

**Alaska Natural Gas Pipeline Proposals (North Slope to Market)**  
**Chronology of Events: 1982-83**  
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- Jan 1982                   The Alaska Joint Gas Pipeline Committee asked Northwest Alaska Pipeline sponsors to submit any proposals to the legislature prior to March 1, 1982, in order to receive full and fair consideration this session. Legislative support for the project was at its weakest. Resolutions introduced in both houses (SCR 36, HCR 54) called for the State to look at other alternatives if no financing plan was reached in 1982. Both died in committee.
- Jan 4, 1982               The Federal Energy Regulatory Commission amended its 1977 Conditional Certificate of Convenience and Necessity to include the natural gas conditioning plant. The notice was published in the Federal Register January 28, 1982.
- Jan 4, 1982               The Federal Energy Regulatory Commission vacated a proposed regulation and policy (Order 45 and Order 31-A), issued in August 1979, which limited the types of production related costs the producers could recover for conditioning the gas. These actions resulted from passage of U.S. Senate Joint Resolution 115.
- Jan 4, 1982               The Northern Pipeline Agency approved Foothills Pipe Lines (Yukon) final report on burst tests, conducted in Alberta between 1979 and 1981.
- Jan 8 1982                The *Legislative Digest: A Forecast And Review* reported that a revenue shortage was going to pinch Alaska State programs that year. Financing the pipeline project might not be possible because due to the lack of available funds, and because politically the legislature seemed to be turning away from a statewide perspective and focusing on district spending.
- Jan 12, 1982             The Federal Energy Regulatory Commission held a technical conference on procedures for resolving the remaining cost issues associated with Northwest Alaskan Pipeline Company's November 3 revised filing.
- Jan 13, 1982             Office of the Federal Inspector and the National Aeronautics and Space Administration (NASA) signed a cooperative agreement covering procedures for conducting surveillance, monitoring and enforcement activities during pipeline construction and initial operation, over NASA lands in Alaska

- Jan 14, 1982 The Northern Pipeline agency approved applications by Foothills Pipe Lines (Alta) Ltd. to take additional right of way lands along the mainline of the pipeline in Alberta.
- Jan 25, 1982 HCR 54 was introduced in the Alaska House of Representatives. The resolution asked the Governor to press forward with negotiations concerning financing the Alaska Highway Gas Pipeline, and include the right of the State to remove gas liquids and methane gas. If further delays appeared likely, the Governor was urged to explore other alternatives to transport gas. The resolution never made it out of committee.
- Jan 26, 1982 The Northern Pipeline Agency approved methodology and measures developed by Foothills Pipe Lines to address possible occurrences of fractures in the pipeline through Canada.
- Jan 28, 1982 Ohio Senator Howard Metzenbaum and 23 members of Congress, along with five states and several organizations, filed a lawsuit challenging the Alaska Gas Pipeline waivers in the District of Columbia Court of Appeals. The action was brought against FERC and sought to have the court invalidate Joint Senate Resolution 115, and the resulting FERC orders. The appeal was based on the allegation that the House of Representatives did not follow proper procedure in voting on the waivers. (Foothills Pipe Lines Ltd. requested to intervene in the case. (Metzenbaum v. FERC)
- Feb 1982 Alberta landowners filed notices for appeal in the Federal Court in Ottawa, against Northern Pipeline Agency's January 14 order granting Foothills Pipe Lines (Alta) Ltd. right-of-way over private lands. They maintained that the NPA acted beyond its jurisdiction granting the company leave to take private lands for a temporary working space.
- Feb 4, 1982 Office of the Federal Inspector issued Order 4 delegating its enforcement authority for oil spill responses on the Alaska segment of ANGTS to the Environmental Protection Agency.
- Feb 8, 1982 Foothills Pipe Lines (South Yukon) began a series of socioeconomic community hearings in Yukon communities. The hearings lasted 2 weeks.
- Feb 9, 1982 SCR 37 was introduced in the Alaska Senate. The resolution asked the Governor to press forward with negotiations concerning financing the Alaska Highway Gas pipeline, and include the right of the State to remove gas liquids and methane gas. If further delays appeared likely, the Governor was urged to explore other alternatives to transport gas. The resolution never made it out of committee.
- Feb 12, 1982 SCR 38 was introduced in the Alaska Senate. It requested the Governor to negotiate with producers for the transportation of natural gas from

Prudhoe Bay to Interior Alaska so that the royalty gas could be used there. The resolution never made it out of committee.

