



ASAP- Alaska's In-state Gas Pipeline

**2012 RDC Annual Conference
November 15, 2012**

2012 Legislative Outcome

- HB 9 was introduced and passed the House in regular session
- HB 9 did not pass the Senate in regular session
- The Governor included HB 9 as a top priority in the special session
- House leadership made the decision not to take HB 9 forward during the special session

Where is ASAP Now?

ASAP has acquired major project assets and continues critical project work

- 604-mile State lease Right-of-Way; includes the Fairbanks lateral
- FEIS published October 26 on Federal Register
- Record of Decision on the EIS expected by end of November 2012
- BLM grant Right-of-Way for 100 miles of federal lands expected near year end, 2012

Looking Forward

Legislation needed to advance project

- Secure sufficient funding to advance facilities and pipeline design through open season
- Allow AGDC to enter into confidentiality agreements as necessary to move work forward & hold industry discussions & negotiations
- Decide how ASAP pipeline would be owned and operated
- Designate ASAP with contract carrier status – consistent with industry - allows for long-term contracts

Are Two Projects Necessary?

Working on two pipeline projects is a smart strategy and worthwhile expenditure for the State

- The large LNG export project may not progress; ASAP maintains momentum toward a solution
- Two projects could collaborate; share data, minimize redundancies and reduce costs for the State
- Two projects could merge and/or combine valuable data in the future if one is determined more feasible
- By working on both projects, the State is protected from a loss of valuable progress toward developing an energy solution for Alaskans

Bottom line...What will ASAP Cost?

- **Cost to Alaskans** - \$400MM up-front cost to be recovered through gas royalty and taxes
- **Project Cost** - \$7.52 Billion*, in 2011 dollars - plus/minus 30%
- **Cost of Gas to Consumers** – based on reasonable assumptions the tariff models support further ASAP Project work
 - Anchorage \$ 9.63/MMBtu in 2011 dollars
 - Fairbanks \$10.45/MMBtu in 2011 dollars

***Each year the project is delayed, 2.5% to 3% inflation is added to the cost of the project**

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Alaska Gasline Development Corporation

Developing an energy solution for Alaska!

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ASAP

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