

*“Connecting Alaskans To Their Natural Gas”*

# **Legislative Hearing - AGIA**

**Anchorage on June 20, 2008**

***In-State Use of North Slope Gas***

***“It’s the Open Season ...”***

The logo for the Alaska Natural Gas Development Authority features a dark blue background. On the left, a white silhouette of a mountain range is shown. The word "Alaska" is written in white, bold, sans-serif font across the middle of the mountain range. To the right of the mountain range, a yellow sun is partially visible, appearing to rise over a white horizontal line that represents a road or a pipeline. Below the mountain range and sun, the words "Natural Gas Development Authority" are written in a bold, yellow, sans-serif font.

**Alaska**

**Natural Gas Development Authority**

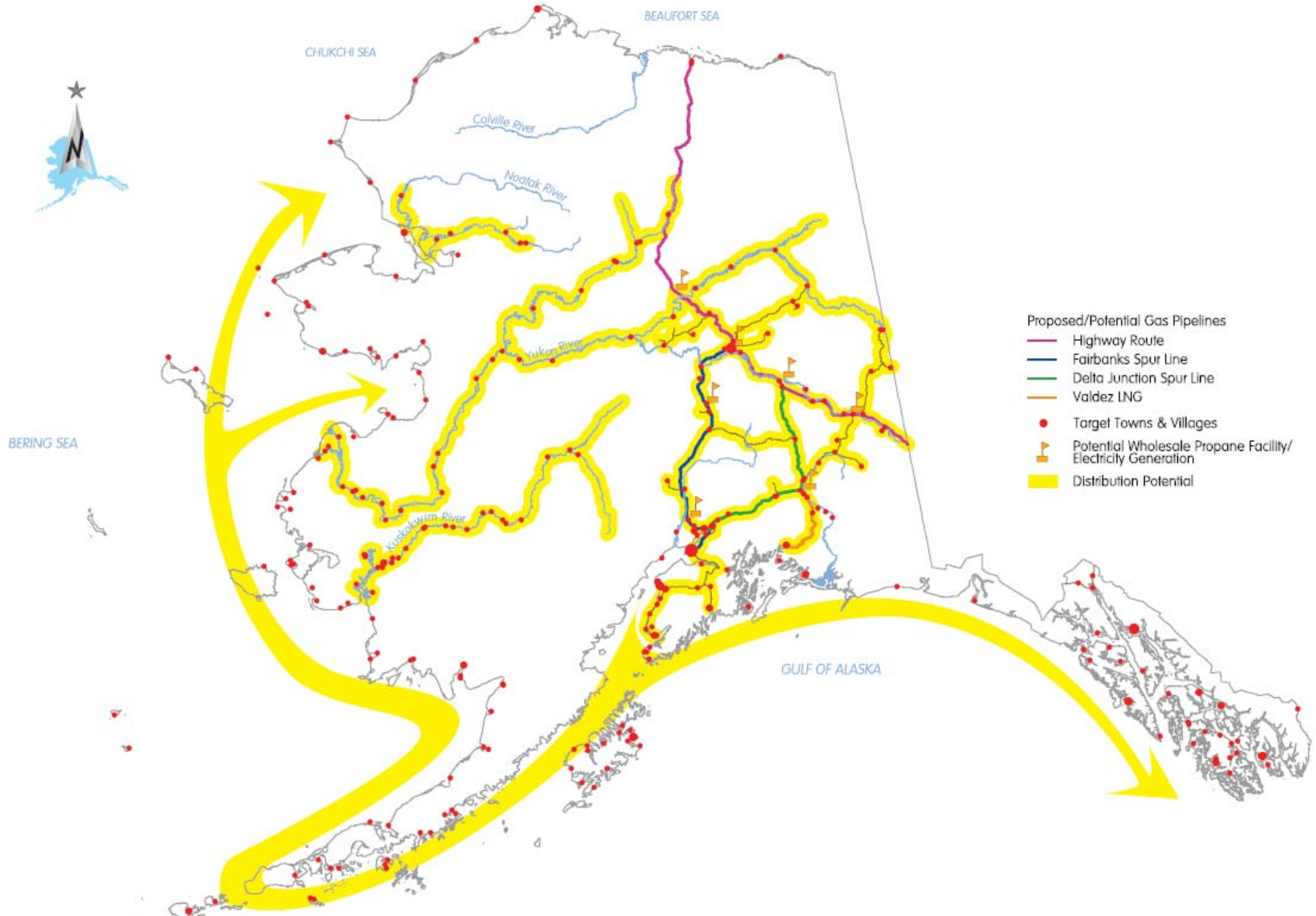
# **In-State Gas Issues**

- **ANGDA “Spur Line” from Delta Junction to Beluga via Glennallen (370 miles of 20”)**
- **Alaska utility gas needs (250 mmmscfpd) & potential industrial demand**
- **In-State Project threshold & tariff sensitive to throughput commitments**
- **Changes needed in RCA Open Season Statute**
- **Preserve potential for gas based “value added” industries**