- Feb 15, 1982      *Legislative Digest: A Forecast And Review* reported that the Alaska Senate Resources Committee would hold hearings February 15-19 on gas pipeline financing.
- Feb 16-18      The Federal Energy Commission held a conference to deal with remaining certificate cost estimate issues on the Alaska leg. Among the issues discussed was repair of the Alaska highway, and other roads after the construction project had been completed, socioeconomic issues and expenditures, and training and local hire of Alaska native groups.
- Feb 18, 1982      Kidder Peabody presented a preliminary report to Governor Hammond's Task Force on ANGTS Financing. They concluded that state participation in financing of the gas pipeline would have "significant benefits " to the State.
- Feb 18, 1982      The Kaska Dene Indians filed a land claim with Canada's Department of Indian Affairs and Northern Development, which included a section of the proposed Alaska Natural Gas Transportation System pipeline route through Yukon Territories. The spokesman for the Kaska Dene stated that they were determined to have the land claim settled before this and other large scale projects could go ahead.
- Feb 19, 1982      Senator Metzenbaum et. al. filed their brief with the court, seeking to invalidate the waiver package.
- Feb 26, 1982      The Office of the Federal Inspector planned to close its San Francisco Field Office. This move was due to the slowdown in work on the western leg of the pipeline.
- March 1982      The Alaska Legislative Finance Division released a report on the potential economic benefit of the ANGTS pipeline to the State. The report had been ordered to provide guidance on possible State assistance in the financing of the pipeline. Net Economic Benefit to Alaska of Alaska Natural Gas Transportation System
- March 2, 1982      The State of Alaska filed a motion with FERC to have the hearings on socio-economic impacts held in Alaska.
- March 12, 1982      The Federal Energy Regulatory Commission amended Pacific Interstate Transmission Company's western leg certificate to authorize an alternate delivery point at the Oregon/California border.

- March 12, 1982 The Environmental Protection Agency issued the air and water quality permits to Northwest Alaskan Pipeline Co. for construction and operation of the gas conditioning plant on Alaska's North Slope. This included Prevention of Significant Deterioration (PSD) and National Pollutant Discharge Elimination System (NPDES) permits.
- March 16, 1982 National Energy Board hearings began in Ottawa on the application to export 296.2 billion m<sup>3</sup> (10.5 trillion cu ft) of surplus Canadian gas to the U.S. between 1992 and 2002. These were called the Gas Export Omnibus Hearings. Pan Alberta Gas Ltd. was among the applicants. NEB planned to hold 3 phases of hearings: phase 1 to review existing export licenses and reexamine procedures used to calculate surplus gas available for export, phase II to consider individual applications for gas export, phase III the amount of surplus gas will be determined.
- March 22, 1982 Construction work on phase I of the eastern leg in Canada resumed.
- March 22, 1982 The final Report of Kidder Peabody Co., the consultant hired by the Alaska State Legislature to study potential state participation in finance of the pipeline, was released. The report recommended that the State of Alaska participate in the financing and presented several alternative methods for such participation. Report to the Governor's Task Force on State of Alaska Participation in Financing the Alaskan Segment of the Alaska Natural Gas Transportation System. This report was frequently called the Kidder Peabody Report. They presented their findings at the Joint Oil and Gas Pipeline Committee Hearings on March 31.
- March 26, 1982 The National Energy Board granted Foothills Pipe Lines (Alta) leave to open the portions of the eastern Leg completed in 1981.
- April 1, 1982 Draft of the State of Alaska's concerns regarding the mitigation of socioeconomic impacts, prepared by Social Impact Research Inc., for the Office of the Pipeline Coordinator, was completed.
- April 14, 1982 Alaska's Senator Murkowski, in a speech before the State Legislature, stated that the pipeline could not be financed at that time, and construction would be delayed indefinitely.
- April 16, 1982 Foothills reduced its staff in response to the delay in phase II of the system.
- April 20, 1982 In *Metzenbaum v. FERC*, the court ruled that the President's waiver of law was validly enacted and was not unconstitutional. The court also ruled that FERC's orders were validly issued.

