

SCOMM

155:32

Bill Name TC AGIA License Approval	House Version Number HB 3001 (efd fld)
Intent that change to production tax by law of general application does not give rise to treble damages	25-GH3055\AA.2 offered by _____
<p>Exempts gas transported in the state or for export from inducements obligation</p> <p><i>#3 (was Ramrass on house side) if over .5 BCF = not complying</i></p>	<p>25-GH3055\AA.5 offered by _____</p> <p><i>tailed 5 years 14 days</i></p>
<p>TransCanada must indemnify state from withdrawn partners issue before reimbursement</p> <p><i>amendment #1 contingent effect</i></p>	<p>25-GH3055\AA.8 offered by <u>McGuire</u></p> <p><i>tailed 13 - 6 days 6 years</i></p>
<p>Licensee & Producers encouraged to negotiate</p>	<p>25-GH3055\AA.9 offered by <u>McGuire</u></p>
<p>Effective date</p> <p><i>amendment #2 contingent effect</i></p>	<p><i>tailed 14 days 5 years</i></p>
<p>Commissioners must submit quarterly progress report regarding licensed project to LB&A</p>	<p>25-GH3055\AA.3 offered by <u>HUGGINS</u></p>
<p>Prohibits reimbursement of expenditures after successful binding open season</p>	<p>25-GH3055\AA.4 offered by _____</p>

yes

Plus Letter of Intent re: All Alaska gas line/LNG project

yes

_____ *yes*

Charles Huggins

MOTION:

I MOVE THAT THE SENATE ADOPT THE
HOUSE LETTER OF INTENT AS A SENATE
LETTER OF INTENT

RE: All Alaska gas line/LNG project

HB3001 House Letter of Intent

The purpose of the award of an exclusive license to TransCanada Alaska Company, LLC and Foothills Pipe Lines Ltd. (hereafter referred to as TransCanada) is to expedite bringing North Slope gas to market. To meet the Alaska Constitution's mandate to develop Alaska's resources for the maximum benefit to Alaskans, it is the intent of the legislature that the executive branch continues to aid project proposals in addition to just a TransCanada pipeline into Canada. It is the intent of the legislature that an AGIA license will enable and encourage an All Alaska gas line/liquefied natural gas (LNG) project within the TransCanada project.

Recognizing that high energy prices have resulted in an energy crisis in communities throughout the state, it is the intent of the legislature that an award of an exclusive license to TransCanada not interfere with the rapid delivery of North Slope gas to Alaskan markets. The legislature urges the construction of a project that would facilitate delivery of in-state gas by way of a project built as part of a TransCanada project.

To prepare for an open season that includes an All Alaska gas line/LNG project in conjunction with the TransCanada project into Canada, it is the intent of the legislature that such project receives the assistance of the executive branch and be granted expedited review and action by state agencies.

Nothing in this letter of intent is intended to alter the obligations of the parties under the law, and nothing in this letter is intended to encourage the violation of these obligations.

✓
Samuel
Laloux
Gara
Holmes
Hertula
Kelly
CRAWFORD
Gatto
Bobina
Buch
Seaton
Gardner
HARRIS
HARRIS
Harris
Hawkey
Doll
Johnson
Salmon
Meyer
Edgmar

AA.8

Indemnification of withdrawn partner liability

- It is clear from TransCanada's presentation that TransCanada "will not seek to add" any withdrawn liability to the tariff.
- It is also clear that in the event that the withdrawn partner liability was included in the tariff – even though TransCanada did not seek to add it in the tariff – that TransCanada has not agreed to indemnify the state from such liability.
- In the event that the liability finds its way into the tariff, the state should not be burdened by that cost. It is TransCanada's problem. Only they can solve it. Since it is their risk, and they have the ability to solve it if they wish to, they should bear the burden of carrying that risk forward, and they should indemnify the state our exposure to that risk.

