

Agency: Commerce, Community and Economic Development**Grants to Unincorporated Communities (AS 37.05.317)****Grant Recipient: Nikolaevsk****Project Title:****Project Type: Equipment and Materials**

Nikolaevsk - Natural Gas Line Reduction Unit

State Funding Requested: \$250,000**House District: 34 / Q**

One-Time Need

Brief Project Description:

Natural Gas line reduction unit for distribution to the community of Nikolaevsk

Funding Plan:**Total Cost of Project: \$250,000***There is no other funding needed***Detailed Project Description and Justification:**

Anchor Point Energy LLC will be completing a Natural gas line to transport the gas north (to hook into the line in Ninilchik) in 2010. The line will start in Nikolaevsk; follow the North Fork road to the Sterling Highway in Anchor Point. They have advised us that they will not be supplying a reduction unit for the communities of Nikolaevsk or Anchor Point. If we could obtain the funding of \$250,000 for each community we could obtain the reduction units and later construct distribution lines to the local households, businesses and schools in the community. Anchor Point Energy LLC would install the units in the lines, but we have to pay for them. Each community has a school with underground fuel oil tanks that would be an environmental disaster if they leak. Some of the businesses and homes also have fuel oil tanks that would present an environmental disaster if they leaked or were knocked off their cradles by an earthquake or other forces. Both communities have express overwhelming desire to see this project happen and are willing to form a utility district, if needed to accomplish this. Nikolaevsk and Anchor Point have active water utilities that could run these projects. Both would locate the reduction unit near the schools. Having natural gas in the communities would be an economic incentive for other business and households to locate there. We anticipate that the cost for natural gas would be significantly less than other forms of energy; therefore fewer families would rely on energy-heating assistance. This would be a win- win situation for all involved.

Project Timeline:

Anchor Point Energy LLC stated it will start the construction in the spring of 2010. We would anticipate the unit in Nikolaevsk to be installed first. When they get to Anchor Point in the summer we anticipate the unit will be installed then.

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

Nikolaevsk community council or a special utility district to be formed

Grant Recipient Contact Information:

Name:	Kathy Kacher
Address:	PO Box 664 Anchor Point, AK 99556
Phone Number:	(907)235-2411
Email:	aurorataxes@acsalaska.net

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