

ALASKA LEGISLATURE SPECIAL COMMITTEE / SUBJECT FILES 86/2

1047 SCOMM 28: JOINT GAS PIPELINE COMMITTEE. 1981-82

NWA has addressed ditch stability by proposing the use of insulation to prevent rapid thaw of the ditch walls, and to limit construction in unstable locations to the shoulder and winter months. However, productivity targets indicate that there will be great incentive to continue pipeline operations through summer months, which could require changes in ditch design.

(6) Pipe Selection Criteria

The mainline pipe material requirements indicated in the FERC Filing may be more restrictive in terms of carbon limitation and Charpy impact values than is necessary for the service anticipated.

(7) Work Pad Design

The decision to increase the minimum separation distance between the gas pipeline and the TAPS oil pipeline from 80 to 200 feet may have an impact on the design of the pad and hence, the quantity of materials required for construction. Likewise, extensive use of a thermal workpad instead of a structural workpad may be necessary north of the Brooks Range to prevent excessive thermal degradation. In addition, the criteria governing the selection of workpad type south of the Brooks Range require further examination.

(8) Major River Crossings

Crossings of major rivers require special designs to account for site specific hydrologic, geotechnical, and thermal conditions. Since the

field programs to collect design data have not been completed, it presently cannot be determined to what extent protective structures or other design treatments will be required.

(9) Minor Stream Crossings

The frost bulb surrounding the chilled gas pipeline could act as a barrier to water flow resulting in erosion damage due to channel diversion caused by massive ice formations. This condition could also directly impact fishery resources. Development of measures used to avoid this condition, such as deep burial or change of mode, may well be in progress, but were not presented in the Filing.

(10) Thaw Settlement

Design criteria limiting thaw settlement beneath the pipe during the dormant period have not yet been presented; thus it is not known if allowance has been made for the application of treatments to control such problems as loss of pipe support and erosion of backfill.

(11) Special Construction Sites

Designs for special sites such as the Atigun Pass and the Yukon River Bridge are still being developed. Options may involve rerouting or the development of special designs, (e.g., tunneling) to accommodate the locations.

(12) Temporary Facilities

NWA plans to utilize existing sewage treatment plants at TAPS construction camps. Extensive renovation or replacement of these existing facilities may be required.

(13) Winter Construction

NWA does not currently intend to adopt winter construction techniques that involve utilization of snow and ice material for workpad and access roads. However, the Right-of-Way Grant requires a revaluation of this policy, which could result in either limited or extensive use of winter months for constructing the pipeline. If this occurs, winter construction should be considered as a major design issue which will require resolution.

(14) Compressor Stations

Certain aspects of compressor station design may be made more cost effective by giving further consideration to the pressure relief/emergency blowdown system, foundation details, and valving for such subsystems as scrubber isolation and refrigeration units.

(15) Communication System

Preliminary design documents give the impression that a new microwave system for communications will be installed. Clarification is required regarding the possible utilization of portions of the existing RCA system.

(16) Proximity to the TAPS

Location of the gas alignment in close proximity to the TAPS has raised a number of design and construction issues. Many of these concerns can be resolved by the Right-of-Way Grant requirement which stipulates a 200-foot minimum separation from the TAPS pipeline except that the two lines are expected to be closer than 200 feet at some locations. Special designs and protective measures may be required at these points.

(17) Proximity to the Fuel Gas Line

TAPS owners have expressed a concern about the integrity of its fuel gas line wherever construction activities are coincident. Special workpad design may be required to protect this facility.

3.0 ORGANIZATIONAL AND SCHEDULE RELATED ISSUES

This section identifies those issues in the management organization and schedules which could affect schedules and costs during the design and construction of the project.

(1) Construction Management

The construction management organization presented in the filing documents permits NWA direction of the project management contractor at multiple levels of the latter's organization. Such an arrangement should be reviewed in light of the need for timely response to construction problems.

(2) Construction Schedules

The schedule for ditching, pipelaying and backfill in ice-rich soils where potential ditch stability problems exist is an issue. These activities are planned for the shoulder months which provide a limited timing window for performing a very difficult construction activity. Schedules for fish stream crossings may possibly be impacted by similar constraints.

(3) QA/QC Authorities

The present QA/QC organization has the authority to establish or modify construction specifications as they relate to quality requirements. The qualifications of the QA/QC group to establish or modify technical or construction related specifications thus becomes an issue.

OFFICE OF THE FEDERAL INSPECTOR
ALASKA NATURAL GAS TRANSPORTATION SYSTEM
ROOM 2413, POST OFFICE BUILDING
1200 PENNSYLVANIA AVENUE
WASHINGTON, D.C. 20044

OCT 7 1980

MEMORANDUM

TO: John Adger
Alaska Delegate
Carle Ausman for
FROM: Amos Mathews
Director of Alaska Field Office
SUBJECT: Major Outstanding Design Issues Related to Alaskan Leg

The attached numbered design issues should be added to those included with my October 2, 1980, memorandum on this subject.

Attachment

(18) Location of Metering/Compressor station

Combining the metering station currently located at the Yukon border with the compressor station in that area can reduce costs as less site work would be required and operation and maintenance would be simplified. Further, one set of pig traps could be eliminated.

(19) Cross Flow of Ground Water

The passage of water across the chilled gas line is an important problem because of environmental consequence, cost, and fears of inducing aufeis (surface icing) and ice damming which can affect the gas line and adjacent structure. The solution to the problem of providing water passage in an economical way can affect the choice of modes.

(20) Impact of Conditioning Plant Design on Total System

Pipeline gas quality specifications call for a one percent limitation in carbon dioxide. This specification is currently being reevaluated and, if changed (e.g. to two percent) could reduce both initial and life cycle costs.

(21) Valve Spacing

Increasing valve spacing coupled with automatic valve operation could reduce costs and improve response to emergency conditions.

(22) Additional Compressor Station Design Issues

Turbine exhaust heat could be utilized in driving the refrigeration system.

- Adsorption cycle powered from exhaust heat could be considered;
- The use of more fuel efficient turbines, such as those using regenerative or combine cycles, may be more cost-effective than aircraft derivative drivers when life cycle cost are considered.

**PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT**

AKIN, GUMP, HAUER & FELD

ATTORNEYS AT LAW

1333 NEW HAMPSHIRE AVENUE, N. W.

SUITE 400

WASHINGTON D. C. 20036

(202) 457-7700

TELEX 89-665

WRITERS DIRECT DIAL NUMBER 457-7633

AUSTIN OFFICE
500 AMERICAN BANK TOWER
AUSTIN, TEXAS 78701
(512) 476-7167

HOUSTON OFFICE
760 SOUTH TOWER
PENNYCOIL PLACE
HOUSTON, TEXAS 77002
(713) 227-0356

DALLAS OFFICE
2800 REPUBLIC NATIONAL BANK BUILDING
DALLAS, TEXAS 75201
(214) 655-2300

October 27, 1980

Honorable Kenneth F. Plumb
Secretary
Federal Energy Regulatory Commission
825 North Capitol Street, N.E.
Washington, D.C. 20426

Re: Northwest Alaskan Pipeline
Company - Docket No. CP78-
123

Dear Mr. Plumb:

Northwest Alaskan Pipeline Company and Alaskan Northwest Natural Gas Transportation Company submit herewith, for filing, pursuant to the Alaska Natural Gas Transportation Act and the Natural Gas Act, an original and 19 copies of Notice of Amendment to Partnership Agreement notifying the Commission of an amendment to the Partnership Agreement for the purpose of admitting Columbia Alaskan Gas Transmission Corporation, Tetco Four, Inc., Texas Gas Alaska Corporation, and TransCanada Pipeline Alaska Ltd. to the Partnership. Together with said Notice, there is also submitted:

1. A copy of Amendment No. 3 (effective August 1, 1980) to the Alaskan Northwest Natural Gas Transportation Company Partnership Agreement.
2. A proposed Notice of Filing of Notice of Amendment to Partnership Agreement.

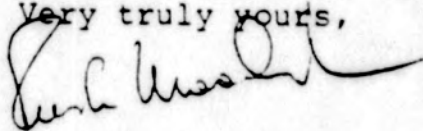
AKIN, GUMP, HAUER & FELD

Honorable Kenneth F. Plumb
October 27, 1980
Page Two

3. A certificate of service.

Copies are being served on parties designated by the
Commission on the service list for Docket No. CP78-123.

Very truly yours,

A handwritten signature in dark ink, appearing to read "Rush Moody, Jr.", with a stylized, flowing script.

Rush Moody, Jr.

Enclosures

In the Matter Of:)
)
 Alaskan Northwest Natural) Docket No. CP78-123, et al.
 Gas Transportation Company)

I

3/ Amendment No. 1 pertained to the discount schedule set forth in Section 5.2 of the Partnership Agreement. The amendment was noted at mimeo p. 7, fn. 6 of the Commission order issued in the captioned docket on June 30, 1978. Amendment No. 2 was filed February 6, 1980 and was the subject of a notice and order requesting comments issued in the above-captioned docket on August 1, 1980. This Amendment No. 3 is the third amendment to the Partnership Agreement, and is attached hereto as Appendix A.

four additional partners: Columbia Alaskan Gas Transmission Corporation, an affiliate of Columbia Gas Transmission Corporation; Tetco Four, Inc., an affiliate of Texas Eastern Transmission Corporation and Transwestern Pipeline Company; Texas Gas Alaskan Corporation, an affiliate of Texas Gas Transmission Corporation; and TransCanada Pipeline Alaska Ltd., an affiliate of TransCanada Pipelines Limited. Affiliates of each of these new participants operates a major pipeline transportation network, the first three in the United States subject to regulation by the Commission, and the latter in Canada subject to regulation by the National Energy Board (NEB).

II

On January 31, 1978, the Alaskan Northwest Partners entered into a general partnership agreement for the purposes of constructing and operating the Alaskan segment of the ANGTS. The terms of this agreement were accepted by the Commission in an order issued June 30, 1978. Section 11 of the Partnership Agreement provides for the admission of additional partners after the formation of the Partnership upon terms and conditions of admission determined by the Partnership.

Pursuant to that section, effective January 1, 1980, the Partnership and American Natural Alaskan Company (American Natural Alaskan) agreed that American Natural Alaskan would become a Partner according to the following terms and conditions:

1. American Natural Alaskan agrees to abide by all conditions and obligations of the Partnership Agreement, unless specifically waived.

2. American Natural Alaskan will make a cash contribution to the capital account of the Partnership in an amount equal to that contributed by any individual Partner for the period between the formation of the Partnership and January 7, 1980. This contribution will be paid-off in increments with each future cash call so that the total paid by American Natural Alaskan will be twice that of any other Partner until the full amount has been equalized.

3. American Natural Alaskan will have the right to submit to the Board of Partners for inclusion in the American Natural Alaskan Capital Account certain sums, called Qualified Expenditures, expended prior to admission that the Partners determine to be of value to the project.

4. American Natural Alaskan will be entitled to a representative on the following committees of the Partnership: Executive, Audit, and Compensation.

5. For purposes of the admission of American Natural Alaskan, the Partnership agrees that solely for purposes of Section 5 of the Partnership Agreement, American Natural Alaskan will be deemed to have been a Partner on or before March 17, 1978. This acts to waive the requirement of Section 5.2 that a Partner admitted after that date is subject to a special allocation of profits, losses and credits.

6. The admission of American Natural Alaskan is conditioned upon the approval by the Commission of the terms and conditions of admission.

These terms and conditions were incorporated into Amendment No. 2 to the Partnership Agreement, which was filed with the Commission on February 6, 1980. Accompanying this submittal was an expression by the Partnership of its willingness to offer the same terms and conditions of membership to any other eligible person for a period of thirty (30) days following the issuance by the Commission of the notice of Amendment No. 2.

The Commission notice was issued August 1, 1980 and included a request for comments and reply comments with respect to certain areas of concern. ^{4/} Although comments were requested on these specific points, the Commission stated that it was inclined to approve the admission of American Natural Alaskan as a partner, the waiver of the discount schedule for that purpose, the use of the thirty-day grace period for admittance of new partners without penalty, and the use of a discount schedule for new partners entering after the grace period.

The Partnership filed initial comments on August 22, 1980 and reply comments on September 5, 1980. In the initial comments, the Partnership explained further the reasoning in support of Amendment No. 2 and the offer of a grace period. By the time the reply comments were due, the Partnership was able to advise the Commission that four companies (Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska) had responded favorably to the Partnership offer and agreement had been reached on the terms and conditions of their admittance.

^{4/} The notice and order of the Commission issued August 1, 1980 invited comments on the following: (1) the waiver of the discount schedule (Section 5.2 of the Partnership Agreement) for the purpose of admitting American Natural Alaskan as a partner; (2) the acceptance of the thirty-day grace period for possible additional membership, (3) the appropriate level of discount to put into effect at the end of the grace period (assuming the grace period is approved), and (4) the appropriateness of using particular events to determine changes in the discount schedule.

The formal agreement expanding the Partnership Agreement to include the four new members is the attached Amendment No. 3 (Appendix A). In addition to the acceptance of the terms and conditions agreed on between the Partnership and American Natural Alaskan, as set forth previously, the Partnership, including American Natural Alaskan, and the four new Partners agreed to further condition membership on the following:

- (1) Commission approval of the thirty-day grace period as tendered in the February 6, 1980 filing,
- (2) Commission approval of Amendment No. 3,
- (3) an understanding that Section 4.3.1 of the Partnership Agreement is not intended to require, and will not be construed to require, any Partner to assume a Partnership interest greater than that interest elected under Section 4.3.1.

The above matters are incorporated into Amendment No. 3.

The Commission will note that in the letter agreement between Columbia Alaskan and the Partnership whereby Columbia Alaskan agreed to become a Partner, which was filed with the Commission on September 5, 1980, a condition was added providing for a waiver of the last sentence of Section 3.6 and waiver of Section 11.1.4 of the Partnership Agreement, together with the receipt by Columbia Alaskan of an order or orders from the Securities and Exchange Commission (SEC) authorizing Columbia Alaskan's participation in the Partnership and the performance of its obligations thereunder. The cause of this condition is the Public Utility Holding Company Act of 1935, which is administered by the SEC, and which is applicable to Columbia Alaskan. Section 3.6 of the Partnership Agreement requires each Partner to represent that it is not subject to that Act, and Section 11.1.4 requires that the admission of any new Partner will not result in the Partnership becoming subject to the Act. As previously stated, the Partnership has agreed to the waiver of these requirements.

III

The instant filing serves to notify the Commission that four more companies have joined the Partnership. The Partnership is now comprised of the original six members, whose participation was approved by the order of June 30, 1978, and five new members (American Natural Alaskan, Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska), whose joinder has not yet

received Commission acceptance. The Partnership does not believe the Commission 5/ or any interested person 6/ has or could have any objection to the proposed expansion of the Partnership.

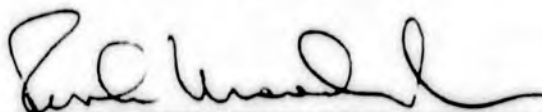
The admission of new Partners is a positive step toward the successful completion of the ANGTS. Additional Partners will facilitate project financing by broadening the base of equity support, spreading the risk of the current investment, and committing greater resources to the Project. Although much of the regulatory risk has been or is about to be overcome, substantial risks remain after Commission certification. The willingness of the new Partners to commit considerable resources to the ANGTS demonstrates their faith in the viability of the Project, reinforces the determination and foresight of the original Partners, and justifies the Partnership's offer of a thirty-day grace period to attract new members. Under these circumstances, the Partnership strongly suggests that the public interest will best be served by Commission approval of both Amendment Nos. 2 and 3.

WHEREFORE, Alaskan Northwest respectfully advises the Commission of the amendment to its Partnership Agreement and petitions the Commission to review and accept the amendment, as offered, and the joinder of the new Partners in accordance therewith.

Respectfully submitted,

Of Counsel:

AKIN, GUMP, HAUER & FELD
1333 New Hampshire Ave., N.W.
Suite 400
Washington, D.C. 20036



Rush Moody, Jr.
Attorney for Alaskan Northwest
Natural Gas Transportation
Company

Northwest Alaskan Pipeline Company

5/ In the August 1, 1980 notice and order, the Commission stated in footnote 7 at page 5 that it was inclined to find the admission to the Partnership of American Natural Alaskan was not inconsistent with the requirements of the President's Decision and Report to Congress on the Alaska Natural Gas Transportation System.

6/ In response to the August 1, 1980 notice and order, no person filed a comment objecting to American Natural Alaskan becoming a Partner. The Partnership anticipates that the instant submittal will not engender any opposition.

APPENDIX A

AMENDMENT NO. 3
AGREEMENT DATED AS OF AUGUST 1, 1980
BETWEEN
ALASKAN NORTHWEST NATURAL GAS TRANSPORTATION COMPANY
AND
COLUMBIA ALASKAN GAS TRANSMISSION CORPORATION,
TETCO FOUR, INC., TEXAS GAS ALASKA CORPORATION,
AND TRANSCANADA PIPELINE ALASKA LTD.