- April 20-21, 1982      The Federal Energy Regulatory Commission held hearings on social and economic impacts of the project on Alaskans. The hearings were held in Anchorage, Alaska on April 20th, and in Fairbanks Alaska on April 21st.
- April 30, 1982      The Alaskan Northwest Natural Gas Transportation Co. owners announced that due to the current excess in world energy supplies, depressed crude oil prices, and uncertainties in world financial markets, they had been unable to arrange financing. They also announced that the project would be delayed 2 more years while the company arranged financing. That same day the Northwest Alaskan Pipeline Co. (the operating member of the consortium) cancelled its agreement with the State of Alaska to reimburse it for the cost of the State Office of the Pipeline Coordinator. This resulted in the closure of that office in June.
- May 5, 1982      The Governor's Task Force on State of Alaska Participation in the Alaska Natural Gas Transportation System Financing issued its findings to the governor and the Legislature. They recommended that the State not participate in financing at that time. They based this decision on the lack of a firm financing plan from Northwest Alaskan Pipeline Co., declining state revenues, concerns about the gas market, and the impact of inflation. They stated that an all-Alaska LNG project was not reasonably foreseeable, and that the State should remain strongly supportive of ANGTS.
- May 10, 1982      The *Legislative Digest: A Forecast And Review* reported that the Alaska State Task Force on the Alaska Highway Gas Pipeline recommended that the State not participate in financing. After Northwest Alaskan Pipeline Co announced a 2 year delay in constructing the pipeline. It reported that project financing had been difficult for several years for several factors: early inability of the producers to participate (solved by the gas line waivers in Congress), a rising glut of natural gas in the U.S., lower oil prices and their effect on gas prices and industry capital, and a general lack of confidence in the pipeline and its promoters.
- June 1982      Governor Jay Hammond asked two of his predecessors, Governors Hickel and Egan, to lead an effort to explore alternatives to bring Alaska's North Slope natural gas to market. The Hickel-Egan effort was known as the Governor's Economic Committee on North Slope Natural Gas.
- June 1, 1982      The Federal Energy Regulatory Commission issued an order approving approximately \$90 million of the Alaskan Leg expenditures for eventual inclusion in the rate base. The sponsors had requested 130 million.
- June 7, 1982      Alaska State Legislature adjourned without taking action on SCR 36, a measure asking the administration to study alternative methods for use of North Slope natural gas.

June 7, 1982	The Environmental Assessment and Review Panel (IEARO) began hearings in Whitehorse on the potential environmental impact pipeline construction in Yukon Territories. This was a resumption of hearings recessed in June 1981.
June 28, 1982	The National Energy Board (NEB) began a series of hearings on Phase I tariff and regulatory issues raised by Foothills' application for amendments to its existing certificate.
June 30, 1982	Alaska's State Pipeline Coordinator's Office (SPCO) closed.
July 30, 1982	In response to the two-year delay in the scheduled completion date for Phase II of the pipeline system, the Northern Pipeline Agency announced a reduction in staff.
August 25-27, 1982	The University of Alaska hosted the Social Impact Assessment Symposium in Anchorage.
August 26, 1982	The Office of the Federal Inspector approved Northwest Alaskan Pipeline Co.'s Design Criteria Manual for the Compressor and Meter Stations, pending resolution of certain concerns.
Sept 1, 1982	Canadian gas began flowing through phase I of the eastern leg of the Alaska Natural Gas Transportation System.
Sept 20, 1982	The Federal Inspector certified that the eastern leg was capable of operating at the certificated throughput, thus enabling them to begin billing their customers under tariffs previously approved by the Federal Energy Commission. At the end of September the eastern leg was delivering about 335 million cubic feet of gas per day.
Sept 21, 1982	The Federal Energy Regulatory Commission issued an order establishing the certification cost estimate and center point values for the Alaskan leg.
October 21, 1982	Northwest Alaskan Pipeline Company filed an application for rehearing of the Federal Energy Regulatory Commission's September 21 order.
Nov 1982	The Department of the Interior's Bureau of Land Management issued temporary use permits to Northwest Alaskan Pipeline Company authorizing the use of 9 construction camp sites in Alaska.
Dec 6, 1982	The Office of the Federal Inspector informed Northwest Alaskan Pipeline that the gas conditioning facility design was approved for procurement and further design purposes. This was not a final approval for project

execution. This was published as a notice in the December 23, 1982 Federal Register.

