

I. Protecting Alaska's Interests - Reasonable Commercial Terms

Project Timeline: (3) & (4)

Date certain on holding initial binding open season (must be within 36 months)

Date certain in applying for FERC or RCA certificate (date set by applicant)

Open Seasons (non-binding) Every Two Years After Initial Open Season: (5)

Commit to Expand Pipeline When the Demand Is There: (6)

Commit to Rolled-in Rates - Limited to 15% Above Initial Rates: (7)

Commit to Low Tariff Provisions:

(10) 70/30 debt to equity methodology for tariff setting

(18) Any state contribution will reduce the rate base used for tariff setting

II. Meeting the Needs of Alaskans

Commit to Meeting In-State Gas Needs:

(12) 5 in-state delivery points

(13) Commit to distance sensitive rates in the pipeline tariff

Alaska Hire Commitments:

(14) Local Project Headquarters

(15) To extent permitted by law, hire Alaskans and use Alaskan businesses

(17) Negotiate a Project Labor Agreement

III. Procedural

File Application by the Deadline: (1)

Describe the Project:

(2) Overall project description

(8) Describe how a gas treatment plant will be handled

(9) Describe the proposed amount of state match (11) Describe how cost over-runs will be managed and their effect minimized

(19) Describe the applicant and its affiliates involved in the project

(20) Describe your readiness and ability to perform the activities in the application

Commit Not To Appeal the Award of the License: (16)