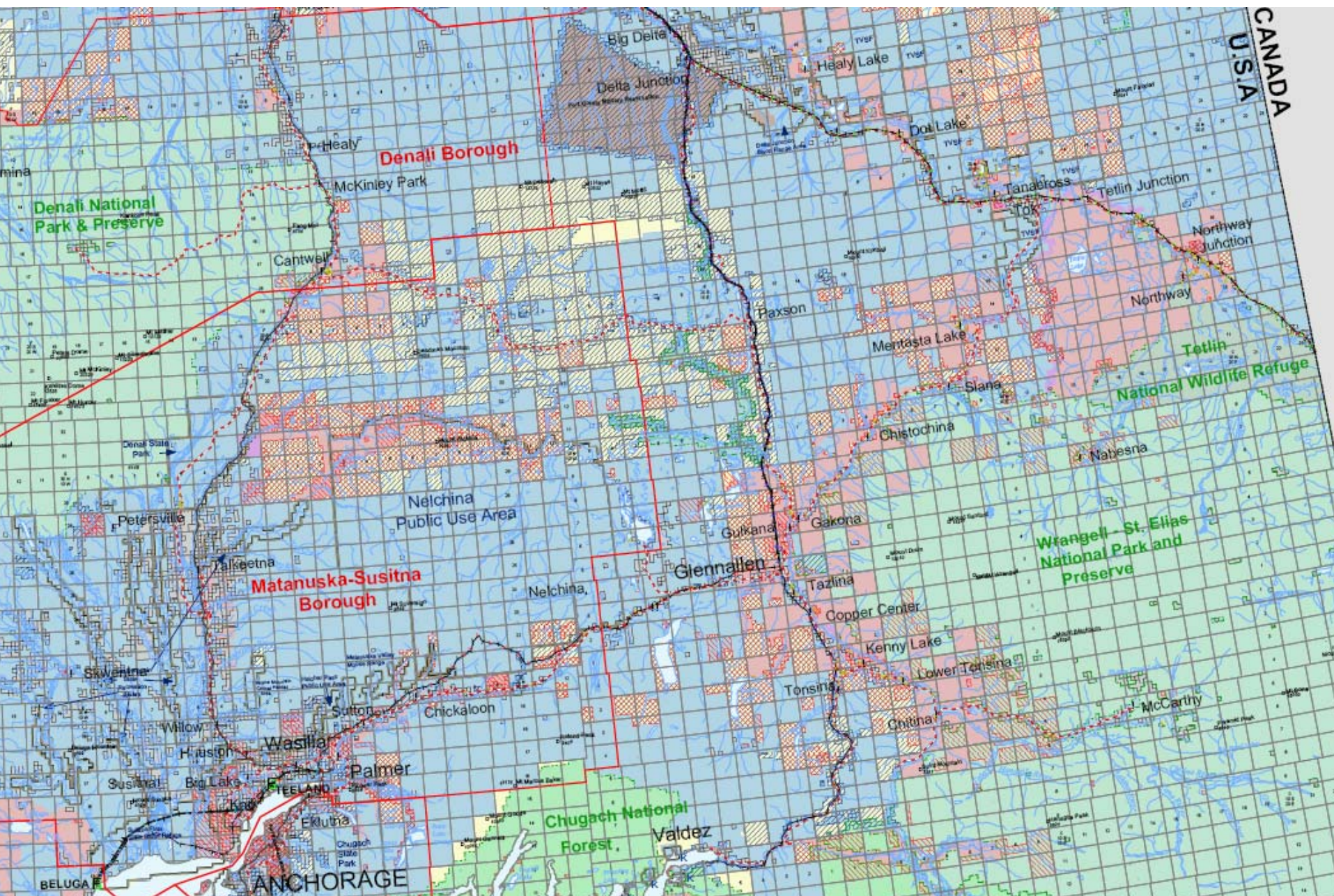
# Potential Elements Alaska Gasline System