Failed

#1

McGuire

25-GH3055-AA.8
Chenoweth/Bullock
7/30/08

AMENDMENT

Levas
13 nays

OFFERED IN THE SENATE

TO: HB 3001(efd fld)

1 Page 1, following line 10:

2 Insert a new bill section to read:

3 **"* Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
4 read:

5 **CONTINGENT EFFECT OF LICENSE APPROVAL: INDEMNIFICATION FOR**
6 **LIABILITIES TO WITHDRAWN PARTNERS.** (a) The provisions of sec. 1 of this Act are
7 contingent on the commissioner of revenue and the commissioner of natural resources
8 obtaining from the licensee the licensee's written agreement that the state will not reimburse
9 the licensee for qualified expenditures under AS 43.90.110(a)(1) before the licensee
10 indemnifies the state against any loss of revenue because of a liability of the licensee to
11 withdrawn partners. The indemnification is required regardless of whether the state receives
12 its royalty share of the production of natural gas in kind or in value. In this subsection,
13 "licensee" includes the licensee and a successor in interest to the licensee subject to AS 43.90.

14 (b) To implement this section, the commissioner of revenue, in consultation with the
15 commissioner of natural resources and the attorney general, shall

16 (1) review the partnership agreement and other documents associated with the
17 Alaskan Northwest Natural Gas Transportation Company, commonly referred to a ANNGTC;

18 (2) identify the partners and the successors in interest to the partners in the
19 Alaskan Northwest Natural Gas Transportation Company;

20 (3) determine the extent of any liability or potential liability of the licensee to
21 each partner or successor to a partner based on any partnership agreement or other agreement
22 between the partners of the Alaskan Northwest Natural Gas Transportation Company;

23 (4) determine the effect on revenue to the state should the licensee be found

1 liable to a partner or successor to a partner under the partnership agreement and other
2 agreements between the partners and their successors in the Alaskan Northwest Natural Gas
3 Transportation Company; the effect on revenue to the state includes

4 (A) the costs associated with delays in the construction of the project;

5 (B) an effect on the tariff;

6 (C) an effect on the state's taxes and royalties;

7 (D) the effect on the state if the state acquires an ownership interest in
8 the project; and

9 (E) other effects on revenue to the state identified by the commissioner
10 of revenue; and

11 (5) determine the form and amount of indemnification required to be provided
12 by the licensee to the state to shield the state from the possible effects on revenue determined
13 under (4) of this subsection.

14 (c) Unless the parties otherwise agree, an agreement entered into under this section
15 may provide that a dispute between the commissioner of revenue and the licensee over the
16 extent of any liability of the licensee determined under this section and the form and amount
17 of indemnification required to be provided by the licensee shall be resolved under
18 AS 44.62.330 - 44.62.630 (Administrative Procedure Act) or other form of alternative dispute
19 resolution agreed to by the licensee and the commissioner of revenue, in consultation with the
20 attorney general.

21 (d) In this section,

22 (1) "licensee" and "project" have the meanings given in AS 43.90.900;

23 (2) "withdrawn partners" means the partners and successors in interest to the
24 partners of the Alaskan Northwest Natural Gas Transportation Company identified by the
25 commissioner of revenue in (b)(2) of this section."

2 McGuire
25-GH3055\AA.9
Chenoweth/Bullock
7/30/08

AMENDMENT

failed
14 days 5 years

OFFERED IN THE SENATE
TO: HB 3001(efd fld)

1 Page 1, line 3, following "Act":

2 Insert "; and providing for an effective date"

3

4 Page 1, following line 10:

5 Insert new bill sections to read:

6 **"* Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to
7 read:

8 CONTINGENT EFFECT OF LICENSE APPROVAL. The provisions of sec. 1 of this
9 Act are contingent on

10 (1) the written offer of the parties identified jointly as the licensee in sec. 1 of
11 this Act to the parties having control of significant North Slope natural gas reserves that are
12 proposing an alternative natural gas pipeline project to participate in good faith negotiations
13 as described in this paragraph, and, if the offer is accepted, the negotiation in good faith as
14 described in the paragraph; the negotiations shall seek to secure common agreement to
15 eliminate proposals for competing natural gas pipeline projects, as that phrase is defined in
16 AS 43.90.440, for North Slope natural gas reserves; it is material to the state's interest in the
17 negotiations that an agreement between the parties have the result of foregoing the need for
18 issuance of a license under AS 43.90, including the appropriation of licensee reimbursements
19 as authorized by AS 43.90.110(a)(1); to implement this paragraph,

