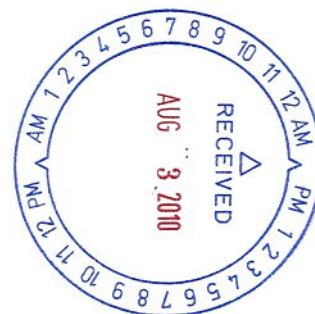


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UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY



In the Matter of)
)
CONOCOPHILLIPS ALASKA)
NATURAL GAS CORPORATION)
and)
MARATHON OIL COMPANY)
_____)

FE Docket No. 10-63-LNG

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**STATE OF ALASKA'S MOTION FOR EXTENSION OF TIME TO FILE
COMMENTS**

Pursuant to 10 C.F.R. 590.103 and 10 C.F.R. 590.105 and the Department of Energy's Notice published at 75 Fed. Reg. 38093 – 38095 (July 1, 2010), the State of Alaska requests leave for an extension of time to file comments in the above-referenced docket. The State's comments are included with this filing.

In support of this motion, the State submits the following:

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**I. AN EXTENSION OF TIME TO FILE COMMENTS MAY BE GRANTED
WHEN GOOD CAUSE IS SHOWN**

According to 10 C.F.R. 590.105(b), "[w]hen a document is required to be filed with [the Office of Fossil Energy] within a prescribed time, an extension of time to file may be granted for good cause shown."

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**II. THERE IS GOOD CAUSE TO ALLOW THE STATE OF ALASKA AN
EXTENSION OF TIME TO FILE COMMENTS**

There is good cause to grant an extension of time for the State of Alaska to file its comments, which are submitted along with this motion, in this docket. The State was prepared to file comments with the Department of Energy's Office of Fossil

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2 Energy on August 2nd, but unforeseen circumstances prevented it from doing so that
3 day.

4 The State has been focused on communicating with the applicants and
5 with domestic utilities to ensure that domestic utility needs will be met if the natural gas
6 export license at issue in this matter is approved. Negotiations between the applicants
7 and utilities proceeded during the comment period. The State did not know the exact
8 content or terms of these negotiations. Additionally, there was uncertainty as to
9 whether some terms included in the State's 2008 settlement agreement with the
10 producers applying for the export license would be covered by these negotiations. For
11 this reason, the State planned to file comments on August 2nd, the close of the comment
12 period, to allow the maximum amount of time possible for the applicants and utilities to
13 resolve these complex issues and for the State to evaluate and comment upon the public
14 interest.
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17 Although the State was prepared to file comments with the Office of
18 Fossil Energy yesterday, August 2nd, unforeseen circumstances prevented it from doing
19 so. The Governor was unavailable to sign the comments before close of business,
20 Eastern Time, because he was en route from Juneau to Anchorage to attend a memorial
21 service for National Guard members recently killed in an airplane crash. The Governor
22 has since signed the comments, which the State submits with this motion.
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III. THE STATE'S INTERESTS WILL NOT ADEQUATELY BE REPRESENTED BY ANY OTHER PARTY OR COMMENTATOR

The State has strong interests in having its views considered in this matter, and its point of view cannot be adequately represented by any other party or commentator. The State alone has the responsibility to protect and promote the general welfare of its citizens. It has an interest in ensuring there are adequate Cook Inlet natural gas supplies for public utilities and in ensuring the structure of the Cook Inlet natural gas market encourages development of future gas supplies. The State of Alaska, the local utilities, and the Cook Inlet exploration and production companies are all taking steps to ensure long term gas supply stability in the region. These steps include recent legislation that provides incentives for additional exploration and production drilling in the Cook Inlet, additional storage options being investigated and developed by local utilities, and ongoing gas supply contract negotiations between the utilities and the Cook Inlet production companies.

While every effort is being made to balance the region's demand and supply equilibrium, at this time there is no other practical source of backup gas than the Kenai LNG Facility whose export license is at issue in this matter. However, while the facility is critical to the energy stability of the region, the local utilities' gas supplies must also be met. Given these considerations, the State is in a unique position to assert both the short- and long-term needs of its citizens, which are a key consideration in this matter. It is important for the Office of Fossil Energy to consider the State's comments on these issues.

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IV. ACCEPTING THE STATE'S COMMENTS WILL NOT PREJUDICE ANY PARTY

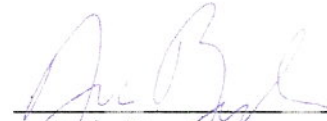
The State respectfully submits that no party will be prejudiced if the Office of Fossil Energy grants the State's motion for an extension of time to file its comments. The comments are being submitted just one day after the August 2nd deadline. The one-day delay will not prejudice the Office of Fossil Energy's or the parties' ability to take these comments into account.

V. CONCLUSION

For the foregoing reasons, the State respectfully requests the Office of Fossil Energy to extend the time allowed for filing and to accept the comments submitted with this motion.

DATED this 3rd day of August, 2010, at Anchorage, Alaska.