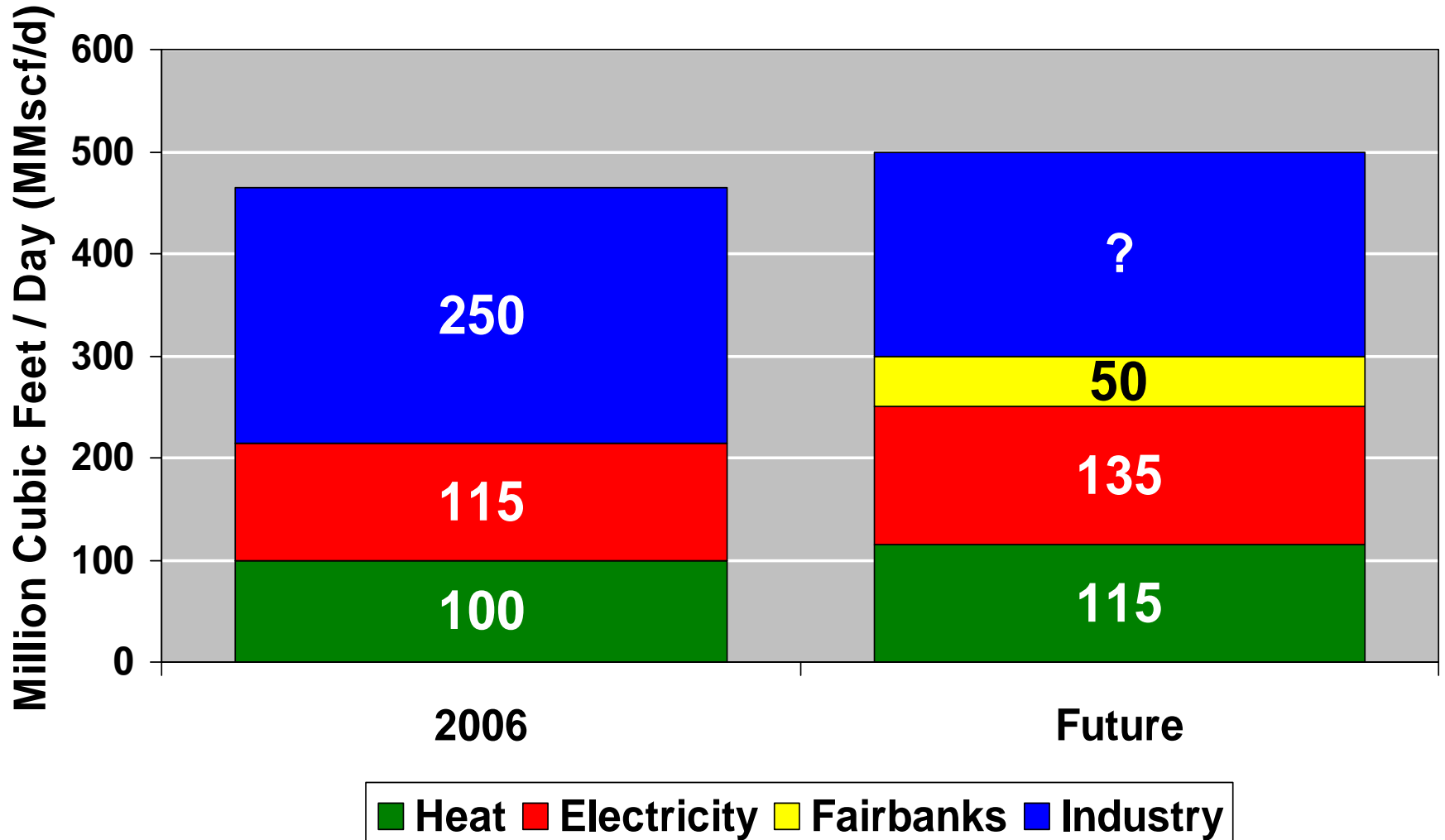
# “Connecting Alaskans To Their Natural Gas”