THIS AGREEMENT dated as of August 1, 1980 (Amendment No. 3) by and among ALASKAN NORTHWEST NATURAL GAS TRANSPORTATION COMPANY, a New York general partnership, ("Partnership") formed pursuant to the Alaskan Northwest Natural Gas Transportation Company General Partnership Agreement effective as of January 31, 1978 ("Partnership Agreement"), and Columbia Alaskan Gas Transmission Corporation, a Delaware corporation ("Columbia Alaska") and a wholly-owned subsidiary of Columbia Gas System, Inc., a Delaware corporation; Tetco Four, Inc., a Delaware corporation ("Tetco Four") the capital stock of which is owned fifty percent by Texas Eastern Transmission Corporation and fifty percent by Transwestern Pipeline Company, Delaware corporations; Texas Gas Alaska Corporation, a Delaware corporation ("Texas Gas Alaska") and a wholly owned subsidiary of Texas Gas Transmission Corporation, a Delaware corporation; and TransCanada Pipeline Alaska Ltd., a Nevada corporation ("TransCanada-Alaska") all of whose capital stock is owned indirectly by TransCanada Pipelines Limited, a Canadian corporation.

WITNESSETH THAT:

WHEREAS, on February 6, 1980 by a filing in Docket No. CP78-123, et al., the Partnership gave notice to the Federal Energy Regulatory Commission ("Commission") of Amendment No. 2 to the Partnership Agreement, which set forth the terms and conditions agreed to for the admission into the Partnership of American Natural Alaskan Company ("American Natural Alaskan"), and the Partnership further notified the Commission that for a period of thirty days ("grace period") following the issuance by the Commission of a notice of the filing of Amendment No. 2 that membership in the Partnership would be available to other eligible, interested persons on the same terms and conditions agreed to with American Natural Alaskan; and

WHEREAS, on August 1, 1980 the Commission issued its Notice Of The Filing Of A Notice Of Amendment To Partnership Agreement, And Order Inviting Comments setting forth the terms of Amendment No. 2 and the offer of a grace period for additional membership, and requesting comments; and

WHEREAS, in response to the Partnership offer of a grace period, Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska have separately requested to be admitted as a Partner on the terms and conditions set forth in this Amendment No. 3, and the Partnership is willing to admit each one as a Partner on such terms and conditions; and

WHEREAS, the terms of the admission of Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska to the Partnership, as set forth in Amendment No. 3, require the amendment or waiver of certain terms, conditions, or provisions in the Partnership Agreement, and the Partnership is willing to agree to such amendments or waivers;

WHEREAS, Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska are ready, willing and able to abide by and comply with all the terms, conditions, and provisions of the Partnership Agreement, as amended hereby; and

NOW, THEREFORE, the Partnership and Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska, intending to be legally bound hereby, agree as follows:

I

In accordance with the provisions of this Amendment No. 3, and the Partnership Agreement as amended hereby, Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska shall each become a Partner in the Partnership as of August 1, 1980 (hereinafter called the "Admission Date"). In consideration of becoming a Partner, Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska shall each make capital contributions to the Partnership on the terms and subject to the conditions of Section 4 of the Partnership Agreement, as amended by Amendment No. 2, and as further amended by this Amendment No. 3.

II

Section 1 of the Partnership Agreement is amended, effective as of the Admission Date, to add new sections 1.8 through 1.11 to read as follows:

"1.8 COLUMBIA ALASKAN GAS TRANSMISSION CORPORATION, (hereinafter called 'Columbia Alaskan'), a corporation organized under the laws of the State of Delaware, with its principal corporate offices at 20 Montchanin Road, Wilmington, Delaware 19807. Columbia Alaskan

represents that: (a) all of its capital stock is owned by Columbia Gas System, Inc., a Delaware corporation; and (b) Columbia Alaskan or an Affiliate intends to become a Shipper."

"1.9 TETCO FOUR, INC. (hereinafter called ('Tetco Four')), a corporation organized under the laws of the State of Delaware with its principal corporate offices at One Houston Center Houston, Texas 77002. Tetco Four represents that: (a) fifty percent of its capital stock is owned by Texas Eastern Transmission Corporation and fifty percent by Transwestern Pipeline Company, Delaware corporations; and (b) Tetco Four or its Affiliates intend to become Shippers."

"1.10 TEXAS GAS ALASKA CORPORATION, (hereinafter called 'Texas Gas Alaska'), a corporation organized under the laws of the State of Delaware, with its principal corporate offices at 3800 Frederica Street, Owensboro, Kentucky 42301. Texas Gas Alaska represents that: (a) all of its capital stock is owned by Texas Gas Transmission Corporation, a Delaware corporation; and (b) Texas Gas Alaska or an Affiliate intends to become a Shipper."

"1.11 TRANSCANADA PIPELINE ALASKA LTD., (hereinafter called 'TransCanada-Alaska'), a corporation organized under the laws of Nevada, with its principal corporate offices at 54 Commerce Court, Toronto, Ontario, Canada M5L 1C2. TransCanada-Alaska represents that: (a) all of its capital stock is owned indirectly by TransCanada PipeLines Limited, a Canadian corporation; and (b) TransCanada-Alaska or an Affiliate may become a Shipper."

III

Section 3.6 of the Partnership Agreement is amended, effective as of the Admission Date, to read as follows:

"3.6 Representations and Warranties Concerning Formation of Partnership: Each Partner represents and warrants that, subject to the receipt of all necessary regulatory approvals relating to this Agreement and the investment of the Partners in this Partnership, the execution and delivery of this Agreement, the formation of the Partnership and the performance hereof will not contravene

any provision of, or constitute a default under, any indenture, mortgage or other agreement of such Partner or any Affiliate of such Partner or any order of any court, commission or governmental agency having jurisdiction, and this Agreement is a valid and enforceable Agreement against such Partner except insofar as enforcement hereof may be limited by bankruptcy, insolvency or other similar laws related to or affecting the enforcement of creditors' rights. Each of the Parties to this Agreement, other than Columbia Alaskan, represents that it is not subject to or is exempt from the jurisdiction of the SEC as a public utility holding company within the meaning of the Public Utility Holding Company Act of 1935."

IV

Section 4.2 of the Partnership Agreement is amended by changing Section 4.2.5 and by including new sections 4.2.7 and 4.2.8, effective as of the Admission Date, to read as follows:

"4.2.5 On or before December 1, 1979, and on or before each succeeding December 1 in the event the Commitment Date is estimated to occur after such succeeding December 1, the Board of Partners shall determine, taking into account budgeted costs and contractual commitments which will accrue if the Project is suspended, the anticipated cash requirements of the Partnership for the period from January 1, 1980 (or from any succeeding January 1) through the date then estimated to be the Commitment Date. Immediate notice of each such determination shall be given to all Partners. Each Partner agrees, subject to the withdrawal rights specified in Section 4.4.3, to contribute to the Partnership, for the period commencing January 1, 1980 and ending with the Commitment Date, an amount equal to (i) the amount by which the anticipated cash requirements of the Partnership during such period exceeds the total of the amount contributed by American Natural Alaskan pursuant to Section 4.2.6, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska pursuant to Section 4.2.7, and Columbia Alaskan pursuant to Section 4.2.8, divided by (ii) the number of Partners.

4.2.7 Tetco Four, Texas Gas Alaska, and TransCanada-Alaska severally agree, notwithstanding anything to the contrary in Section 4.4.3, which Section shall not be applicable to this Section 4.2.7, to contribute to the Partnership that amount which is equal to the amount contributed by any Partner named in Sections 1.1 through 1.6 pursuant to Section 4.2 from the Formation Date through August 12, 1980. Until Tetco Four, Texas Gas Alaska, and TransCanada-Alaska shall have each contributed to the Partnership the entire amount required to be contributed by it pursuant to this Section 4.2.7, each shall, notwithstanding anything to the contrary in Section 4.4, contribute to the Partnership pursuant to this Section 4.2.7, on each date on which a capital contribution pursuant to Section 4.2.5 shall become due and payable, an amount equal to the lesser of (i) the highest amount contributed by any Partner named in Sections 1.1 through 1.6 pursuant to Section 4.2.5 on such date or (ii) the balance remaining to be contributed separately by Tetco Four, Texas Gas Alaska, and TransCanada-Alaska pursuant to this Section 4.2.7. The contributions made by Tetco Four, Texas Gas Alaska, and TransCanada-Alaska pursuant to this Section 4.2.7 shall be in addition to the contributions of Tetco Four, Texas Gas Alaska, and TransCanada-Alaska pursuant to Section 4.2.5.

4.2.8 Upon the receipt by Columbia Alaskan of authorization from the SEC to participate in the Partnership pursuant to the Public Utility Holding Company Act of 1935, which shall occur after the Admission Date and subsequent to one or more requests for cash contributions pursuant to Section 4.2.5, as of the next such request for a cash contribution, Columbia Alaskan shall contribute an amount equal to the sum of (i) the amount previously paid by a Partner subject to both Sections 4.2.5 and 4.2.7 plus (ii) the cash contribution then requested, computed as if Columbia Alaskan were subject to the provisions of Section 4.2.7. Thereafter, for the purposes of cash contributions under Section 4.2.5, the contribution of Columbia Alaskan shall be calculated according to the provisions of Section 4.2.7 as if Columbia Alaskan were included therein on an equal basis with Tetco Four, Texas Gas Alaska, and TransCanada-Alaska."

V

Notwithstanding anything in the Partnership Agreement, as amended, that may be to the contrary, the Partnership and Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska agree that Section 4.3.1 of the Partnership Agreement is not intended to require, and will not be construed to require, any Partner to assume a Partnership interest greater than that interest which such Partner has elected pursuant to Section 4.3.1.

VI

Notwithstanding anything in the Partnership Agreement, as amended, to the contrary, each Partner agrees that solely for purposes of Section 5 of the Partnership Agreement, Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska shall be treated as if they had executed the Partnership Agreement on or before March 17, 1978.

VII

Section 8.3.1 of the Partnership Agreement is amended, effective as of the Admission Date, to read as follows:

"8.3.1 The Executive Committee shall consist of a Chairman and ten members. Each Partner named in Sections 1.1 through 1.11 (or any substitute Partner succeeding to its interest hereunder) shall designate a representative to serve on the Executive Committee, and the Chairman of the Board of Partners shall also be the Chairman of the Executive Committee. Any vacancy on the Executive Committee occasioned by the withdrawal of a Partner named in Sections 1.1 through 1.11 (or any substitute Partner succeeding to its interest hereunder) shall be filled by the Board of Partners."

VIII

Section 8.4.1 of the Partnership Agreement is amended, effective as of the Admission Date, to read as follows:

"8.4.1 The Audit Committee shall consist of ten members. No member of the Audit Committee shall be affiliated in any manner with Northwest, and each Partner (other than Northwest) admitted

to the Partnership prior to September 1, 1980 shall have one representative on the Audit Committee. The Board of Partners shall designate one member of the Audit Committee to serve as Chairman of the Audit Committee. Decisions of the Audit Committee shall be by a majority vote of the members. The members shall serve on the Committee at the will of the Board of Partners."

IX

Section 8.5.1 of the Partnership Agreement is amended, effective as of the Admission Date, to read as follows:

"8.5.1 The Compensation Committee shall consist of ten members. No member of the Compensation Committee shall be affiliated in any manner with Northwest, and each Partner (other than Northwest) admitted to the Partnership prior to September 1, 1980 shall have one representative on the Compensation Committee. The Board of Partners shall designate one member to serve as Chairman of the Compensation Committee. Decisions of the Compensation Committee shall be by majority vote of the members. The members shall serve on the Committee at the will of the Board of Partners."

X

For the purposes of Section 11.1 of the Partnership Agreement, execution of this Amendment No. 3 shall (a) satisfy the requirement that a new Partner execute a counterpart of the Partnership Agreement, and (b) except for Columbia Alaskan with respect to Section 11.1.4, constitute a warranty and representation by Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska that each has satisfied the conditions for admission to the Partnership set forth in Sections 11.1.2 through 11.1.4, and (c) constitute satisfaction of the requirements of Section 11.1.1.

XI

This Amendment No. 3 shall be governed by and interpreted in accordance with the laws of New York. Terms used in this Amendment No. 3 which are defined in the Partnership Agreement are, unless the context otherwise requires, used herein as therein defined.

XII

This Amendment No. 3 may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

XIII

This Amendment No. 3 embodies the entire agreement and understanding between the Partnership and Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska and supersedes all prior agreements and understandings relating to the terms and conditions of the admission of Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska as Partners and any other matters which are the subject of this Amendment No. 3.

XIV

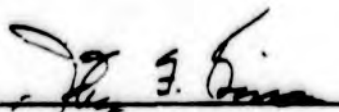
This Amendment No. 3 and the obligations of the Partnership and Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska hereunder are subject to all applicable laws, rules, orders and regulations of United States federal, state or local governmental authorities having jurisdiction and, in the event of conflict, such laws, rules, orders and regulations of governmental authorities having jurisdiction shall control.

The Partnership and Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska agree that admission to the Partnership is subject to a condition subsequent of Commission approval of the thirty-day grace period as tendered in the February 6, 1980 Partnership filing and Commission approval of this Amendment No. 3.

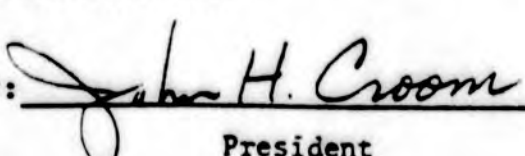
IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 as of the day and year first written.

ATTEST:

COLUMBIA ALASKAN GAS TRANSMISSION
CORPORATION



Assistant Secretary

By: 

President

ATTEST:

Joseph L. Walter

ATTEST:

ATTEST:

TETCO FOUR, INC.

By: Alvin Eugene Hodge

TEXAS GAS ALASKA CORPORATION

By: _____

TRANSCANADA PIPELINE ALASKA LTD.

By: R. L. Anthony

ALASKAN NORTHWEST NATURAL GAS
TRANSPORTATION COMPANY

By each of its Partners:

ATTEST:

John McMillan

ATTEST:

ATTEST:

ATTEST:

NORTHWEST ALASKAN PIPELINE COMPANY

By: John McMillan

NORTHERN ARCTIC GAS COMPANY

By: _____

PAN ALASKAN GAS COMPANY

By: _____

CALASKA ENERGY COMPANY

By: John McMillan

ATTEST:

TETCO FOUR, INC.

By: _____

ATTEST:

TEXAS GAS ALASKA CORPORATION

By: _____

ATTEST:

TRANSCANADA PIPELINE ALASKA LTD.

By: _____

ALASKAN NORTHWEST NATURAL GAS
TRANSPORTATION COMPANY

By each of its Partners:

ATTEST:

NORTHWEST ALASKAN PIPELINE COMPANY

By: _____

ATTEST:

NORTHERN ARCTIC GAS COMPANY

[Signature]
Assistant Secretary

By: *Gordon Severa*
President

ATTEST:

PAN ALASKAN GAS COMPANY

By: _____

ATTEST:

CALASKA ENERGY COMPANY

By: _____

ATTEST:

TETCO FOUR, INC.

By: _____

ATTEST:

TEXAS GAS ALASKA CORPORATION

By: _____

ATTEST:

TRANSCANADA PIPELINE ALASKA LTD.

By: _____

ALASKAN NORTHWEST NATURAL GAS
TRANSPORTATION COMPANY

By each of its Partners:

ATTEST:

NORTHWEST ALASKAN PIPELINE COMPANY

By: _____

ATTEST:

NORTHERN ARCTIC GAS COMPANY

By: _____

ATTEST:

PAN ALASKAN GAS COMPANY

Robert W. Reed

By: R. E. Kalen

ATTEST:

CALASKA ENERGY COMPANY

By: _____

ATTEST:

TETCO FOUR, INC.

By: _____

ATTEST:

TEXAS GAS ALASKA CORPORATION

By: _____

ATTEST:

TRANSCANADA PIPELINE ALASKA LTD.

