



**Press Release**  
FOR IMMEDIATE RELEASE  
January 29, 2010

**Natural Resources and Revenue Commissioners Applaud  
Alaska Pipeline Project's Open Season Filing;  
Discuss project costs, schedule and in-state gas study**

(Juneau, AK) – Department of Natural Resources Commissioner Tom Irwin and Department of Revenue Commissioner Pat Galvin applauded today's news that the Alaska Pipeline Project filed its proposed Open Season Plan with the Federal Energy Regulatory Commission (FERC) to build a natural gas pipeline.

"We have seen significant progress getting to this point and now we will gain a detailed view of the road ahead," said Irwin. "One 'view' that many Alaskans are particularly interested to learn more about is the in-state gas study that was commissioned by the project for this filing with the FERC. The state has not conducted a comprehensive peer review of this report but it appears to be a reasonable representation of how North Slope gas will be consumed in the state once this project goes forward."

***Request and approval***

Prior to submitting the plan to FERC, the state's licensee, TransCanada Alaska, filed a request with the state to modify certain commercial elements of its project plan. The requested changes included: (1) reducing the pipeline's return on equity from roughly 14% to 12%, (2) offering firm transportation contract terms as short as 20 years, and (3) seeking to recover only 80% of capital costs over the duration of the transportation contract.

"This modification package is a significant benefit to the state, and results in reduced toll and increased wellhead value of our natural gas. The positive change is a direct result of discussions between the project licensee and potential shippers," said Revenue Commissioner Pat Galvin. "These modifications also illustrate how the process has enabled the appropriate level of tension between the prospective pipeline owner and shipper in a way that would have been unlikely to exist in a project involving an integrated producer/shipper/owner project. "

## More ##

**(Commissioners' release on FERC filing, pg. 2 of 2)**

***APP Cost and Schedule***

The Alaska Pipeline Project's Open Season filing with the FERC also updates and refines the project cost and schedule estimates previously included in TC Alaska's AGIA application. The new project cost and schedule estimates are in line with the analysis done by the AGIA technical team as part of the AGIA license review. These new figures validate the economic analysis relied upon by the Commissioners in the AGIA findings.

"The new cost and schedule estimates represent a conservative look at a range of outcomes that are entirely consistent with the analysis performed by the state in preparing the AGIA findings and determination," said AGIA Project Coordinator Mark Myers. "The project remains on schedule, the state's licensee continues to fulfill each and every contractual obligation attending the license, and the vision and leadership of Alaskan lawmakers responsible for AGIA are borne out once again."

Additional information on the Alaska Pipeline Project, including a copy of the Commissioners' Findings and Determinations is available online at: [www.gov.state.ak.us/agia/](http://www.gov.state.ak.us/agia/). The Open Season Plan provides detailed information about the proposed project, including estimated project costs, engineering design, tariffs and timelines. This information will be available for the public to review on the Alaska Pipeline Project website, <http://www.thealaskapipelineproject.com> and at the FERC website, <http://www.ferc.gov/>. Members of the public can submit comments of this proposed plan with FERC.

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