

Alaska Gas Spur Line**FY2010 Request: \$5,000,000****Reference No: 45291****AP/AL:** Appropriation
Category: Development**Project Type:** Gasline
Recipient: Alaska Natural Gas Development Authority**Location:** Statewide**Contact:** Jerry Burnett**House District:** Statewide (HD 1-40)**Contact Phone:** (907)465-2312**Estimated Project Dates:** 07/01/2009 - 06/30/2014**Brief Summary and Statement of Need:**

The intent of this project is to continue progress in fulfilling the mission of the Alaska Natural Gas Development Authority (ANGDA), as established by AS 41.41, to bring natural gas from the North Slope to market. ANGDA is in the process of obtaining rights-of-way, permitting, engineering and environmental work for a spur gas line route from Delta Junction to Beluga Gas Reservoir in Cook Inlet. This on-going project will achieve the end result of providing long-term supplies of natural gas to sustain and grow Alaska's economy. Additional funding is needed specifically for rights-of-way, engineering design for pipeline and facility construction.

Funding:	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>FY2015</u>	<u>Total</u>
AHCC Rcpts	\$5,000,000						\$5,000,000
Total:	\$5,000,000	\$0	\$0	\$0	\$0	\$0	\$5,000,000

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

\$2,170,000 Chapter 3 (SB 46) FSSLA 2005, Page 107, Line 16

\$5,000,000 Chapter 30 (SB 53) SLA 2007, Page 102, Line 7

Project Description/Justification:

ANGDA's capital project, Alaska Gas Spur Line, is defined in Alaska Statute as "an essential government function of the State," AS 41.41.010 (d). ANGDA is in its fifth year of existence. Rights-of-way, permitting, engineering and environmental work is underway for the natural gas pipeline project from Delta Junction to Beluga Gas Reservoir in Cook Inlet.

ANGDA's project not only contributes to, but fulfills the mission and statutory requirement of AS 41.41 by which the authority was established. That is, for the authority to bring natural gas from the North Slope to market by providing one or more of the following functions: 1) acquiring and conditioning gas; 2) designing and constructing the pipeline; 3) operating and maintaining the pipeline; 4) designing, constructing and maintaining other necessary facilities; 5) acquiring gas market share to ensure long-term feasibility of the project.

The end result of this project will be to provide long-term supplies of natural gas (including methane, propane, and ethane) to sustain and grow Alaska's economy, particularly in Southcentral where gas supplies continue to dwindle, and in rural Alaska where enormous energy prices are impoverishing communities and in some cases forcing populations to relocate to urban cities. The end result will also provide a revenue stream to the State of Alaska and economic development opportunities for new industry/business in both urban and rural Alaska. The end result may also include the resurrection of industry/business that was forced to close due to the lack of affordable natural gas (i.e. Kenai/Agrium).

The \$5 million dollar capital appropriation is needed for obtaining support and services to continue moving forward with the gas spur line project:

1. Rights-of-Way
 - a. Delta Junction to Glennallen
 - b. Glennallen to Palmer
 - c. Palmer to Port Mackenzie to Beluga

2. Engineering Design for Pipeline & Facility Construction
 - a. Co-Use of TAPS (Trans-Alaska Pipeline System)
 - b. Glennallen to Port Mackenzie
 - c. Port Mackenzie to Beluga