By: _____

ALASKAN NORTHWEST NATURAL GAS
TRANSPORTATION COMPANY

By each of its Partners:

ATTEST:

NORTHWEST ALASKAN PIPELINE COMPANY

By: _____

ATTEST:

NORTHERN ARCTIC GAS COMPANY

By: _____

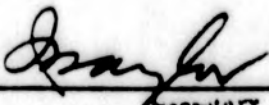
ATTEST:

PAN ALASKAN GAS COMPANY

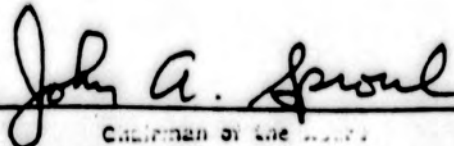
By: _____

ATTEST:

CALASKA ENERGY COMPANY



Secretary

By: 

Chairman of the Board

ATTEST:

PACIFIC INTERSTATE TRANSMISSION
COMPANY (ARCTIC)

Assistant Secretary

By:

President

ATTEST:

UNITED ALASKA FUELS CORPORATION

By:

ATTEST:

AMERICAN NATURAL ALASKAN COMPANY

By:

ATTEST:

PACIFIC INTERSTATE TRANSMISSION
COMPANY (ARCTIC)

By: _____

ATTEST:

UNITED ALASKA FUELS CORPORATION

By: _____

ATTEST:

AMERICAN NATURAL ALASKAN COMPANY

By: James J. Chebikott

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Northwest Alaskan Pipeline Company)
)

Docket No. CP78-123

NOTICE OF FILING OF
NOTICE OF AMENDMENT TO
PARTNERSHIP AGREEMENT

Take notice that on October 27, 1980, Northwest Alaskan Pipeline Company and Alaskan Northwest Gas Transportation Company, a partnership formed under the laws of the State of New York (hereinafter referred to as the Partnership), filed a document entitled "Notice of Amendment to Partnership Agreement," in which the Commission was advised that Columbia Alaskan Gas Transmission Corporation, an affiliate of Columbia Gas Transmission Corporation; Tetco Four, Inc., an affiliate of Texas Eastern Transmission Corporation and Transwestern Pipeline Company; Texas Gas Alaskan Corporation, an affiliate of Texas Gas Transmission Corporation; and TransCanada PipeLine Alaska Ltd., an affiliate of TransCanada PipeLines Limited have been admitted to the Partnership as of August 1, 1980. A copy of the amendment to the Partnership Agreement (Amendment No. 3) was attached to the above noted filing.

The instant amendment admits Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska pursuant to section 11 of the Partnership Agreement. The admissions are in response to an offer of the Partnership in a filing dated February 6, 1980. At that time the Partnership notified the Commission of the admission to the Partnership of American Natural Alaskan Company, effective January 1, 1980, and formalized through Amendment No. 2 to the Partnership Agreement. Also in that filing, the Partnership made an offer that for a thirty-day period following issuance of the Commission notice of Amendment No. 2, any eligible person could become a Partner on substantially the same terms and conditions as those agreed to with American Natural Alaskan Company. The Commission notice was issued August 1, 1980. Columbia Alaskan, Tetco Four, Texas Gas Alaska, and TransCanada-Alaska all reached agreement for membership with the Partnership within the thirty-day period. In addition to the terms and conditions that applied to American Natural Alaskan, the four new Partners and the Partnership further agreed that admission would be conditioned upon: (1) Commission approval of the thirty-day grace period as tendered in

the February 6, 1980 filing; (2) Commission approval of Amendment No. 3; and (3) an understanding that Section 4.3.1 of the Partnership Agreement is not intended to require, and will not be construed to require, any Partner to assume a Partnership interest greater than that interest elected under Section 4.3.1.

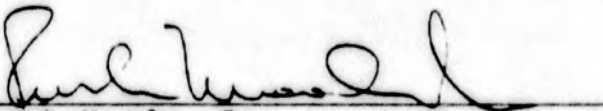
Any person desiring to be heard or to make any protest with reference to said application should on or before _____, 1980, file with the Federal Energy Regulatory Commission, Washington, D.C. 20426, a petition to intervene or a protest in accordance with the requirements of the Commission's Rules of Practice and Procedure (18 CFR 1.8 or 1.10) and the Regulations under the Natural Gas Act (18 CFR 157.10). All protests filed with the Commission will be considered by it in determining the appropriate action to be taken but will not serve to make the protestants parties to the proceeding. Any person wishing to become a party to a proceeding or to participate as a party in any hearing therein must file a petition to intervene in accordance with the Commission's Rules.

Kenneth F. Plumb
Secretary

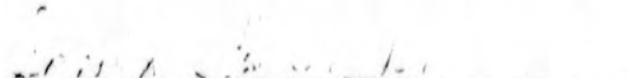
VERIFICATION

DISTRICT OF COLUMBIA) ss.

RUSH MOODY, JR., being duly sworn, on oath, says that he is an attorney for Northwest Alaskan Pipeline Company; that he has read the foregoing Notice of Amendment to Partnership Agreement of the Northwest Alaskan Pipeline Company and the Alaskan Northwest Natural Gas Transportation Company and that he is familiar with the contents thereof; that as attorney, he has executed the same for and on behalf of said Companies with full power and authority to do so; and that the matters set forth therein are true to the best of his information, knowledge and belief.


Rush Moody, Jr.
Attorney

SUBSCRIBED AND SWORN TO before me this 27th day of October, 1980.


Notary Public

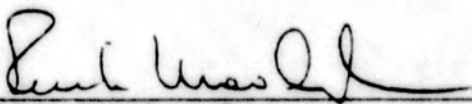
My Commission Expires:

My Commission Expires April 30, 1984

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all parties of record in Docket No. CP78-123 in accordance with the requirements of §1.17 of the Rules of Practice and Procedure.

Dated at Washington, D.C., this 27th day of October, 1980.


Rush Moody, Jr.

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT.**

DRAFT



INFO BOOK

Please Note:

It is expected that some of the information presented here is of such a nature that it will change and become inaccurate.

This publication will be revised on a regular basis. Please check for a current publication date.

Publication Date: August 1980

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**OFFICE OF THE FEDERAL INSPECTOR
ALASKA NATURAL GAS TRANSPORTATION SYSTEM**



**JOHN T. RHETT
FEDERAL INSPECTOR
ALASKAN NATURAL GAS TRANSPORTATION SYSTEM**

Mr. Rhett is a professional engineer and administrator with almost 35 years experience supervising major construction in both the civil works and military construction fields. He was with the U.S. Army Corps of Engineers from 1945 to 1973, retiring as a Colonel after serving at posts both here and abroad. In 1973 he joined the Environmental Protection Agency as Deputy Assistant Administrator for Water Program Operations. There he administered EPA's major operation programs in the water pollution control field, such as the multi-billion-dollar grant program for construction of municipal wastewater treatment facilities. He was born in Ft. Benning, Georgia, and received his B.S. from the U.S. Military Academy in West Point, N.Y. in 1945; a Masters in Engineering from the University of California in 1952; and a Masters in International Relations from George Washington University in 1965. He is married, with two children and one grandchild. He and his wife currently reside in Arlington, Virginia.

OFFICE OF THE FEDERAL INSPECTOR - ANGTS

900 W. Fifth Avenue
Pouch 6619
Anchorage, Alaska 99502

FTS-271-3668
907-271-3668

1001 Noble Street, Suite 400
Fairbanks, Alaska 99701

FTS-452-1951 x275
907-456-6311

2222 Martin Drive, Suite 155
Irvine, California 92715

11414 W. Center Road, Suite 350
Omaha, Nebraska 68144

215 Market Street, Room 767
San Francisco, California 94105

FTS-454-7171
415-764-7171

P.O. Building, Room 2413
1200 Pennsylvania N.W.
Washington, D.C. 20044

FTS 275-1100
202-275-1100



OFFICE OF THE FEDERAL INSPECTOR
ALASKA NATURAL GAS TRANSPORTATION SYSTEM

FACT SHEET

Functions of the Office of the
Federal Inspector, Alaska Natural Gas
Transportation System

Origins:

The Office of the Federal Inspector is a small but unique, independent entity created by Congress and the President specifically to expedite and oversee construction of the Alaska Natural Gas Transportation System. Congress in its 1976 legislation clearing the way for the project included the requirement that a single individual, to be called the Federal Inspector, be appointed to be responsible for assuring that the project is built as timely as possible, without excessive cost overruns, and with minimal harm to the environment. It included that requirement because the undertaking is itself unique in size and in importance to the Nation's energy future, and in light of the delays and large cost overruns that have in the past plagued large construction projects, such as the Trans-Alaskan Oil Pipeline.

The Project:

The Alaska Natural Gas Transportation System will be an overland pipeline of varying diameters designed to carry about 2.4 billion cubic feet of natural gas daily from Prudhoe Bay, Alaska, to homes and industries in the lower 48 states. At a cost of about \$15 billion it will be the largest privately-financed construction project ever undertaken anywhere. It will supply about five percent of our Nation's gas needs for the 25-year life of the project, based on current use rates. The entire project stretches 4,800 miles from Prudhoe Bay, on the northern coast of Alaska, along the route of the Trans-Alaska Oil Pipeline to Delta Junction, south of Fairbanks. There the gas line turns southeast and continues south into Canada, generally following the Alaskan-Canadian highway. Just north of Calgary it splits into two legs--the West Leg going to Antioch, California and the East Leg almost to Chicago. Construction is scheduled to start in 1981 on the two lower legs. The last portion to be built, the Alaskan segment, is now scheduled for completion in 1984.

Legislative
History:

The U.S. Congress enacted the Alaska Natural Gas Transportation Act on October 22, 1976, setting out a series of innovative procedures to expedite the selection, approval and construction of a natural gas pipeline system to bring Alaskan gas to lower 48 markets. After receiving a recommendation from the U.S. Federal Power Commission (now the Federal Energy Regulatory Commission), the President in September 1977 selected a route and applicant. Congress in November of that year approved the President's selection. The exact duties of the Federal Inspector were not defined until Reorganization Plan No. 1 was signed by the President on June 11, 1979. The concepts of that Plan were set out in Executive Order No. 12142, signed by the President on June 21. These three Presidential documents combined to implement the intent of Congress embodied in the ANGTA of establishing the Office of the Federal Inspector, which officially came into being July 1, 1979.

Responsi-
bilities:

The Federal Inspector is an independent entity within the executive branch, established to oversee all construction and initial operation of the U.S. portions of the pipeline. He will coordinate and schedule actions of the eight Federal agencies which must approve some aspect of the project; monitor construction; and enforce all certificates and conditions issued by the agencies. He will be the "one window" for receipt of all data and permit applications and for issuance of all permits. Specifically, the Federal Inspector will:

1. coordinate the scheduling and issuance of all Federal permits and related activities to assure timely and unified decisions;
2. monitor activities to assure that cost control, safety, and environmental protection objectives are fulfilled while still meeting the project completion schedule;
3. keep the President and Congress informed on project progress, including potential delays or problems;
4. establish a joint surveillance and monitoring agreement with the State of Alaska; and
5. enforce all Federal statutes which affect the project, assuring that the builders are complying with all conditions or stipulations attached to any Federal approval.

Although the Federal Departments of Transportation, Energy, Interior, Agriculture, Treasury, the Environmental Protection Agency, U.S. Army Corps of Engineers, and the Chairman of the Federal Energy Regulatory Commission retain their authority to issue necessary permits and certificates, the Federal Inspector must assure that the agencies make these authorizations in timely fashion.

Organiza-
tion:

Since the establishment of the Office of the Federal Inspector on July 1, 1979, and swearing in of a Federal Inspector on July 13, a concentrated effort has been made to develop a quality organization capable of effectively carrying out the critical responsibilities given it by the Congress and the President. An organizational structure is in place and many of the key positions are filled.

Three other elements which are not part of the OFI but will play an important role are:

Executive Policy Board - Established by Executive Order No. 12142, the EPB is composed of high-level representatives of the Departments of Labor, Agriculture, Energy, Transportation, and Interior; the Corps of Engineers, the Federal Energy Regulatory Commission, and the Environmental Protection Agency. The EPB advises the Federal Inspector on overall management of the program or specific agency concerns or authorities. The EPB has met periodically since January 1978.

Agency Authorized Officers - Each Federal agency which must approve some aspect of the project has appointed an Agency Authorized Officer to represent that agency in the Federal Inspector's Office, as required by the President's Decision and the Reorganization Plan. During the permitting phase, the AAO's will be the primary officials responsible for expediting their agency's approvals. The AAO's will work closely with their agencies and be responsible to the Federal Inspector for assuring timely completion of all necessary actions during this phase.

Citizens' Advisory Council - The Federal Inspector is establishing a citizens' advisory council to provide an avenue for citizen input into certain major decision areas such as environmental matters.



OFFICE OF THE
FEDERAL INSPECTOR

OFFICE OF THE FEDERAL INSPECTOR
ALASKA NATURAL GAS TRANSPORTATION SYSTEM
ROOM 2413, POST OFFICE BUILDING
1200 PENNSYLVANIA AVENUE
WASHINGTON, D.C. 20044

1980 JUL 21 AM 10 39
ANCHORAGE, ALASKA

July 15, 1980

(22) 275-1100

OFFICE OF THE FEDERAL INSPECTOR

Federal Inspector	John T. Rhett
Secretary	Nancy M. Ellett
Executive Officer	Peter L. Cook
Secretary	Linda V. Williams
Special Assistant to the Federal Inspector	Mara Craggs
Administrative Clerk	Leroy McDonald
Clerk Typist	Robyn Jones

GENERAL COUNSEL

General Counsel	Edward W. Hengerer
Secretary	Hazel M. Younger
Deputy General Counsel	Rhodell Fields (7/27)
Attorney	Marcia D. Connelly
Attorney	Peter Esposito
Clerk Typist	Bennie Mae Yeargin

EXTERNAL AFFAIRS

Public Information Officer	Joyce ^{R.} Morrison	275-1100
Intergovernmental Affairs Officer	Russell A. Soulen	275-1153
Information Clerk	Eunetta R. Taylor	

POLICY ANALYSIS

Program Analyst	Angela Cummings
-----------------------	-----------------

OFFICE OF ADMINISTRATION

Director Willis E. Greenstreet
 Secretary Sarah G. Powell

Deputy Director David C. Rector
 Secretary Jean M. Davis

Procurement and Contracts

Director Jerry B. Vance
 Secretary Evelyn Chervenik

Contracts Specialist Bruce L. Mueller ²⁷⁵⁻¹¹⁶²

Contracts Specialist C. Allen Olson

Purchasing Agent Dagmar C. Brown

Support Services

Support Services Supervisor Thomas Godbout
 Secretary Anna J. Stout

Support Services Specialist George Blackwell

Management Assistant Hannah B. Soorenko

Correspondence Control Clerk Stephanie Michie

Personnel

Director William B. Laxton ²⁷⁵⁻¹¹⁵⁷

Management Analyst Benjamin L. White

Personnel Management Specialist Janet H. Sledge

Personnel Management Specialist Linda F. Adams

Personnel Assistant Stephanie Profater

Clerk Typist Renee Morrison

Financial Management

Financial Manager James Trent
 Secretary Adele Smith

Budget Analyst Nancy J. Livingston

Travel & Pay Technician Beverly Frickie

Internal Audit and Security

Program Analyst Albert Y. Ouchi
 Auditor Gary B. Barber 275-1144

Management Information Systems

General Engineer John L. Figel

Equal Employment Opportunity/Minority Business Enterprise

Director John L. Alexander 275-115
 EEO Specialist Mary S. Settle

ENVIRONMENTAL REVIEW

Biologist David Critchfield
 Biologist Deborah Kirk
 Archaeologist Stephen Chomko

ENGINEERING REVIEW

Civil Engineer Don Knight
 Secretary Susie Hendricks

PERMITS AND COMPLIANCE

Director, Permits and Compliance Bill Toskey
 Secretary Pat Marcopulos
 Director of Permits Bob Mosher
 Secretary Carolyn Wilks
 Program Analyst Margaret Hayman
 Civil Engineer Audrey Morton
 Fish & Wildlife Biologist Carole Hamilton
 Director of Compliance Larry Ouellette
 General Engineer Ken Freelain
 Civil Engineer John Morton
 Compliance Specialist Kristie Patterson

AUDIT AND COST ANALYSIS

Director Richard Berman
 Cost Accountant Eugene Muldoon

ANCHORAGE OFFICE - 271-3668

Director, Alaska Field Office Amos C. Mathews
 Secretary Barbara Freeman
 Supervisory Civil Engineer James V. Coan
 Secretary Rita Rainwater
 Civil Engineer Earl Ellis
 General Engineer James F. Sizemore
 Fish & Wildlife Biologist W. Lewis Pamplin
 External Affairs Representative Paul T. Steucke
 Laborer Roy Jamerson

FAIRBANKS OFFICE - 456-6311

Chief of the Fairbanks Office Robert Stuart
 Secretary Evelyn Melavic
 Special Assistant to the
 Federal Inspector Austin Ward
 General Engineer Julius Moor
 Fish & Wildlife Biologist Tony Booth (8/10)
 Clerk Roxie Miller

SAN FRANCISCO OFFICE (415) 764-7171

Supervisory General Engineer Leo Bellarts
 Secretary Carolyn Rees
 General Engineer Joseph Tolly

714 836 2393

IRVINE OFFICE

Engineering and Cost Review

Director of Engineering Bill Black (9/2)

Supervisory Civil Engineer Earle Ausman

OMAHA

Dennis Schroeder - Eng.

