

“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 is set against a dark blue background. It features a white silhouette of a mountain range on the left. To the right of the mountains is a yellow semi-circle representing a sun or moon. Below these elements is a white horizontal line with several small vertical tick marks. The word "Alaska" is written in white, bold, sans-serif font across the mountain range.

Alaska

Natural Gas Development Authority

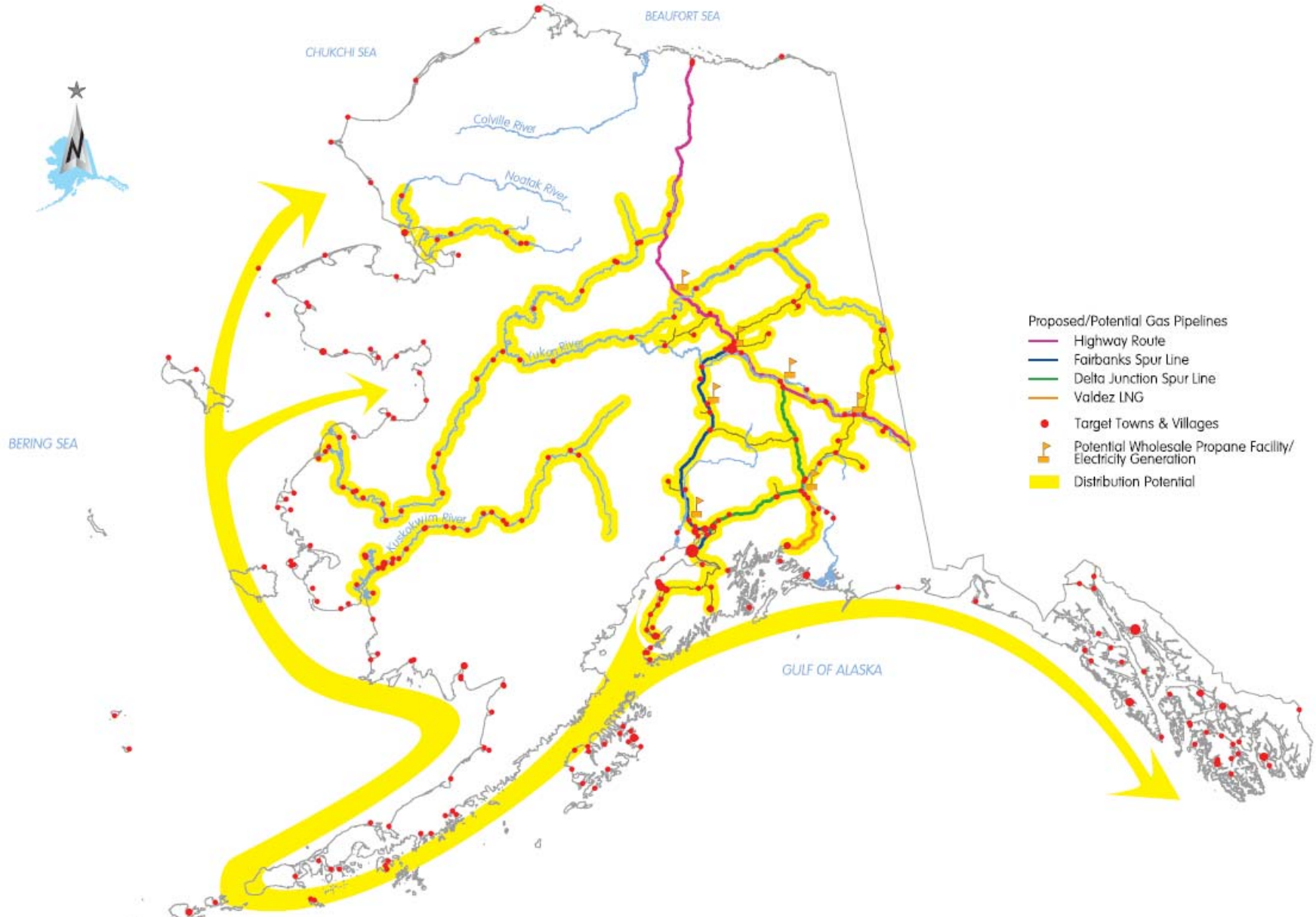
In-State Gas Issues

- **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**

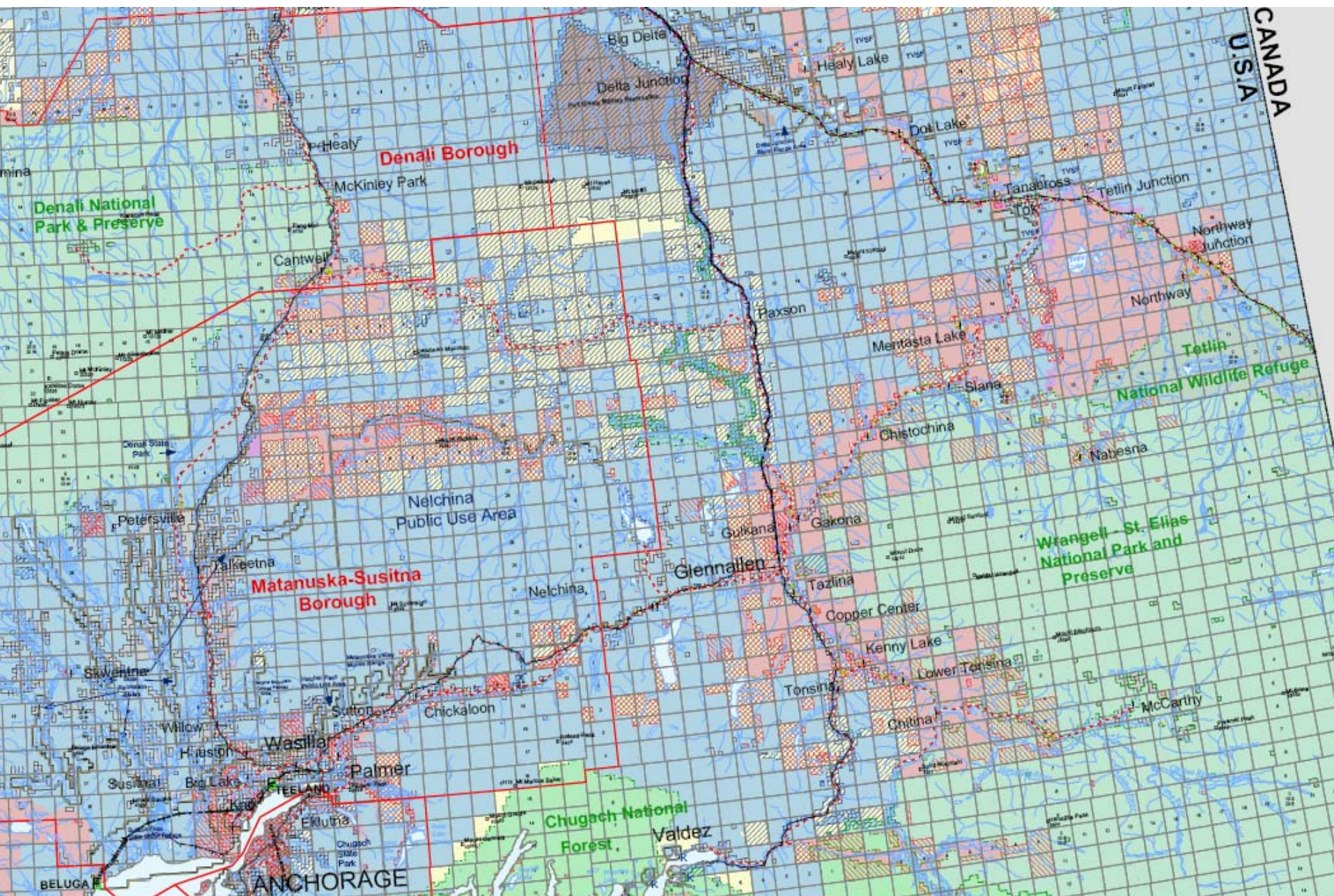
Potential Elements Alaska Gasline System



