

**Regulatory Commission of Alaska**  
701 West Eighth Avenue, Suite 300  
Anchorage, Alaska 99501  
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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners: Kate Giard, Chairman  
Dave Harbour  
Mark K. Johnson  
Anthony A. Price  
James S. Strandberg

In the Matter of the Formal Complaint Filed by )  
Agrium U.S. Inc. Against MARATHON OIL ) P-04-20  
COMPANY and Union Oil Company of California )  
ORDER NO. 7

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In the Matter of the Formal Complaint Filed by )  
Agrium U.S. Inc. Against MARATHON OIL ) U-05-20  
COMPANY and Union Oil Company of California )  
ORDER NO. 5

**ORDER ACCEPTING STIPULATION**  
**FOR AURORA GAS, LLC TO HAVE IMMEDIATE INTERIM ACCESS**  
**TO THE COOK INLET GAS GATHERING SYSTEM**

BY THE COMMISSION:

Summary

We accept the parties<sup>1</sup> agreement that Aurora Gas, LLC (Aurora) may have immediate and continuing access to the Cook Inlet Gas Gathering System (CIGGS) to transport gas from the Nicolai Creek Unit during the pendency of these proceedings.

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<sup>1</sup>The parties are Agrium U.S. Inc., Marathon Oil Company (Marathon), Union Oil Company of California (Unocal Alaska), Aurora, the State of Alaska, and ENSTAR Natural Gas Company, a division of SEMCO Energy, Inc.

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Background

The parties in these proceedings agreed that, pending issuance of a final order in these proceedings, Aurora may have access to CIGGS for gas produced from Aurora's interest in the Nicolai Creek Unit, provided the interim access and its commercial terms are without prejudice to, and shall not be cited as evidence in support of, any individual party's advocacy position on any issue submitted to us or the courts for adjudication. The parties further agreed that expedited action by us is appropriate and that we should recognize that Aurora may negotiate interim commercial terms with Marathon and Unocal Alaska for Nicolai Creek gas transportation, subject to four conditions: (1) that Aurora's interim access expires at the conclusion of these proceedings, (2) that Aurora's interim access and its commercial terms are without prejudice to any party's position and cannot be cited as evidence in support of any party's position, (3) that we will not accept Aurora's interim access and its commercial terms as support for any party's position, and (4) that we will not assert jurisdiction over the interim access transactions or over CIGGS facilities or the CIGGS owners, Marathon and Unocal Alaska, because of Aurora's interim access.<sup>2</sup>

Discussion

We encourage settlement. We commend the parties for their efforts in reaching this stipulation to allow gas to be transported to market. We expedite our consideration of the stipulation and accept it. No issue in these proceedings other than

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<sup>2</sup>*Joint Motion and Stipulation for Aurora Gas, LLC to Have Immediate Interim Access to the Cook Inlet Gas Gathering System*, filed May 9, 2005. A copy of the Stipulation is attached to this Order as an Appendix.

1 interim access by Aurora to CIGGS shall be considered to have been finally determined  
2 or adjudicated by virtue of our acceptance of the stipulation.

3 **ORDER**

4 THE COMMISSION FURTHER ORDERS:

5 1. The stipulation, signed by all parties, for Aurora Gas, LLC to have  
6 immediate interim access to the Cook Inlet Gas Gathering System under the conditions  
7 contained in the stipulation is accepted; however, no issue other than interim access  
8 shall be considered to have been finally determined or adjudicated by virtue of  
9 acceptance of the stipulation.

10 2. The interim and conditional access of Aurora Gas, LLC, to the Cook  
11 Inlet Gas Gathering System shall expire at the conclusion of proceedings in these  
12 Dockets.

13 3. The fact of Aurora's interim and conditional access to the Cook Inlet  
14 Gas Gathering System under this Order and the commercial terms of the access will not  
15 be accepted as evidence in support of any party's advocacy position on any issue of law  
16 or fact to be resolved in these Dockets or in any future Commission proceeding.

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4. Jurisdiction will not be asserted over the transactions involved in the interim and conditional access of Aurora Gas, LLC, to the Cook Inlet Gas Gathering System under this Order or over the facilities or owners of the Cook Inlet Gas Gathering System by reason of or reference to the interim and conditional access of Aurora Gas, LLC.