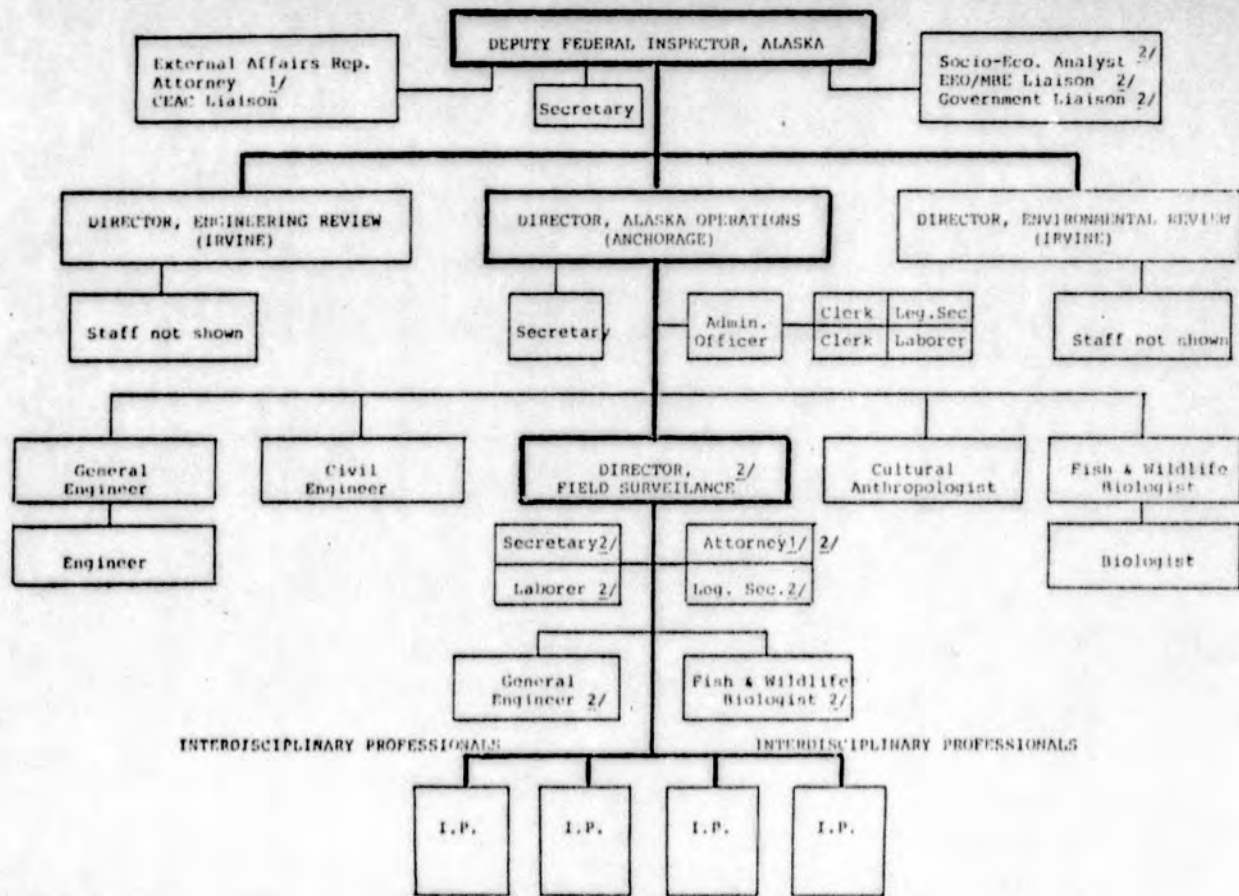
WASHINGTON, D.C. OFFICE
OFI ROSTER OF PERMANENT EMPLOYEES

	EXT	ROOM	INTER	STA.
ADAMS, Linda	27 51157	2426	A-5	5E
AUSMAN, Earle	" 51114	2407	B-0	2AA
BARBER, Gary	" 51144	2416	A-3	3C
BROWN, Dagmar	" 51162	2428	A-1	6B
CHERVENIC, Evelyn	" 51162	2428	A-0	6A
CONNELLY, Marcia	51144	2416	A-4	3D
COOK, Peter	* 51100	2408	A-6	1F
CRAGGS, Mara	51100	2432	A-20	1W
CRITCHFIELD, David	51153	2420	A-6	4F
CUMMINGS, Angela	51100	2432	A-21	1Z
DAVIS, Jean	51114	2412	B-6	2B
ELLETT, Nancy	51100	2406	A-1	1C
ESPOSITO, Peter				
FIGEL, Jack				
FRICKIE, Beverly	51167	2432	A-0	7A
GODBOUT, Tom	51162	2428	A-3	6C
GREENSTREET, WILLIS	51114	2409	B-3	2Y
MAN, Margaret				
HENDRICKS, Susie	51114	2412	B-7	2C
HENGERER, Ned	51144	2411	A-0	3A
JONES, Robyn	51100	2432	A-9	1L
KIRK, Deb	51153	2420	A-5	4E
LAXTON, Bill	51157	2426	A-4	5D
LIVINGSTON, Nancy	51167	2432	A-4	7D
MARCOPULOS, Pat	51153	2420	A-4	4D
MCDONALD, Leroy	51100	2406	A-3	1D
MCKINNEY, Charlie	51144	2416	A-1	3B
MICHIE, Stephanie	51144	2416	A-7	3G
MORRISON, Joyce	51100	2405	A-7	1T
MORRISON, Renee	51157	2406	A-7	5G
MORTON, Audrey				
MORTON, John				
MOSHER, Robert				
MUELLER, Bruce	51162	2428	A-6	6G
OLSON, Allen	51162	2428	A-4	6D
OUCHI, Al	51162	2428	A-5	6F
QUELLETTE, Laurent				
POWELL, Sarah	51114	2412	B-5	2A
PROFATER, Stephanie	51157	2426	A-0	5A

RECTOR, David	51114	2415	B-4	2X
RHETT, Jack	51100	2402	A-0	1A
SETTLE, Mary	51157	2426	A-3	5C
SLEDGE, Janet	51157	2426	A-1	5B
SMITH, Adele	51167	2432	A-3	7C
SOORENKO, Hannah	51153	2413	A-0	4A
SOULEN, Russell	51153	2413	A-3	4C
TAYLOR, Eunetta	51100	2405	A-8	1S
TOSKEY, Bill	51153	2420	A-1	4B
TRENT, James	51167	2432	A-5	7E
VANCE, Jerry	51162	2430	A-7	6E
WILLIAMS, Linda	51100	2406	A-4	1E
WHITE, Ben	51157	2426	A-6	5F
WILKES, Carolyn				
YEARGIN, Bennie	51144	2412	A-6	3F
YOUNGER, Hazel	51144	2412	A-5	3E

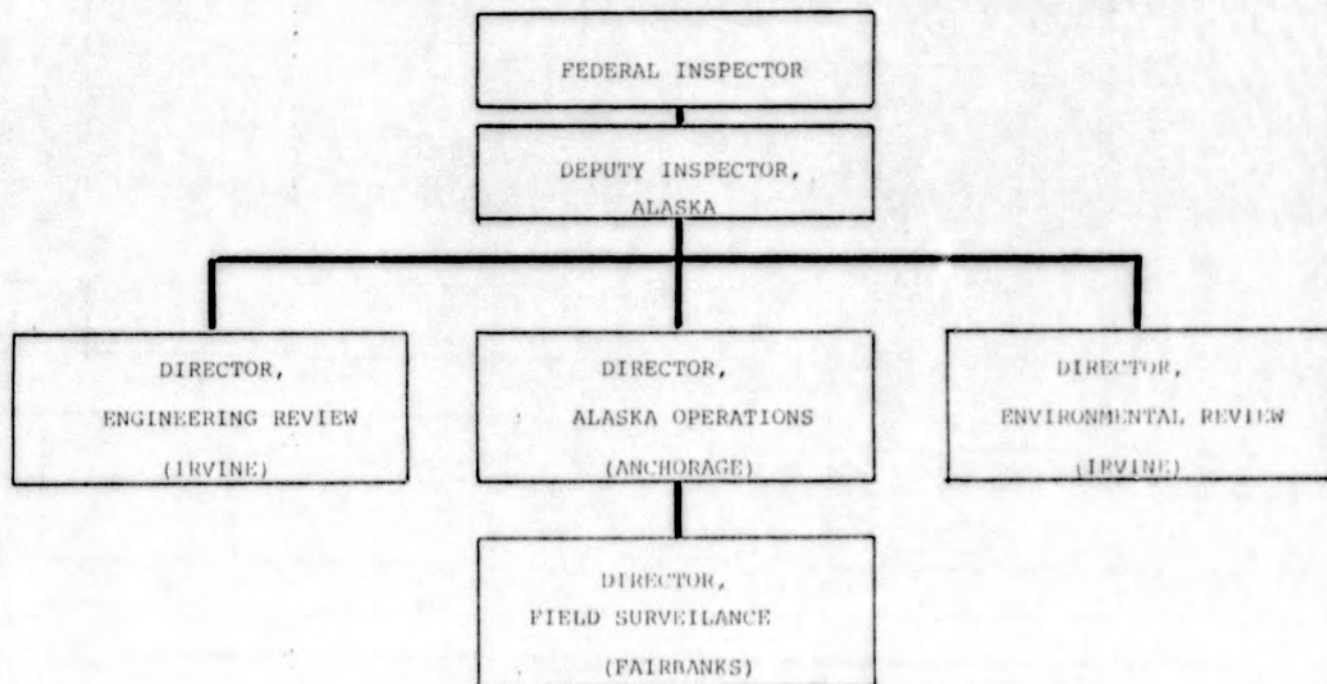


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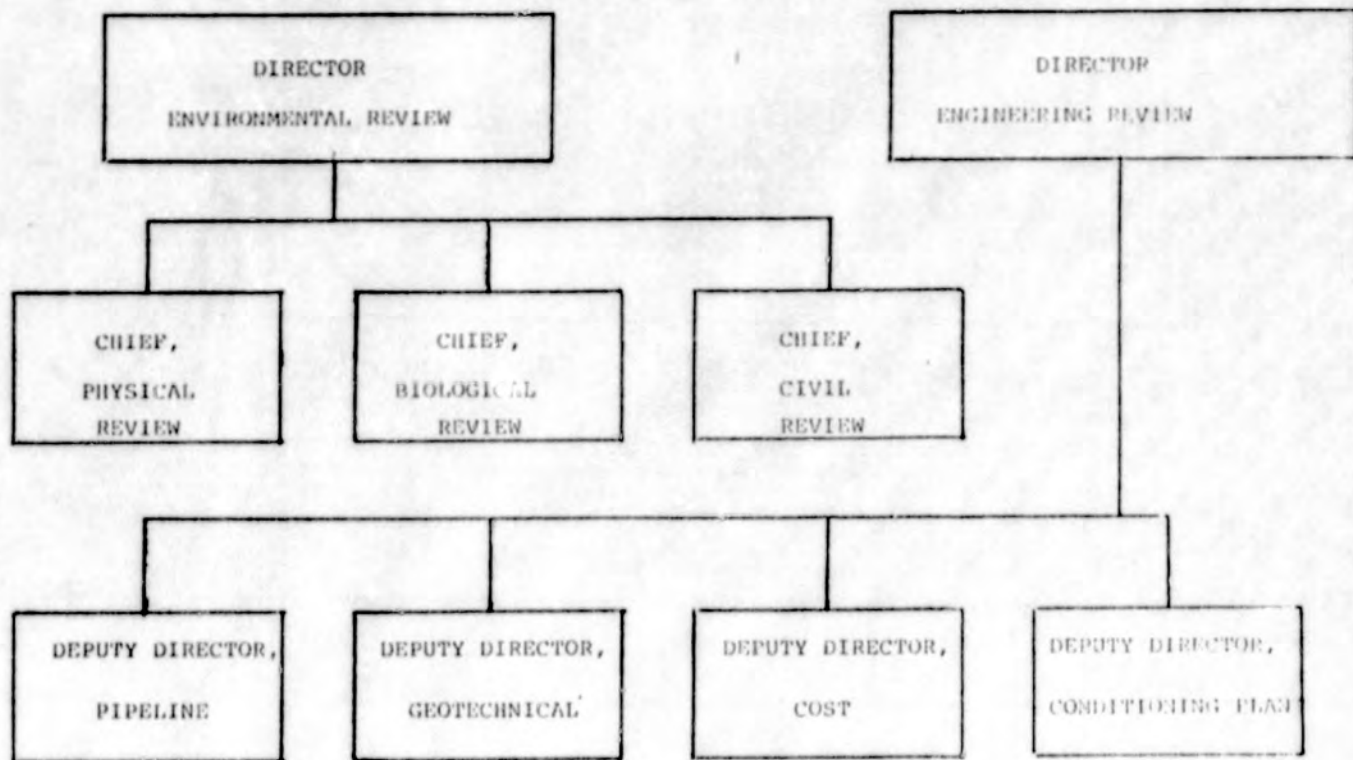


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7/31/80

Ⓢ ALASKA OPERATIONS ~ FY 1981 ~ OFI, ANGTS



ALASKA OPERATIONS ~ (IRVINE) ~ O.F.I., ANGTS





**OFFICE OF THE FEDERAL INSPECTOR
ALASKA NATURAL GAS TRANSPORTATION SYSTEM**

FACT SHEET

**Technical Facts on the Alaska Natural Gas
Transportation System**

UTE

Alaska-Canada main trunk: Starting at Prudhoe Bay, Alaska, it parallels the Trans-Alaska Pipeline System corridor to Delta Junction, southeast of Fairbanks. There it turns southeast, generally paralleling the Alaska Highway, passing through the Yukon Territory, British Columbia, and Alberta. At James River, Alberta, it divides into two legs.

Western Leg: British Columbia, Idaho, Washington, Oregon, terminating at Antioch, California, near San Francisco.

Eastern Leg: Crosses Saskatchewan, Montana, North Dakota, South Dakota, Minnesota and Iowa, terminating near Chicago, Illinois.

The general route of the pipeline (shown on the reverse of this page) was selected by the President in September of 1977 after agreement with the Canadian Government was reached. Decision on final routing and alignment with the oil pipeline in Alaska is expected during

LENGTH

4,800 miles total.

Alaskan segment: 741 miles

Canadian segment: 2,028 miles, including those portions of the two legs that are in Canada.

Eastern Leg: 1,117 in U.S.

Western Leg: 911 miles of loop (loop is a common expansion technique in which a separate pipeline is built closely paralleling the existing line), with interconnections of existing compressor stations. Will include 1.6 million tons of pipe, 2.2 million tons of gross materials.

DIAMETER

Alaskan segment: 48 inch

Canadian segment: 56", 48" and 42" depending on segment

Eastern Leg: 42 inch

Western Leg: 42 inch

COMPRESSORS

Alaska: 7 compressors totaling 185,000 horsepower (hp).

Canada: 21 compressors totaling 763,000 hp.

Eastern Leg: 13 compressor stations totaling 416,000 hp.

Western Leg: upgrading of existing stations.

CAPACITY

Alaskan segment: 2-2.4 billion feet daily.

Canadian segment: About 2.5 billion cfd.

Eastern Leg: 2.1 to 2.2 billion cubic feet daily.
(2/3 of gas to be transported through the system)

Western Leg: Looping to enable transport of Alaskan gas will increase capacity of existing line from 980 million cubic feet daily to 1,619, or an increase of about 659 million cfd.

SPONSORS

Alaskan segment: Alaskan Northwest Natural Gas Transportation Co. a consortium formed by:

Northwest Alaskan Pipeline Co.
(a subsidiary of Northwest Energy Co.)
315 E. 200th South
Salt Lake City, Utah 84111

Calaska Energy
(Pacific Gas & Electric)
77 Beale Street
San Francisco, California 94106

Pacific Interstate Transmission
(Pacific Lighting)
720 West 8th St.
Los Angeles, California 90017

Northern Arctic Gas Co.
(Northern Natural Gas Co.)
2223 Dodge St.
Omaha, Nebraska 68102

United Alaska Fuels Corporation
(United Gas Pipeline Co.)
P.O. Box 1478
Houston, Texas 77001

Pan Alaska Gas Co.
(Panhandle Eastern Pipeline Co.)
P.O. Box 1642
Houston, Texas 77001

American Natural Alaska Co.
(American Natural Resources Co.)
1 Woodward Avenue
Detroit, Michigan 48266

Canadian segment: Foothills Pipe Lines Ltd.
(1600 Bow Valley Square II, 205 Fifth Avenue., S.W.
Calgary, Alberta T2P2W4) Foothills is owned equally
by Alberta Gas Trunk Line Co. Ltd. and West Transmission
Co. Ltd. The mainline system in Canada will be
built in five segments by five subsidiaries, with a
sixth for North Yukon if and when the Dempster Lateral,
to bring MacKenzie Delta gas into the system, becomes
feasible.

Eastern Leg: 811 miles of 42-inch line in Montana, North Dakota, South Dakota, Minnesota and Iowa.

Western Leg: Four segments of 42-inch loop totaling 160 miles in Idaho, Washington and Oregon.

