

Report
Submitted to the
United States Congress
by the Federal Energy Regulatory Commission

Fourteenth Report to Congress on Progress Made in Licensing
and Constructing the Alaska Natural Gas Pipeline

August 2012

Fourteenth Report to Congress on the Alaska Pipeline

I. Executive Summary

The Federal Energy Regulatory Commission (Commission or FERC) submits this report pursuant to section 1810 of the Energy Policy Act of 2005 (EPAAct 2005).¹ Section 1810 of EPAAct 2005 requires that the Commission submit to Congress semi-annual reports describing the progress made in licensing and constructing an Alaska natural gas pipeline and any impediments thereto.

This report provides an update from the Commission's Thirteenth Report, submitted on March 2, 2012. During the period covered by this report, TransCanada Alaska Company, LLC (TC Alaska) suspended development of the North Slope to Alberta option (Alberta option) of its planned Alaska Pipeline Project while it assesses other alternatives to commercialize Alaska North Slope gas.

II. Status Report

A. TC Alaska's Proposal

On May 3, 2012, TC Alaska terminated its Open Season to transport Alaska North Slope gas through its Alaska Pipeline Project (APP) due to unsuccessful efforts to secure transportation agreements. TC Alaska notified the Commission on May 11, 2012, it was curtailing interim work on the Alberta option while requesting to maintain the record in Docket No. PF09-11 for potential future use. Keeping the pre-filing docket open will enable the draft resource reports and other information in the public record to remain viable until TC Alaska moves forward on either the Alberta option or another alternative. TC Alaska will file quarterly reports to update the record on the status of its activities.

TC Alaska also indicated it was working with Alaska North Slope producers to explore the feasibility of developing a liquefied natural gas (LNG) export project that would include constructing a pipeline from the North Slope to a LNG export terminal at an undetermined location in South Central Alaska (LNG option). TC Alaska estimates that it would file an application with the Commission for that project in October 2014.²

¹ P.L. 109-58, 119 Stat. 594 (2005), 42 U.S.C § 15801 *et seq.*

² On July 30 2012, the Alaska Pipeline Project announced that it will conduct a non-binding public solicitation of interest in securing capacity on a potential new pipeline system to transport Alaska's North Slope gas. The solicitation of interest will take place from August 31 through September 14, 2012.

B. The Commission's Activities

The Commission continues to execute its responsibilities as the lead federal agency for conducting the National Environmental Policy Act (NEPA) review of the TC Alaska proposal. Since the last report, the Commission staff conducted public scoping meetings, government-to-government tribal consultation, and other activities throughout the project area in Alaska. In January 2012, TC Alaska filed with the FERC its draft resource reports containing the environmental information required for Natural Gas Act authorization. The Commission staff provided TC Alaska with the agency comments on the draft resource reports which TC Alaska must address before finalizing an application to the FERC.

The federal permitting agencies are prepared to resume working under the Commission's pre-filing process and to continue the preparation of an environmental impact statement once TC Alaska re-engages its project development and pre-filing activities and files an application with the FERC.

III. Related Activities

Operations of the Federal Coordinator

The Office of the Federal Coordinator for Alaska Natural Gas Transportation Projects (OFC) continues to coordinate the actions of federal agencies regarding Alaska natural gas transportation projects and to provide a liaison function to ensure communication with Congress, the State of Alaska, and federal U.S. and Canadian agencies. The OFC provides updates on its website (www.arcticgas.gov) regarding national and world-wide natural gas issues that may affect the ultimate distribution of Alaskan North Slope natural gas.

IV. Conclusion

The Commission will not move forward to the next step in its NEPA process until TC Alaska decides whether it will proceed with a pipeline to serve North American markets (Alberta option) or embarks on a project to liquefy and export natural gas to foreign markets (LNG option). The Commission will keep its Docket No. PF09-11 open to maintain the existing record and accept filings of quarterly status reports and related items.