DATED AND EFFECTIVE at Anchorage, Alaska, this 10th day of May, 2005.

BY DIRECTION OF THE COMMISSION  
(Commissioners Dave Harbour and  
James S. Strandberg, not participating.)

(S E A L )

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STATE OF ALASKA

THE REGULATORY COMMISSION OF ALASKA

Before Commissioners: Kate Giard, Chairman  
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In the Matter of the Formal Complaint by )  
AGRIUM U.S. INC. Against MARATHON OIL )  
COMPANY and UNION OIL COMPANY OF ) P-04-20  
CALIFORNIA )  
)

In the Matter of the Formal Complaint by )  
AGRIUM U.S. INC. Against MARATHON OIL )  
COMPANY and UNION OIL COMPANY OF ) U-05-20  
CALIFORNIA )  
)

**JOINT MOTION AND STIPULATION FOR AURORA GAS, LLC  
TO HAVE IMMEDIATE INTERIM ACCESS TO THE  
COOK INLET GAS GATHERING SYSTEM**

This Joint Motion and Stipulation is by and among, Marathon Oil Company (Marathon), Union Oil Company of California (Unocal Alaska), Aurora Gas, LLC (Aurora), Agrium U. S. Inc. (Agrium), The State of Alaska (The State), and ENSTAR Natural Gas Company, a division of SEMCO (ENSTAR) (collectively the Jointly Moving and Stipulating Parties) who are all of the parties of record to the above-captioned proceeding.

The Jointly Moving and Stipulating Parties agree that, pending the issuance of a final order in the above-captioned proceeding, Aurora should have access to the Cook Inlet Gas Gathering System (CIGGS) for gas produced from Aurora's

JOINT STIPULATION AURORA GAS, LLC TO HAVE INTERIM ACCESS TO THE CIGGS

May 6, 2005

Order P-04-20(7)/U-05-20(5)  
APPENDIX  
Page 1 of 7

ROBERT E. STOLLER  
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1 interest in the Nicolai Creek Unit, provided that such interim access and the  
2 associated commercial terms are without prejudice to, and shall not be cited as  
3 evidence in support of any individual party's advocacy position on any issue  
4 submitted to the Commission or the Courts for adjudication in these or any other  
5 proceedings.

6 With the foregoing proviso, such conditional interim access will not  
7 compromise any party's advocacy position in these proceedings.

8 The Jointly Moving and Stipulating Parties further agree that expedited  
9 action by the Commission on this motion would be appropriate. Aurora asserts  
10 that expedited action would relieve a possible shortage that may occur in its gas  
11 supply portfolio during the period May 14 – 24, 2005, as a result of the fact that  
12 beginning at approximately 2:00 AM on May 14, both compressors at the Beluga  
13 River Field will go down for maintenance. See e-mail dated May 3, 2005 from  
14 Von L. Hutchins, Conoco Phillips, to Beluga River Unit operators, et al., attached  
15 hereto as Exhibit A. The other parties to this Stipulation do not oppose expedited  
16 action by the Commission on this basis.

17 Accordingly, the Jointly Moving and Stipulating Parties respectfully move  
18 the Commission to enter an order recognizing that Aurora may negotiate interim  
19 commercial terms with Marathon and/or Unocal for Aurora to transport over  
20 CIGGS gas produced from Aurora's interest in the Nicolai Creek Unit, subject to  
21 the following conditions:

JOINT STIPULATION AURORA GAS, LLC TO HAVE INTERIM ACCESS TO THE CIGGS

May 6, 2005

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Page 2 of 7

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1. Aurora's interim and conditional access to CIGGS under the Commission's order shall expire at the conclusion of proceedings in Dockets P-04-20 and U-05-20;
2. The Jointly Moving and Stipulating Parties hereby agree and stipulate that such interim access and the associated commercial terms are without prejudice to, and shall not be cited as evidence in support of any individual party's advocacy position on any issue submitted to the Commission or the Courts for adjudication in these or any other proceedings.
3. In its order adopting this stipulation, the Commission shall agree that neither the fact of Aurora's interim and conditional access to CIGGS nor the commercial terms under which that access is provided by Marathon and/or Unocal Alaska will be accepted by the Commission as evidence in support of any party's advocacy position on any issue of law or fact to be resolved in Docket P-04-20 or U-05-20 or any other, future proceeding before the Commission; and
4. The Commission will not, by reason of or reference to Aurora's interim and conditional access to CIGGS as proposed by this Joint Motion and Stipulation, assert jurisdiction over the proposed transactions, the CIGGS facilities, or the CIGGS owners in either the current or any other, future proceedings coming before the Commission.

