

Agency: Commerce, Community and Economic Development
Grants to Unincorporated Communities (AS 37.05.317)
Grant Recipient: Nikolaevsk

Project Title: **Project Type: New Construction and Land Acquisition**

Nikolaevsk - Community Natural Gas Pipeline

State Funding Requested: \$197,000
 One-Time Need

House District: 34 / Q

Brief Project Description:

Construction of a gas line to three public buildings in Nikolaevsk, to include the school

Funding Plan:

Total Project Cost:	\$447,000
Funding Already Secured:	(\$250,000)
FY2012 State Funding Request:	<u>(\$197,000)</u>
Project Deficit:	\$0

Funding Details:

DCEED Community Grant, 2010, General Funds

Detailed Project Description and Justification:

Natural gas line construction for a line from the Armstrong Pad on North fork Road in the Kenai Peninsula Borough to the three public buildings, including the school, in Nikolaevsk.

Project Timeline:

August 2011

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Nikolaevsk Community Council

Grant Recipient Contact Information:

Name: Duane Bannock
 Title: Capital Projects Director, Kenai Peninsula Borough
 Address: 144 N. Binkley St.
 Soldotna, Alaska 99669
 Phone Number: (907)262-4414
 Email: dbannock@borough.kenai.ak.us

Has this project been through a public review process at the local level and is it a community priority? Yes No



3000 Spenard Road
P.O. Box 190288
Anchorage, AK 99519-0288
www.enstarnaturalgas.com

May 5, 2011

Representative Mike Chenault
Speaker of the House of Representatives
State Capital Room 208
Juneau, AK 99801

RE: *Natural Gas Service, Nikolaevsk School*

Dear Representative Chenault:

Per your request, we have completed engineering and a cost estimate for the Nikolaevsk Community natural gas pipeline and pressure reducing station. Please see attached map for design and routing, as well as cost break down.

The estimate considers the cost to construct and install a pressure reducing station to be installed near the Armstrong well pad at a cost of \$225,000.00, as well as, requiring 8,921 feet of 2-inch gas pipeline at a cost of \$222,000.00 for a total cost of \$447,000.00. The pipeline will provide service to the Nikolaevsk Community School. All service line connections, as well as any additional main line extensions will be paid by individuals wishing to be served.

In the event the Nikolaevsk gas line project is approved and paid in advance of construction by August 1, 2011, ENSTAR will construct the project in 2011 barring any unexpected delays and/or weather conditions.

Please do not hesitate to call should you need any assistance or have any questions.

Respectfully,

A handwritten signature in blue ink, appearing to read "C. Pierce".

Charlie Pierce
Southern Division Manager
ENSTAR Natural Gas Company
(907) 714-7510

2011 Costs – Nikolaevsk Main Line Extension and Pressure Reducing Station

Cost to Customer

Pressure Reducing Station	\$225,000.00
8920 Feet at \$17.64/foot	\$157,348.00
Brushing	\$ 16,000.00
Creek/Stream Crossing	\$ 32,000.00
Storm Water Pollution Prevention Plan	\$ 6,400.00
Road Bore	\$ 6,300.00
Wet Land Areas	<u>\$ 4,000.00</u>
	\$222,000.00
Total Project Cost	<u>\$447,000.00</u>

YESSEY ST
(RES. SN)

MATCHLINE
SHEET 3

MATCHLINE
SHEET 1

NIKOLAEVSK RD

2990FT 2PL

JIM HO



ENSTAR NATURAL GAS COMPANY
ENSTAR
ANCHORAGE, ALASKA

PROPOSED GAS MAINS

NIKOLAEVSK

SHEET 2 OF 3 SCALE 1"=200'

