



FOR IMMEDIATE RELEASE 07-102

**AGIA Team Discusses Must-Haves & Introduces Consultants
Releases White Paper
Prepares for Producer Media Blitz**

May 3, 2007, Juneau, Alaska - Members of the State's AGIA team held a press conference today to discuss AGIA's must-haves and introduce natural gas pipeline experts who serve as consultants to the State of Alaska.

"Nothing in AGIA or the process of AGIA prevents the producers from developing gas this very second," said Governor Sarah Palin, who is traveling today. "They are not. After 30 years, at today's projected gas prices, Alaskans deserve to have reasonable demands. The days of low expectations are gone."

"The state's must-haves either protect Alaska's financial future, or Alaskans gas needs, or are procedural in nature," said Department of Natural Resources Deputy Commissioner Marty Rutherford. "We know the producers are saying 'Don't use must-haves, let us tell you what you need.' To this day, we don't know which must-haves bother the producers. In all of our individual meetings with them and throughout public testimony, we have never been given the specifics of what they don't like - is it the jobs for Alaskans, gas for Alaskans, pipeline expansion opportunities?"

The twenty must-haves stated within AGIA fall within one of three categories:

Protecting Alaska's Interests, Meeting the Needs of Alaskans, and Procedural. For the breakdown, please see the attachment entitled: AGIA Application Requirements.

Four natural gas pipeline experts and consultants to the State of Alaska are in Juneau answering legislator questions and providing testimony. They bring years of experience in the natural gas pipeline business. The experts helped the AGIA team with their expertise when AGIA was first put together and they continue to help the team to ensure that the process is commercially reasonable.

"We have experts with us, with decades of experience in the natural gas industry in all of North America, in particular with developments in the last 15 years where sharing the risk among different participants is commonplace," said Department of Revenue Commissioner Patrick Galvin. "Producers won't acknowledge or discuss these risk-sharing agreements, even though they are a party to many of them. These natural gas pipeline experts were hired to tell us how the real world really does work."

The experts are: Donald Shepler, Ken Minesinger, Scott Hobbs, and Bill Sparger. Biographical information follows:

Donald Shepler has approximately 30 years of experience in the natural gas pipeline industry as regulatory counsel for interstate gas pipelines. He was also counsel for the Legislative Budget and Audit Committee when that committee submitted comments and testimony to the Federal Energy Regulatory Commission. That work helped the State win some significant provisions in Order 2005.

Ken Minesinger has advised various natural gas pipeline companies and other clients before the FERC. He also is a past Chairman of the Antitrust Committee of the Energy Bar Association. Along with Mr. Shepler, he advised the Legislative Budget and Audit Committee and authored two papers addressing the competitive problems associated with a producer-owned Alaska pipeline. He can speak directly to how AGIA helps solve many of those problems.

Scott Hobbs has 30 years of natural gas industry experience. Over the past six years, he has advised investment bankers, private equity firms, and other investors evaluating major projects, acquisitions, and divestitures involving oil and gas pipelines, processing plants, power plants, and gas distribution assets. Prior to that, he spent 24 years in the gas pipeline industry, including eight years as the Chief Operating Officer of a major pipeline company in the Rocky Mountain region.

Bill Sparger has more than 35 years experience in project management, design and construction of natural gas pipelines, compressor stations, and gas processing facilities. Most recently, he worked for Entrega Gas Pipeline Company on a large diameter natural gas pipeline project. He also provided initial project management oversight for a proposed 1300 mile 42" pipeline from the Cheyenne Hub to eastern Ohio. That project is moving forward today with BP and ConocoPhillips participation.

Additionally today, the AGIA team released its "White Paper on AGIA," which lays out seven popular claims / concerns raised by the producers. The state's AGIA team responds to each one in the document, which is attached to this press release.

With less than two weeks left in the session, the producers have purchased a media blitz attacking AGIA over the remaining days. The AGIA team will stand strong and committed to protecting the state's best interests and those of Alaskans.

"While we appreciate the heads-up on the coming media blitz, it is disappointing to me that the producers always resort to the same media campaigns time and time again," said Governor Sarah Palin. "They will spend hundreds of thousands of dollars trying to convince Alaskans they don't need jobs or gas - that the producers don't need to give a timeline to the state. The bottom line is that Alaskans own the gas. I am confident Alaskans will see through the expensive media campaign."

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Please direct all media inquiries to Lacy Wilcox in Commissioner Galvin's office, at 907.465.2301. Thank you.