

Municipal Advisory Group Resolution 2004-08 Final

A Resolution Recommending Maximum Effort to Require Provisions for Expansion of a natural gas pipeline to accommodate additional exploration and production.

- A. Whereas Alaska's North Slope holds the potential for tremendous reserves of undiscovered natural gas;
- B. Whereas article 8, sections 1 and 2 of the Alaska State Constitution declare that it is the policy of the state that the development of its resources be made available for maximum use consistent with the public interest and for the maximum benefit of its people;
- C. Whereas it is in the best interest of the state to provide for maximum competition in the development of its natural gas resources;
- D. Whereas it is vital that a natural gas pipeline project make provisions to accommodate future exploration and production;
- E. Whereas the state of Alaska has the authority to require certain provisions under the Right of Way leasing act and the Stranded Gas Development Act;
- F. Whereas recently passed federal legislation, Section 101 of "The Alaska Natural Gas Pipeline Act" provides the Federal Energy Regulation Commission the authority to order the expansion of a natural gas pipeline under certain conditions;

Be it therefore resolved:

- 1. The State of Alaska should include in contract negotiations under the Stranded Gas Development Act and the Right of Way leasing act provisions for expansion of the natural gas pipeline to accommodate future exploration and production; and
- 2. The State of Alaska should protect Alaska's interest in the upcoming FERC rulemaking process and should utilize its standing with FERC to encourage an order for expansion when it is determined to be in the best interest of the state.

Approved by vote:

Yes: City of Fairbanks; Fairbanks North Star Borough; Kenai Peninsula Borough; City of Kenai; Tanana Chiefs Conference; City of Skagway

No: North Slope Borough