Eastern Leg: Northern Border Pipeline Co., (20 Montchanin Road, Wilmington, Delaware 19801) is a consortium formed by:

Northern Plains Natural Gas Co. x
(a subsidiary of Northern Natural Gas Co.)
2223 Dodge Street
Omaha, Nebraska 68102

Northwest Border Pipeline Co.
(Northwest Energy)
P.O. Box 1526
Salt Lake City, Utah 84110

Pan Border Gas Co.
(Panhandle Eastern Pipeline Co.)
P.O. Box 1642
Houston, Texas 77001

United Mid-Continent Pipeline Co.
P.O. Box 1478
Houston, Texas 77001

Trans-Canada Border Pipeline Ltd.
P.O. Box 54
Commerce Court West
Toronto, Ontario, Canada M5L1C2

Western Leg: Pacific Gas Transmission (245 Market Street, San Francisco, California 94105) and its parent, Pacific Gas and Electric Co. (77 Beale St., San Francisco, California 94106)

CONTRACTORS
SUBCONTRACTORS

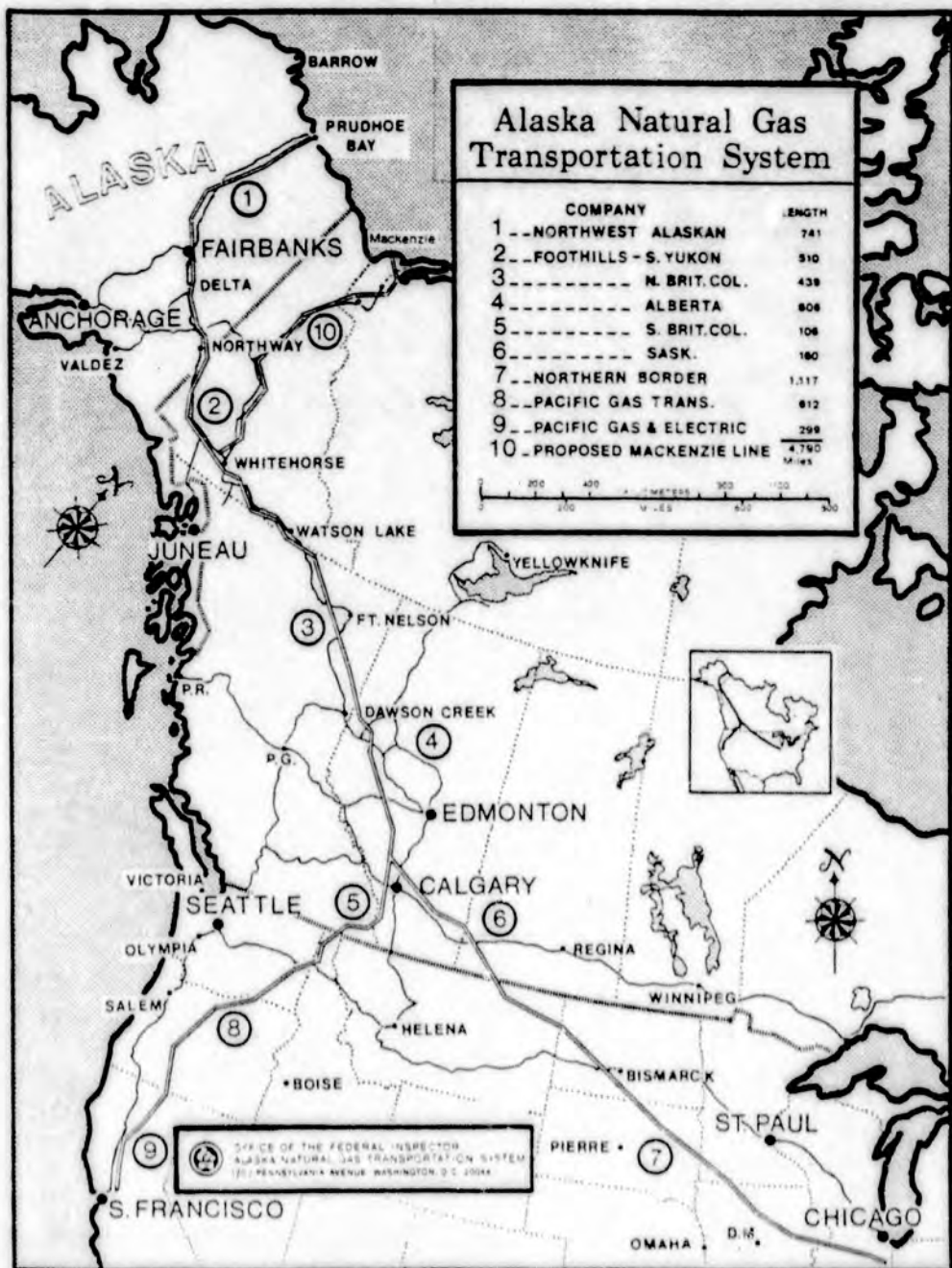
Alaskan Northwest has contracted with Fluor Corporation, of Irvine, California, to be its project manager for design and construction of the Alaskan portion. Fluor will be subcontracting much of the work. Major subcontractors at the end of April included:

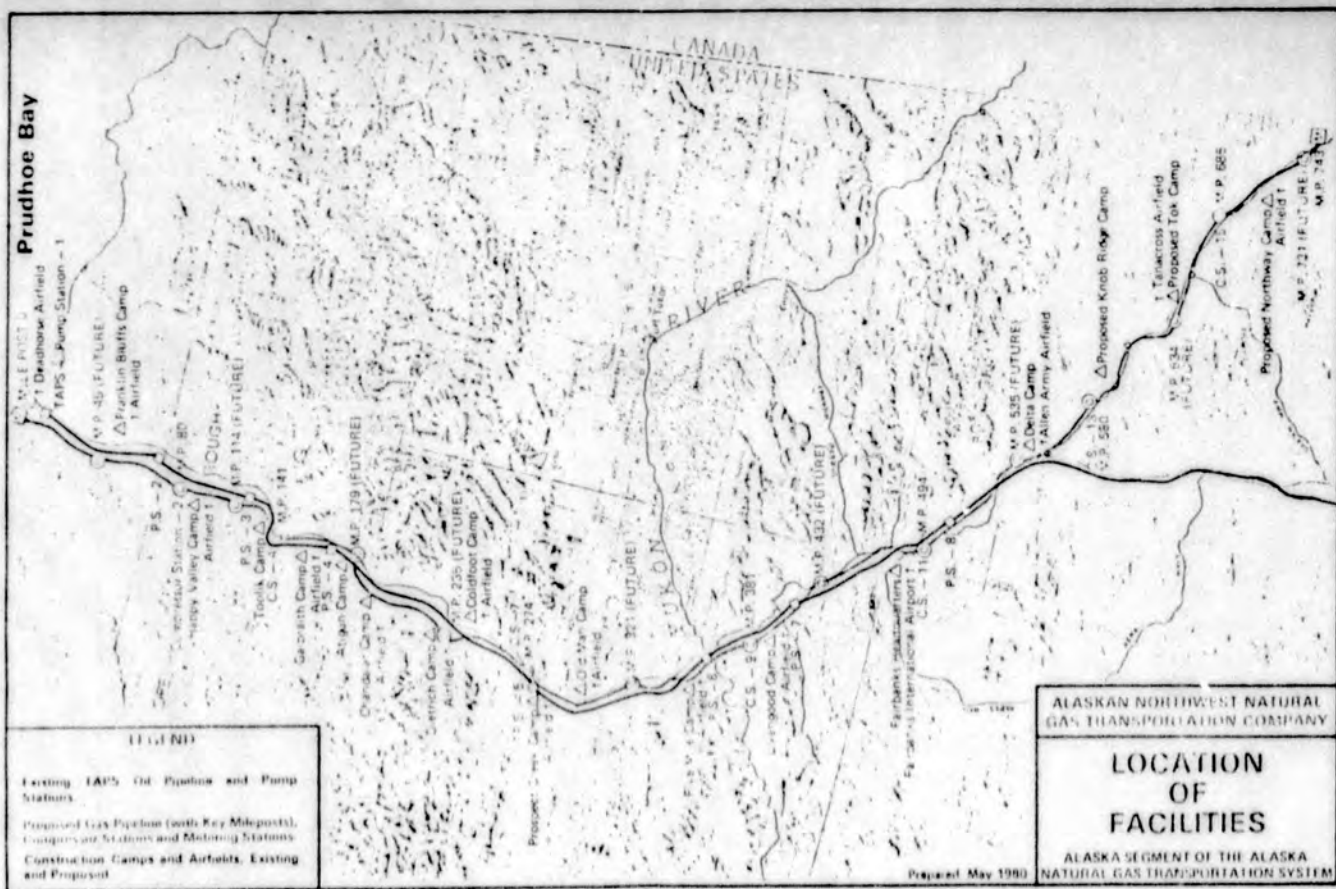
Michael Baker Inc., of Houston, Texas
Gulf Interstate Engineering Co., of Houston
Northern Technical Services, of Anchorage, Alaska
R & M Consultants, of Anchorage, Alaska
Hardy Associates, of Edmonton, Alberta

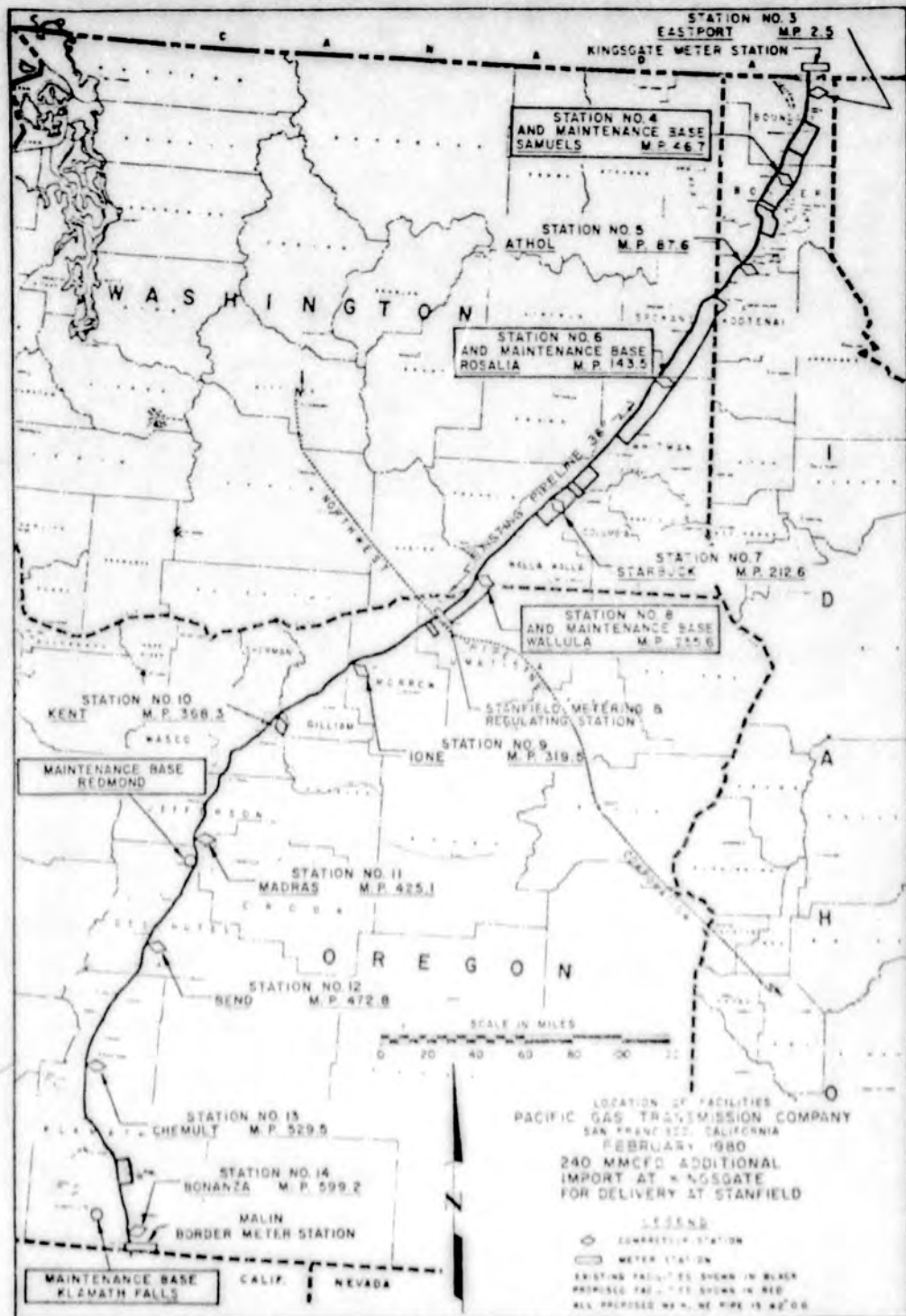
PRE-BUILD

Parts of the Canadian, Eastern and Western Legs have been planned for early construction and operation prior to completion of the Alaskan segment, to bring to the lower 48 Canadian gas which that country has determined to be excess to its needs. Facilities proposed for pre-build are:

Canada: 527 miles of pipeline and 3 compressor stations, constituting the entire Canadian system south of about Caroline Junction, Alberta, plus a short segment of trunk north of Caroline Junction.







