



Steven Findlay

Vice President
Regulatory Affairs
Chief Compliance Officer

188 W. Northern Lights, 13th Floor
PO Box 241747
Anchorage, Alaska 99524-1747
Direct: 001 907 865 4733
Fax: 001 907 865 4790
steven.findlay@denalipipeline.com

January 7, 2010

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street N.E.
Washington, D.C. 20426

Re: Denali – The Alaska Gas Pipeline LLC
PF08-26-000
December 2009 Monthly Status Report

Dear Secretary Bose:

On June 25, 2008, the Federal Energy Regulatory Commission issued an Approval of the Pre-filing Process Request for Denali – The Alaska Gas Pipeline LLC (Denali), as filed under the above referenced docket. Pursuant to Section 157.21(f)(6) of the Commission's regulations, Denali hereby submits its monthly status report for December 2009. During this reporting period, Denali continued actively working to advance the Alaska gas pipeline project.

Denali continues to actively progress the project in preparation for conducting an open season in 2010. This work is focused on preparing a credible cost estimate that will underpin Denali's open season commercial offering. Denali also continues its pre-open season discussions with anchor shippers and is preparing its open season plan as required under FERC Order 2005A. Denali has also met regularly with various stakeholders to review its progress.

In addition, Denali has commenced discussions with connecting pipelines in Canada which may offer options for transportation at various delivery points near the B.C./Alberta border. Denali also continues to refine inputs into its tariff model.

Denali's stakeholder outreach efforts in Alaska and Canada continued throughout the month and remain focused on communities, landowners, Alaska Native organizations, and Canadian Aboriginal groups along the pipeline route.

Denali's focus in early 2010 will be on conducting the work necessary to position itself for a successful open season this year.



In summary, Denali continues to focus on the development of a credible, robust cost estimate and project schedule as the foundation for its open season commercial offering.

The following specific Denali project activities occurred during December 2009:

December 2009 Activities

December 8, 2009 – A Denali representative addressed the Law Seminars International Forum at the Egan Center in Anchorage, Alaska, providing a comprehensive project update to approximately 50 individuals representing legal disciplines from Alaska and other western states.

December 15, 2009 – Denali representatives briefed the Anchorage Building Trades Council on the status of the project.

December 16, 2009 – Denali President Fackrell provided a project update and overview to approximately 150 people attending the East Anchorage Rotary Club meeting in Anchorage, Alaska.

December 17, 2009 – Denali representatives addressed the Fairbanks Chamber of Commerce's Transportation Committee to provide a comprehensive project update and overview.

December 22, 2009 – Denali submitted comments to the U.S. Fish and Wildlife Service on the proposed rule to designate habitat for the Polar Bear (FWS-R7-ES-2009-0042). Denali indicated that its plans for a gas treatment plant on the Alaska North Slope would be directly impacted by the proposed rule. Denali urged the Service to revisit and to narrow the designation of critical habitat for the polar bear in Alaska to only those areas that both meet the twin requirements for critical habitat, and for which the benefits of designation outweigh the benefits of exclusion.

Should you have any questions concerning any of these activities, please don't hesitate to contact me at 907-865-4733.

Sincerely,

Steve Findlay
Vice-President Regulatory Affairs and
Chief Compliance Officer

Cc: Tom Barrett, Acting-Federal Coordinator, OFC