20 (A) negotiations shall be conducted among

21 (i) the commissioners of revenue and natural resources or their
22 respective representatives;

23 (ii) representatives of the parties identified jointly as the

1 licensee in sec. 1 of this Act; and

2 (iii) representatives of the parties having control of significant
3 North Slope natural gas reserves that are proposing an alternative natural gas
4 pipeline project;

5 (B) the parties identified in (A) of this paragraph may

6 (i) include in the negotiations representatives of other entities
7 whose presence may be useful to achieve the outcome described in this
8 paragraph, as these parties may mutually agree; and

9 (ii) agree to conduct the negotiations with or without use of the
10 services of a mediator, as the parties may themselves determine; if the parties
11 agree to use of the services of a mediator, the mediator shall be a person whose
12 identity is mutually agreeable to the parties; and

13 (C) negotiations undertaken under this section are not to be considered
14 meetings of a governmental body of a public entity of the state that are subject to the
15 requirements of AS 44.62.310 - 44.62.312; and

16 (2) the passage of a number of days set out in this paragraph following the
17 condition described in the corresponding subparagraph; when the condition described in this
18 paragraph has been met, the commissioners of natural resources and revenue shall issue the
19 license; under this paragraph, the commissioners may not issue the license before the effective
20 date of sec. 1 of this Act, and

21 (A) unless subject to the limitation set out in this subparagraph, shall
22 issue the license not sooner than 180 days after the date of final execution of the
23 common agreement among the parties that is substantially as described in (1) of this
24 section; however, if, under the terms of that agreement, the parties consent to forego
25 the need for issuance of a license under AS 43.90, then, notwithstanding any other
26 provision of law, the commissioners may not issue the license; or

27 (B) shall issue the license not sooner than 45 days after the earlier of
28 the date that

29 (i) the commissioners advise the governor that one or more of
30 the parties described in (1)(A)(iii) of this section have notified them, or either
31 of them, that the party or parties will not participate in the negotiations

1 described in this section; or

2 (ii) the parties described in (1)(A)(ii) and (1)(A)(iii) of this
3 section certify to the governor that they have mutually agreed that negotiations
4 to secure the common agreement as described in (1) of this section to eliminate
5 proposals for competing natural gas pipeline projects for North Slope natural
6 gas reserves cannot be obtained.

7 * Sec. 3. Section 2 of this Act takes effect immediately under AS 01.10.070(c)."

AA.5

Exemption for gas transported in the state or for export from being declared a competing project and triggering treble damages

Sponsor Statement – This amendment would exempt any pipeline for use wholly within the state or for export from being deemed a competing project to an AGIA licensed project.

- Alaska's people deserve the right to Alaska's gas first.
- If gas export from Valdez or the Cook Inlet is necessary to make an Alaska gasline economic, then Alaska's people deserve the right to pursue that alternative without being deemed to be a competing project to the AGIA licensed project.
- An Alaska gasline to Alaska's people, regardless of the size of the pipeline, should not be burdened by the argument that we owe TransCanada treble damages.

Faked

#3

- 8-1-2008

25-GH3055\AA.5
Bullock
7/27/08

AMENDMENT

5
years

14
days

OFFERED IN THE SENATE
TO: HB 3001(efd fld)

1 Page 1, line 1, following "Act":

2 Insert "relating to the extension of inducements to a natural gas pipeline project
3 that would transport natural gas from the North Slope to a market in the state or for
4 export from the state by marine transportation; and"

5
6 Page 1, following line 4:

7 Insert a new bill section to read:

8 **** Section 1.** AS 43.90.440(a) is amended to read:

9 (a) Except as otherwise provided in this chapter, the state grants a licensee
10 assurances that the licensee has exclusive enjoyment of the inducements provided
11 under this chapter before the commencement of commercial operations. If, before the
12 commencement of commercial operations, the state extends to another person
13 preferential royalty or tax treatment or grant of state money for the purpose of
14 facilitating the construction of a competing natural gas pipeline project in this state
15 other than a natural gas pipeline project that is wholly within the state and
16 transports natural gas to a market in the state or for export from the state by
17 marine transportation, and if the licensee is in compliance with the requirements of
18 the license and with the requirements of state and federal statutes and regulations
19 relevant to the project, the licensee is entitled to payment from the state of an amount
20 equal to three times the total amount of the expenditures incurred and paid by the
21 licensee that are qualified expenditures for the purposes of AS 43.90.110 that the
22 licensee incurred in developing the licensee's project before the date that the state first
23 extended preferential treatment to another person. The payment under this subsection

1 is subject to appropriation. Upon payment by the state of the amount owed under this
2 section, the licensee shall, at no additional cost to the state, assign to the state or the
3 state's designee all engineering designs, contracts, permits, and other data related to
4 the project that were acquired by the licensee during the term of the license. The
5 payment under this subsection is in full satisfaction of all claims the licensee may
6 bring in contract, tort, or other law related to the events that gave rise to the payment."
7

8 Page 1, line 6:

9 Delete "Section 1"

10 Insert "Sec. 2"

C. Higgins

Floor Notes
TransCanada License
August 1, 2008

What's really wrong with giving TransCanada \$500 million and monopoly rights in Alaska?

TransCanada and the Palin administration have been asked by 23 legislators to make those terms [negotiated by the previous administration] public, but have chosen to keep them secret.

The public has a right and a need to know the difference between what TransCanada was willing to commit to then and the \$500 million and monopoly rights they expect to receive now under AGIA. The AGIA license should not be approved until the public has had the opportunity to evaluate that difference.

We have to keep in mind that the AGIA license is not an obligation to do anything other than file a lot of paperwork.

Tony Palmer, Feb 2008 Senate Resources: We are not obligated to build the pipeline, it is not what AGIA requires.

- No construction commitment
- No commitment to move a shovelful of dirt
- No commitment of getting gas to Alaskans for either
 - Consumer use or
 - Value added industrial development

AGIA forces Alaska into a course of action that TransCanada's top executives have repeatedly advised us is folly:

Hal Kvisle, CEO, TransCanada April 2004: Eventually, it's come down to the big producers, ExxonMobile, ConocoPhillips and BP are the ones most likely to hold the shipping commitments, so whatever kind of project is put together has to be one that works for the producers.

HK June 13, 2006: letter to the State of Alaska: As you will recall, TransCanada has consistently advised your administration to be wary of independent pipeline projects that would seek to develop a pipeline without the agreement and support of the ANS producers.

Tony Palmer – Calgary Herald Feb 2008: 'the project will not get to the financing and construction stage without shipping commitments from the producers.

Tony Palmer summed it all up on April 4, 2007 when he said quite emphatically,
No Customers, No Credit, No Pipeline.

FERC Fifth report to Congress Feb 2008 talked about a project being brought forward without a commitment of gas. "this would be a less than desirable situation..." "Clearly a proposed project which is backed by firm shipper commitments to transport natural gas supplies will have a greater chance of ultimate success."

Then there is what may be the most important reason Alaskans do not support the TransCanada scheme.

Approving the AGIA license compromises the ability of future Alaska legislatures to support other large scale In-state gas development.

The AGIA license effectively kills the All-Alaska gas line proposal.

That is the wrong thing to do.

There are so many more things to talk about that defy reason and cannot currently pass any responsible due diligence review:

- Unresolved first nations issues
- Past partner liabilities
- Canadian regulatory authority
- An excessive tariff rate structure
- Expectations for Alaska to secure the Federal Government as a bridge shipper
- Insufficient open season plan
- No Point Thompson gas
- Trans Canada's corporate credit rating issues

Bill History/Action for 25 Legislature

BILL: HB3001

SHORT TITLE: APPROVING AGIA LICENSE

BILL VERSION: HB 3001(EFD FLD)

CURRENT STATUS: AWAIT TRANSMIT GOV

STATUS DATE: 08/01/08

SPONSOR(S): RULES BY REQUEST OF THE GOVERNOR

TITLE: "An Act approving issuance of a license by the commissioner of revenue and the commissioner of natural resources to TransCanada Alaska Company, L.L.C and Foothills Pipe Lines Ltd., jointly as licensee, under the Alaska Gasline Inducement Act."

