

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

18 CFR Part 157

[Docket No. RM05-1-000]

Regulations Governing the Conduct of Open Seasons for Alaska Natural Gas  
Transportation Projects

(November 15, 2004)

AGENCY: Federal Energy Regulatory Commission.

ACTION: Notice of Proposed Rulemaking.

SUMMARY: The Federal Energy Regulatory Commission is proposing to amend its regulations to establish requirements governing the conduct of open seasons for proposals to construct Alaska natural gas transportation projects. These proposed regulations are intended to fulfill the Commission's responsibilities to issue open season regulations under section 103 of the Alaska Natural Gas Pipeline Act (the Act), enacted on October 13, 2004. Section 103(e)(1) of the Act directs the Commission, within 120 days from enactment of the Act, to promulgate regulations governing the conduct of open seasons for Alaska natural gas transportation projects, including procedures for allocation of capacity. According to section 103(e)(2) of the Act, these regulations must (1) include the criteria for and timing of any open season, (2) promote competition in the exploration, development, and production of Alaska natural gas, and (3) for any open seasons for capacity exceeding the initial capacity, provide for the opportunity for the transportation of natural gas other than from the Prudhoe Bay and Point Thomson units.

DATES: Comments are due on December 17, 2004.

ADDRESSES: Comments may be filed electronically via the eFiling link on the Commission's web site at <http://www.ferc.gov>. Commenters unable to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street N.E., Washington, DC, 20426. Refer to the Comment Procedures section of the preamble for additional information on how to file comments.

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FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Regulations Governing the Conduct of Open Seasons  
for Alaska Natural Gas Transportation Projects

Docket No. RM05-1-000

NOTICE OF PROPOSED RULEMAKING

(November 15, 2004)

**I. INTRODUCTION**

1. The Alaska Natural Gas Pipeline Act became law on October 13, 2004. Under the Act, Congress mandated the expedited processing by the Commission of any application for an Alaska natural gas transportation project, namely any natural gas pipeline system that carries natural gas derived from that portion of Alaska lying north of 64 degrees north latitude to the border between Alaska and Canada. The new law recognizes the importance of our Alaskan natural gas resources in meeting the rapidly rising demand for natural gas in the United States. The timely development of an Alaska natural gas transportation project to bring Alaskan natural gas to markets in Alaska and in the lower 48 states will help ensure that the nation has adequate supplies of natural gas at reasonable prices.<sup>1</sup> To this end, the Act charges the Commission with the responsibility of implementing an expedited approval process consistent with the Act. The Act specifically directs the Commission to prescribe the rules which will apply to any open season held for the purpose of soliciting interest in, or making binding commitments to the acquisition of capacity on, any Alaska natural gas transportation project, including the criteria for allocating capacity among competing bidders.

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<sup>1</sup> Secretary of Energy Spencer Abraham, in requesting the National Petroleum Council (NPC) to undertake a study of natural gas in the United States in the 21<sup>st</sup> century, sought “the NPC’s advice on actions that can be taken by industry and Government to increase the productivity and efficiency of North American natural gas markets and to ensure adequate and reliable supplies of energy for consumers.” The NPC’s resulting report found that the solution includes accessing “gas resources from previously inaccessible areas of the United States and gas from the Arctic.” *Balancing Natural Gas Policy – Fueling the Demands of a Growing Economy*, A Report of the National Petroleum Council, at 7 (Sept. 25, 2003) (NPC Report).

2. To date, it has been the Commission's policy, developed through its orders and opinions, that all new interstate pipeline construction be preceded by a non-discriminatory, non-preferential "open season" process through which potential shippers may seek and obtain firm capacity rights. Congress has determined that it is necessary to supplant Commission policy with specific regulations governing the conduct of open seasons for an Alaska natural gas transportation project in order to take into account the tremendous cost, long lead-time, and environmental sensitivities that are unique to such a project. In this regard, Congress has emphasized that the Commission's regulations are to be designed to promote competition in the exploration, development, and production of Alaska natural gas and, as to any open season for expansion of the initial capacity of any Alaska natural gas transportation project, the Commission's regulations are to specifically provide the opportunity for gas other than Prudhoe Bay and Point Thomson production to have access to the pipeline.

