

Sponsored by: Hunt

**CITY OF SEWARD, ALASKA  
RESOLUTION 2013-008**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SEWARD,  
ALASKA, SUPPORTING LEGISLATIVE EFFORTS TO CONSTRUCT A  
NATURAL GAS PIPELINE FROM THE NORTH SLOPE TO SOUTH-  
CENTRAL ALASKA**

**WHEREAS**, the electricity produced by Chugach Electric and purchased by the Seward Electric Utility is primarily produced from plants fueled by natural gas; and

**WHEREAS**, the gas used for power production comes exclusively from the Cook Inlet basin; and

**WHEREAS**, Chugach, other power producers, and ENSTAR currently consume all of the gas produced in Cook Inlet and are expected to face supply shortage; and

**WHEREAS**, recent exploration resulting in added gas production and the Cook Inlet Natural Gas Storage facility have postponed the projected shortfall until 2015; and

**WHEREAS**, options for mitigating the projected shortfall are new hydro or other alternative facilities producing sufficient volume, imported liquefied or compressed gas, or gas from the North Slope; and

**WHEREAS**, Speaker Chenault and Representative Hawker have sponsored House Bill 4, which supports the Alaska Gasline Development Corporation's (AGDC) pipeline project; and

**WHEREAS**, the bill provides the necessary structure, changes to existing statute, and direction to move forward a natural gas pipeline for instate use whether as a stand-alone project or in conjunction with the producers and Trans-Canada in a larger project; and

**WHEREAS**, of all the options presented to date, the instate gas supply from the North Slope has the best potential for the earliest positive impact on the cost of electric power to Seward residents and businesses in the near term, and the possibility of gas delivery for local use in the longer term; and

**WHEREAS**, the bill, as introduced, includes the necessary provisions and solutions to forward a successful Alaska natural gas pipeline project that best benefits Seward and all the Railbelt utilities.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY  
OF SEWARD, ALASKA that:**

**CITY OF SEWARD, ALASKA  
RESOLUTION 2013-008**

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**Section 1.** The City Council of the City of Seward supports House Bill 4 as introduced and Legislative efforts to fund AGDC as they move forward in developing a project to construct a natural gas pipeline from the North Slope to South-Central Alaska.

**Section 2.** That a copy of this Resolution be sent to Speaker Mike Chenault, Senator Cathy Giesel, and Representative Mike Hawker.

**Section 3.** This resolution shall take effect immediately.

**PASSED AND APPROVED** by the City Council of the City of Seward, Alaska, this 28<sup>th</sup> day of January 2013.

**THE CITY OF SEWARD, ALASKA**

  
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**David Seaward, Mayor**

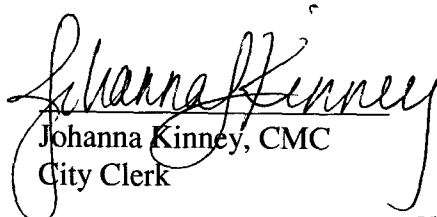
AYES: Bardarson, Terry, Casagrande, Keil, Valdatta, Shafer, Mayor Seaward

NOES: None

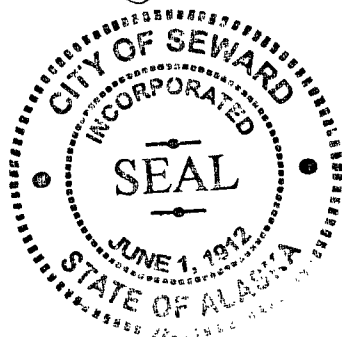
ABSENT: None

ABSTAIN: None

**ATTEST:**

  
Johanna Kinney, CMC  
City Clerk

(City Seal)



# Council Agenda Statement



Meeting Date: January 28, 2013

Through: City Manager Jim Hunt

From: Community Development Director Ron Long

Agenda Item: Supporting Legislative Efforts to Construct a Natural Gas Pipeline from the North Slope to South-central Alaska

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## **BACKGROUND & JUSTIFICATION:**

Administration respectfully requests Council support for this resolution as part of the City's effort to maintain affordable energy costs for local residents and business through power sales by the Electric Utility in the near term and potential availability of natural gas to Seward in the longer term.

The City supported various measures designed to fund and maintain critical infrastructure and cost control measures for the delivery of electricity along the rail belt and to Seward, including transmission lines and the City's participation in Alaska Energy Authority measures and in The Alaska Railbelt Cooperative Transmission and Electric Company (ARCTEC).

Speaker Chenault and Representative Hawker have introduced House Bill 4 to provide the necessary structure, changes to existing statute, and direction to move forward a natural gas pipeline. South-central's present and projected future consumption of natural gas used for electric generation and for heating exceeds known natural gas reserves in the Cook Inlet basin and it is imperative that sufficient quantities of gas remain available. Exploration in the basin is not forecasted to yield sufficient gas to avoid a shortfall, now projected for 2015, and the only near term sources for replacement gas are via import. Utility rates would skyrocket under this scenario.

Seward's primary interest in this project is to ensure Chugach Electric and other ARCTEC members have sufficient contract gas to provide affordable power into the future. Once the power generation picture for south-central is stabilized, we would want to pursue pipeline delivery of burner tip gas to Seward.

**INTENT:** Support Legislative Efforts to Construct a Natural Gas Pipeline from the North Slope to South-central Alaska

<b><u>CONSISTENCY CHECKLIST:</u></b>		Yes	No	N/A
1.	Comprehensive Plan ( <i>document source here</i> ): Section 3.1, Economic Development and 3.9 Quality of Life.	x		
2.	Strategic Plan ( <i>document source here</i> ): Page 2, city mission. Page 3 vision. Page 5, economic base. Page 7, Reduce Energy Costs, and throughout	x		
3.	Other ( <i>list</i> ):			x

**FISCAL NOTE:** This is a resolution of support that has no fiscal impact.

Approved by Finance Department: Kristen Erickson

**ATTORNEY REVIEW:** Yes \_\_\_\_\_ No X

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**RECOMMENDATION:** Council approve Resolution 2013-000 supporting Legislative Efforts to Construct a Natural Gas Pipeline from the North Slope to South-central Alaska.