Bill Number:

Jrn-Date	Jrn-Page	Action
06/03/08	3064	(H) READ THE FIRST TIME - REFERRALS
06/03/08	3064	(H) RLS
06/03/08	3064	(H) FN1: ZERO(DNR)
06/03/08	3064	(H) FN2: (REV)
06/03/08	3064	(H) GOVERNOR'S TRANSMITTAL LETTER
06/03/08	3064	(H) WRITTEN FINDINGS & DETERMINATION
06/04/08	Text	(H) RLS AT 9:00 AM CAPITOL 120
06/04/08	Text	(H) Subcommittee Assigned
06/04/08	Text	(H) RLS AT 10:00 AM TERRY MILLER GYM
06/04/08	Text	(H) Heard & Held
06/04/08	Text	(H) MINUTE(RLS)
06/04/08	Text	(H) MINUTE(RLS)
06/04/08	Text	(S) MINUTE(ENR)
06/05/08	Text	(H) RLS AT 9:00 AM TERRY MILLER GYM
06/05/08	Text	(H) Heard & Held -- Time Change --
06/05/08	Text	(H) MINUTE(RLS)
06/05/08	Text	(S) MINUTE(ENR)
06/06/08	Text	(H) RLS AT 10:00 AM TERRY MILLER GYM
06/06/08	Text	(H) Heard & Held
06/07/08	Text	(H) RLS AT 10:00 AM TERRY MILLER GYM
06/07/08	Text	(H) Heard & Held
06/07/08	Text	(H) MINUTE(RLS)
06/07/08	Text	(S) MINUTE(ENR)
06/08/08	Text	(H) RLS AT 1:00 PM TERRY MILLER GYM
06/08/08	Text	(H) Heard & Held -- Time Change --
06/08/08	Text	(H) MINUTE(RLS)
06/08/08	Text	(S) MINUTE(ENR)
06/09/08	Text	(H) RLS AT 10:00 AM TERRY MILLER GYM
06/09/08	Text	(H) Heard & Held
06/10/08	Text	(H) RLS AT 10:00 AM TERRY MILLER GYM
06/10/08	Text	(H) Heard & Held
06/10/08	Text	(H) MINUTE(RLS)
06/10/08	Text	(S) MINUTE(ENR)
06/12/08	Text	(H) RLS AT 10:00 AM FBX CARLSON CENTER

