

Cook Inlet Natural Gas Storage- Alaska

Presentation Agenda

- CINGSA, LLC
- Purpose and Need
- Gas Storage 101
- Site Selection
- Site Specifics
- Customers
- Q&A

Who is CINGSA?



- 70/30 Joint Venture
- CINGSA will provide storage service to:
 - ENSTAR
 - Chugach Electric
 - Municipal Light & Power



Project Purpose and Need

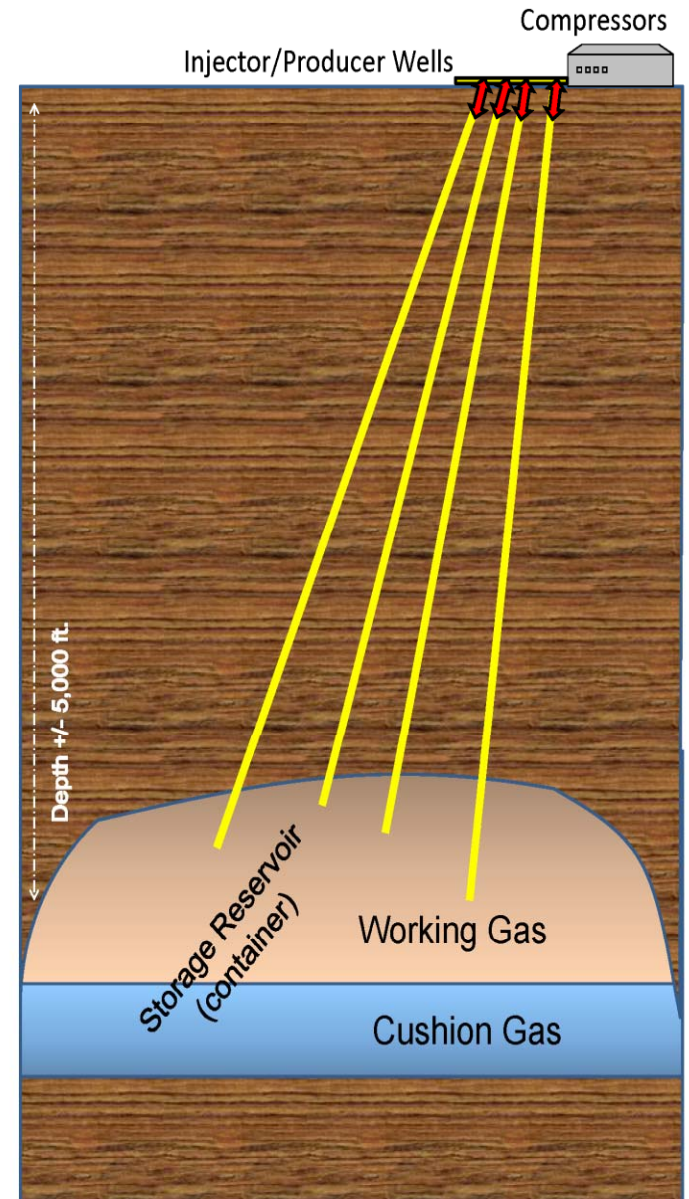
- Construct and operate a new underground natural gas storage facility in Kenai, Alaska
- Peak winter gas demand is forecast to exceed delivery capability of local production – causing potential shortages
- Project will provide operational peaking flexibility and greater security of supply
- Project will enhance system reliability

Benefits from this Project

- Reliable deliverability – short and long term benefits
- Less volatile pricing
- Could encourage natural gas development in Cook Inlet

