

AMENDMENT

Rep. Tarr

OFFERED IN THE HOUSE

TO: CSSB 138(FIN) am

1 Page 1, line 7, following "on gas;":

2 Insert "relating to a report and recommendations by the commissioner of natural
3 resources regarding the delivery and availability of North Slope natural gas in the state,
4 including the identification of risks and recommendations for mitigation;"

5

6 Page 53, following line 14:

7 Insert a new bill section to read:

8 "* **Sec. 58.** The uncodified law of the State of Alaska is amended by adding a new section to
9 read:

10 REPORT AND RECOMMENDATIONS BY THE COMMISSIONER OF
11 NATURAL RESOURCES ON THE DELIVERY AND AVAILABILITY OF NORTH
12 SLOPE NATURAL GAS IN THE STATE; IDENTIFICATION OF RISKS AND
13 RECOMMENDATIONS FOR MITIGATION. (a) The commissioner of natural resources
14 shall prepare and make available to the legislature a report on a plan and alternatives to make
15 North Slope natural gas available for delivery and use in the state. The report must address

16 (1) the means by which North Slope natural gas may be delivered for use in
17 the state;

18 (2) the anticipated benefits, risks, and liabilities associated with the sale by the
19 state to utilities and other customers in the state of natural gas received by the state as royalty
20 in kind or as payment of tax;

21 (3) the effect and consequences, including the fiscal effect and liability to third
22 parties, of the state's transport of a reduced amount of natural gas south of an in-state delivery
23 point or underutilizing capacity in a liquefied natural gas plant; and

(4) other issues the commissioner of natural resources determines are relevant to the delivery and use of North Slope natural gas in the state and should be considered by the legislature.

(b) In conjunction with the report in (a) of this section, the commissioner of natural resources shall recommend the means for eliminating or minimizing the risks and liabilities identified in the report. The recommendations for minimizing risk and liabilities while still allowing the state to meet the natural gas requirements of residents of the state may include authorizing the commissioner of natural resources to

(1) negotiate agreements with other shippers to provide natural gas to the state in proportion to the shipper's share of the capacity in a North Slope natural gas project for the purposes of maintaining balance in the system downstream of a delivery point;

(2) acquire additional incremental transportation capacity on an as-needed basis to meet demand for natural gas in the state; or

(3) make unused transportation capacity held by the state available to other shippers subject to terms that do not reduce the state's receipt of revenue below the amount the state would receive if the state's gas were not sold in the state.

(c) The commissioner of natural resources shall make the report and recommendations required by this section available to the legislature on or before the date a firm transportation services agreement in a North Slope natural gas project to which the state is a party is submitted to the legislature for approval.

(d) In this section, "North Slope natural gas project" has the meaning given in AS 38.05.965, as amended by sec. 23 of this Act."

Renumber the following bill sections accordingly.

Page 56, line 6:

Delete "61"

Insert "62"

Page 56, line 9:

Delete "secs. 62 and 63"

1 Insert "secs. 63 and 64"