

**UNITED STATES OF AMERICA**

**DEPARTMENT OF ENERGY**

**OFFICE OF FOSSIL ENERGY**

**ConocoPhillips Alaska** )  
**Natural Gas Corporation** )  
**and** ) **FE Docket No. 07-02-LNG**  
**Marathon Oil Company** )

**ORDER INVITING COMMENTS  
ON OFF-THE-RECORD  
COMMUNICATION**

On April 18, 2008, the Office of Fossil Energy at the Department of Energy (OFE) received a letter from Colleen Starring, Regional Vice President of ENSTAR Natural Gas Company to Mr. Robert Corbin, Manager, Natural Gas Regulatory Activities, Office of Fossil Energy. The letter asks that DOE promptly grant the instant application by ConocoPhillips Alaska Natural Gas Company and Marathon Oil Company for a license to export liquefied natural gas.

**FINDINGS:**

I find that:

1. The instant proceeding is a contested matter pending before this agency.
2. ENSTAR is a party to this proceeding.
3. Mr. Corbin is a “decisional employee,” as that term is defined at 10 CFR 590.102(c).

4. Under applicable DOE regulations, parties to natural gas export proceedings are required to serve copies of all document submissions upon all other parties to the proceeding. *See*, 10 CFR 590.107(a).
5. DOE's regulations prohibit any interested person from making an off-the-record communication to any decisional employee. 10 CFR 590.108(a).
6. The ENSTAR letter should have been served on all parties to this proceeding.
7. Because the ENSTAR letter was not served on all parties but went to the merits of the pending application, it constituted a prohibited off-the-record communication.
8. All parties should be provided a copy of the ENSTAR letter and, in the interest of fairness, should be given an opportunity to respond thereto.

## **ORDER**

For the reasons set forth above, it is ordered:

1. Pursuant to DOE regulations, 10 CFR 590.109(a)(4), a copy of the ENSTAR letter will be placed in the public file.
2. DOE will attach a copy of the ENSTAR letter to this Order which is being served on all parties.
3. Parties have seven days from the date of issuance of this Order to file responses and comments on the ENSTAR letter. Upon receipt and review of any such responses, DOE will determine whether further action is required or appropriate.

Issued in Washington, D.C. on May 1, 2008.



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



**Colleen Starring**  
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April 10, 2008

Mr. Robert Corbin  
Natural Gas Regulatory Activities Manager  
U.S. Department of Energy  
Office of Oil & Gas  
Global Security and Supply, Office of Fossil Energy  
Room 3E-042, FE-34  
1000 Independence Ave, SW  
Washington, DC 20585



RE: FE Docket No. 07-02-LNG

Dear Mr. Corbin;

I am writing to express my concern in regards to the lack of a timely resolution by Department of Energy for the 2009-2011 Cook Inlet LNG Extension Application filed jointly by ConocoPhillips and Marathon Oil Company. The timely approval of the LNG extension is important to the economy and energy security of South-central Alaska.

ENSTAR Natural Gas Company is the largest energy utility in the State of Alaska, serving over half the State's population through 128,000 meters. ENSTAR has been serving Alaska since 1961 and depends on Cook Inlet natural gas to supply our customers. As you are aware, the closest additional supply is the North Slope of Alaska

ENSTAR has negotiated in good faith to address its customers' natural gas supply needs. These negotiations have resulted in pending contracts with ConocoPhillips and Marathon covering significant aspects of ENSTAR's projected supply shortfall through the first quarter 2011. ConocoPhillips and Marathon have committed to supply ENSTAR with almost 40 Bcf of gas over a five-year period. They have both agreed to curtail operation of the LNG Facility to the extent necessary to meet their commitments to ENSTAR. The LNG Facility therefore serves an important backup role in the event of a supply disruption. These supply commitments are conditioned on Department of Energy approval of the LNG export authorization. ENSTAR is concerned that any further delay in the license renewal process could jeopardize its new supply contracts, and put the local utilities further at risk of not having the supply commitments required for 2009 and beyond.

***All Our Energy Goes Into Our Customers***

3000 Spenard Road, Anchorage, Alaska 99503

For the reasons described in this letter, ENSTAR urges the timely approval by the DOE of the export license renewal and continued operation of the LNG plant. We believe that re licensing this facility is in the best interest of our 340,000 customers and the State of Alaska.

Sincerely,



Colleen Starring  
Regional Vice President  
ENSTAR Natural Gas Company

cc:

U.S. Senator Ted Stevens  
U.S. Senator Lisa Murkowski  
Congressman Don Young  
Governor Sarah Palin, State of Alaska  
Alaska State Legislature  
Marty Rutherford, Deputy Commissioner, DNR