

AMENDMENT #7

By: Wielechowski,
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OFFERED IN THE SENATE
TO: CSSB 138(FIN)

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

2 Insert "relating to contracts associated with a North Slope natural gas project;"

3

4 Page 15, following line 30:

5 Insert a new bill section to read:

6 "* Sec. 16. AS 38.05 is amended by adding a new section to read:

7 **Sec. 38.05.023. Agreements and contracts associated with a North Slope**
8 **natural gas project.** (a) An agreement or contract associated with a North Slope
9 natural gas project to which the state is a party must require that a party to the
10 agreement or contract that has an equity interest of five percent or more in the Alaska
11 liquefied natural gas project or a component of the Alaska liquefied natural gas project
12 expand the Alaska liquefied natural gas project or a component of the Alaska liquefied
13 natural gas project in reasonable engineering increments when there is sufficient
14 commercial interest in the expansion. The requirement to expand in this subsection is
15 subject to the limitation that a party is not required to pay a cost of expansion that
16 increases the tariff, cost of service, or cost of transportation, as applicable to that part
17 of the North Slope natural gas project that is expanded, by more than 15 percent.

18 (b) In this section,

19 (1) "Alaska liquefied natural gas project" has the meaning given in
20 AS 31.25.390;

21 (2) "component" means a gas pipeline, gas treatment plant, liquefied
22 natural gas plant, marine terminal, Point Thomson unit gas transmission line, or
23 Prudhoe Bay unit gas transmission line, as those parts of the Alaska liquefied natural

1 gas project are described in AS 31.25.390;

2 (3) "cost of expansion" means the cost to a party of expanding the
3 Alaska liquefied natural gas project or a component of the Alaska liquefied natural gas
4 project when an expansion is required under an agreement or contract."
5

6 Renumber the following bill sections accordingly.
7

8 Page 17, line 24:

9 Delete "sec. 17"

10 Insert "sec. 18"
11

12 Page 21, line 16:

13 Delete "sec. 27"

14 Insert "sec. 28"
15

16 Page 25, line 9:

17 Delete "sec. 30"

18 Insert "sec. 31"
19

20 Page 31, line 18:

21 Delete "sec. 37"

22 Insert "sec. 38"
23

24 Page 53, lines 24 - 25:

25 Delete "sec. 23"

26 Insert "sec. 24"
27

28 Page 56, line 4:

29 Delete "16, 17, 23 - 27, 29, 30, 37, 39, and 55 - 61"

30 Insert "16 - 18, 24 - 28, 30, 31, 38, 40, and 56 - 62"
31

1 Page 56, line 6:

2 Delete "Section 38"

3 Insert "Section 39"

4

5 Page 56, line 7:

6 Delete "secs. 62 and 63"

7 Insert "secs. 63 and 64"