



Senate Majority News

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Senate Committee Hears Bill for Gas Pipeline Application Process

(Juneau) The Senate Majority welcomes news of two applications to negotiate terms for building a natural gas pipeline as it prepares to hear several natural gas-related bills in the upcoming week.

On Wednesday the Senate Resources Committee will consider an administration bill that helps streamline the natural gas pipeline right-of-way application process by allowing applicants to reimburse the Department of Natural Resources for preliminary work on oil and gas pipeline right-of-way lease applications.

DNR's costs for pre-application work can range from \$40,000 for a simple pipeline to several million dollars for a project like the proposed natural gas pipeline. [Senate Bill 264](#) renews DNR's authority to enter into these reimbursement agreements, which expired December 31, 2003.

“This legislation provides the means for funding essential preliminary work that results in early communication, quicker processing and a greater chance of approval,” said Senate President Gene Therriault (R-North Pole).

A streamlined right-of-way process is vital for pipeline project applications such as the two received last week from a consortium of gas pipeline operating companies and Alaska Native corporations, and the three major North Slope producers.

Those two applications were submitted under the Alaska Stranded Gas Development Act, which was extended and revised through legislation passed last year to encourage more companies to apply.

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[House Bill 16](#), sponsored by Rep. Hugh “Bud” Fate (R-Fairbanks) expanded the areas of potential exploration, increased the number of companies that qualify to construct the pipeline, lowered the required capital and allowed for projects that export in any form, not only liquefied.

“Clearly the foundation we laid last year is beginning to pay off,” Therriault said.

While applauding progress on attracting these applications, the Senate will continue to explore options to provide the State with as many avenues as possible for bringing its gas to market.

On Monday the Senate Resources Committee will hear [Senate Bill 271](#), sponsored by Sen. Scott Ogan (R-Palmer), which would allow the Alaska Natural Gas Development Authority to consider a gas pipeline route that parallels the Trans Alaska Pipeline System or the Alaska Highway to the Canadian border to connect with a Trans Canada line.

ANGDA was created by voter initiative in 2002 to present a plan to the Legislature for constructing and operating a state-owned natural gas pipeline to Valdez. Under its current mandate, it can consider only a pipeline from Prudhoe Bay to Prince William Sound with a spur to the Southcentral gas distribution grid.

Discussions are also expected to continue on two bills heard in Senate Resources last Wednesday. [Senate Bill 241](#), sponsored by Therriault, appropriates \$2.15 million to ANGDA. [Senate Bill 247](#), sponsored by Sen. Tom Wagoner (R-Kenai) would allow ANGDA to consider a pipeline route to Cook Inlet.

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