3. In summary, the Commission sees as its goal the creation of an open season process that provides non-discriminatory access to capacity on any Alaska natural gas transportation project while, at the same time, ensuring sufficient economic certainty to support the construction of the pipeline and thereby provide a stimulus for exploration, development and production of Alaska natural gas.

4. Congress has also given the Commission the statutory authority to require an expansion of an Alaska natural gas transportation project to address the circumstance where additional capacity is required but the pipeline owners have not committed to expand the system on a timely basis. Consequently, section 105(a) of the Act authorizes the Commission, upon the request of one or more persons, and upon the satisfaction of certain statutory criteria, to order the expansion of any Alaska natural gas transportation project. Section 105(e) authorizes the Commission to issue such regulations as are necessary to fulfill this responsibility. While the Commission may issue such regulations in the future, the regulations which are the subject of this rulemaking pertain solely to open seasons for initial capacity or expansion capacity other than expansion capacity ordered pursuant to section 105 of the Act.

## **II. SUMMARY OF PROPOSED REGULATIONS**

5. Proposed section 157.30 sets out the purpose of Subpart B. That purpose is to prescribe rules for the conduct of any open season on any Alaska natural gas transportation project. Section 103(e)(2) of the Act provides that these regulations must include the criteria for and timing of any open season, promote competition in the exploration, development, and production of Alaska natural gas, and, for any open

seasons for capacity exceeding the initial capacity, provide for the opportunity for the transportation of natural gas other than from the Prudhoe Bay and Point Thomson units.<sup>2</sup>

6. Proposed section 157.31 defines the terms “Alaska natural gas transportation project” and “Commission” consistent with definitions provided in the Act.

7. Proposed section 157.32 provides that regulations proposed will apply to any application to the Commission for a certificate of public convenience and necessity or other authorization for an Alaska natural gas transportation project, whether filed pursuant to the Natural Gas Act, the Alaska Natural Gas Transportation Act of 1976 (15 U.S.C. §§719 et seq.), or the Alaska Natural Gas Pipeline Act, and to applications for expansion of such projects, other than expansions of Alaska natural gas transportation projects that are requested and ordered pursuant to section 105 of the Act.

8. Although the Commission is authorized in section 105(e) to issue regulations governing expansions requested under section 105(a), that authorization is separate from the authority granted the Commission in section 103(e) to issue regulations for open seasons. Moreover, the Commission is directed to issue the section 103(e) regulations within 120 days from the date of issuance of the Act, whereas the Commission is not under any time constraints in considering the need for any regulations to carry out its responsibilities under section 105. Therefore, the Commission is focusing solely on those issues relevant to open seasons under section 103 of the Act at this time. However, the proposed section 157.32 leaves open the possibility that the requirements of this subpart might, in a given case, have application or be suited to an expansion ordered under section 105 of the Act.

9. Proposed section 157.33 requires that any application for a certificate of public convenience and necessity for a proposed Alaska natural gas transportation project include a showing that the applicant conducted an open season for capacity on its proposed project that fully complies with the requirements of this subpart. To ensure compliance with this requirement, proposed section 157.33 provides that any application lacking such a showing will be dismissed as deficient.

10. Proposed section 157.34 sets forth the criteria for and timing of any open season for an Alaska natural gas transportation project. Proposed section 157.34(a) provides for public notice of an open season at least 30 days prior to the commencement of the open season through methods including postings on Internet websites, press releases, direct

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<sup>2</sup> The Prudhoe Bay and Point Thomson units are gas fields located on Alaska’s North Slope with a total of approximately 35 Tcf of known gas reserves.

mail solicitations, and other advertising. The Commission believes that such prior notice would serve several purposes. First, it would reduce, if not eliminate, any advantage that one potential shipper might have as a result of prior knowledge of the open season. Second, it would afford both project sponsors and prospective shippers a period of time prior to the actual open season period in which they can address and possibly resolve any questions or problems regarding the terms and conditions of the open season. Third, it would afford potential shippers time to prepare submissions in response to the open season.

11. Proposed section 157.34(b) lists the information that any notice of open season for an Alaska natural gas transportation project must contain. The Commission recognizes in this section that a potential applicant for an Alaska natural gas transportation project might find it necessary or appropriate to initiate an open season before some of the information can be determined. Indeed, the Commission understands that in a given situation, such information cannot be reasonably determined until after an open season is held. The Commission can envision, for instance, a situation where a prospective project sponsor might first conduct a non-binding open season as a manner of gathering information and assessing demand, on the basis of which the sponsor would then be able to conduct a second, binding open season containing information sufficiently detailed to permit prospective shippers to enter into binding precedent agreements.