- Jan 1983                   The Governor's Economic Committee on North Slope Natural Gas issued its report Trans Alaska Gas System: Economics Of An Alternative For North Slope Natural Gas: Report . The panel was appointed by Alaska's governor Jay Hammond, and was led by former governors Walter J. Hickel and William A. Egan. The final report was presented to Governor Bill Sheffield. The committee determined that a Trans-Alaska Gas Pipeline System (TAGS) from Prudhoe Bay to tidewater with attendant LNG manufacturing and transportation system would provide the best opportunity to deliver North Slope gas to market. Following this initiative, Hickel formed the Yukon Pacific Corporation with a group of investors. In 1989 Yukon Pacific became a business unit of CSX Corporation.
- Feb 18, 1983               The Federal Energy Regulatory Commission issued an order on rehearing, of Northwest Alaska Pipeline Companies Certification Cost Estimate. This order revised aspects of its September 21, 1981 order.
- Feb 24, 1983               Booz, Allen & Hamilton Inc. transmitted their draft final report on options for delivery and use of North Slope natural gas to the Alaska State Task Force on Alternative Uses of North Slope Natural Gas. Their assessment was that ANGTS and TAGS pipelines would deliver gas to markets at similar costs. It was in Alaska's best interests to have a large pipeline project and it should not express a preference for TAGS or ANGTS until the marketplace chose between them. The development of a Fairbanks spin-off to allow for methanol production should be pursued with both projects. Evaluation Of Alternatives For Transportation And Utilization Of Alaskan North Slope Gas
- March 1, 1983              The Northern Pipeline Agency approved the pipeline route through Yukon Territories.
- March 9, 1983              OFI staff issued their report on the technical conferences covering socioeconomic impacts, affirmative action program, Federal and State government monitoring, and highway repair and maintenance. They analyzed the cost estimates presented by Northwest Alaskan Pipeline Co for each of these.
- March 9, 1983              Northwest Alaskan Pipeline Co. submitted its mainline pipe specification to the Office of Federal Inspector.
- March 18, 1983             HJR 38 was introduced in the Alaska House of Representatives, supporting the TAGS project. It was later revised with wording supportive of TAGS and ANGTS. June 29, 1983 it became Legislative Resolve #19. (HJR 38, CSHJR 38 res, SCS CSHJR 38 res, SCS CSHJR 38 Fin)

- March 20, 1983 *Legislative digest: A Forecast and Review* printed an article reviewing the gasoline options. "ANGTS or TAGS? State advised support both"
- March 28, 1983 HJR 40 was introduced in the Alaska House of Representatives. It called for Congress to decontrol all natural gas. The resolution never left committee.
- March 29, 1983 The Office of the Federal Inspector conditionally approved the air quality plan for the Alaskan leg and Alaska North Slope gas conditioning facility. After making required changes, Northwest Alaskan Pipeline Co. could resubmit the plan for final approval.
- May 1983 The General Accounting Office released a study which reported that changing financing and market conditions made it unlikely that the pipeline could be completed by 1989.
- May 9, 1983 The Canadian National Energy Board officially marked the completion of construction of all facilities on phase I of the eastern leg in Canada, by granting leave-to-open.
- May 12, 1983 The U.S. General Accounting Office issued its report Issues Facing the Future Use of Alaskan North Slope Natural Gas: Report to the Honorable Ted Stevens, United States Senate. The report concluded that the worldwide glut of natural gas and the high cost of transporting it from the arctic was a major obstacle to completion of the Alaska Natural Gas Transportation System (ANGTS). The major alternative to ANGTS, the Trans-Alaska Gas System (TAGS) was not viable either. (report # GAO/RCED-83-102)
- May 23, 1983 *Alaska From the Inside* reported that Walter Hickel's Yukon Pacific all-Alaska pipeline proposal's feasibility study had received funding from Industrial Bank of Japan, Japan Long Term Credit Bank, Bank of Tokyo, Mitsubishi Corp, Sumitomo Corp, Sisho Iwai Co Ltd, C. Itoh Co Ltd, Marubeni Corp and Mitsui Co Limited. Yukon Pacific and Atlantic Richfield were the U.S. companies that had committed to the pipeline study.
- June 9, 1983 Booz, Allen & Hamilton Inc. transmitted their final report on options for delivery and use of North Slope natural gas to the Alaska State Task Force on Alternative Uses of North Slope Natural Gas. They concluded that despite differences in configuration and transportation modes, The Alaska Natural Gas Transportation System (ANGTS) and the Trans-Alaska Gas System (TAGS) appeared to be able to deliver gas to customers at similar costs. Evaluation of Alternatives for Transportation and Utilization of Alaskan North Slope gas



