

Alaska State Legislature

Senator John Torgerson, Chair
Phone (907) 260-3041
Fax (907) 260-3044



Representative Joe Green, Vice Chair
Phone: (907) 269-0123
Fax (907) 269-0124

Joint Committee on Natural Gas Pipelines

For Immediate Release: July 18, 2001
Contact: Sen. John Torgerson, (907) 260-3041

Committee Learns of Progress Toward Pipeline

(Anchorage) – Oil and gas industry representatives and members of project advocacy groups testified before the Joint Committee on Natural Gas Pipelines today on the options for bringing Alaska’s North Slope natural gas to market and the progress being made toward realizing one or more of those options.

“There are still a lot of questions to be answered before a route is chosen and construction begins on a pipeline,” said Sen. John Torgerson (R-Kasilof), chair of the committee. “Today’s hearings allowed the committee and the public to see how industry is working to bring North Slope gas to market and what their concerns are.”

BP Exploration, ExxonMobil and Phillips Alaska have formed the Alaska Gas Producers Pipeline Team to bring Alaska’s natural gas to market, and are evaluating both a northern “over-the-top” and a southern “Alaska Highway” route for a natural gas pipeline. Joseph Marushack of Phillips Alaska and Ken Konrad of BP Exploration spoke on behalf of the team and told the committee that materials, logistics and construction technology studies are underway, and that it is the intent of the team to complete engineering and route analysis by the end of the year.

Jeff Lowenfels of Yukon Pacific Corporation updated the committee on cost estimates for bringing North Slope gas to market as liquid natural gas (LNG) through a Trans-Alaska Gas Pipeline built in the existing Trans-Alaska Pipeline corridor.

Foothills Pipelines is a joint-venture company formed by TransCanada Pipelines Limited and Westcoast Energy, both of Canada, and holds permits and right-of-way authorization for a gas pipeline along the Alaska Highway through Alaska and Canada. The chief executive of those companies, Michael Stewart and Dennis McConoghy, spoke on behalf of the joint venture, and told the committee that Foothills is continuing discussions with members of the Alaska Gas Producers Pipeline Team toward construction of a pipeline along the southern route.

- more -

Page 2

Joint Committee on Natural Gas Pipelines

Foothills is also a member of the LNG Sponsor Group, along with Phillips Alaska, BP Exploration and Marubeni Corporation. Steve Alleman testified that the group has been working to develop a commercially viable LNG project, and is studying two pipeline routes from the North Slope, one terminating in Valdez and the other terminating in Nikiski.

Charlie Cole, a member of the Alaska Gasline Port Authority, outlined the benefits of a “Y-line” pipeline, that would follow the southern route and include a branch-line to Valdez. The cost of constructing the pipeline from the North Slope to the “Y” could be shared, and the branch would bring natural gas to Southcentral Alaska for industrial and residential use.

Dale Bagley, mayor of the Kenai Peninsula Borough, spoke to the committee on the advantages to Alaska of providing a gas line to the Kenai Peninsula. Cavan Carlton of Williams Alaska described the energy company’s view for a natural gas pipeline and the possibilities for in-state natural gas use, including the production of petrochemicals. The committee then heard public testimony beginning at 4:30 p.m.

The committee approved an agenda for its next meeting, which will take place in Fairbanks on Aug. 14 & 15. It also announced a meeting in Kenai in September, and authorized protocol trips to discuss pipeline issues with the governments of Yukon, Northwest Territories, British Columbia and Alberta.

###