12. The proposed list of information contained in proposed section 157.34(b) is intentionally inclusive. In this area, as well as others, the Commission is soliciting comments received in response to this Notice of Proposed Rulemaking to fashion a final rule that meets the Commission's goal which is, as stated above, to create an open season process that provides non-discriminatory access to capacity on any Alaska natural gas transportation project while, at the same time, ensuring sufficient economic certainty to support the construction of the pipeline and thereby provide a stimulus for exploration, development and production of Alaska natural gas.

13. Proposed section 157.34(c) provides that an open season for an Alaska natural gas transportation project must remain open for a period of at least 90 days. This minimum 90-day period for prospective shippers to examine the open season materials and make service requests to the pipeline is intended to establish some parity among shippers, given that certain shippers, primarily the "anchor shippers,"<sup>3</sup> may have had advance information relating to the pipeline's proposed services, tariff provisions, and cost

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<sup>3</sup> "Anchor shipper(s)" as used in the natural gas industry means one or a very few shippers with very large, significant volumes of natural gas that will fully financially support the initial design and cost of a project.

projections. Ninety days is proposed as an adequate amount of time in which to conduct a reasoned evaluation of the open season materials and to help level the playing field. The Commission considers this provision essential to ensuring that the Commission's regulations promote competition in the exploration, development, and production of Alaska natural gas.

### **III. PUBLIC COMMENT AND EXPEDITED PROCEDURES**

14. The Act mandates that the Commission issue regulations implementing the open season requirements within 120 days of the date of its enactment. Congress and the Commission consider the promulgation of these regulations to be a matter of critical importance to the construction and development of, and access to, an Alaska natural gas transportation project. Therefore, the Commission intends to promulgate final regulations by February 10, 2005. To that end, public comments on this notice are due on December 17, 2004. The Commission will carefully weigh and consider all public comments received.

15. In addition to seeking comments on the proposed rules contained herein, the Commission seeks comments on the following questions:

- (1) Should the Commission require that prospective applicants for Alaska natural gas transportation projects, before conducting open seasons, file with the Commission proposals for how the open seasons will be conducted? If so, should the proposals be filed for notice and comment, or for a decision or pre-determination by the Commission that such proposals conform to the regulations? What other procedures are suitable to facilitate the expeditious resolution of objections or concerns regarding any open season for an Alaska natural gas transportation project?
- (2) Should the Commission issue regulations now, pursuant to section 105 of the Alaska Natural Gas Pipeline Act, with respect to the Commission's authority to require expansion of any Alaska natural gas transportation project? If so, should those regulations deal with the rate treatment (rolled-in or incremental) of any such expansion?
- (3) Should the Commission allow pre-subscribed, reserved capacity such as was allowed in connection with open seasons for certain new Outer Continental Shelf pipeline facilities? *See, e.g., Garden Banks Gas Pipeline, LLC*, 78 FERC ¶ 61,066 (1997); *Green Canyon Pipe Line Co.*, 47 FERC ¶ 61,310 (1989)?

- (4) Congress has made expressly clear that the open season rules must promote competition in the exploration, development, and production of Alaska natural gas. Commenters are invited to discuss whether, and to what extent, any tension may exist between this mandated purpose and the application of existing Commission policies to the open season rules due to circumstances unique to access to capacity on any Alaska natural gas transportation project.
- (5) To what extent should the Commission's open season regulations address the issues of tying the receipt of capacity on any Alaska natural gas transportation project to ancillary services involving the treatment of gas to meet specified gas quality requirements or allocating capacity at a gas treatment plant or other facility?

#### **IV. INFORMATION COLLECTION STATEMENT**

16. The Office of Management and Budget (OMB) regulations require that OMB approve certain reporting, record keeping, and public disclosure (collections of information) imposed by an agency.<sup>4</sup> The following information collection requirements contained in this proposed rule are being submitted to the Office of Management and Budget (OMB) for review under section 3507(d) of the Paperwork Reduction Act of 1995.<sup>5</sup> FERC identifies the information disclosed under Part 157 as FERC-537. The Commission has submitted this information collection to OMB for review and clearance under emergency processing procedures.<sup>6</sup> OMB approval has been requested by December 31, 2004.

