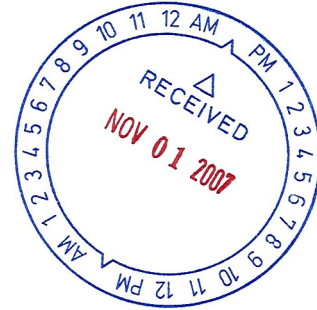


UNITED STATES OF AMERICA  
DEPARTMENT OF ENERGY  
OFFICE OF FOSSIL ENERGY



CONOCOPHILLIPS ALASKA )  
NATURAL GAS CORPORATION )  
AND )  
MARATHON OIL COMPANY )

FE Docket No. 07-02-LNG

**ORDER GRANTING MOTION OF AGRIUM U.S. INC. FOR LEAVE TO FILE  
SUPPLEMENTAL COMMENTS**

On October 11, 2007, Agrium U.S. Inc. (Agrium) filed a motion for leave to file supplemental comments in this contested proceeding. Agrium’s filing includes its proposed supplemental comments and an attached copy of a company press release, dated September 25, 2007, announcing the immediate closure of Agrium’s fertilizer plant on the Kenai Peninsula of Alaska. The stated purpose of the filing is to bring to the Department’s attention the fact that Agrium has been unsuccessful in its efforts to secure supplies of natural gas to operate its fertilizer plant and that it has closed its plant until adequate gas supplies can be secured. According to Agrium, “[t]his plant closure is further concrete evidence that the natural gas supply shortage in Cook Inlet is worsening.” Motion at 1.

On October 26, 2007, ConocoPhillips Alaska Natural Gas Corporation and Marathon Oil Company, the applicants in this proceeding, jointly filed an answer in opposition to Agrium’s motion. A corrected copy of the applicants’ answer was filed on October 29, 2007. No other party responded to Agrium’s motion.

In their answer, the applicants contend that Agrium’s motion should be denied and the supplemental comments disregarded because Agrium’s pleading was filed outside the comment period established by prior order in this proceeding.<sup>1</sup> Additionally, the applicants contend that the proposed information concerning the closure of the fertilizer plant in 2007 is irrelevant to the issue of gas supplies during the proposed export period from 2009 to 2011. The applicants observe that they did not anticipate that the fertilizer plant would be operating anyway during the export period and, therefore, maintain that the decision to close the plant only tends to confirm their projected “Expected Demand Case,” submitted as part of the export application. Finally, the applicants argue that Agrium’s decision to close the plant was long in coming, was the result of a string of business decisions—principally, the failure of Agrium to offer a competitive price for natural gas to operate the plant—and has nothing to do with the availability of gas supplies on the Kenai Peninsula.

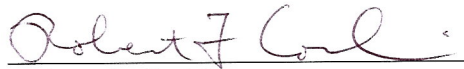
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<sup>1</sup> Pursuant to FE’s June 5, 2007 Order Granting Motions to Intervene and Requests to File Reply Comments and Deferring Action on Requests for Other Additional Procedures, reply comments from interveners were due on June 26, 2007.

The Department believes that Agrium's motion for leave to file its supplemental comments should be granted. The motion relates to an event that occurred after the close of the comment period established in our June 5, 2007 order and, therefore, could not have been addressed specifically in Agrium's previously filed reply comments. Moreover, we find that both the supplemental comments and the applicants' answer to the pending motion contain material that may assist our consideration of the issues in this proceeding.

Accordingly, Agrium's motion is granted.

Issued in Washington, D.C. on November 1, 2007.



Robert F. Corbin  
Manager, Natural Gas Regulatory Activities  
Office of Oil and Gas Global Security and Supply  
Office of Fossil Energy