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Respectfully submitted this 6<sup>th</sup> day of May, 2005.

Marathon Oil Company  
  
By: *Kyle Parker*  
David Robinson  
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Kyle Parker  
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Enstar Natural Gas Company

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JOINT STIPULATION AURORA GAS, LLC TO HAVE INTERIM ACCESS TO THE CIGGS

May 6, 2005

Order P-04-20(7)/J-05-20(5)  
APPENDIX  
Page 4 of 7

1 Respectfully submitted this 6<sup>th</sup> day of May, 2005.

2 Marathon Oil Company

Union Oil Company of California

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6 By: \_\_\_\_\_  
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8 DC Bar No. 10835  
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10 ABA No. 9212124  
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Enstar Natural Gas Company

19 By: \_\_\_\_\_  
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Page 5 of 7

**Robert Stoller**

**From:** "G. Scott Pfoff" <gspfoff@aurorapower.com>  
**To:** "Robert Stoller" <stoller@alaska.net>  
**Sent:** Friday, May 06, 2005 4:19 AM  
**Subject:** FW: Beluga Field Compressor Maintenance - Gas Offtake Impacts

As promised, here is a copy

**G. Scott Pfoff**  
**President**  
**Aurora Gas, LLC**  
**Aurora Power Resources, Inc.**  
**(713) 977-5799**  
**(713) 816-6870 cell**

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**From:** Hutchins, Von L [mailto:Von.L.Hutchins@conocophillips.com]  
**Sent:** Tuesday, May 03, 2005 7:37 PM  
**To:** BRU Operators; BRU Supv; Maggie.branche@enstarnaturalgas.com; enstar.gascontrol@enstarnaturalgas.com; whitacred@unocal.com; Ibele, Lyndon; JStasak@marathonoil.com; Ostrinski, Brandy; Jepsen, J Scott; Braden, John C; Clark, Lindsey L; Tommy Thompson (E-mail); Forsthoff, Gary (GMFO); John Cooley  
**Cc:** Jim Senn; G. Scott Pfoff; Falcone, Joe; Christal, John M  
**Subject:** Beluga Field Compressor Maintenance - Gas Offtake Impacts

All,

Beginning at ~02:00 on Saturday May 14th, both compressors at the Beluga River Field will go down for maintenance. It is anticipated that one compressor will be up and running approximately 5 days later (~24:00 May 18th) and that both compressors will be back in service 5 days after that (~00:00 May 24th).

During the initial period (when there will be no compression), the field will be limited largely by the ENSTAR system pressure. We anticipate the total field deliverability will be ~105 MMscf/d. We encourage ENSTAR to determine how low they can take the system pressure during this ~ 5 day time period as this will greatly help those customers that depend upon Beluga volumes.

During the second period (when Beluga will be operating on a single compressor), Beluga will be operationally limited to about 82 MMscf/d into the ENSTAR system. Maximizing exchanges at CEA will enable the total field offtake to increase and thus service more customers.

The following table portrays the anticipated deliverability (MMscf/d) that will be available:

<u>Time Period</u>	<u>May 14-18</u>	<u>May 19-23</u>	<u>Comments</u>
CEA - BRU Producers	31	31	Full Requirements
ML&P	27	27	Full Requirements
ENSTAR	2	2	Full Requirements
COP-CVX/UCL via CEA X-C	20	20	Maximum exchange capacity
COP-CVX/UCL via ENSTAR	25	40	40 MMscf/d total rate desired
CVX Aurora	0	8	5+ MMscf/d desired
COP FT	0	5	5 MMscf/d desired
Total Field Rate	105	133	

Field Limit	~105	
ENSTAR Limit	N/A	~82
# Compressors Operating	0	1

Let me know if there are concerns.

Thanks,

Von.

ConocoPhillips  
265-1605