17. Comments are solicited on the Commission's need for this information, whether the information will have practical utility, the accuracy of the provided burden estimates, ways to enhance the quality, utility, and clarity of the information to be collected, and any suggested methods for minimizing respondent's burden, including the use of automated information techniques. The burden estimates for complying with this rule are as follows:

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<sup>4</sup> 5 C.F.R. § 1320.11.

<sup>5</sup> 44 U.S.C. § 3507(d).

<sup>6</sup> 5 C.F.R. § 1320.13.

Data Collection	No. of Respondents	No. of Responses	Hours Per Response	Total Annual Hours
FERC-537	30	1	80	2400
Totals				2400

Total Annual Hours for Collection: 2400 hrs. These are mandatory information collection requirements.

*Information Collection Costs:* The Commission seeks comments on the cost to comply with these requirements. It has projected the average annualized cost for all respondents to be \$139,000 (2400 x \$58.00).

*Title:* FERC-537 "Gas Pipeline Certificates: Construction, Acquisition and Abandonment."

*Action:* Proposed Information Collection

*OMB Control Nos.:* 1902-0060. The applicant shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number.

*Respondents:* Business or other for profit.

*Frequency of Responses:* One-time implementation.

*Necessity of Information:* On October 13, 2004, Congress enacted the Alaska Natural Gas Pipeline Act. Section 103(e) (1) of the Act directs the Commission to issue regulations within 120 days from the enactment of the Act. Congress and the Commission consider the issuance of these regulations to be of critical importance to the construction and development of and access to Alaska natural gas transportation projects. The Commission must issue a final rule by February 10, 2005. The Commission seeks emergency processing of this proposed information collection because the use of normal clearance procedures is reasonably likely to cause a statutory ordered deadline to be missed. The proposed rule revises the reporting requirements contained in 18 CFR Part 157. Specifically, the Alaska Natural Gas Pipeline Act authorized the Commission to expedite application for any natural gas transportation projects that carries gas derived from that portion of Alaska lying north of 64 degree north latitude to the border between Alaska and Canada. Specifically, the Commission is proposing rules to establish open

seasons to accept bids for capacity on any Alaska natural gas transportation project. The Alaska Natural Gas Pipeline Act regulations must (1) include the criteria for and timing of any open season, (2) promote competition in the exploration, development and production of Alaska natural gas, and (3) for any open seasons for capacity exceeding the initial capacity, provide for the opportunity for the transportation of natural gas other than from Prudhoe Bay and Point Thomson.

*Internal Review:* The Commission has assured itself, by means of internal review, that there is specific, objective support for the burden estimates associated with the information requirements. The Commission's Office of Energy Projects will review the data included in the application to determine whether the proposed facilities are in the public interest as well as for general industry oversight. This determination involves, among other things, an examination of adequacy of design, cost, reliability, redundancy, safety and environmental acceptability of the proposed facilities. These requirements conform to the Commission's plan for efficient information collection, communication and management within the natural gas industry.

18. Interested persons may obtain information on the reporting requirements by contacting the Commission, as follows: Federal Energy Regulatory Commission, 888 First Street, NE, Washington, D.C. 20426 (Attention: Michael Miller, Office of the Executive Director, 202-502-8415, fax: 202-273-0873), e-mail: [michael.miller@ferc.gov](mailto:michael.miller@ferc.gov).

19. For submitting comments concerning the collection of information and the associated burden estimate(s) including suggestions for reducing this burden, please send your comments to the contact listed above and to the Office of Management and Budget, Room 10202 NEOB, 725 17th Street, N.W., Washington, D.C. 20503 (Attention: Desk Officer for the Federal Energy Regulatory Commission, 202-395-4650, fax: 202-395-7285).

## **V. ENVIRONMENTAL ANALYSIS**

20. The Commission is required to prepare an Environmental Assessment or an Environmental Impact Statement for any action that may have a significant adverse effect on the human environment.<sup>7</sup> No environmental consideration is raised by the promulgation of a rule that is procedural in nature or does not substantially change the

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<sup>7</sup> Order No. 486, Regulations Implementing the National Environmental Policy Act, 52 FR 47897 (Dec. 17, 1987), FERC Stats. & Regs. Preambles 1986-1990 ¶ 30,783 (1987).

effect of legislation or regulations being amended.<sup>8</sup> The proposed rule establishes requirements governing the conduct of open seasons for proposals to construct Alaska natural gas transportation projects and does not substantially change the effect of the underlying legislation or regulations being revised.

