

ALASKA STATE LEGISLATURE



Senator Bill Wielechowski

Senator Bettye Davis

Senator Hollis French

Representative Pete Petersen

Representative Berta Gardner

Representative Les Gara

Representative Chris Tuck

July 8, 2010

Mr. John Anderson
U.S. Department of Energy (FE-24)
Office of Oil and Gas Global Security and Supply
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue, S.W.
Washington, D.C. 20585

Dear Mr. Anderson:

We are writing to submit comments on the June 8, 2010, application from ConocoPhillips Alaska Natural Gas Corporation and Marathon Oil Company for authorization to export natural gas from Alaska to foreign countries (FE docket number 10-63-LNG).

As you know, Section 3 of the Natural Gas Act requires that any export of gas from the U.S. to a foreign country must be "consistent with the public interest." The primary factor to be considered when making this determination is whether there is regional need for the gas.

While we support the export of gas from Alaska for many reasons — including the jobs it creates, the storage capacity the LNG plant provides for utilities during the peak winter seasons, and the support it offers to the possible construction of a gas-line from Alaska's North Slope — we cannot support overseas export of Alaska's gas until local needs for gas have been fully met through signed contracts with gas producers. Such a requirement is eminently reasonable and achievable.

While the application from ConocoPhillips and Marathon states on page 12 that existing gas contracts with utilities will "satisfy virtually all of the utilities' natural gas needs through the term of the requests blanket authorization," this is not true.

The local gas company which serves roughly half of Alaska's population is short about .9 billion cubic feet of gas in 2011 and 1.1 billion cubic feet in 2012. Then, in the first quarter of 2013, more than one-third of the region's need is unmet, leaving families and businesses in Southcentral Alaska in a perilous position. This is not acceptable.

We have recently written to the president of ConocoPhillips Alaska, urging him to help ensure that his company acts expeditiously to meet regional gas needs before proceeding further with a request to export gas overseas. Supplies of natural gas from Cook Inlet are dwindling and local consumers must be taken care of before additional supplies are exported.

We hope you will take action to help ensure this is the case.

Sincerely,



Senator Bill Wielechowski



Senator Bettye Davis



Senator Hollis French



Representative Pete Petersen



Representative Berta Gardner



Representative Les Gara



Representative Chris Tuck