



## Stage Two of the Foothills Alaska Highway Gas Pipeline

- Stage One of Foothills Pipe Lines Ltd. (Foothills) project took place between 1978 and 1982 and consists of the “Pre-build,” which extends from Caroline, Alberta, to American markets. Stage Two of the project would link reserves at Prudhoe Bay in Alaska to existing Alberta infrastructure.
- In Canada, Stage Two would cross from Alaska into southern Yukon near Beaver Creek, Yukon, continue to a point near Watson Lake, Yukon, and proceed from there into northeast British Columbia. This phase of the pipeline would end in British Columbia at a point near Boundary Lake, at the British Columbia-Alberta border.
- In 2007, the Alaska legislature passed the *Alaska Gasline Inducement Act (AGIA)*. This act was intended to encourage the commercialization of Alaskan Prudhoe Bay natural gas resources, to promote further oil and natural gas exploration in the region, and to maximize benefits for Alaskans.
- The Government of Alaska, through the AGIA, requested submissions for a pipeline project that would produce low tolls (transportation costs) and that would encourage further exploration and development. It also required provisions for regular expansions of the pipeline, local hire, in-state delivery service and a firm schedule.
- The AGIA also offered up to \$500 million in funds from the state to the successful project developer, and to designate a project coordinator to help facilitate permitting requirements.
- In 2008, TransCanada Alaska Co. received a license under the AGIA to pursue Stage Two of the Alaska



Highway Gas Pipeline (the Pipeline) in Alaska. The license includes an option of shipping the gas to Valdez, Alaska, where it would be liquefied and shipped by tanker to other markets. TransCanada Alaska Co. is a subsidiary of TransCanada PipeLines Limited (TCPL), which acquired complete ownership of Foothills in 2004.

- In the summer of 2009, ExxonMobil Corporation, the largest holder of natural gas in the Prudhoe Bay region, reached terms with TCPL on a gas pipeline development agreement. The companies chose the name Alaska Pipeline Project (APP) for this entity, which also includes the Alaska portion of the pipeline.

- The APP held its first “open season” or solicitation for commercial bids from gas producers in the Prudhoe Bay area, between April and July of 2010.

### **For more information**

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Cat. No. M134-29/2011E (Print)  
ISBN 978-1-100-18958-1

Cat. No. M134-29/2011E-PDF (On-line)  
ISBN 978-1-100-18959-8

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