# ANGDA's Summer / Fall Fieldwork

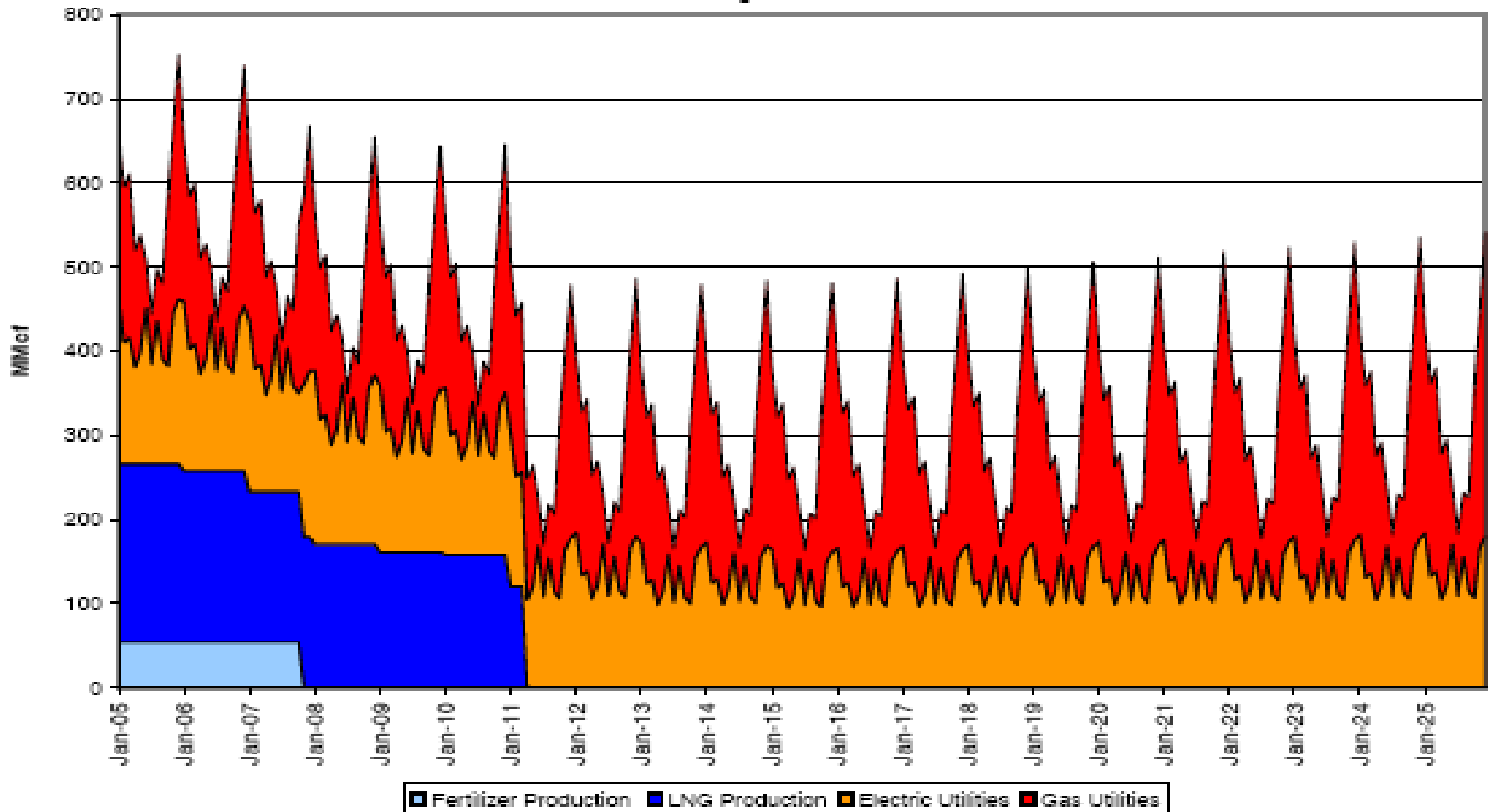


# Average Daily In-State Gas Uses (mmscf/d)



# Peak Daily Demand

## Natural Gas Demand Forecast Peak Daily Demand



# Gas Pipeline Cost of Service Estimates (\$/mmbtu)

	<u>100</u> <u>mmscfpd</u>	<u>250</u> <u>mmscfpd</u>	<u>500</u> <u>mmscfpd</u>
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## Fairbanks

Bullet Line	\$10.00	\$3.50	\$2.00
Big Pipe	\$1.25	\$1.25	\$1.25

## Cook Inlet

Bullet Line	\$15.00	\$5.25	\$3.00
Big Pipe	\$1.50	\$1.50	\$1.50
Spur Line	\$5.00	\$1.75	\$1.00
<b>Total Spur</b>	<b>\$6.50</b>	<b>\$3.25</b>	<b>\$2.50</b>

*Pipeline Costs Only - Comparable B & V Estimate would be \$3.50 to Alberta*



# **“It’s the Open Season ...”**

- **At the In-State Open Season:**
  - **The gas demand volume profile for various Alaska utilities will be known**
  - **Long term utility gas purchase and shipping commitments could exceed \$10 billion**
  - **An aggressive time line will allow Alaska utilities to strike the “best negotiated deals” before the FERC open season**



# Average Daily In-State Gas Uses (mmscfpd)

	<u>2006</u>	<u>Future</u>
• Home Heating	100	115
• Electric Power	115	135
• Fairbanks		50
• Industrial	250	?