

AMENDMENT #1

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: CSHB 9(FIN), Draft Version "K"

1 Page 4, following line 4:

2 Insert new subsections to read:

3 "(b) Notwithstanding the powers granted to the Alaska Gasline Development  
4 Corporation by (a) of this section and granted by the Alaska Housing Finance  
5 Corporation, the Alaska Gasline Development Corporation may not proceed with the  
6 construction of an in-state natural gas pipeline if the Alaska Gasline Development  
7 Corporation determines, after a full and objective study, that one or more of the  
8 following options provide a greater benefit to the state than an in-state natural gas  
9 pipeline constructed by the Alaska Gasline Development Corporation:

10 (1) continuing to develop a natural gas pipeline capable of transporting  
11 not less than 3,000,000,000 cubic feet of natural gas a day, but only if the Alaska  
12 Gasline Development Corporation finds there are adequate natural gas resources in the  
13 Cook Inlet sedimentary basin that may be economically produced to meet in-state  
14 demand;

15 (2) delivering natural gas and propane produced in the state by a means  
16 other than the development and construction of an in-state natural gas pipeline by the  
17 Alaska Gasline Development Corporation, but only if the Alaska Gasline  
18 Development Corporation finds that the alternative means for delivering natural gas  
19 and propane are less expensive than the construction of an in-state natural gas  
20 pipeline;

21 (3) continuing to develop a natural gas pipeline capable of transporting  
22 not less than 3,000,000,000 cubic feet of gas a day if the Alaska Gasline Development  
23 Corporation finds that the development of the larger capacity pipeline would deliver

1 cheaper natural gas to markets in the state and provide the state with greater revenue  
2 when compared to an in-state natural gas pipeline developed and constructed by the  
3 Alaska Gasline Development Corporation;

4 (4) delivering natural gas by truck to the Fairbanks North Star Borough  
5 and subsidizing facilities for delivering propane to rural communities in the state that  
6 are not connected to the state's contiguous road system if those alternatives are more  
7 cost-effective than the development and construction of an in-state natural gas pipeline  
8 by the Alaska Gasline Development Corporation.

9 (c) During development of the in-state natural gas pipeline and before the start  
10 of construction of an in-state natural gas pipeline, the Alaska Gasline Development  
11 Corporation shall determine whether a natural gas pipeline capable of delivering  
12 3,000,000,000 cubic feet of natural gas a day or more from the North Slope to market  
13 is a viable project. If the Alaska Gasline Development Corporation determines that a  
14 natural gas pipeline capable of delivering 3,000,000,000 cubic feet of natural gas a day  
15 or more from the North Slope to market remains a viable project and there is an  
16 adequate supply of marketable natural gas in Cook Inlet to meet natural gas demand in  
17 the Railbelt, the Alaska Gasline Development Corporation shall research and consider  
18 whether a small-diameter natural gas pipeline from Cook Inlet to the Fairbanks area  
19 could be built to deliver natural gas at a reasonably economic cost. If the Alaska  
20 Gasline Development Corporation finds that a small-diameter natural gas pipeline  
21 from Cook Inlet to the Fairbanks area could be built to deliver natural gas at a  
22 reasonably economic cost under the circumstances described in this subsection, the  
23 Alaska Gasline Development Corporation shall stop the development of an in-state  
24 natural gas pipeline from the North Slope and study the viability of a small-diameter  
25 natural gas pipeline from Cook Inlet to the Fairbanks area."

26  
27 Reletter the following subsections accordingly.

28  
29 Page 5, line 15:

30 Delete "(c) and (d)"

31 Insert "(e) and (f)"