



Resource Development Council

Anchorage, Alaska




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Arctic Project Director, Williams



Topics

- Williams Overview
 - Gas Pipeline Project Development
 - Arctic Gas Development
 - ANGTS Project
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About Williams

- Founded in 1908 - sidewalks & pipelines
- Now one of America's largest energy companies - over \$30 Billion in assets
- Operations span energy value chain
- 12,500 employees worldwide
- Headquarters in Tulsa, OK
 - Offices in Anchorage, Calgary, Fairbanks, Houston, London, Memphis, Owensboro, Salt Lake City

Williams' Footprint



- Transco
 - Texas Gas
 - Central
 - Kern River
 - Northwest
 - - - Gulfstream PL* (certificated)
 - Mid America PL
 - Longhorn PL* (under construction)
 - Seminole PL*
 - Rio Grande PL*
 - Discovery PL*
 - Tri-States PL*
 - Wilprise PL*
 - West Texas PL*
 - Alliance PL*
 - Trans Alaska PL*
 - Ammonia PL
 - Petroleum products PL
 - Ethane Distribution System
 - NGL Gathering System
 - Cardinal PL
 - - - Northern Border PL*
 - ◆ Generation
 - ◆ Tolling Agreements
 - ⊗ Load Serving/Full Requirements
 - ⊠ Refineries
 - ⊙ Ethanol Plants
 - ★ Olefins Plant*
 - ☆ Fractionator
 - ▲ Gas Processing & Treatment Plants
 - Import Facilities
 - Petroleum Products Terminals
 - NGL Terminals
 - NGL Storage
 - Williams TravelCenters
 - ◆ Williams Express Stores (only in Alaska)
 - ◆ Natural gas gathering
 - Williams/Barrett Exploration and production Properties
- * partial ownership
 • includes existing facilities or those under construction

Williams

Williams in Alaska





Williams in Alaska

- \$500 million in assets
- \$12+ million in annual taxes paid
- 500+ employees with annual payroll exceeding \$21 million
- Currently purchase Alaska's royalty oil

