



# LEGISLATIVE BUDGET & AUDIT COMMITTEE

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## REPRESENTATIVE RALPH SAMUELS, CHAIRMAN

March 26, 2008

Governor Sarah Palin  
PO Box 110001  
Juneau, Alaska 99811-0001

Governor Palin:

One of the critical questions that has surfaced in the Legislature and in the public comments is: ***“What does the license commit the State to support in the TransCanada application and what does the license grant TransCanada?”***

This question arises from discussions of whether a license awarded by the State of Alaska commits the State to support in all forums all of the terms and conditions listed in TransCanada’s proposal. These conditions include TransCanada’s return on equity, debt/equity ratios, and cost overrun financing proposals. Would the State of Alaska have a right to represent what it considers to be in its best interests at the time of a hearing before the FERC and the NEB?

This question is viewed as critical to how the Legislature proceeds on the TransCanada application. We look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read "RS", written over a horizontal line.

Ralph Samuels, Chair  
Legislative Budget & Audit Committee

Cc: Commissioner Tom Irwin, Alaska Department of Natural Resources  
Commissioner Pat Galvin, Alaska Department of Revenue