## **VI. REGULATORY FLEXIBILITY ACT STATEMENT**

21. The Regulatory Flexibility Act of 1980 (RFA)<sup>9</sup> generally requires a description and analysis of final rules that will have significant economic impact on a substantial number of small entities. The Commission is not required to make such an analysis if a rule would not have such an effect.

22. The Commission concludes that this rule would not have such an impact on small entities. Most companies regulated by the Commission do not fall within the RFA's definition of a small entity.<sup>10</sup>

## **VII. COMMENT PROCEDURES**

23. The Commission invites interested persons to submit comments on the matters and issues proposed in this notice to be adopted, including any related matters or alternative proposals that commenters may wish to discuss. Comments are due on December 17, 2004. Comments must refer to Docket No. RM05-1 and must include the commenter's name, the organization they represent, if applicable, and their address in their comments. Comments may be filed either in electronic or paper format.

24. Comments may be filed electronically via the eFiling link on the Commission's web site at <http://www.ferc.gov>. The Commission accepts most standard word processing formats and commenters may attach additional files with supporting information in certain other file formats. Commenters filing electronically do not need to make a paper filing. Commenters that are not able to file comments electronically must send an original and 14 copies of their comments to: Federal Energy Regulatory Commission, Office of the Secretary, 888 First Street N.E., Washington, DC, 20426.

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<sup>8</sup> 18 C.F.R. § 380.4(a)(2)(ii) (2004).

<sup>9</sup> 5 U.S.C. § 601-612.

<sup>10</sup> 5 U.S.C. § 601(3), citing to section 3 of the Small Business Act, 15 U.S.C. § 623. Section 3 of the Small Business Act defines a "small-business concern" as a business which is independently-owned and operated and which is not dominant in its field of operation.

25. All comments will be placed in the Commission's public files and may be viewed, printed, or downloaded remotely as described in the Document Availability section below. Commenters on this proposal are not required to serve copies of their comments on other commenters.

### **VIII. DOCUMENT AVAILABILITY**

26. In addition to publishing the full text of this document in the *Federal Register*, the Commission provides all interested persons an opportunity to view and/or print the contents of this document via the Internet through FERC's Home Page (<http://www.ferc.gov>) and in FERC's Public Reference Room during normal business hours (8:30 a.m. to 5:00 p.m. Eastern time) at 888 First Street, N.E., Room 2A, Washington D.C. 20426.

27. From FERC's Home Page on the Internet, this information is available in the Commission's document management system, eLibrary. The full text of this document is available on eLibrary in PDF and Microsoft Word format for viewing, printing, and/or downloading. To access this document in eLibrary, type the docket number excluding the last three digits of this document in the docket number field.

28. User assistance is available for eLibrary and the FERC's website during normal business hours. For assistance, please contact FERC Online Support at 1-866-208-3676 (toll free) or 202-502-6652 (e-mail at [FERCOnlineSupport@FERC.gov](mailto:FERCOnlineSupport@FERC.gov)), or the Public Reference Room at 202-502-8371, TTY (202)502-8659 (e-mail at [public.referenceroom@ferc.gov](mailto:public.referenceroom@ferc.gov)).

List of subjects in 18 CFR Part 157: Administrative practice and procedure; Natural gas; Reporting and recordkeeping requirements

By direction of the Commission.

Magalie R. Salas,  
Secretary.

In consideration of the foregoing, the Commission proposes to amend Part 157, Chapter I, Title 18, Code of Federal Regulations, as follows.

**PART 157- APPLICATIONS FOR CERTIFICATES OF PUBLIC CONVENIENCE AND NECESSITY AND FOR ORDERS PERMITTING AND APPROVING ABANDONMENT UNDER SECTION 7 OF THE NATURAL GAS ACT**

**AUTHORITY:** 15 U.S.C. §§ 717 – 717w.

In consideration of the foregoing, the Commission proposes to amend part 157 to add Subpart B to read as follows:

**SUBPART B – OPEN SEASONS FOR ALASKA NATURAL GAS TRANSPORTATION PROJECTS**

1. Subpart B is added to Part 157 to read as follows:

**§ 157.30 Purpose.**

This subpart establishes the procedures for conducting open seasons for Alaska natural gas transportation projects, as defined herein.

