

**Municipal Advisory Group Resolution 2006-02:
ISSUES RELATED TO PREVIOUS RESOLUTIONS**

A Resolution Requesting Changes to the Alaska Stranded Gas Fiscal Contract to Reflect Original MAG Requests Relating to Offtake Points, Construction PILTs and Suspension/Termination

Whereas MAG Resolution 2004-03: In-State Use, requested the State of Alaska to include the placement of multiple, strategic takeoff points in the rural and urban areas of Interior, South Central and Southeast Alaska as part of the construction project ;

Whereas the Alaska Stranded Gas Fiscal Contract precludes an offtake point in Canada that could provide natural gas to Southeast Alaska;

Whereas MAG Resolution 2004-05: Construction PILT requested adequate construction PILT funds for construction impacts and need for services;

Whereas the Municipal Advisory Group also requested that construction impact payments begin prior to construction in order for municipalities to provide timely, effective services to residents;

Whereas the Alaska Stranded Gas Fiscal Contract states that impact payments that extend beyond nine years from the effective date are subject to an inflation adjustment;

Whereas the contract states the first impact payment is payable at the end of the calendar year immediately following project sanction;

Be it therefore resolved:

1. The Alaska Stranded Gas Fiscal Contract should be amended to accommodate an offtake point within the Alaska to Alberta segment with participant support in order for Southeast Alaska to have access to natural gas.
2. Construction Impact Payments should be subject to an inflation adjustment beginning immediately upon the effective date of the contract.
3. The first impact payments are to be payable at the end of the calendar year in which project sanction occurs.