Gas Storage 101

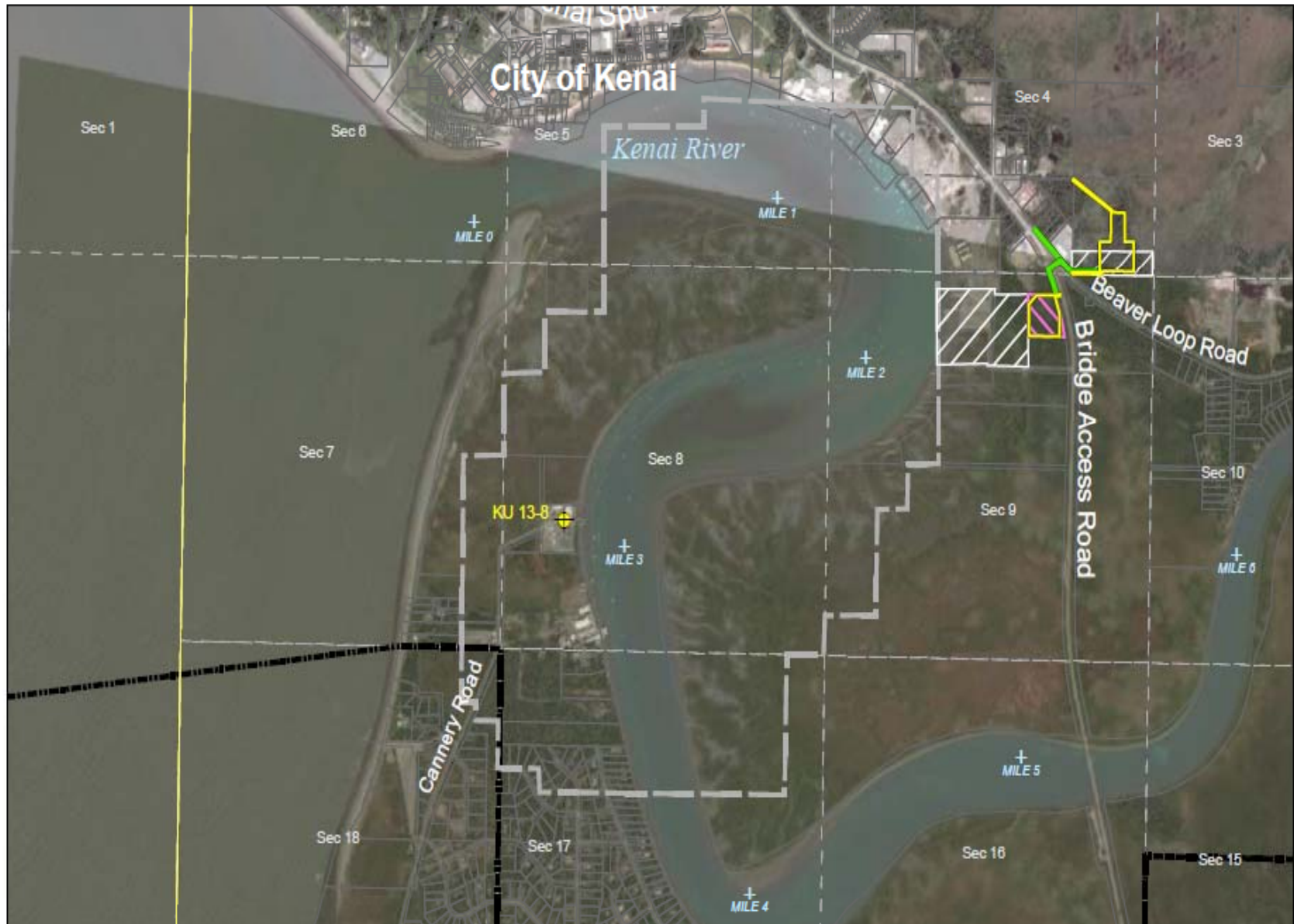
- First natural gas storage in Weland County, Ontario, Canada, in 1915, 1930 in Buffalo, New York
- Most commonly stored in depleted gas reservoirs, over 400 in use in North America storing 4 TCF
- Geologic considerations:
 - Porous and permeable structure
 - Impermeable cap rock
 - Well defined geologic structure



Similar Size Storage Station and Wells (Charlton, MI)



Cook Inlet Natural Gas
STORAGE
Alaska



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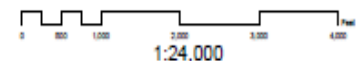
Cook Inlet Natural Gas Storage

Cook Inlet Natural Gas Storage Alaska, LLC

Kenai, Alaska

August 5, 2010

- LEGEND:**
- Proposed Underground Storage Boundary
 - Proposed Interconnecting and Gathering Pipeline Routes
 - Proposed Surface Footprint of Well Pad and of Compression/Gas Conditioning Facility
 - Proposed Subsurface Easement Area
 - Proposed Lease Area of Well Pad
 - Kenai City Limits



Project Considerations

- Minimize Social Impacts: neighborhoods, travel patterns, rights-of-way
- Promote Positive Economic Impacts (locally, regionally)
- Preserve Local Land Use and Traditional Uses
- Avoid Cultural Resources
- Proper Waste Disposal
- Protect Air Quality
- Minimize Noise
- Avoid Wetlands
- Protect Fish and Wildlife
- Maintain Water Quality
- Avoid Floodplains

Decisions and Authorizations

- State
 - DNR, Division of Oil and Gas: Gas Storage Lease and Lease Plan of Operations
 - DNR, Division of Mining, Land and Water: Surface Lease, Pipeline Easement and Land Classification Order
 - DNR, Division of Coastal and Ocean Management: Consistency Determination
 - DOA, Alaska Oil and Gas Commission: Injection Orders
 - Regulatory Commission of Alaska: Tariffs
 - DEC, Air Permit, 401 Water Quality Certification*
 - DNR, NAWCA*
- Federal
 - U.S. Army Corps of Engineers Wetlands Permit
- Local
 - Kenai Peninsula Borough Requirements

Process and Schedule

- Permitting Complete – 11/2010

Following RCA approval

- Surface Construction – 10/2010 to 8/2012
- Subsurface Construction – 9/2011 to 4/2012
- Commission Withdrawal Facilities 10/2012

Customer Profiles

- ENSTAR
 - 5 Bcf
 - 113 Mmcf/d injection
 - 91 Mmcf/d withdrawal
- CEA
 - 2.4 Bcf
 - 27 Mmcf/d injection
 - 35 Mmcf/d withdrawal
- ML&P
 - .6 Bcf
 - 10 Mmcf/d injection
 - 10 Mmcf/d withdrawal



Questions