

OPENING STATEMENT  
VINCENT LEE  
DIRECTOR OF MAJOR PROJECTS DEVELOPMENT  
TRANSCANADA CORPORATION  
BEFORE THE  
ALASKA JOINT SENATE & HOUSE RESOURCES COMMITTEES  
SEPTEMBER 9, 2015

Madam Chair, Mr. Co-chairs and members of the Committee, for the record my name is Vincent Lee. I am the Director of Major Projects Development at TransCanada. I serve as the commercial lead for TransCanada in the Alaska LNG project and represent TransCanada on the project's Management Committee.

Over the last few months, the Governor has been very clear with Alaskans about his desire for the State of Alaska to take on a bigger role in the Alaska LNG project. One way to accomplish this objective is for the State to take over TransCanada's interest in the project. The Precedent Agreement that the State and TransCanada entered into in June 2014 allows either party to terminate the agreement.

At the Governor's request, TransCanada has been working with the Administration to agree on a process for the State to terminate the Precedent Agreement and allow the State to assume TransCanada's interest. If an agreement is reached, we expect it will provide a roadmap for TransCanada's exit from the project, including an agreement by the Administration to request an appropriation to reimburse costs that TransCanada has invested in the LNG effort since the beginning of 2014.

TransCanada will work diligently to ensure that the termination occurs as smoothly and reasonably as possible. I recognize that some may want more detail on the termination discussion between TransCanada and the State, but due to confidentiality, I am not permitted to share more information beyond what I have just described.

TransCanada has been involved in advancing a natural gas pipeline in the State of Alaska for four decades and has made significant contributions to the advancement of the current LNG efforts. Anticipating TransCanada's role in the Alaska LNG project may come to an end soon, I would take this opportunity to wish our project partners and the State of Alaska well in this endeavor to bring Alaska's abundant natural gas resources to global markets.

Madam Chair, Mr. Co-Chairs, I also would like to extend my thanks to you for inviting me here today. One final point, TransCanada looks forward to working with the Administration and the Legislature to complete the transition in a timely fashion to allow the other JVA Parties and the State continue to be focused on advancing the Alaska LNG project.

Thank you.