was phase III of the hearings.
- Oct 24, 1979 The financial advisors of the partners of the Alaskan Northwest Natural Gas Transportation Co. presented a financing plan for the Alaska Segment of the pipeline. ANNGTC later asked Lehman Brothers Kuhn Loeb Incorporated, Goldman Sachs and Company, and Shearson Loeb Rhoads Incorporated. to evaluate the proposal in light of new developments. A new proposed financial plan was issued May 12, 1980.
- Oct 26, 1979 The General Accounting office issued its final report on Alaska Natural Gas Transportation System financing issues. Issues Related To The Proposed Alaska Highway Gas Pipeline Project.
- Oct 26, 1979 TransCanada Pipe Lines of Toronto completed an agreement with the Northern Border Pipeline Company in its efforts to prebuild certain segments of the Alaska gasline project's eastern leg. The agreement provided for TransCanada to obtain a 30% interest in the prebuild project and an opportunity to participate in the remaining portion of the Northern Border project. Subsidiaries of four U.S. pipeline companies were partners in Northern Border and would share the remaining 70% ownership of the prebuild facilities.
- Oct 26, 1979 Exxon filed a financing plan with the Department of Energy recommending that North Slope producers purchase up to 40% equity interest in the Alaskan segment of the pipeline, supplying 40% of the debt.
- Oct 30, 1979 Canada's Northern Pipeline Agency released the second draft of the environmental terms and conditions and related guidelines for the southern British Columbia section of the project.
- Oct 31, 1979 Federal Energy Regulatory Commission agreed to postpone final decision on production related conditioning costs, at the request of the Secretary of Energy.
- Nov 1, 1979 The U.S. House of Representatives and the U.S. Senate approved separate versions of the Priority Energy Act which was designed to expedite large-scale energy projects determined to be in the national interest. A joint House-Senate conference committee was working to effect a legislative compromise of the two versions. Project sponsors supported an amendment in the House version which provided that no measures of the

new legislation would affect or interfere in anyway with actions taken by Federal officers or agencies relating to the Alaska Natural Gas Transportation System.

- Nov 1, 1979 Bonnor and Moore Associates released their study on development of a petrochemical industry in Alaska. They concluded that a petrochemical industry would be viable in Alaska. They also noted that it would be better to have a dedicated natural gas liquids pipeline from the North Slope. The study was prepared for the Department of Natural Resources Royalty Oil and Gas Development Advisory Board. Promotion and Development of the Petrochemical Industry in Alaska
- Nov 1, 1979 W. Winston Mair was appointed as the presiding officer for Canada's Northern Pipeline Agency's public hearings in northern British Columbia. The results of those hearings were published in 1980 as Forgotten Land, Forgotten People.
- Nov 10, 1979 Alaska Department of Natural Resources Commissioner, Robert LeResche, named the State Pipeline Coordinator, Charles Behlke, his designee for matters related to the Alaska Natural Gas Transportation System.
- Nov 19, 1979 Canada's Northern Pipeline Agency began a public hearing on the socioeconomic and environmental terms and conditions for northern British Columbia. Hearings ended December 15. The presiding officer was W. Winston Mair.
- Nov 20, 1979 Lazard Freres & Co. recommended to the State of Alaska Attorney General that participating in the financing of the Alaska Natural Gas Transportation System would be beneficial to the state. They suggested that state ownership of the gas conditioning plant would be the preferred alternative.
- Nov 21, 1979 The Alaska State Governor's Task Force on Gas Conditioning and the Joint Gas Pipeline Committee passed a resolution that the State not participate in financing of the Alaska segment of the gas pipeline unless gas liquids were guaranteed to be available for maximum in-state use and processing.
- Dec 1979 The Women's Research Centre released its report on potential impacts of the gas pipeline on women and children in Yukon Territories and Northern British Columbia. The report, Beyond the Pipeline, was contracted by the Northern Pipeline Agency.
- Dec 3, 1979 American Natural Alaskan Company, a subsidiary of American Natural Resources of Detroit, Michigan, joined as an equal partner in the Alaskan

Northwest Natural Gas Transportation Company, the consortium responsible for design, construction and operation of the Alaskan segment of the Alaska Highway Pipeline Project. This brought the number of U.S. natural gas companies forming the partnership to seven. Other companies were expected to join the partnership in the future.

- Dec 3, 1979 The U.S. Court of Appeals heard the State of Alaska's appeal of the Federal Energy Regulatory Commission Design decision.
- Dec 4, 1979 Foothills Pipe Lines (Yukon) Ltd. submitted its draft Manpower Plan to the Northern Pipeline Agency and the Canada Employment and Immigration Commission for review.
- Dec 6, 1979 Canada's National Energy Board issued its decision regarding export of surplus Canadian natural gas volumes to the U.S. through the Alaska Highway Pipeline Project. Canada approved exports of 3.75 trillion cubic feet of natural gas over an eight year period for the prebuild western leg.
- Dec 6, 1979 A one day hearing was held in Grasmere, British Columbia to review the socioeconomic and environmental terms and conditions for construction of the Alaska Highway Gas Pipeline in southern British Columbia.
- Dec 10, 1979 Construction began on Loop 1 of the western leg, on the BC/Idaho border.
- Dec 13, 1979 Foothills Pipe Lines (Yukon) Ltd. maintained that the gas allotment to Pan-Alberta was not adequate to support the prebuild and announced plans to apply to Canada's National Energy Board for a rehearing of their application to export Alberta natural gas through pre-build, for early construction of the southern sections of the Alaska Highway Gas Pipeline.
- Dec 13, 1979 Canada and the United States affirmed their commitment to the Alaska Highway Gas Pipeline project and the pre-build proposal.
- Dec 13, 1979 The Canadian government fell after losing a vote of non-confidence in Parliament. This compounded the political uncertainty of the pipeline project.
- Dec 15, 1979 Northern British Columbia Public Hearings on the socioeconomic and environmental terms and conditions concluded.
- Dec 15, 1979 Northern Border Pipeline Co. filed its application for Certificate of Convenience and Necessity, to build the eastern leg of the pipeline, before the Federal Energy Regulatory Commission. It also applied for a certificate of corridor compatibility before the North Dakota Public Services Commission.

Dec 20, 1979

Canada's National Energy Board issued a its decision on the incentive rate of return, and tolls and tariffs for the Canadian section of the project. This was the end of the Phase III hearings on Foothills Pipe Line (Yukon) application relating to tariff and financing, which were held to reconsider aspects of the Phase I and Phase II decisions which were objected to by the company.

Dec 28, 1979

The Federal Energy Commission tentatively approved construction of a pre-build of the portion of the western leg from Kingsgate BC to Stanfield Oregon.