

FEDERAL ENERGY REGULATORY COMMISSION  
WASHINGTON, D. C. 20426

OFFICE OF ENERGY PROJECTS

**In Reply Refer To :**  
Yukon Pacific Company, L.P.  
Docket No. CP88-105-000  
§ 375.308(w)(4)

May 14, 2010

Patrick C. Rock  
Attorney for Yukon Pacific Company, L.P.  
1661 Crescent Place, N.W. , Suite 510  
Washington, D.C. 20009

**Re: Denial of Extension of Time**

Dear Mr. Rock:

By its motion of April 16, 2010, Yukon Pacific Company, L.P. (Yukon Pacific) requests that the Commission extend the timeframe within which Yukon Pacific must commence construction of the Anderson Bay liquefied natural gas (LNG) facilities for an additional three years, until May 22, 2013. On May 22, 1995, in the above referenced docket, the Commission approved the construction and operation of the facilities for Yukon Pacific's LNG export terminal. As part of its approval, the Commission stated that "[c]onstruction of the Anderson Bay facilities must commence within three years of the date of this order." As noted in its motion, Yukon Pacific previously sought and received four 3-year extensions of the construction timeframe, with the most recently approved extension expiring on May 22, 2010.

For the reasons discussed below, Yukon Pacific's pending request to extend the time to commence for construction is denied. Thus after May 22, 2010, your authority to construct and operate an LNG export terminal at the Anderson Bay site will no longer be valid.

The analysis and findings of the March 1995 Final Environmental Impact Statement (EIS), adopted in the Commission's May 22, 1995 Order, are outdated and can no longer be used to support the authorization of this project. The background ambient air quality data, marine vessel traffic data, and the biological and cultural resource surveys and protocols are more than 15 years old and do not reflect the current status of the affected environment. There have also been numerous changes in regulatory requirements since 1995, from both an environmental and safety perspective, that must now be addressed. For example, the Federal Safety Standards for LNG Facilities and the

seismic design requirements have been significantly revised; therefore, existing analysis of the engineering design, safety, and exclusion zones for the terminal does not address current standards.<sup>1</sup> Further, the marine safety, security, and navigational impacts must be re-evaluated with respect to the U.S. Coast Guard's current facility security requirements and its waterway suitability review process.

While Yukon Pacific's motion discusses the recent developments and progress regarding the eventual marketing of Alaskan natural gas outside of the state, the findings herein will not have any direct bearing on any future consideration of an LNG export option for the eventual marketing of Alaskan natural gas outside of the state, including the refiling of an application for Yukon Pacific's project.

This action is taken pursuant to authority delegated by the Commission in 18 CFR § 375.308(w)(4).

Sincerely,

Jeff C. Wright  
Director  
Office of Energy Projects

cc : Public File, Docket No. CP88-105-000

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<sup>1</sup> See title 49 of the Code of Federal Regulations, Part 193 (49 FR 193 and the National Fire Protection Standard 59A, *Production, Storage, and Handling of Liquefied Natural Gas (LNG)*).

Document Content(s)

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