

**Gas Pipeline Implementation**

**FY2009 Request: \$15,000,000**  
**Reference No: 46873**

**AP/AL:** Appropriation **Project Type:** Planning  
**Category:** Natural Resources  
**Location:** Statewide **Contact:** Leta Simons  
**House District:** Statewide (HD 1-40) **Contact Phone:** (907)465-3379  
**Estimated Project Dates:** 07/01/2008 - 06/30/2013

**Brief Summary and Statement of Need:**

Implementation of the Alaska Gasline Inducement Act (AGIA) will require the retention of outside experts and consultants on certain aspects of gas pipeline project implementation. Specifically, outside experts will be needed to: analyze and advise the state on pipeline engineering and practices; tariffs, cost overruns, federal loan guarantees, royalty valuation methodology, and enforcement. Additionally, it will be necessary to develop and implement a program for project management associated with the AGIA inter-state gas pipeline project, the AGIA Pipeline Coordinator, and oversight of state AGIA license expenditures.

<b>Funding:</b>	<u>FY2009</u>	<u>FY2010</u>	<u>FY2011</u>	<u>FY2012</u>	<u>FY2013</u>	<u>FY2014</u>	<u>Total</u>
Gen Fund	\$15,000,000						\$15,000,000
<b>Total:</b>	\$15,000,000	\$0	\$0	\$0	\$0	\$0	\$15,000,000

<input type="checkbox"/> State Match Required	<input checked="" type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input 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
<u>One-Time Startup:</u>	<u>0</u>	<u>0</u>
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

\$6,550,000 in sec. 2(a), ch. 6, SLA 2007

**Project Description/Justification:**

Provide expertise and advice to the state related to natural gas pipeline or mega-project planning, management, permitting, and construction:

- Tariffs and ratemaking;
- Policies of the Federal Energy Regulatory Commission, the Regulatory Commission of Alaska, and the Canadian National Energy Board;
- Gas pipeline access;
- Aspects of gasline project engineering to evaluate design and expansion provisions;
- Project economics, cash flow, state fiscal terms, and forecast modeling;
- Risk assessment;
- Project financing and federal loan guarantees;
- Input to project economics and state revenue projections;
- Develop and implement program for project management; and
- Develop and implement oversight process and for state AGIA license expenditures.

**Why this Project is Needed Now:** This request will provide funds to implement a gas pipeline contract under AGIA. These funds may be expended directly by the Department of Natural Resources or may be RSA'd to the

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Department of Revenue, the Department of Law, or the Governor's Office to pay for contracts with outside experts. Implementation of the gas pipeline project is expected to begin in FY 09. The expenditure of these funds is expected to continue through FY 13.

**Line Item Expenditures:** Services \$15,000,000 -- Funding will pay for outside experts and an Intra-state Gas Pipeline Coordinator to facilitate in-state gas project development.