OREGON

MALIN

SIKIKUL

TIONESTA
COMPRESSOR STATION
MODOC

ELIOTA

BURNLEY COMPRESSOR STATION

BURNLEY

TEHAMA
RED BLUFF

COMPRESSOR
STATION

CHICO

GLENN

COLEMAN

DELEVAN

COMPRESSOR STATION

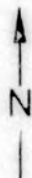
WILLIAMS

LAKE
TAHOE

WINTERS

SACRAMENTO

ANTIOCH
BRENTWOOD



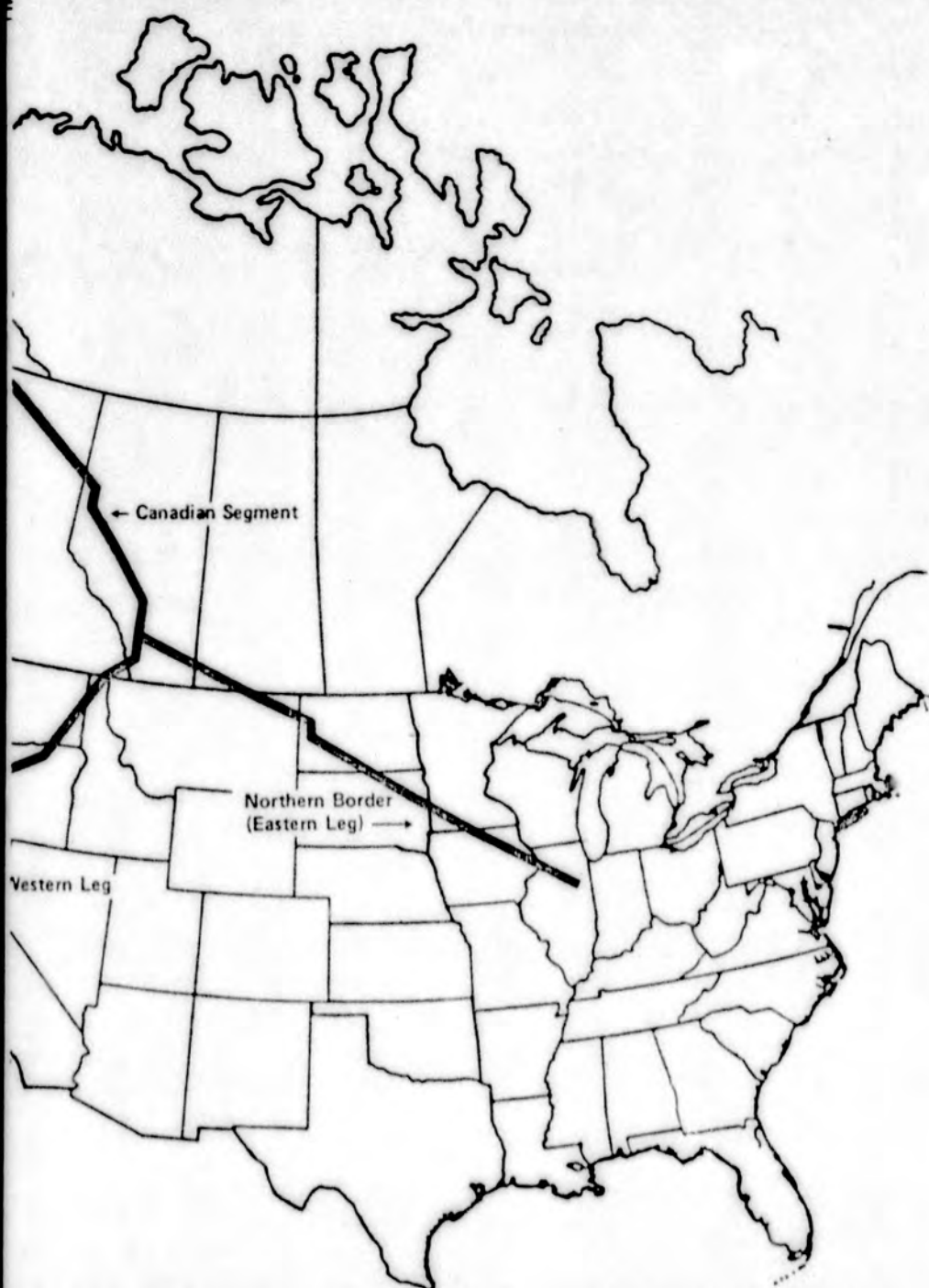
PG&E

Pacific Gas and Electric Company

July 1979



EASTERN LEG, ANGTS



ANGTS SUMMARY PROJECT SCHEDULE

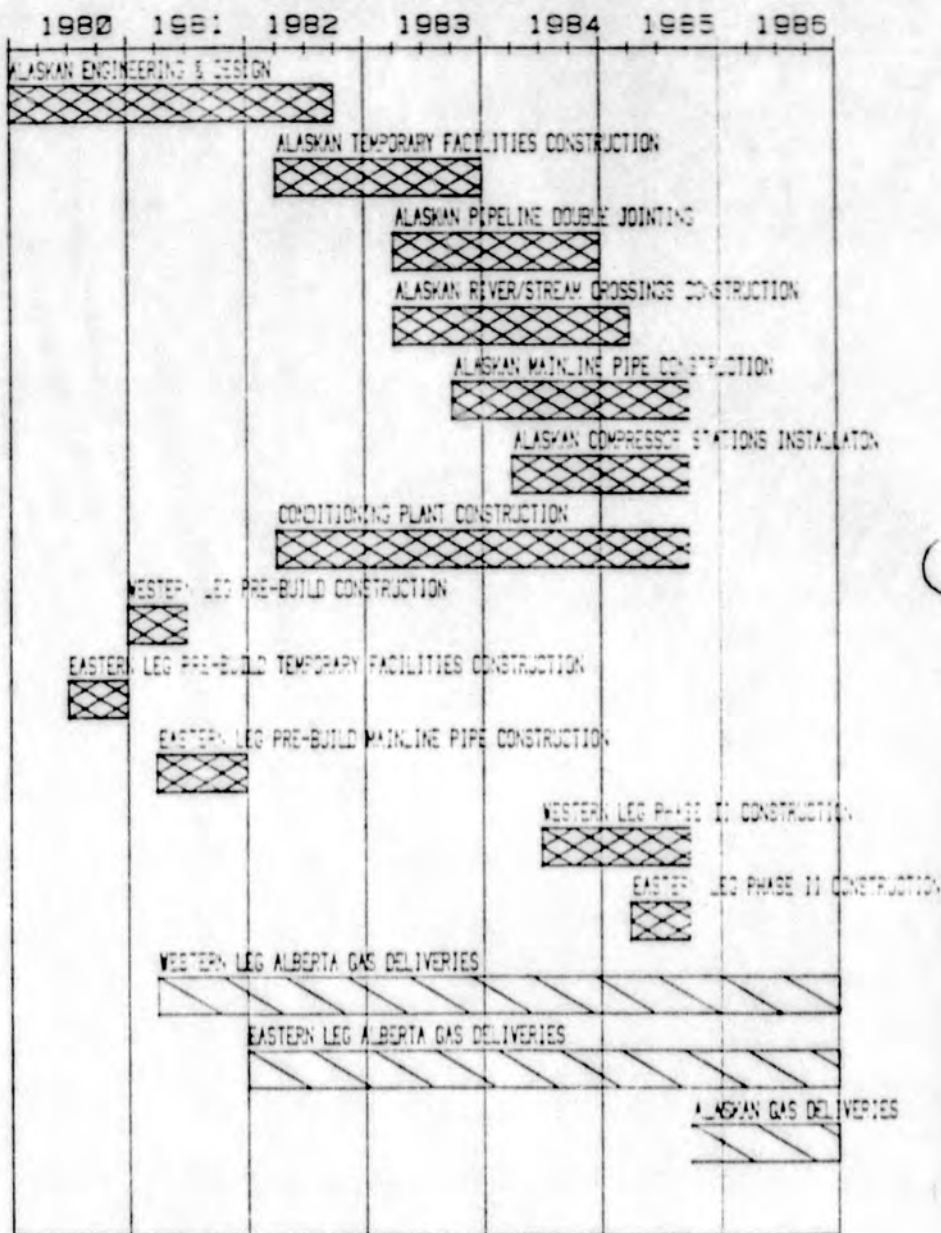


EXHIBIT 1

Public Law 94-586
94th Congress

An Act

To expedite a decision on the delivery of Alaska natural gas to United States markets, and for other purposes.

Oct. 22, 1976

[S. 3521]

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Alaska Natural
Gas

Transportation
Act of 1976.

15 USC 719 note.

SHORT TITLE

SECTION 1. This Act may be cited as the "Alaska Natural Gas Transportation Act of 1976".

CONGRESSIONAL FINDINGS

SEC. 2. The Congress finds and declares that—

15 USC 719.

(1) a natural gas supply shortage exists in the contiguous States of the United States;

(2) large reserves of natural gas in the State of Alaska could help significantly to alleviate this supply shortage;

(3) the expeditious construction of a viable natural gas transportation system for delivery of Alaska natural gas to United States markets is in the national interest; and

(4) the determinations whether to authorize a transportation system for delivery of Alaska natural gas to the contiguous States and, if so, which system to select, involve questions of the utmost importance respecting national energy policy, international relations, national security, and economic and environmental impact, and therefore should appropriately be addressed by the Congress and the President in addition to those Federal officers and agencies assigned functions under law pertaining to the selection, construction, and initial operation of such a system.

STATEMENT OF PURPOSE

SEC. 3. The purpose of this Act is to provide the means for making a sound decision as to the selection of a transportation system for delivery of Alaska natural gas to the contiguous States for construction and initial operation by providing for the participation of the President and the Congress in the selection process, and, if such a system is approved under this Act, to expedite its construction and initial operation by (1) limiting the jurisdiction of the courts to review the actions of Federal officers or agencies taken pursuant to the direction and authority of this Act, and (2) permitting the limitation of administrative procedures and effecting the limitation of judicial procedures related to such actions. To accomplish this purpose it is the intent of the Congress to exercise its constitutional powers to the fullest extent in the authorizations and directions herein made, and particularly with respect to the limitation of judicial review of actions of Federal officers or agencies taken pursuant thereto.

15 USC 719a.



Alaska Natural Gas Transportation Act, 10/22/76 (P.L. 94-586)

Purpose: provide for expeditious:

1. selection of a transportation system
2. construction and initial operation, while still achieving quality of construction, cost control, safety, and environmental protection

Provisions to expedite construction and initial operation are as follows:

Sec. 15 Authorizes appropriations of funds for:

- Sec. 7(a) (5) -Appointment of a Federal Inspector, with advice and consent of the Senate who shall:
- A. establish a joint surveillance and monitoring agreement with Alaska
 - B. monitor compliance with laws, terms and conditions of permits, etc.
 - C. monitor actions taken to assure timely completion, quality of construction, cost control, safety, environmental protection
 - D. have power to compel submission of information, by subpoena if necessary
 - E. make quarterly reports to President and Congress

Sec. 9(a) Requires Federal agencies to grant all necessary authorizations at the earliest practicable date.

Sec. 9(b) ANGTS applications to take precedence over similar ones.

Terms and Conditions

Sec. 7(a) (6) President's Decision may specify terms and conditions to be included in ANGTS authorizations.

Section 9(c) Federal agencies cannot include terms and conditions only permitted by law which would change basic nature and general route or which would prevent or impair the expeditious construction and initial operation.

Section 9(d) Federal agencies may add to, amend or

abrogate terms and conditions, subject to the provisions of 9(c).

Section 9(e)

President's terms and conditions (Sec. 7(a)(6) shall be included in any authorization, except that inclusion shall not limit Federal agencies' authorities under Sec. 9(d).

Supplemental Enforcement Authority

Sec. 11(a)(b)(c)

In addition to existing enforcement authorities, Federal agencies may issue a compliance order, if violation of a law or an authorization occurs; civil action (not to exceed \$25,000 per day) may be brought for violations of the compliance order.

Waivers

Sec. 8(g)

Provides for President to recommend and Congress to approve waivers of laws necessary to permit expeditious construction and initial operation.

Limits on Judicial Review

Sec. 10(a)

Federal agency acts pursuant to Sec. 9 shall be subject only to the limited judicial review described in Sec. 10.

Sec. 10(c)(1)(2)

Following may be filed only with U.S. (D.C.) Court of Appeals which shall render a decision within 90 days unless extended to satisfy Constitution:

Sec. 10(b)(1)

Claims of invalidity of Act not allowed later than 60 days after President's Decision.

Section 10(b)(2)

Claims that an action is unconstitutional not allowed later than 60 days after the action.

Section 10(c)(3)

Challenge of legal and factual sufficiency of EIS not allowed after approval of President's Decision.

Financing

Sec. 7(c)

President's Decision must contain financial analysis.

Sec. 7(e)

Approval of President's Decision not to be construed as amending existing laws so as to grant any new financing authority as may have been specified pursuant to Sec. 7(c).

EEO

Section 17

Prohibits discrimination; agencies shall promulgate rules to implement, similar to those in effect under title VI of the Civil Rights Act of 1964.

Common Carrier Alaska's Royalty Gas

Sec. 13(a)

Degree of ownership of ANGTS shall not be basis for discrimination in giving permission to transport gas in ANGTS.

Sec. 13(b)

State of Alaska is authorized to ship its royalty gas in ANGTS and to use this gas in Alaska.

Limits on Export of Alaska Gas

Sec. 12

Before export of more than 1,000 Mcf/d (to other than Canada or Mexico) President must find that exports won't: 1) increase cost to U.S. consumer and 2) diminish total quality or quantity of U.S. energy.

Antitrust

Sec. 14

Antitrust laws not affected by ANGTA.

Separability

Sec. 16

If part of ANGTA is held invalid, the rest of ANGTA is not affected.

(Complete copies of the ANGTS Act are available from OFI)



Executive Order No. 12142 (6/21/79)

Establishes Executive Policy Board (EPB) = DOA, DOE, DOL, DOT, DOI, EPA, COE, FERC; (may elect additional members)

Chairman; 1 year, majority vote

Functions:

- advise FI on policy issues regarding law or agency policies.
- advise FI and AAOs (through FI) on matters concerning enforcement actions.
- semi-annually, assess problems and make recommendations to FI.

FI shall:

- keep EPB informed of progress and problems.
- notify EPB when FI determines that existing agency enforcement policies and procedures are inconsistent with Section 9 of ANGTA.
- abide by agency rules for ex-parte in enforcement actions.
- issue standards of conduct pursuant to Executive Order No. 11222.

Departments shall:

- cooperate with and furnish necessary information and assistance to EPB.

Presidential Documents

Title 3—

The President

Executive Order 12142 of June 21, 1979

The Alaska Natural Gas Transportation System

By the authority vested in me as President by the Constitution and laws of the United States of America, including Section 301 of Title 3 of the United States Code and Sections 201 and 205 of Reorganization Plan No. 1 of 1979, I hereby ordered as follows:

1-101. Reorganization Plan No. 1 of 1979, not having been disapproved by Congress (S. Res. 126, 125 Cong. Rec. S 6563-64 (May 23, 1979); H. Res. 199, 12 Cong. Rec. H 3950-51 (May 31, 1979)), shall be effective on July 1, 1979.

1-102. In accord with Section 201 of that Plan, there is hereby established the Executive Policy Board for the system for the transportation of Alaska natural gas ("the System") as such system is defined in the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719 *et seq.*).

1-103. The Board shall consist of the Secretaries of the Departments of Agriculture, Energy, Labor, Transportation, and the Interior, the Administrator of the Environmental Protection Agency, the Chief of Engineers of the United States Army, and the Chairman of the Federal Energy Regulatory Commission. Additional members may be elected to the Board by vote of a majority of its members. The Board will by majority vote elect a Chairman to serve for a one-year term.

1-104. The Board shall perform the following functions:

(a) Advise the Federal Inspector for the Alaska Natural Gas Transportation System (the "Federal Inspector") established by Reorganization Plan No. 1 of 1979, on policy issues in accord with applicable law and existing Departmental or Agency policies.

(b) Provide advice, through the Federal Inspector, to the officers representing and exercising the functions of the Federal Departments and Agencies that concern the System ("Agency Authorized Officers").

(c) Advise the Federal Inspector and the Agency Authorized Officers on matters concerning enforcement actions.

(d) At least every six months, assess the progress made and problems encountered in constructing the System and make necessary recommendations to the Federal Inspector.

1-105. The Federal Inspector shall keep the Board informed of the progress made and problems encountered in the course of construction of the System.

1-106. Whenever the Federal Inspector determines that implementation of Departmental or Agency enforcement policies and procedures would require action inconsistent with Section 9 of the Alaska Natural Gas Transportation Act of 1976, the Federal Inspector shall issue a written statement of such determination including a complete factual and legal basis for the determination. A copy of each statement shall be forwarded promptly to the Board and made available to the public by the Federal Inspector.

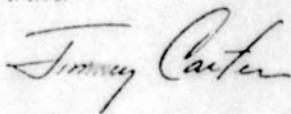
1-107. After written notice of a proposed enforcement action is given by the Federal Inspector, the Federal Inspector will be subject to the rules of procedure for *ex parte* contacts as reflected in the guidelines and policies of Departments and Agencies from which the specific enforcement authority is transferred.

1-106. The Federal Inspector and all employees of the Office of the Federal Inspector shall be subject to the provisions of Executive Order No. 11222, concerning standards of conduct for Federal employees. The Federal Inspector shall issue standards of conduct, pursuant to the Order, for the Office of the Federal Inspector.

1-109. To the extent permitted by law, each Department and Agency shall cooperate with and furnish necessary information and assistance to the Board in the performance of its functions.

1-110. This Order shall be effective on July 1, 1979.

THE WHITE HOUSE.
June 21, 1979.



President's Decision and Report to Congress (September, 1977)

The Decision:

1. Designates Alaska Highway Pipeline Project as selected ANGTS
2. Establishes requirements for project sponsors (applicant)
3. Outlines Federal organization for project (See Reorganization Plan No. 1 of 1979, Executive Order No. 12142, and ANGTA for details)

Terms and Conditions

Applicant shall comply with:

1. general terms and conditions in Decision
2. stipulations establishing general standards of environment and construction performance (to be established by appropriate agencies)
3. site-specific terms and conditions for particular segment

Construction Costs and Schedule, Management and Organization

Applicant must:

- submit a detailed overall management plan for FI approval, prior to certification
- use fixed price contracts unless FI approves otherwise
- specify insurance, bonding, etc. requirements of its contractors
- provide analysis of proposed cost and schedule control techniques, prior to construction
- submit 70% (FI may relax) final design, design-cost estimate, and construction schedule for FI approval before construction.
- submit methods for supplying general and specialized equipment, spare parts, etc.
- submit information on labor relations procedures, including resolution of disputes (without litigation for contracts with execution contractors)
- submit detailed Quality Assurance/Quality Control program (including environmental protection, corrosion control, welding) to be approved by FI and implemented before construction



- not initiate any pipeline-related activity before receiving appropriate authorization to proceed
- develop affirmative action plan for minority business enterprise participation (also applies to contracts valued at \$150,000 or more)

Safety and Design

Applicant must:

- construct, operate, maintain and terminate system in accordance with Federal safety regulations and good engineering practice
- receives FI approval of design, including technical construction specifications, before starting construction of any portion of system
- brief FI on project status
- insure FI access to all project facilities
- submit plan for conducting its own inspections of facilities
- develop a seismic monitoring system

Environment

Applicant must:

- conduct all activities with concern for environment
- provide for timely integration of restoration or mitigation techniques with activity creating the need for such restoration.
- develop plan for implementing special environmental safeguards through education of field personnel both before and during construction
- establish a monitoring system to ensure performance in keeping with environmental concerns

Finance and Antitrust

- no Federal debt guarantees; all private financing
- consumers not required to bear risks of non-completion
- applicant to arrange financing before construction
- FERC to establish variable rate of return on equity to reward applicant for completion under budgeted cost (and reverse); thus cost overruns shared by equity holders and consumers.

- Producers of Alaska gas may not own ANGTS; they may provide guarantees for project debt.
- FERC shall approve all contracts and collateral agreements regarding sale of Alaskan gas
- Producers and State of Alaska should participate in financing either directly or in form of debt guarantees
- Provision of debt service in event of service interruption borne by consumers through a tariff which becomes effective only after initial operation

Agreement on Principles Applicable to a Northern Natural Gas Pipeline (between U.S. and Canada) provides:

- Canadian taxation shall be non-discriminatory; i.e., similar to that in effect for other pipelines
- socioeconomic impact assistance (\$200M) required of Canadian companies will not affect cost of service to U.S. consumers
- no charges for Native claims settlements to be levied against Canadian companies
- supply of goods and services to be on generally competitive terms
- both U.S. and Canadian sections to be privately financed, with variable rate of return
- both governments shall appoint senior official for consultation
- specifies allowed direct charges on pipeline
- U.S. agreed to share costs of extending Dempster Highway Lateral from Dawson to Whitehorse and, prior to construction of this segment, to provide Alaskan gas to remote communities in Canada. (Equal volumes of Canadian gas will be available for export to U.S. simultaneously.)
- U.S. share of costs based on cost overruns on Canadian segments and on proportion of U.S. gas transported.