DANIEL S. SULLIVAN
ATTORNEY GENERAL


By: 
Dario Borghesan
Assistant Attorney General
Alaska Bar No. 1005015

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

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VERIFICATION


Dario Borghesan, being first duly sworn, on oath states that he is an Assistant Attorney General for the State of Alaska and is authorized to make this verification; that he has prepared the foregoing document and that all allegations of fact stated therein are true and correct to best of his knowledge, information and belief



Dario Borghesan

SUBSCRIBED AND SWORN to before me this 3rd day of August, 2010.





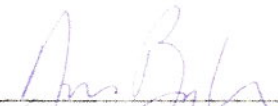
Notary Public in and for Alaska
My commission expires: with the office

CERTIFICATE OF REPRESENTATIVE

Pursuant to 10 C.F.R. 590.103(b), I hereby certify that I am a duly authorized representative of the STATE OF ALASKA and that I am authorized to sign and file with the Department of Energy, Office of Fossil Energy, the foregoing document.

DATED this 3rd day of August, 2010, at Anchorage, Alaska.

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By: 

Dario Borghesan
Assistant Attorney General
Alaska Bar No. 1005015

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

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**UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY**

In the Matter of)
)
CONOCOPHILLIPS ALASKA)
NATURAL GAS CORPORATION)
and) FE Docket No. 10-63-LNG
MARATHON OIL COMPANY)
_____)

CERTIFICATE OF SERVICE

I certify that, on August 3rd, 2010, true and correct copies of the following documents were served via U.S. mail to, the person(s) identified below:

1. STATE OF ALASKA'S MOTION FOR EXTENSION OF TIME TO FILE COMMENTS
2. ALASKA GOVERNOR SEAN PARNELL'S LETTER TO THE DEPARTMENT OF ENERGY, OFFICE OF FOSSIL ENERGY, REGARDING CONOCOPHILLIPS ALASKA NATURAL GAS CORPORATION AND MARATHON OIL COMPANY'S LNG EXPORT LICENSE APPLICATION, FE DOCKET NO. 10-63-LNG
3. CERTIFICATE OF SERVICE

Person(s) Served:

Douglas F. John
Counsel for ConocoPhillips Alaska Natural Gas Corp. and Marathon Oil Co.
John & Hengerer
1730 Rhode Island Avenue, N.W.
Suite 600
Washington, D.C. 20036-3116
(202) 429-8800

By: Caryn C. Byus
Caryn C. Byus
Law Office Assistant

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532



Governor Sean Parnell
STATE OF ALASKA

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax: 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

August 3, 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, SW
Washington, DC 20585

Re: ConocoPhillips and Marathon LNG Export Application
FE Docket No. 10-063-LNG

Dear Mr. Anderson,

Under Section 3 of the 1938 Natural Gas Act, the Department of Energy, Office of Fossil Energy (FE), has approval authority over the import and export of natural gas, including liquefied natural gas (LNG). On June 8th the owners of the Kenai LNG Facility, ConocoPhillips Natural Gas Corporation and Marathon Oil Company, submitted to the FE a request to extend the time this facility may export currently authorized volumes. The State of Alaska ("State") supports *conditional* approval of this June 8, 2010 application for authorization to export natural gas beginning April 1, 2011 for a two-year term. Because the current export authorization is governed by a Settlement Agreement between the State and the Applicants that protects vitally important State and local interests, the current blanket authorization should only be approved upon an extension of the existing Settlement Agreement's terms that provides for a showing that: (1) local utility gas supply needs are met, particularly during times of shortage, under terms that protect Alaskans' interests, and (2) third-party producers will be allowed access to the export facility under terms FE deems reasonable.

The Kenai LNG Facility serves an important reliability role in the supply and demand balance in the Cook Inlet region of Alaska, providing the ability to divert, on a real time basis, natural gas for heating and electricity generation during times of peak local demand. The facility has other significant values by providing a positive impact on future investment in the development of regional gas supplies, by providing a possible market opportunity, as well as providing employment, local government income, and royalty and tax income to the State.

Mr. John Anderson
U.S. Department of Energy
August 3, 2010
Page 2

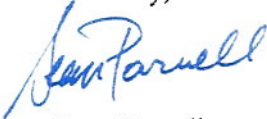
The State also has significant interest in the local utilities natural gas supply needs, and in encouraging exploration and development of new natural gas supplies over the long term. Opening the LNG facility to third-party producers will further this goal.

The State of Alaska, the local utilities, and the Cook Inlet exploration and production companies are all taking steps to ensure long term gas supply stability in the region. This includes recent legislation that provides incentives for additional exploration and production drilling in the Cook Inlet, additional storage options being investigated and developed by local utilities, and ongoing gas supply contract negotiations between the utilities and the Cook Inlet production companies.

While every effort is being made to balance the region's demand and supply equilibrium, at this time there is no other practical source of backup gas than the Kenai LNG Facility. However, while the facility is critical to the energy stability of the region, the local utilities' gas supplies must also be met. Each of these factors represents very important considerations both for Alaska and for the FE. However, these goals can and must be harmonized by applying the reasonable condition that local utility gas supplies, for the export period, be under contract when approving the proposed export license extension.

Thank you for this opportunity to comment.

Sincerely,

A handwritten signature in blue ink that reads "Sean Parnell". The signature is written in a cursive, flowing style.

Sean Parnell
Governor