**§ 157.31 Definitions.**

(a) “Alaska natural gas transportation project” means any natural gas pipeline system that carries Alaska natural gas to the border between Alaska and Canada (including related facilities subject to the jurisdiction of the Federal Energy Regulatory Commission).

(b) “Commission” means the Federal Energy Regulatory Commission.

**§ 157.32 Applicability.**

These regulations shall apply to any application to the Commission for a certificate of public convenience and necessity or other authorization for an Alaska natural gas transportation project, whether filed pursuant to the Natural Gas Act, the Alaska Natural Gas Transportation Act of 1976, or the Alaska Natural Gas Pipeline Act, and to applications for expansion of such projects. Absent a Commission order to the contrary, these regulations are not applicable in the case of an expansion ordered by the Commission pursuant to section 105 of the Alaska Natural Gas Pipeline Act.

**§ 157.33 Requirement for open season.**

Any application for a certificate of public convenience and necessity for a proposed Alaska natural gas transportation project must include a demonstration that the applicant has conducted an open season for capacity on its proposed project, in accordance with the requirements of this sub-part. Failure to provide the requisite demonstration will result in an application being dismissed as deficient.

**§ 157.34 Notice of open season.**

(a) Notice. A prospective applicant must provide reasonable public notice of an open season, at least 30 days prior to the commencement of the open season, through methods including postings on Internet websites, press releases, direct mail solicitations, and other advertising. In addition, a prospective applicant must provide actual notice of an open season to the State of Alaska and to the Federal Coordinator for Alaska Natural Gas Transportation Projects.

(b) Contents of Notice. Notice of the open season shall contain at least the following information, to the extent that such information is known or determined at the time the notice is issued:

(1) The general route of the proposed project, including receipt and delivery points, and any alternative routes under consideration;

(2) Size and design capacity (including proposed certificate capacity to the extent that it differs from design capacity), and any estimated phase-in dates for capacity beyond initial capacity;

(3) Maximum allowable operating pressure and expected actual operating pressure;

(4) Delivery pressure;

(5) Projected in-service date;

(6) An estimated unbundled transportation rate, stated on an MMBtu basis, for each service offered, including reservation rates for pipeline capacity, interruptible transportation rates, usage rates, fuel retention percentages, and other applicable charges, or surcharges, such as annual charge adjustment (ACA);

(7) The estimated costs of proposed facilities and cost of service, and expected return on equity used to justify the transportation rates;

(8) Negotiated rate and other rate options under consideration;

- (9) Quality specifications and any other requirements applicable to gas to be delivered to the project;
  - (10) Terms and conditions for each service offered;
  - (11) Creditworthiness standards to be applied to prospective shippers;
  - (12) The date, if any, by which potential shippers and the prospective applicant must execute precedent agreements;
  - (13) A detailed methodology for determining the value of bids;
  - (14) The methodology by which capacity will be awarded, in the case of over-subscription, clearly stating all terms that will be considered, including price and contract term;
  - (15) Required bid information, whether bids are binding or non-binding, receipt and delivery point requirements, the form of a precedent agreement and time of execution, definition and treatment of non-conforming bids;
  - (16) The projected date for filing an application with the Commission; and
  - (17) All other information that may be relevant to the open season, including information pertaining to the proposed service to be offered, projected pipeline capacity and design, proposed tariff provision, and cost projections, made available to or in the hands of any potential shipper, including any affiliates of the project sponsor and any shippers with pre-subscribed capacity, prior to the issuance of the public notice of open season.
- (c) Timing. A prospective applicant must provide prospective shippers at least 90 days from the date on which notice of the open season is given within which to submit requests for transportation services.

**§ 157.35 Capacity allocation.**

Capacity allocated as a result of any open season shall be awarded without undue discrimination or preference of any kind.

**§157.36 Open seasons for expansions.**

Any open season for capacity exceeding the initial capacity of an Alaska natural gas transportation project must provide the opportunity for the transportation of gas other than Prudhoe Bay or Point Thomson production.