Other:

Secretary, DOE, to specify capacities of Eastern and Western Legs prior to Certification

Waivers: Sec. 103, Energy Policy and Conservation Act and Sec. 3, Natural Gas Act to allow for exchanges of Alberta and Alaska gas.

Decision and Report to Congress on the Alaska Natural Gas Transportation System



**Executive Office of the President
Energy Policy and Planning**

September 1977

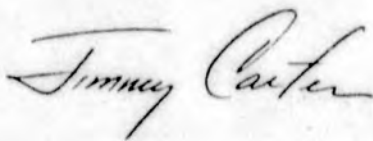
TO THE CONGRESS OF THE UNITED STATES:

Natural gas has become the Nation's scarcest and most desired fuel. It is in our interest to bring the reserves in Alaska to market at the lowest possible price. Consequently, I am today sending the Congress my decision and report on an Alaska Natural Gas Transportation System.

The selection of the Alcan project was made after an exhaustive review required by the Alaska Natural Gas Transportation Act of 1976 determined that the Alcan Pipeline System will deliver more natural gas at less cost to a greater number of Americans than any other proposed transportation system.

The Alcan proposal, taken together with the recently signed Agreement on Principles with Canada, demonstrates that our two countries working together can transport more energy more efficiently than either of us could transport alone.

Unnecessary delay would greatly increase the total cost of the pipeline system. I urge the Congress to act expeditiously to approve this important project.

A handwritten signature in cursive script, reading "Jimmy Carter". The signature is written in dark ink and is positioned in the lower right quadrant of the page, above the page number.

President's Decision and Report on ANGTS

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PREFACE - STATUTORY REQUIREMENTS FOR A DECISION ON AN ALASKA
NATURAL GAS TRANSPORTATION SYSTEM

Section 7(a)(4) of the Alaska Natural Gas Transportation Act of 1976 (ANGTA) states:

If the President determines to designate for approval a transportation system for delivery of Alaska natural gas to the contiguous States, he shall in such decision-

(A) describe the nature and route of the system designated for approval;

(B) designate a person to construct and operate such a system, which person shall be the applicant, if any, which filed for a certificate of public convenience and necessity to construct and operate such system;

(C) identify those facilities, the construction of which, and those operations, the conduct of which, shall be encompassed within the term "construction and initial operation" for purposes of defining the scope of the directions contained in Section 9 of this Act, taking into consideration any recommendation of the Commission with respect thereto; and

(D) identify those provisions of law, relating to any determination of a Federal officer or agency as to whether a certificate, permit, right-of-way, lease, or other authorization shall be issued or be granted, which provisions he finds (i) involve determinations which are subsumed in his decision and (ii) require waiver pursuant to Section 8(g) in order to permit the expeditious construction and initial operation of the transportation system.

As part of these determinations, an Agreement on Principles concluded with the Government of Canada prescribes various terms and conditions applicable to the construction and operation of the pipeline. The Agreement on Principles is attached hereto as Section 7 of this Decision and made an integral part of the Decision by this reference.

With the incorporation of the aforesaid Agreement, and the finding that it is in the national interest to expeditiously undertake to construct an Alaska Natural Gas Transportation System, the system designation and related statutory determinations are as follows:

SECTION 1 - DESIGNATION OF PERSON TO CONSTRUCT AND OPERATE
THE SYSTEM

The Alcan Pipeline Company, now a wholly owned subsidiary of Northwest Pipeline Corporation^{1/}, or its successor, is hereby designated to construct and operate the portion of the system within the State of Alaska.

The Northern Border Pipeline Company, a partnership consisting of subsidiaries or affiliates of Columbia Gas Transmission Corporation, Michigan-Wisconsin Pipeline Company, Natural Gas Pipeline Company of America, Northern Natural Gas Company, Panhandle Eastern Pipe Line Company, and Texas Eastern Transmission Corporation, or its successor, is hereby designated to construct and operate the portion of the system from the United States-Canada border near Monchy, Saskatchewan, to a point near Dwight, Illinois.

The Alcan Pipeline Company, or its successor, and the Northern Border Pipeline, or its successor, shall be publicly held corporations or general or limited partnerships, open to ownership participation by all persons

^{1/} Northwest Pipeline owns and operates a 4,300-mile pipeline system for transporting gas in the states of Colorado, Idaho, Nevada, Oregon, Utah, Washington, and Wyoming. Northwest Pipeline is a wholly-owned subsidiary of Northwest Energy Company, a holding company whose principal asset is all the outstanding common stock of Northwest Pipeline.

without discrimination, except producers of Alaskan natural gas.

The Pacific Gas Transmission Company is hereby designated to construct and operate the portion of the system from the United States/Canada border near Kingsgate, British Columbia, to the border between the States of California and Oregon.

The Pacific Gas and Electric Company is hereby designated to construct and operate the portion of the system from the border between the States of California and Oregon through the State of California.



Reorganization Plan No. 1 of 1979 (effective 7/1/79)

Creates OFI, in effect until one year after initial operation of ANGTS

Transfers to FI exclusive responsibility for all functions related to enforcement (including monitoring and other compliance or oversight) of laws and regulations and terms and conditions and stipulations of agencies' authorizations

- Functions transferred are those of: EPA, COE, DOT, DOE, FERC, DOI, DOA, DT (Treasury) and responsibilities in ANGTA and President's Decision.
- Any agency may delegate any other relevant statutory function to FI.

FI shall:

1. coordinate expeditious discharge of non-enforcement agency activities, including scheduling for issuance of authorizations and may serve as "one window" for all data gathering and permit application and issuance activities.
2. unless inconsistent with Section 9 of ANGTA, FI shall carry out normal enforcement policies and procedures of the agencies. FI determination shall prevail.

Each agency shall appoint an AAO who shall:

- be detailed to, and under supervision of, FI
- be delegated authority to enforce their agency's authorizations subject to (2) above.

Makes Executive Policy Board (EPB) advisory to FI

- EPB reviews FI budget

Federal Register

Vol. 44, No. 114

Friday, June 12, 1979

Presidential Documents

The 3—

The President

REORGANIZATION PLAN NO. 1 OF 1979

Prepared by the President and transmitted to the Senate and House of Representatives in Congress assembled, April 2, 1979, pursuant to the provisions of Chapter 9 of Title 5 of the United States Code.

Office of the Federal Inspector for Construction of the Alaska Natural Gas Transportation System

Part I. Office of the Federal Inspector and Transfer of Functions

Section 101. Establishment of the Office of Federal Inspector for the Alaska Natural Gas Transportation System

(a) There is hereby established as an independent establishment in the executive branch, the Office of the Federal Inspector for the Alaska Natural Gas Transportation System (the "Office").

(b) The Office shall be headed by a Federal Inspector for the Alaska Natural Gas Transportation System (the "Federal Inspector") who shall be appointed by the President, by and with the advice and consent of the Senate, and shall be compensated at the rate now or hereafter prescribed by law for Level III of the Executive Schedule, and who shall serve at the pleasure of the President.

(c) Each Federal agency having statutory responsibilities over any aspect of the Alaska Natural Gas Transportation System shall appoint an Agency Authorized Officer to represent that authority on all matters pertaining to pre-construction, construction, and initial operation of the system.

Section 102. Transfer of Functions to the Federal Inspector

Subject to the provisions of Sections 201, 202, and 203 of this Plan, all functions insofar as they relate to enforcement of Federal statutes or regulations and to enforcement of terms, conditions, and stipulations of grants, certificates, permits and other authorizations issued by Federal agencies with respect to pre-construction, construction, and initial operation of an "approved transportation system" for transport of Canadian natural gas and "Alaskan natural gas," as such terms are defined in the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. 719 *et seq.*), hereinafter called the "Act", are hereby transferred to the Federal Inspector. This transfer shall vest in the Federal Inspector exclusive responsibility for enforcement of all Federal statutes relevant in any manner to pre-construction, construction, and initial operation. With respect to each of the statutory authorities cited below, the transferred functions include all enforcement functions of the given agencies or their officials under the statutes as may be related to the enforcement of such terms, conditions, and stipulations, including but not limited to the specific sections of the statute cited. "Enforcement", for purposes of this transfer of functions, includes monitoring and any other compliance or oversight activities reasonably related to the enforcement process. These transferred functions include:

(a) Such enforcement functions of the Administrator or other appropriate official or entity in the Environmental Protection Agency related to compliance with: national pollutant discharge elimination system permits provided for in Section 402 of the Federal Water Pollution Control Act (33 U.S.C. 1342); spill prevention, containment and countermeasure plans in Section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321); review of the Corps of Engineers' dredged and fill material permits issued under Section 404 of the

Alaska Natural Gas Transportation System

Agency Authorized Officers

Mr. John Adger
Federal Energy Regulatory Commission
Room 3004
941 N. Capitol Street, N.W.
Washington, D.C. 20426

Mr. R. Dobie Langenkamp, Deputy Assistant Secretary
Resource Development & Operations
Department of Energy
12th & Pennsylvania Ave., N.W., Room 3426
Washington, D. C. 20461

Mr. Lloyd W. Ulrich
Department of Transportation
NASSIF Building, Room 8105 (DMT-50)
400 Seventh St., S.W.
Washington, D.C. 20590

Col. Robert Bauchspies, Asst. Director of Civil Works
Office of the Chief of Engineers
U.S. Army Corps of Engineers
Pulaski Bldg., Room 7233, (DAEN-CwZ-H)
20 Massachusetts Ave., NW
Washington, D.C. 20314

Dr. Ned Bayley, Staff Assistant
Office of the Secretary
U.S. Department of Agriculture, Room 231
14th & Independence Ave.
Washington, D.C. 20250

Miss Lillian Pitcaithly
Office of the Secretary
U.S. Department of Labor, Room S-2312
200 Constitution Ave., NW
Washington, D.C. 20210

Mr. William Toskey, Project Manager
Alaska Natural Gas Transportation System
Department of the Interior
Bureau of Land Management (105)
18th & C Sts., NW
Washington, D.C. 20240

Mr. Earl Kari
Environmental Protection Agency
701 C Street, Box 19
Anchorage, Alaska 99501

EXECUTIVE POLICY BOARD
Office of the Federal Inspector
Alaska Natural Gas Transportation System
Post Office Building, Room 2413
1200 Pennsylvania Avenue
Washington, D.C. 20044

JUN 26 1980

MEMORANDUM

TO: BG Hugh Robinson, Corps of Engineers, Chairman *
Dr. M. Rupert Cutler, Department of Agriculture
R. Dobie Langenkamp, Department of Energy
William N. Hedeman, Jr., Environmental Protection Agency
John Adger, Federal Energy Regulatory Commission
Guy Martin, Department of the Interior
Nancy Barrett, Department of Labor
Howard Dugoff, Department of Transportation

* Subject to change August 1, 1980
due to transfer of duty station

ep-100

EXECUTIVE COORDINATION COMMITTEE (ALASKA)

ECC MEMBERS

Environmental Protection Agency 701 "C" Street - Box 19 Anchorage, Alaska 99513	Jim Sweeney 5003
Environmental Protection Agency 900 W. 5th Ave - Suite 740 Pouch 6619 Anchorage, Alaska 99502	Earl Kari 5534
United States Geological Survey 733 W. 4th Suite 400 Anchorage, Alaska 99501	Harry Hulsing 271-4138 Charlie Sloan
Fish and Wildlife Service 1101 East Tudor Road Anchorage, Alaska 99513	Keith Schreiner 276-3800 Lee Roy Soul
Corps of Engineers P.O. Box 7002 Anchorage, Alaska 99510	Col. Nunn 752-2605 Dave Robbins 277-0411
Office of Special Projects 701 "C" Street Anchorage, Alaska 99513	Arlan Kohl 271-5031
State Pipeline Coordinator's Office 1001 Noble St. - Suite 450 Fairbanks, Alaska 99701	Charles Behlke 456-4835 Al Ott
Bureau of Land Management 18th & C Street N.W. Washington, D.C. 20240 ATTN: Director (105)	Curt McVee 271-5076 Earl Boone 5736
Office of Federal Inspector 900 W. 5th Ave - Suite 740 Pouch 6619 Anchorage, Alaska 99502	



THE FEDERAL INSPECTOR
ALASKA NATURAL GAS TRANSPORTATION SYSTEM
ROOM 2413 POST OFFICE BUILDING
1200 PENNSYLVANIA AVENUE
WASHINGTON, D.C. 20044

Charter of the

Citizens' Environmental Advisory Committee

- I. Federal Inspector Policy: The Federal Inspector (hereafter FI), Alaska Natural Gas Transportation System (hereafter System) established by Reorganization Plan No. 1 of 1979, in consultation with the Executive Policy Board (hereafter EPB) established by Executive Order 12142, finds it in the public interest to charter a Citizens' Environmental Advisory Committee (hereafter Committee).
- II. Purpose of Committee: To provide advice to the FI relating to environmental matters pertinent to the Alaska segment of the System that are of concern to the Committee or the FI.
- III. Nature of Committee Advice: Determinations of areas of inquiry to be undertaken by the Committee shall be made by mutual agreement between the Committee and the FI. While the Committee's advice may take the form of suggestions and recommendations, the Committee shall have no authority to commit the FI or his staff to any course of action.
- IV. Committee Membership: The Committee shall consist of five individuals who collectively, represent fairly the views of the environmental community on environmental matters pertinent to the Alaska segment of the system.
- V. Nomination and Selection of Committee Members:
 - A. Nomination: As soon as practicable following the effective date of this charter, the FI shall call for nominations to Committee membership. The call for nominations shall be published in the Federal Register and in newspapers of general circulation in Alaska. Each nomination shall be accompanied by, but not necessarily restricted to, a resume providing:
(1) the nominee's full name, address of residence, and occupation; and (2) a summary of academic and experience backgrounds supporting the nomination. The nomination period shall close 60 days after publication in the Federal Register, and selection shall be made promptly after the closing date. The names of persons selected for Committee membership shall be published in the Federal Register and in newspapers of general circulation in Alaska.

- B. Selection: The FI shall select Committee members from an initial roster of no fewer than 10 nominees following consultation with the Council on Environmental Quality. In the selection of members, the FI shall consider the following: (1) nominations by citizens' environmental groups, (2) persons having extensive knowledge of the Alaskan environment, and (3) recommendations of the Council on Environmental Quality. Selections shall be made with a view toward balance in terms of environmental points of view represented and the Committee's purpose.
- C. Duration of Membership: Initially, three members shall be appointed to two-year terms and two members shall be appointed to one-year terms. Thereafter, Committee members shall be appointed for two-year terms. Members may be reappointed. These terms of membership shall be followed for the duration of the Committee.
- D. Filling Vacancies: In the event that a vacancy occurs in Committee membership, the FI or the Executive Secretary shall seek nominations of persons to fill the vacancy. Procedure for nomination and selection shall follow Section V. A. and B. above. The call for nominations shall be issued within 45 days of the date the vacancy occurs, or the FI is informed that the vacancy will occur, whichever is earlier. There shall be a minimum of three nominations for each vacancy.

VI. Duties of Committee and Relationship to the FI: The Committee shall:

- A. Report directly to the FI or, at the FI's option, report to the Executive Secretary.
- B. Have direct access to the FI upon written request of a simple majority of the Committee membership.
- C. Meet with the FI periodically, but no less often than once each quarter.
- D. Be informed of decisions consistent with the purpose of the Committee, and given the opportunity to attend meetings of Federal officials where appropriate as determined by the FI.

VII. Committee Chairperson and Meetings:

- A. Chairperson: The FI shall call the first meeting of the Committee at which time the Committee members shall select a chairperson, a vice chairperson, and establish the Committee's

rules and procedures. The chairperson and vice chairperson shall be Committee members and they will be selected for one-year terms. The chairperson shall be the primary spokesperson in communicating the Committee's advice to the FI.

- B. Subject to Section VIII. D., the Committee shall meet at the call of the Chairperson or at the request of a majority of the members, but at least quarterly.

VIII. Federal Executive Secretary to Committee:

- A. The FI shall designate an employee who will be the Executive Secretary to the Committee and who shall attend each meeting.
- B. Meetings may not be convened without the presence of the FI or the Executive Secretary.
- C. The FI or the Executive Secretary, whenever it is determined to be in the public interest, may adjourn any Committee meeting.
- D. All Committee meetings, and agendas for such meetings, must have the advance approval of the FI or the Executive Secretary.