06/12/08 Text (H) Heard & Held
 06/12/08 Text (H) MINUTE(RLS)
 06/12/08 Text (S) MINUTE(ENR)
 06/13/08 Text (H) RLS AT 10:00 AM FBX CARLSON CENTER
 06/13/08 Text (H) Heard & Held -- Time Change --
 06/14/08 Text (H) RLS AT 10:00 AM FBX CARLSON CENTER
 06/14/08 Text (H) Heard & Held -- Time Change --
 06/16/08 Text (H) RLS AT 9:00 AM ANCHORAGE
 06/16/08 Text (H) Heard & Held
 06/16/08 Text (H) MINUTE(RLS)
 06/16/08 Text (S) MINUTE(ENR)
 06/17/08 Text (H) RLS AT 9:00 AM ANCHORAGE
 06/17/08 Text (H) Heard & Held
 06/18/08 Text (H) RLS AT 9:00 AM ANCHORAGE
 06/18/08 Text (H) Heard & Held
 06/19/08 Text (H) RLS AT 9:00 AM ANCHORAGE
 06/19/08 Text (H) Heard & Held
 06/19/08 Text (H) MINUTE(RLS)
 06/19/08 Text (S) MINUTE(ENR)
 06/20/08 Text (H) RLS AT 9:00 AM ANCHORAGE
 06/20/08 Text (H) Heard & Held
 06/24/08 Text (H) RLS AT 1:00 PM MAT-SU
 06/24/08 Text (H) Heard & Held
 06/26/08 Text (H) RLS AT 1:00 PM KENAI
 06/26/08 Text (H) Heard & Held
 06/26/08 Text (H) MINUTE(RLS)
 06/26/08 Text (S) MINUTE(ENR)
 07/01/08 Text (H) RLS AT 9:00 AM BARROW
 07/01/08 Text (H) Heard & Held -- Time Change --
 07/02/08 3178 (H) BILL CARRIES OVER TO FOURTH SPECIAL SESSION
 07/08/08 Text (H) RLS AT 1:00 PM KETCHIKAN
 07/08/08 Text (H) Heard & Held -- Time Change --
 07/09/08 Text (H) RLS AT 1:30 PM TERRY MILLER GYM
 07/09/08 Text (H) Heard & Held -- Time Change --
 07/10/08 Text (H) RLS AT 8:00 AM TERRY MILLER GYM
 07/10/08 Text (H) Heard & Held
 07/11/08 Text (H) RLS AT 9:00 AM TERRY MILLER GYM
 07/11/08 Text (H) Heard & Held
 07/11/08 Text (H) MINUTE(RLS)
 07/11/08 Text (S) MINUTE(ENR)
 07/12/08 Text (H) RLS AT 9:00 AM TERRY MILLER GYM
 07/12/08 Text (H) Heard & Held
 07/13/08 Text (H) RLS AT 12:30 PM TERRY MILLER GYM
 07/13/08 Text (H) Heard & Held
 07/14/08 Text (H) RLS AT 9:00 AM TERRY MILLER GYM
 07/14/08 Text (H) Heard & Held
 07/14/08 Text (H) MINUTE(RLS)
 07/14/08 Text (S) MINUTE(ENR)
 07/15/08 Text (H) RLS AT 9:00 AM CAPITOL 120

07/15/08 Text (H) -- MEETING CANCELED --
 07/21/08 3234 (H) RLS RPT 3DP 4DNP
 07/21/08 3234 (H) DP: KERTTULA, GUTTENBERG, COGHILL
 07/21/08 3234 (H) DNP: JOHNSON, FAIRCLOUGH, SAMUELS, HARRIS
 07/21/08 3234 (H) FN1: ZERO(DNR)
 07/21/08 3234 (H) FN2: (REV)
 07/21/08 3236 (H) RULES TO CALENDAR 7/21/2008
 07/21/08 3236 (H) READ THE SECOND TIME
 07/21/08 3237 (H) ADVANCED TO THIRD READING 7/22 CALENDAR
 07/21/08 Text (H) RLS AT 2:00 PM CAPITOL 120
 07/21/08 Text (H) Moved Out of Committee
 07/22/08 3241 (H) READ THE THIRD TIME HB 3001
 07/22/08 3241 (H) RETURN TO SECOND FOR AM 1 UC
 07/22/08 3241 (H) AM NO 1 FAILED Y9 N30 A1
 07/22/08 3243 (H) RETURN TO SECOND FOR ALL AMS UC
 07/22/08 3243 (H) AM NO 2 FAILED Y15 N25
 07/22/08 3245 (H) AM NO 3 FAILED Y11 N27 A2
 07/22/08 3247 (H) AM NO 4 FAILED Y17 N23
 07/22/08 3249 (H) AUTOMATICALLY IN THIRD READING
 07/22/08 3249 (H) BEFORE THE HOUSE IN THIRD READING
 07/22/08 3250 (H) PASSED Y24 N16
 07/22/08 3250 (H) EFFECTIVE DATE(S) ADOPTED Y28 N12
 07/22/08 3251 (H) SAMUELS NOTICE OF RECONSIDERATION
 07/22/08 Text (S) ENR AT 1:00 PM SENATE FINANCE 532
 07/22/08 Text (S) <Pending Referral>
 07/23/08 3260 (H) RECON TAKEN UP - IN THIRD READING
 07/23/08 3260 (H) PASSED ON RECONSIDERATION Y23 N16 E1
 07/23/08 3261 (H) EFFECTIVE DATE(S) FAILED Y25 N14 E1
 07/23/08 3262 (H) ADOPTED HOUSE LETTER OF INTENT Y39 E1
 07/23/08 3268 (H) TRANSMITTED TO (S)
 07/23/08 3268 (H) VERSION: HB 3001(efd fld)
 07/23/08 Text (S) ENR AT 1:00 PM SENATE FINANCE 532
 07/23/08 Text (S) <Pending Referral>
 07/24/08 3197 (S) READ THE FIRST TIME - REFERRALS
 07/24/08 3197 (S) ENR
 07/24/08 Text (S) ENR AT 2:00 PM SENATE FINANCE 532
 07/24/08 Text (S) -- Testimony <Invitation Only> -- -- MEETING CANCELED --
 07/25/08 Text (S) ENR AT 1:30 PM SENATE FINANCE 532
 07/25/08 Text (S) Heard & Held
 07/28/08 Text (S) ENR AT 2:00 PM SENATE FINANCE 532
 07/28/08 Text (S) -- Testimony <Invitation Only> --
 07/29/08 Text (S) ENR AT 1:00 PM SENATE FINANCE 532
 07/29/08 Text (S) Heard & Held
 07/30/08 Text (S) ENR AT 2:00 PM SENATE FINANCE 532
 07/30/08 Text (S) Moved HB3001(efd fld) Out of Committee
 07/31/08 3222 (S) ENR RPT 6DP 4DNP INR 1AM
 07/31/08 3222 (S) DP: STEVENS, WIELECHOWSKI, WAGONER, DYSON, THOMAS, ELTON
 07/31/08 3222 (S) DNP: HUGGINS, STEDMAN, HOFFMAN, GREEN
 07/31/08 3222 (S) NR: OLSON