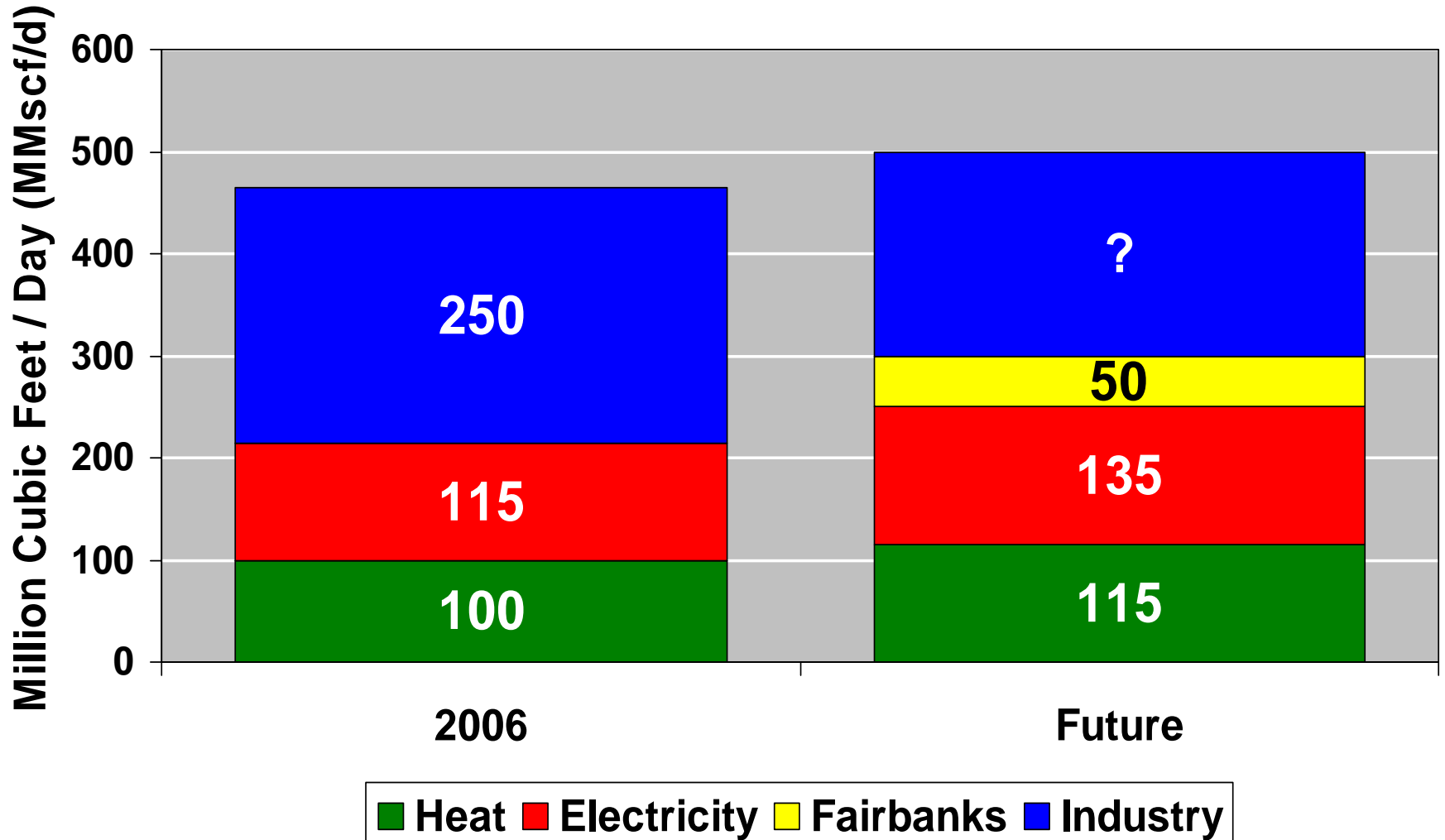
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ANGDA's Summer / Fall Fieldwork