Williams in Alaska

▲ North Pole refinery

- 215,000 barrel/day

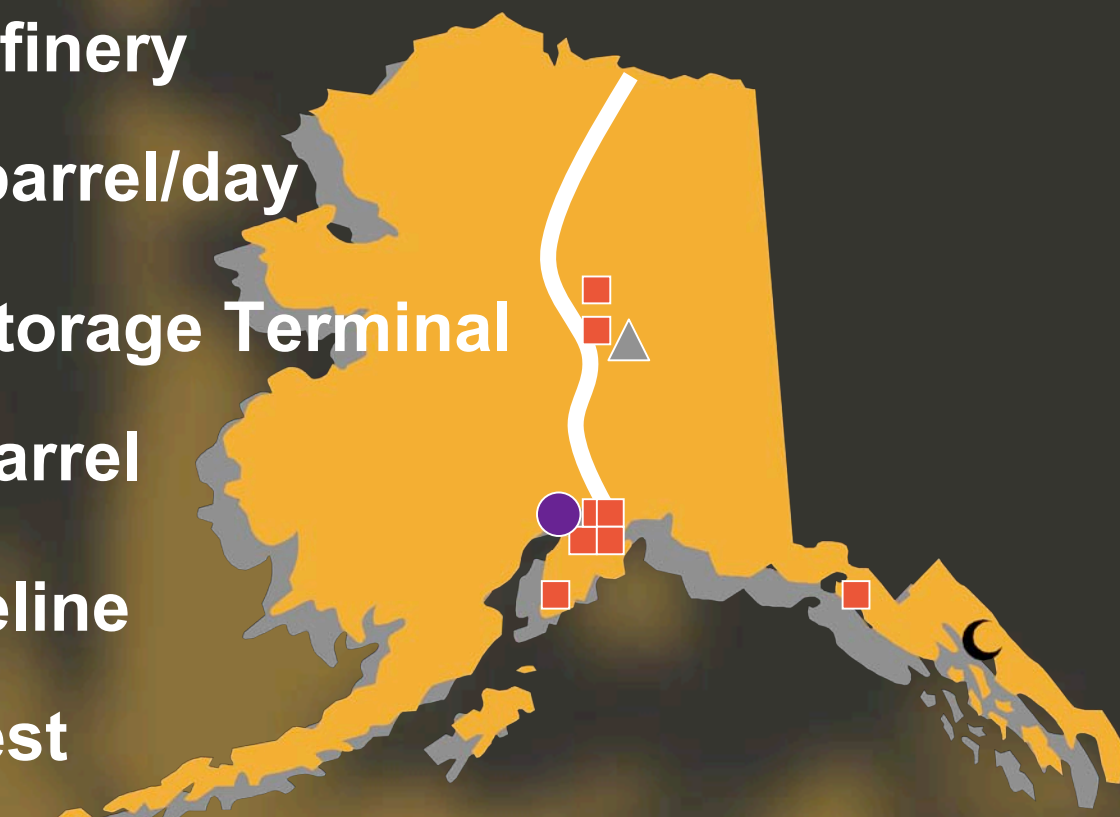
● Anchorage Storage Terminal

- 730,000 barrel

— TAPS oil pipeline

- 4% interest

■ Petroleum retail stores = 28



Gas Pipeline Project Development

- Supply or market driven or both
- Open season process
 - 30 - 90 day opportunity to indicate interest
 - Fair, open, & non-discriminatory
 - Generally two rounds
 - Non-binding
 - Binding



Gas Pipeline Project Development...cont'd

- **FERC/NEB certificate application filed**
 - Detailed design & engineering work
 - Extensive, time consuming process
 - Will require capital outlays before project is approved
- **FERC/NEB “Certificate of Public Convenience & Necessity” issued**
 - Months to years to receive certificate

Gas Pipeline Project Development...cont'd

- Certificate received
 - Project rapidly accelerates
 - Project financing
 - Construction contracts
 - Break ground & build it!

Entire process likely to take several years



Arctic Gas Development

- Necessary to meet North American demand growth
- Value-added opportunities within Alaska and Canada must be analyzed
- The Alaska Highway Route is the best route
- A consortium of pipeline companies and producers is the best way to advance this project





Arctic Gas Development Williams' Involvement

- Aggressively working to assist in arctic gas pipeline development by:
 - Technical analysis
 - Design & engineering
 - Environmental & permitting
 - Flow studies (Natural Gas & NGL's)
 - Substantial stakeholder discussions aimed at advancing this project
 - Producers, government entities, communities, other pipeline companies



Arctic Gas Development Williams' Involvement ...cont'd

- Aggressively working to assist in arctic gas pipeline development by (cont'd):
 - Reviewing In-State Opportunities
 - Petrochemical feasibility study
 - Energy for communities
 - Working with key stakeholders to develop gas marketing solutions
 - Sophisticated trading group with state-of-the-art trading facility
 - Experience in purchasing Alaska's royalty oil



ANGTS Project Brief History

- **1976**
 - Congress enacted ANGTA
- **1977**
 - Transit Pipeline Treaty executed between US and Canada
 - US and Canada sign Agreements on Principles
 - Presidential decision and Congressional approval
 - FERC issues conditional certificates
- **1978**
 - Parliament enacted Northern Pipeline Act and created Northern Pipeline Agency
 - NEB issues certificates



ANGTS Project Recent Developments

- 2000
 - ANS producers form pipeline study group
- 2001
 - President Bush remarks on need for ANS gas in Lower 48
 - White House confirms ANGTA could expedite a pipeline from ANS
 - ANGTS withdrawn and existing partners execute MOU
 - Establishes key principles for reenlisting in partnership to construct project



MOU Signatories





ANGTS Project Going Forward

- Develop proposal for transporting ANS gas to Western Canada
 - Present commercial proposal to ANS producers by end of 2001
- Reach agreement with ANS producers
 - Work with State of Alaska
- Jointly develop ANGTS project to get gas to market



ANGTS Project Williams' Involvement

- **Project Director of Alaska portion of ANGTS**
 - Led consortium to obtain FERC approval
 - 750 employees and contractors managed by Williams at its peak
 - Selected Alaska Highway route and secured permits
- **Maintain key experience in the company**



Arctic Gas Development Williams' Involvement ...cont'd

- Working to assume a leadership role for our company:
 - We are a strong *Alaskan Company*
 - Actively engaged in developing Alaska's natural resources for over 25 years
 - We are a strong *Pipeline Company*
 - Built more pipelines in the last 20 years than any other company
 - Have over \$5 Billion of gas pipeline projects in development



Arctic Gas Development Williams' Involvement ...cont'd

- We are a strong *Alaskan Pipeline Company*
 - Currently part owner of the TAPS line
 - A rich history in this particular project - project leader for nearly 20 years



Thank You