- 07/31/08 3222 (S) AM: MCGUIRE
- 07/31/08 3222 (S) FN1: ZERO(DNR)
- 07/31/08 3222 (S) FN2: (REV)
- 07/31/08 3222 (S) RULES TO CALENDAR 7/31/2008
- 07/31/08 3223 (S) READ THE SECOND TIME
- 07/31/08 3223 (S) ADVANCED TO THIRD READING 8/1 CALENDAR
- 08/01/08 3228 (S) READ THE THIRD TIME HB 3001(EFD FLD)
- 08/01/08 3228 (S) ADOPTED HOUSE LETTER OF INTENT Y18 N1 E1
- 08/01/08 3229 (S) RETURN TO SECOND FOR AM 1 UNAN CONSENT
- 08/01/08 3229 (S) AM NO 1 FAILED Y6 N13 E1
- 08/01/08 3231 (S) RETURN TO SECOND FOR AM 2 UNAN CONSENT
- 08/01/08 3231 (S) AM NO 2 FAILED Y5 N14 E1
- 08/01/08 3233 (S) RETURN TO SECOND FOR AM 3 UNAN CONSENT
- 08/01/08 3233 (S) AM NO 3 FAILED Y5 N14 E1
- 08/01/08 3235 (S) AUTOMATICALLY IN THIRD READING
- 08/01/08 3235 (S) PASSED Y14 N5 E1
- 08/01/08 3236 (S) HUGGINS NOTICE OF RECONSIDERATION
- 08/01/08 3236 (S) RECON TAKEN UP SAME DAY UNAN CONSENT
- 08/01/08 3236 (S) PASSED ON RECONSIDERATION Y14 N5 E1
- 08/01/08 3236 (S) RETURN TO (H), TRANSMIT TO GOV NEXT
- 08/01/08 3236 (S) VERSION: HB 3001(EFD FLD)
- 08/01/08 (H) AWAITING TRANSMITTAL TO GOV

Similar Subject Match or Exact Subject Match

- CONTRACTS
- LEGISLATURE
- LICENSING
- OIL & GAS
- PIPELINES
- RESOURCES
- REVENUE

Bill Number.