ER#

PROP# 5195

GRID XXXX

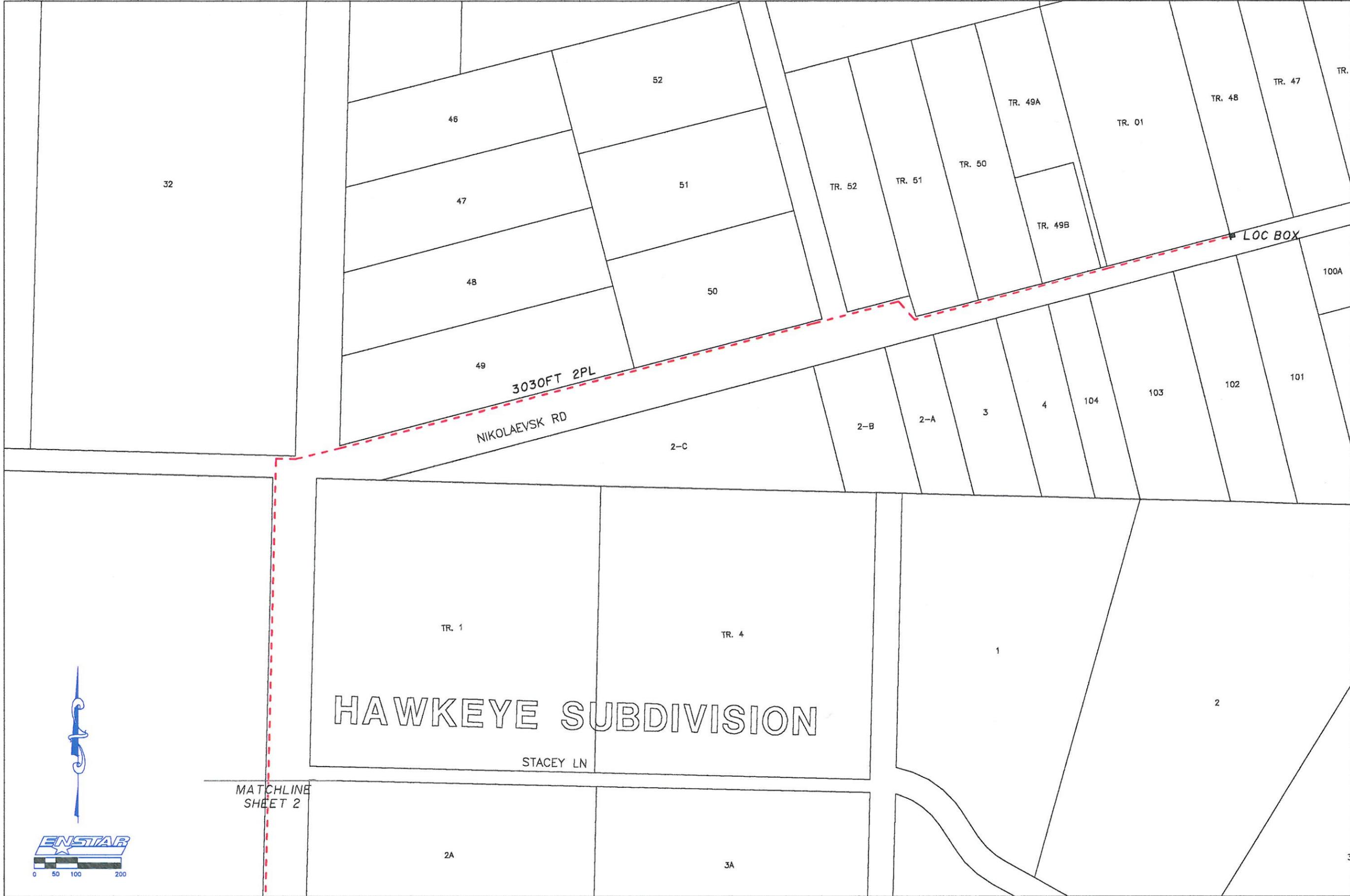
DATE 7/16/10

REVISIONS

DATE

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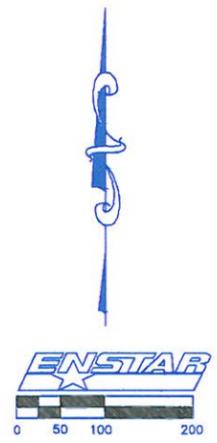
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ER#	PROJ#	5/95
	GRID	XXXX
DATE	7/16/10	
DRAWN	JK	CHKD BB

PROPOSED GAS MAINS
NIKOLAEVSK
 SHEET 3 OF 3 SCALE 1"=200'

ENSTAR NATURAL GAS COMPANY
ENSTAR
 ANCHORAGE, ALASKA



MATCHLINE
 SHEET 2

HAWKEYE SUBDIVISION

STACEY LN

3030FT 2PL
 NIKOLAEVSK RD

LOC BOX



KENAI PENINSULA BOROUGH SCHOOL DISTRICT

Office of Superintendent

Dr. Steve Atwater, Superintendent of Schools
148 North Binkley Street Soldotna, Alaska 99669-7553
Phone (907) 714-8888 Fax (907) 262-9132

May 6, 2011

Representative Mike Chenault
House of Representatives
State of Alaska
State Capitol Room 208
Juneau, Alaska 99801

Dear Representative Chenault:

I am writing to encourage you to consider adding money to the capital budget to fund a gas line from the Armstrong pad on North Fork Road to the three public buildings in Nikolaevsk. One of these building is the community's school. The amount needed for this project is \$200,000. Enclosed with this correspondence is a letter from Charlie Pierce of Enstar that details the planned expenditures for this project. Please note that the referenced \$225,000 for the pressure reducing station was previously appropriated to the community of Nikolaevsk.

As you know, converting the Nikolaevsk School's boilers to gas will save the school district a significant amount on heating costs. At other schools where we recently made such a conversion, e.g., Ninilchik School, we saved about 30% when compared to heating the building by oil. This year, with the increase in oil prices, we expect to spend 10% more than we did last year on heating fuel at Nikolaevsk School.

Thank you for considering this request. Please let me know if you need additional information.

Sincerely,



Steve Atwater
Superintendent

cc: Representative Seaton

Comparison of Natural Gas and Fuel Oil Costs in Nikolaevsk Area Public Facilities

Nikolaevsk Publicly Owned Facilities	Last Delivered Price Per Gallon Fuel Oil	Annual Fuel Use, Gallons	Annual Fuel Oil \$	Annual MBTU	Equivalent Natural Gas CCF	Enstar Schedule	4/15/11 Natural Gas \$ Per CCF	Annual Natural Gas \$	Potential Annual Savings
Nikolaevsk School	\$ 3.5365	13,563	\$ 47,966	1,892,039	18,019	G3	0.85249	\$ 15,361	\$ 32,604
Nikolaevsk Station, Anchor Point Fire SA	\$ 3.570	2,850	\$ 10,175	386,175	3,678	G3	0.85249	\$ 3,135	\$ 7,039
Village Safe Water, Nikolaevsk	\$ 3.570	3,800	\$ 13,566	530,100	5,049	G3	0.85249	\$ 4,304	\$ 9,262
Nikolaevsk Public Owned Facilities Potential Annual Savings									\$ 48,905

Hundred Cubic Feet

CCF

British Thermal Unit

BTU

Thousand BTU

MBTU

Blended Natural Gas rates include monthly customer charges

Estimated Amounts

Prepared by: Bill Smith 5/5/2011