

AMENDMENT #3

OFFERED IN THE HOUSE  
TO: CSHB 9(FIN)

BY REPRESENTATIVE GARA



Kerttula  
Gardner

1 Page 4, following line 8:

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 spend more than  
6 \$200,000,000 after May 31, 2012, without further legislative authorization if the  
7 Alaska Gasline Development Corporation determines, after a full and objective study,  
8 that one or more of the following options provide a greater benefit to the state than an  
9 in-state natural gas pipeline constructed by the Alaska Gasline Development  
10 Corporation:

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

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

22 (3) continuing to develop a natural gas pipeline capable of transporting  
23 not less than 3,000,000,000 cubic feet of gas a day if the Alaska Gasline Development

1 Corporation finds that the development of the larger capacity pipeline would deliver  
2 cheaper natural gas to markets in the state and provide the state with greater revenue  
3 when compared to an in-state natural gas pipeline developed and constructed by the  
4 Alaska Gasline Development Corporation;

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

10 (c) During development of the in-state natural gas pipeline and before the start  
11 of construction of an in-state natural gas pipeline, the Alaska Gasline Development  
12 Corporation shall determine whether a natural gas pipeline capable of delivering  
13 3,000,000,000 cubic feet of natural gas a day or more from the North Slope to market  
14 is a viable project. If the Alaska Gasline Development Corporation determines that a  
15 natural gas pipeline capable of delivering 3,000,000,000 cubic feet of natural gas a day  
16 or more from the North Slope to market remains a viable project and there is an  
17 adequate supply of marketable natural gas in Cook Inlet to meet natural gas demand in  
18 the Railbelt, the Alaska Gasline Development Corporation shall research and consider  
19 whether a small-diameter natural gas pipeline from Cook Inlet to the Fairbanks area  
20 could be built to deliver natural gas at a reasonably economic cost. If the Alaska  
21 Gasline Development Corporation finds that a small-diameter natural gas pipeline  
22 from Cook Inlet to the Fairbanks area could be built to deliver natural gas at a  
23 reasonably economic cost under the circumstances described in this subsection, the  
24 Alaska Gasline Development Corporation shall begin development of a small-  
25 diameter natural gas pipeline from Cook Inlet to the Fairbanks area and stop further  
26 development of a small-diameter natural gas pipeline capable of transporting not more  
27 than 500,000 cubic feet of natural gas a day from the North Slope to delivery points  
28 south of 68 degrees North latitude."

29  
30 Reletter the following subsections accordingly.

31

- 1 Page 5, line 19:
- 2 Delete "(c) and (d)"
- 3 Insert "(e) and (f)"