[Return to Basis Main Menu \(25 Legislature\)](#)

Sharon Long

From: Jeff Turner
Sent: Friday, August 01, 2008 2:51 PM
Subject: FW: PR 08-131 AGIA Passes Senate, Governor Thanks Legislators 080108
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**FOR IMMEDIATE RELEASE****No. 08-131****AGIA Passes Senate, Governor Thanks Legislators**

August 1, 2008, Juneau, Alaska – Governor Sarah Palin today thanked lawmakers for passing House Bill 3001, legislation that authorizes the administration to award the Alaska Gasline Inducement Act (AGIA) license to TransCanada Alaska (“TC Alaska”) to permit, develop and build a 1,715-mile natural gas pipeline from a natural gas treatment plant at Prudhoe Bay on the North Slope to the Alberta Hub in Canada.

“This is a historic day in Alaska,” Governor Palin said. “Alaska’s potential to continue providing a safe, secure and domestic source of energy is great. I am proud of the hard work that went into this process from both the gasline team and the legislature. And I thank all our legislators for their tireless efforts.”

The TransCanada Alaska gasline will be the largest construction project in the history of North America. The TC Alaska line will ship 4.5 Billion cubic feet per day (Bcf/d) through the 48-inch diameter line. The line will also have the expansion capability of up to 5.9 Bcf/d. Further expansions would include a combination of additional compression and looping.

The Alaska section of the TC Alaska overland route will be mostly buried along the approximately 750 miles in length with six compressor stations at startup and five natural gas delivery points in Alaska.

The Governor continued, “Today, with the affirmative vote of both chambers of the Alaska State Legislature, we now begin a lifelong partnership with a company that has shown its true commitment to Alaska’s future.”

TransCanada Corporation has successfully constructed many natural gas pipelines and now operates more than 36,000 miles of natural gas pipelines in North America. TC Alaska’s project will provide positive economics to the state and federal governments, the major North Slope producers and to TC Alaska.

In its application, TransCanada Alaska commits to nearly two dozen must-haves which ensures that this project provides the most jobs for Alaskans, the most energy for Alaskans, and the greatest amount of revenue for the state.

Among the must-haves:

- **Benchmarks.** TC Alaska has committed to enforceable benchmarks. For example, TC Alaska will hold an open season and file for regulatory permits by dates certain. Alaska has never seen

8/1/2008

enforceable timelines in any previous gasline plan.

- **Reasonable transportation rates.** TC Alaska has committed to providing transportation through its pipeline at reasonable transportation rates, or "tariffs." A low tariff not only increases the netback for Alaska, but it encourages long-term exploration and development by newer players on the North Slope. Alaska has never seen commitments to low tariffs in any previous gasline plan.
- **Distance-sensitive rates for Alaskans.** TC Alaska has committed to "distance-sensitive" rates for Alaska's gas. TC Alaska's proposed distance-sensitive rates ensure that Alaskans will pay just the costs incurred to ship gas from the North Slope to one of the five off-take points within Alaska; unlike today when Alaskans pay the competitive price on the world markets.
- **Expansion capabilities.** TC Alaska has promised to expand its pipeline system on reasonable terms. Expansion is a key component, especially for smaller and newer gas producers on the North Slope to get our gas that they produce to market. Making this line expandable to accommodate new gas discoveries means more exploration and development, and finally opens up the North Slope basin. Alaska has never seen commitments to reasonable and predictable expansions in any previous gasline plan.
- **LNG Y-line offered.** TC Alaska has offered to construct a "Y line" from Delta Junction to an LNG processing facility in Prince William Sound if shippers express sufficient demand for that project as the work on the overland project progresses. Approving the TC Alaska project will enhance the likelihood of a successful "Y line" LNG project.
- **Bullet line to southcentral.** A smaller "bullet line" will not interfere with the TC Alaska project. Rather, moving both projects forward simultaneously could produce unique synergies. There are adequate supplies of natural gas to fill both pipelines.
- **Spur lines to Alaskans.** Committing to five offtake points along the main line, the TC Alaska project also offers the potential for construction of spur lines that will make natural gas available as a source of energy to communities throughout the state.

Once the AGIA license is issued, TransCanada Alaska will begin the field work that it can complete in the remaining time before winter sets in.

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