IX. Procedures:

- A. Timely notice of each meeting shall be published in the Federal Register and by such other means as are appropriate.
- B. Interested persons shall be permitted to attend meetings, appear before, or file statements with the Committee.
- C. Subject to Section 552 of Title 5, and the procedures established thereunder by the FI, the records, reports, transcripts, minutes, appendixes, working papers, drafts, studies, agendas, or other documents which were made available to or prepared for or by the Committee shall be available for public inspection and copying at a single location in the offices of the FI. Requests for such material must be made to the FI. Charges for copies of the above materials may be imposed, but shall not exceed actual cost of duplication.
- D. Detailed minutes of each Committee meeting shall be kept and shall contain a record of the persons present, a complete and accurate description of matters discussed and conclusions reached, and copies of all reports received, issued, or approved by the Committee. The accuracy of all minutes shall be certified to by the Chairperson. A copy of all such minutes shall be provided to the FI.

X. Committee Staff Support and Responsibilities:

- A. Committee Staff Support: Staff support to the Committee (including clerical support) shall be provided by the FI. The level of staff support provided to the Committee shall be determined by the FI.
- B. Committee Staff Responsibilities: Staff assigned to support the Committee will:
 - 1. Give priority to Committee work.
 - 2. Be the day-to-day liaison with other FI staff.
 - 3. Receive guidance and general supervision from, and be accountable and report to, the FI or the Executive Secretary.

XI. Committee Member Compensation: Committee members shall be compensated at a rate appropriate for services rendered and consistent with their qualifications. The rate may not exceed the maximum rate of GS-15, Step 10 in the General Schedule. Factors to be considered when making compensation determinations include:

- A. The grade and rate which would be applicable if the services were subject to the Classification Act;
- B. The stature of the individual in his or her field and the extent to which unique personal qualifications contribute to the value of his or her services;
- C. Any unusually burdensome and otherwise uncompensated aspects of his assignment, such as frequent need to work more than eight hours a day without overtime pay;
- D. The pay earned in the member's regular occupation;
- E. Whether any non-monetary rewards figure in the assignment;
- F. The rate paid by other Government and private clients for the member's expert or consultant services, with consideration of similarities and differences in the services required by the several clients and the programs and circumstances under which they were rendered; and
- G. The rates paid by the Government for similar services to other experts or consultants with comparable qualifications.

In addition, while engaged in the performance of their duties away from their homes or regular places of business, members will be allowed travel expenses as authorized by Section 5703 of Title 5 for persons employed intermittently in the Federal Government service.

XII. Federal Support to the Committee: Federal support to the Committee shall be provided by the FI and shall consist of:

- A. Provision of space, necessary office equipment and furnishings, and telephone service.
- B. Provision of necessary office supplies.
- C. Use of duplicating machines under control of the FI.
- D. Other administrative services as necessary.
- E. Transportation, lodging and food sufficient to permit access to work areas and other activities authorized in Article XIII.
- F. Such other support as determined by the FI and the Committee chairperson.

XIII. Responsibilities of the FI: The FI will:

- A. Provide information adequate to permit the Committee to accomplish its purpose.
- B. Assure that, as appropriate, the Committee has access to portions of the System in Alaska.
- C. Keep such records as will fully disclose the expenditure of funds in support of the Committee.

XIV. Annual Report: The Committee shall file an annual report with the FI. Such report shall be made public.

XV. Termination or Renewal of Committee: The Committee shall terminate two years following the date this charter is filed unless renewed in accordance with Section 14(a)(2) of the Federal Advisory Committee Act.

XVI. Estimated Costs and Federal Support: It is estimated that total Federal costs associated with the Committee will be about \$93,100.00, which includes 1.6 person-years Federal staff support.

MAY 29 1980

Date Signed

MAY 29 1980

Date Charter Filed

John T. Rhett
Federal Inspector



NORTHWEST ALASKAN PIPELINE CO.

900 West Fifth Avenue,
Suite 721
Pouch 6615
Anchorage, Alaska 99502
(907) 276-2900

P.O. Box 60089
Fairbanks, Alaska 99706
(907) 452-5500

315 East 200 South
P.O.Box 1526
Salt Lake City, Utah 84110
(801) 534-3585

1801 K. Street, N.W., Suite 901
Washington, D.C. 20006
(202) 466-5850

FLUOR/IRVINE
Fluor Corporation
3333 Michelson Drive
Irvine, CA 92730
(714) 975-3401

ALASKA DELEGATION IN CONGRESS

U. S. SENATE

Honorable Ted Stevens
United States Senate
260 Russell Building
Washington, D. C. 20510

Phone (202) 224-3005

Juneau Office

Jack B. Quisenberry & Mrs. Phyllis Murdey
P. O. Box 149
Juneau, Alaska 99802

Phone (907) 586-7400

Anchorage Office

Mrs. Barbara Andrews
Federal Bldg., Room 8
P. O. Box 2
Anchorage, Alaska 99513

Phone (907) 271-5915

Fairbanks Office

Mary Louise Stealy & Lil Angerman
P. O. Box 4
Fairbanks, Alaska 99701

Phone (907) 452-5264

Honorable Mike Gravel
United States Senate
3121 Dirksen Senate Office Bldg.
Washington, D. C. 20510

Phone (202) 224-6665

Juneau Office

Beverly Long
Federal Bldg., Room 611
Juneau, Alaska 99802

Phone (907) 586-7308

Anchorage Office

Tyler Jones
Federal Bldg., C-521
701 "C" St., Box 1
Anchorage, Alaska 99513

Phone (907) 271-5115

Fairbanks Office

Mark Boyer
101 12th Ave., Box 7
Fairbanks, Alaska 99701

Phone (907) 452-6227

U. S. HOUSE OF REPRESENTATIVES

Honorable Donald E. Young
House of Representatives
1210 Longworth House Office Bldg.
Washington, D. C. 20515

Phone (202) 225-5767

Ketchikan Office

Mrs. Bette Almquist
Federal Bldg., Room 501
Ketchikan, Alaska 99901

Phone (907) 225-6880
(Tuesday & Thursday
mornings only)

Anchorage Office

Mrs. Wes Gregg
701 "C" St., Box 3
Anchorage, Alaska 99513

Phone (907) 271-5978

Fairbanks Office

Mrs. Maxine Stanley
101 12th Ave., Box 10
Fairbanks, Alaska 99701

Phone (907) 456-6949

Juneau Office

Lorraine Eidson
Federal Bldg., Room 815
Box 1247
Juneau, Alaska 99802

Phone (907) 586-7132
(Hours: 8 a.m. to 1 p.m.)

March 6, 1980

REGIONAL CORPORATION PRESIDENTS

Mr. Roy Tansy, President
Ahtna, Inc.
Drawer G
Copper Center, AK 99573
277-0136

Mr. Agafon Krukoff, President
The Aleut Corporation
833 Gambell Street
Anchorage, AK 99501
274-1506

Mr. Edward Hopson, Sr.
Arctic Slope Regional Corporation
P. O. Box 129
Barrow, AK 99723
852-3000

Mr. George Walters, President
Bering Straits Native Corporation
P. O. Box 1008
Nome, AK 99762
443-5252

Mr. Hjalmar Olson, President
Bristol Bay Native Corporation
P. O. Box 198
Dillingham, AK 99576
842-5261

Mr. Oscar Kawagley, President
Calista Corporation
516 Denali Street
Anchorage, AK 99501
279-5516

Mr. Edgar Blatchford, President
Chugach Natives, Inc.
903 W. Northern Lights
Anchorage, AK 99503
274-4558

Mr. Roy Huhndorf, President
Cook Inlet Region, Inc.
P. O. Drawer 4-N
Anchorage, AK 99509
274-8636

Mr. Tim Wallis, President (eff 3/17/80)
Doyon Limited
Doyon Building
First and Hall Streets
Fairbanks, AK 99701
452-4755

Mr. James F. Morse, President
Koniag, Inc.
P. O. Box 746
Kodiak, AK 99615
486-4147

Mr. John W. Schaeffer, President
NANA Regional Corporation
P. O. Box 49
Kotzebue, AK 99752
442-3261

Mr. Michael Chittick, President
Sealaska Corporation
Sealaska Plaza, Suite 400
Juneau, AK 99801
586-1512



THE NORTHERN PIPELINE AGENCY

-- FACT SHEET --

BACKGROUND:

The Northern Pipeline Agency was established by Act of Parliament in April 1978 in accordance with the Canada/U.S. Agreement of September 1977. The International Joint Agreement committed both governments to the efficient and expeditious construction of the Alaska Highway gas pipeline.

In approving the Northern Pipeline Act, all parties in Parliament recognized the exceptional nature of this project. In addition, the experience and the lessons learned in building the Alyeska oil pipeline in Alaska, and the concerns reflected in the Berger, Lysyk and Hill Inquiries, the National Energy Board Hearings and various other submissions emphasized the need to develop new approaches to the control and regulation of this immense project.

ROLE:

The Agency was created to oversee the planning and construction of the Canadian portion of the Alaska Highway gas pipeline project. Rather than just another level of regulatory approval, the Agency was designed to function as a "single regulatory window" to streamline and expedite the approval process.

The single window concept allows for the many federal acts, which will apply to the construction of the pipeline in Canada, to be administered by a single regulatory authority -- the Northern Pipeline Agency. The powers of the National Energy Board are represented within the Agency by the Designated Officer.

Centering federal regulatory authority over all aspects of the pipeline in one Agency will minimize the added cost and disruption that could result if that authority were fragmented among several different departments -- as was the case in the U.S. with the Alyeska Line.

RESPONSIBILITIES

In summary, the Agency's responsibilities, as set out in Section 3 of the Northern Pipeline Act, are as follows:

- To facilitate the efficient and expeditious planning and construction of the pipeline avoiding excessive cost overruns.

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- To take into account local and regional interests, the interest of residents, particularly native people.
- Recognizing the responsibilities of the Government of Canada and other governments as appropriate, to ensure that any native claim related to the land on which the pipeline is to be situated is dealt with in a just and equitable manner.
- To facilitate consultation and co-ordination with the governments of the provinces, the Yukon Territory and N.W.T. in relation to the pipeline.
- To maximize the social and economic benefits from the construction and operation of the pipeline for Canadians.
- To minimize the adverse effect on the social and environmental conditions of the areas directly affected by the pipeline.
- To advance national economic and energy interests and to maximize related industrial benefits by ensuring the highest possible degree of Canadian participation in all aspects of planning, construction and procurement.

TERMS & CONDITIONS: One of the Agency's major activities is the development of detailed socio-economic and environmental terms and conditions and technical requirements which will govern the actual construction of the pipeline by the Foothills group.

While the technical requirements will apply to the overall length of the system in Canada, the socio-economic and environmental terms and conditions are segmented to reflect the different areas through which the pipeline will pass: i.e.: Yukon, North B.C., Alberta, Saskatchewan and South B.C.

In developing the terms and conditions the Agency took into account the concerns expressed by many Canadians in the Berger, Lysyk and Hill Inquiries, the National Energy Board Hearings Report, as well as the undertakings made by Foothills before the National Energy Board when the certificate to build this pipeline was awarded in their favour.

PUBLIC REVIEW:

The effects of the Alaska Highway gas pipeline are potentially wide-ranging and varied but will be particularly significant on the sensitive areas of the Yukon and North B.C.

Because of this, the Agency is committed to public review of the socio-economic and environmental terms and conditions proposed for each of these areas to ensure that they are indeed adequate and appropriate.

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The Agency has no intention of conducting another Berger style inquiry. The Agency's public review process will be conducted in an informal and flexible way. The hearings panel will accept written briefs or will listen to oral presentations -- whichever best suits the participants. There will be no direct cross-examination that might inhibit anyone from speaking out on a pipeline related matter. The views expressed will be recorded verbatim and will be taken into account by the Agency in the development of the final sets of socio-economic and environmental terms and conditions to be applied to the pipeline companies.

Public hearings in the Yukon were completed in April 1979. Planning is now underway for hearings to be held in North B.C. in the fall, 1979.

COMPLIANCE:

Penalty for non-compliance with the terms and conditions, once finalized, may take one of four (4) forms. A fine not exceeding \$10,000 per day of offence may be assessed by the Minister, or a fine not exceeding \$10,000 per day of offence may be assessed through the courts. The Minister also has the right to have the work done himself and recover costs, or the Agency, through the authority of the Designated Officer, has the ability to halt construction until compliance is met.

The enforcement of the socio-economic and environmental terms and conditions and the technical requirements by the Agency will ensure that the pipeline is built in a way that maximizes its economic benefits to Canada and all Canadians, and prevents or minimizes adverse social, economic and environmental impacts on those areas directly affected by the pipeline.

DIFFERENT BY
DESIGN:

The Northern Pipeline Agency is not, nor will it become a typical example of bureaucracy. The "sunset" nature of the legislation provides for the termination of the Agency within one year following the opening of the last section of the pipeline, unless authority is extended by Parliament for the construction of the Dempster Lateral. In addition, the Agency is classified as a separate employer, which means that resignation from the civil service is a condition of employment.

Initially about 60% of Agency management will be drawn from public sector levels while 40% will be drawn from the private sector. As we complete design and enter the construction phase, the Agency will draw its expertise

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from the private sector where the experience in pipeline building lies and these ratios will change. Patterned after an industrial organization the Agency's Commissioner and Chief Executive Officer, the Honourable Mitchell Sharp, is located at policy headquarters in Ottawa, and the Administrator and Chief Operating Officer, Harold Millican, is located at operational headquarters in Calgary.

The Agency is low in numbers and will remain low in numbers. With four (4) offices across Canada, our staff now totals 72, with a provision to increase to 200 if required at the peak of construction. We are a small, action oriented team -- a unique blend of the public and private sectors sensitive to the needs of the project and the people affected and enthusiastic about the great challenge we face.

-- Different by design.

If you would like to learn more, please contact us at any of the following offices:

Public Relations Coordinator
Northern Pipeline Agency
140 Wellington Street
8th Floor, Box 1605
Station B
Ottawa, Ontario
K1P 5A0

Public Relations Officer
Northern Pipeline Agency
4th Floor Shell Centre
400 - 4th Avenue S.W.
Calgary, Alberta
T2P 0J4
(403) 231-5777

Elden Schorn
B.C. Administrator
Northern Pipeline Agency
P. O. Box 10139
Pacific Centre
Vancouver, B.C.
V7Y 1C6
(604) 666-1510

Ken McKinnon
Yuko: Administrator
Northern Pipeline Agency
Suite 200
4114 Fourth Avenue
Whitehorse, Yukon
Y1A 4N7
(403) 668-4301

Office of the Federal Inspector

Alaska Natural Gas Transportation System

The Office of the Federal Inspector was created in 1979 to coordinate Federal agency approvals and enforce Federal requirements during construction of the Alaskan Natural Gas Transportation System. The network of pipelines that will enable U.S. consumers to tap the vast natural resources of Prudhoe Bay is the largest privately financed project ever undertaken in the world. Its successful completion will help reduce our dependence on imported fuel.

If you have a question or need additional information please contact:

Joyce R. Morrison
Public Affairs Chief
OFI/ANGTS
1200 Pennsylvania Avenue N.W.
Room 2413
Washington, D.C. 20044
(202) 275-1100

Paul T. Steucke
External Affairs Representative
OFI/ANGTS
900 West Fifth Avenue
Suite 740
Anchorage, Alaska 99501
(907) 271-3668

Office of the Federal Inspector
Fairbanks Office
1001 Noble Street
Suite 400
Fairbanks, Alaska 99701
(907) 456 6311

SCOMM

28:18

**PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED
AS A UNIT IN THE ORIGINAL DOCUMENT**

Alaska Natural Gas Transportation Act

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: Georgiana Sheldon, Acting Chairman;
Matthew Holden, Jr., George R. Hall
and J. David Hughes.

Alaskan Northwest Natural)
Gas Transportation Company)

Docket No. CP78-123, et al.

ORDER TO SHOW CAUSE
(Issued December 15, 1980)

On February 2, 1979, Alaska Northwest Natural Gas Transportation Company (ANNGTC) filed an application for an order approving past expenditures and to establish procedures for continuing audit and approval of future expenditures and major commitments. Supplements to that application were filed on August 14, 1979 and July 16, 1980.

The President's Decision and Report to Congress on the Alaska Natural Gas Transportation System (Decision) contemplates contemporaneous auditing during the course of the project. Finance Condition 2, at page 37 of the Decision, provides in part that the project sponsors "shall . . . submit to the FPC for approval on a timely basis all components of construction work in progress." Section 9 of the Alaska Natural Gas Transportation Act of 1976 (ANGTA) (15 U.S.C. § 719g) mandates expedition.

On April 18, 1979, the Commission directed 1/ its Office of the Chief Accountant to audit expenditures incurred by the certificate holders of the Alaska Natural Gas Transportation

1/ Directive to the Office of the Chief Accountant, Administrative Order No. 4, 7 FEhC _____ (1979).