

# Study questions gasline feasibility

A study to determine if a U.S.-Japanese gas system would be feasible has concluded that additional markets outside Japan will be needed to justify an Alaska gas pipeline project, according to Arco Alaska Inc.

The Alaskan Asian Gas System Pre-feasibility study, which began in April 1985, was conducted by Arco as the U.S. operator and IEE as the Japanese operator. Yukon Pacific Corp. was a participant in the study, and the state of Alaska was an observer.

The study included the conceptual design and cost estimate for delivering 14 million tons a year of liquified natural gas to Japan. It was estimated that the project cost for facilities in Alaska would be \$8.64 billion, in constant 1986 dollars.

The needed facilities would include a gas conditioning plant, a pipeline system and a liquefaction-storage-loading terminal.

The LNG carriers needed to carry the gas to Japan would cost an estimated additional \$2.37 billion. It would take 11 years to complete the project, according to the study.

The Japanese operator conducted the study of market demand in Japan, which concluded that additional markets outside Japan would be required to use the project capacity. In addition, a "bridging" supply of energy would be required before the 1998 startup to preserve the Japanese market for Alaska gas.

U.S. and Japanese partners in the project met in Tokyo recently to analyze the study results. They have agreed that no further study is warranted at this time.