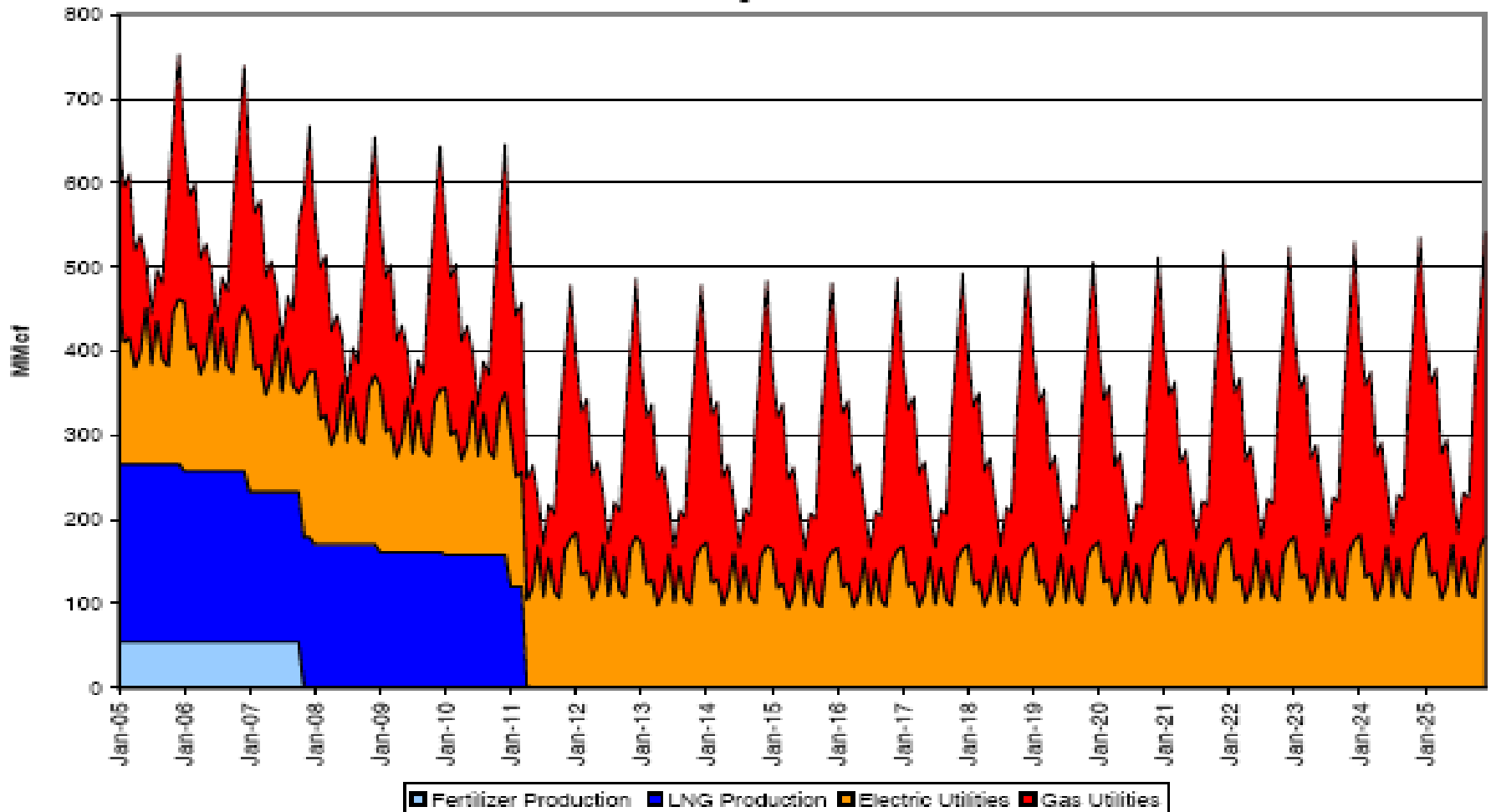


Average Daily In-State Gas Uses (mmscf/d)



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
Total Spur	\$6.50	\$3.25	\$2.50

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	?