- June 29, 1983 Alaska HJR 38, which asked Congress to lift restrictions on export of Alaska natural gas, was signed by Alaska's Governor and became Legislative Resolve #19. The resolve also encouraged exploration for any market for the gas, instate, interstate, and international.
- July 25, 1983 The Federal Energy Regulatory Commission issued its final regulations establishing a mechanism whereby the shippers of Alaskan gas could recover the cost of transporting it through ANGTS system.
- Aug 1983 It was decided to greatly scale down the operation of the Northern Pipeline Agency. The Agency had been established to supervise construction of the Alaska Natural Gas Pipeline section with Canada. That project had been in limbo for 3 years, and the prospects for construction were dim. By the end of 1983, only 14 staff remained in the Calgary and Whitehorse offices of the Northern Pipeline Agency.
- Sept 13, 1983 Yukon-Pacific Corp was formed to seek construction permits to build a pipeline to deliver North Slope gas to tidewater. The project would be called the Trans Alaska Gas Pipeline (TAGS). Former governors William Egan and Walter J Hickel were among the directors. The pipeline would be 36", high pressure. The project would ship LNG to Japan.
- Sept 15, 1983 The Office of the Federal Inspector approved the use of a new gas conditioning process, and further design work for the Alaska leg.
- Sept 20, 1983 Northwest Energy Co. and The Williams Companies announced the execution of a merger agreement.
- Oct 13, 1983 Vernon T. Jones, new president and chief executive officer for Northwest Energy Co. responded to the concerns of the Office of the Federal Inspector about the merger, by stating that they expected to make no significant changes in Northwest Alaskan Pipeline Co.
- Nov 2, 1983 *Alaska from the Inside* reported that Canadian Energy Minister Jean Chretien stated that U.S. support of the Yukon Pacific pipeline proposal would be in breach of the Presidents Decision and U.S./Canada legal agreements.
- Nov 4, 1983 Northwest Alaskan Pipeline Company applied to the Federal Energy Commission to extend its authorization to import natural gas from Canada for the western leg of the pipeline.
- Nov 16, 1983 The U.S. Senate Committee on Energy and Natural Resources, Subcommittee on Energy Regulation held oversight hearings on marketing of Alaska natural gas. The final report of the hearings were published as

Marketing alternatives for Alaska North Slope natural gas : hearing before the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources, United States Senate, Ninety-eighth Congress, first session on marketing alternatives for Alaska North Slope natural gas, November 16, 1983. The Alaska Governor's Office testified that the State of Alaska supported any project that could reasonably bring North Slope gas to market, ANGTS and TAGS.

Nov 28, 1983

The Canadian Government issued the easement for the ANGTS pipeline through Yukon Territory.

Dec 6-10, 1983

*Alaska From the Inside* reported that Yukon Pacific sent a letter to FERC outlining its proposed project to bring natural gas from the North Slope to Fairbanks in a 48" pipeline. From Fairbanks, it would go 3 ways: local use in Alaska, to tidewater for export to Asia, and through Canada via the ANGTS pipeline to the Continental U.S.