



# Cook Inlet Natural Gas STORAGE



Alaska

RDC Annual Meeting

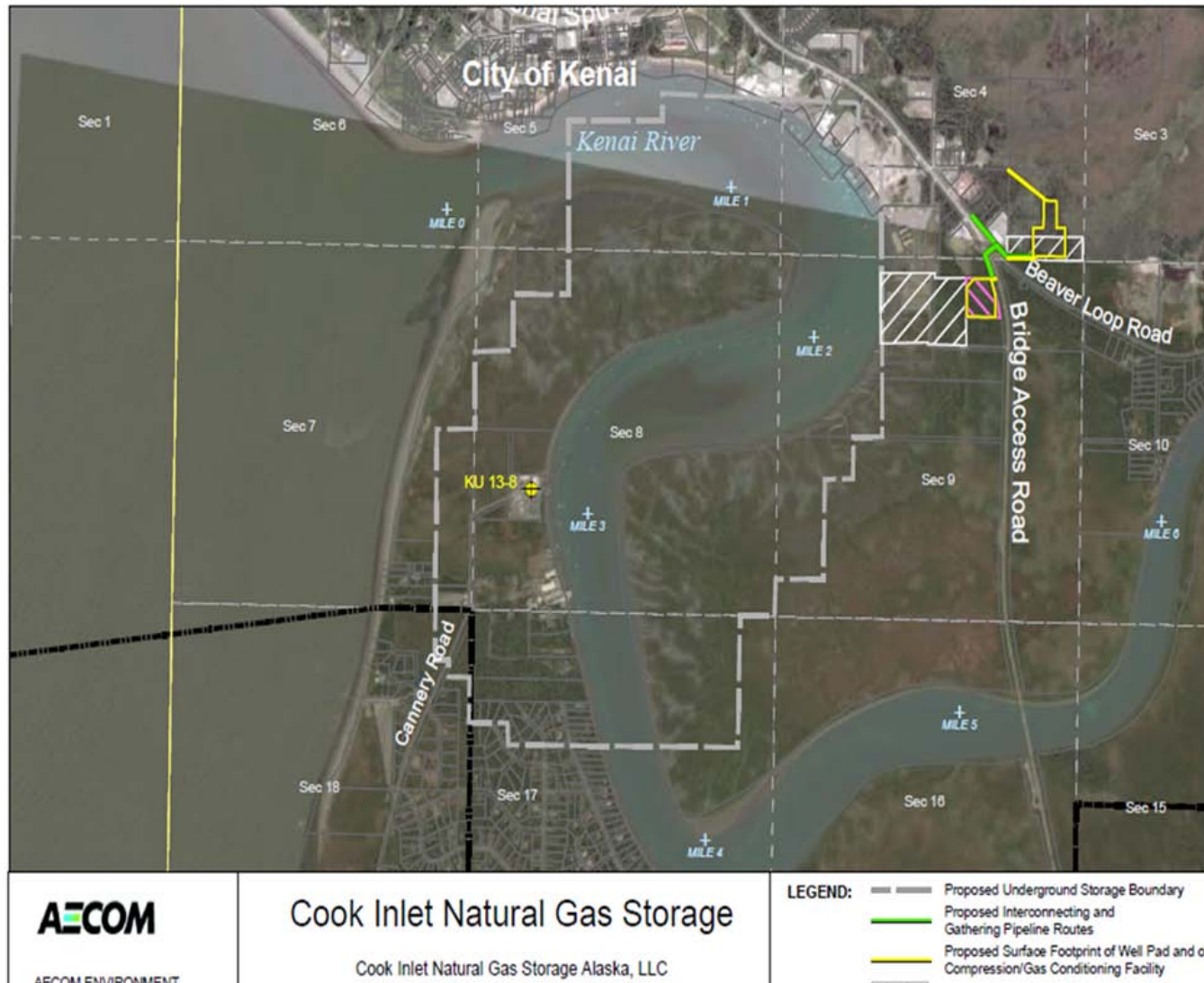
November 2011



# Project Overview



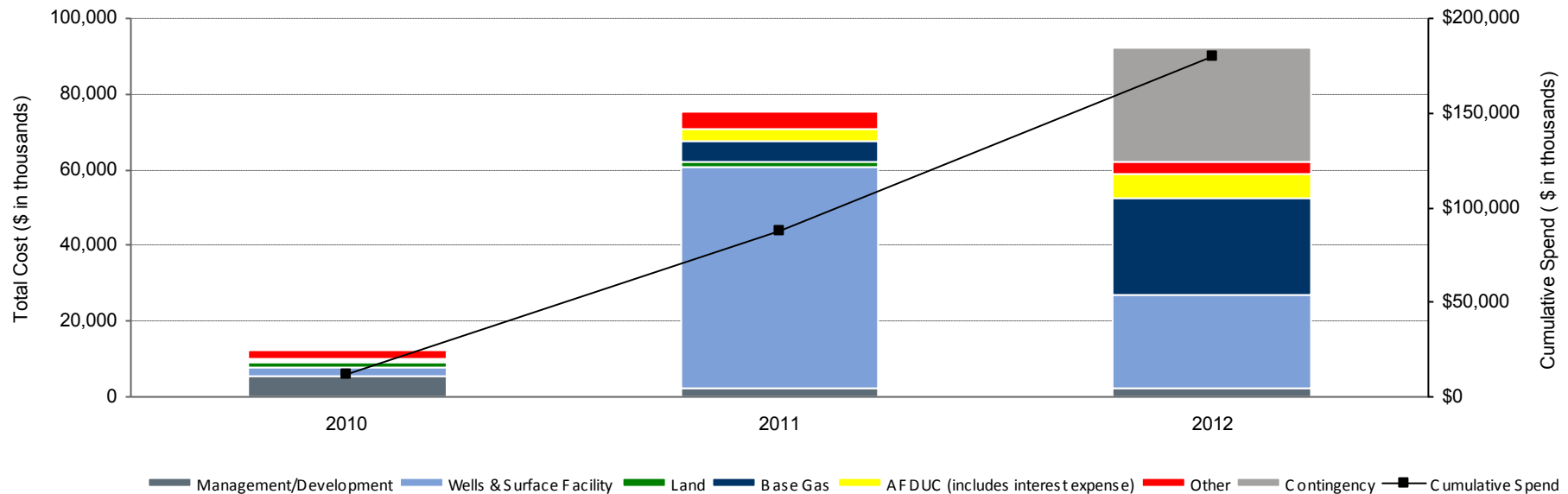
# CINGSA Footprint



# Project Cost and Spend Profile

(\$ in thousands)

Summary of Total Cost by Category	2010	2011	2012	Total
Management/Development	\$5,663	\$2,208	\$2,171	\$10,041
Wells & Surface Facility	1,927	58,398	24,663	84,989
Land	1,734	1,481	0	3,215
Base Gas	350	5,621	25,900	31,871
AFDUC (includes interest expense)	231	2,901	6,306	9,439
Other	2,207	4,907	3,086	10,200
Contingency	0	0	30,245	30,245
<b>Total</b>	<b>\$12,112</b>	<b>\$75,516</b>	<b>\$92,372</b>	<b>\$180,000</b>



# Summary of Construction Arrangements

Work Description	Contractor	Approximate Contract Value
Detailed Engineering Design	AECOM	\$2.0
Site Clearing / Civil	Foster Construction Co.	\$2.0
Foundations	Kiewit Building Group	\$3.1
Pipeline / HDD	Conam Construction Co.	\$1.4
Mechanical & Electrical	Udelhoven Oilfield System Services, Inc.	\$10.0
Detailed Reservoir Engineering & Geology	Petrotechnical Resources Alaska	\$2.7
Rotary Drilling	Nabors Alaska Drilling	\$5.5
Directional Drilling Services	Baker Hughes	\$4.0
Cementing Services	Schlumberger	\$1.5
Drilling Mud & Reclamation	M-I Swaco	\$3.0
Drill Cuttings Disposal	AIMM Technologies	\$1.2



# CINGSA Facilities Site

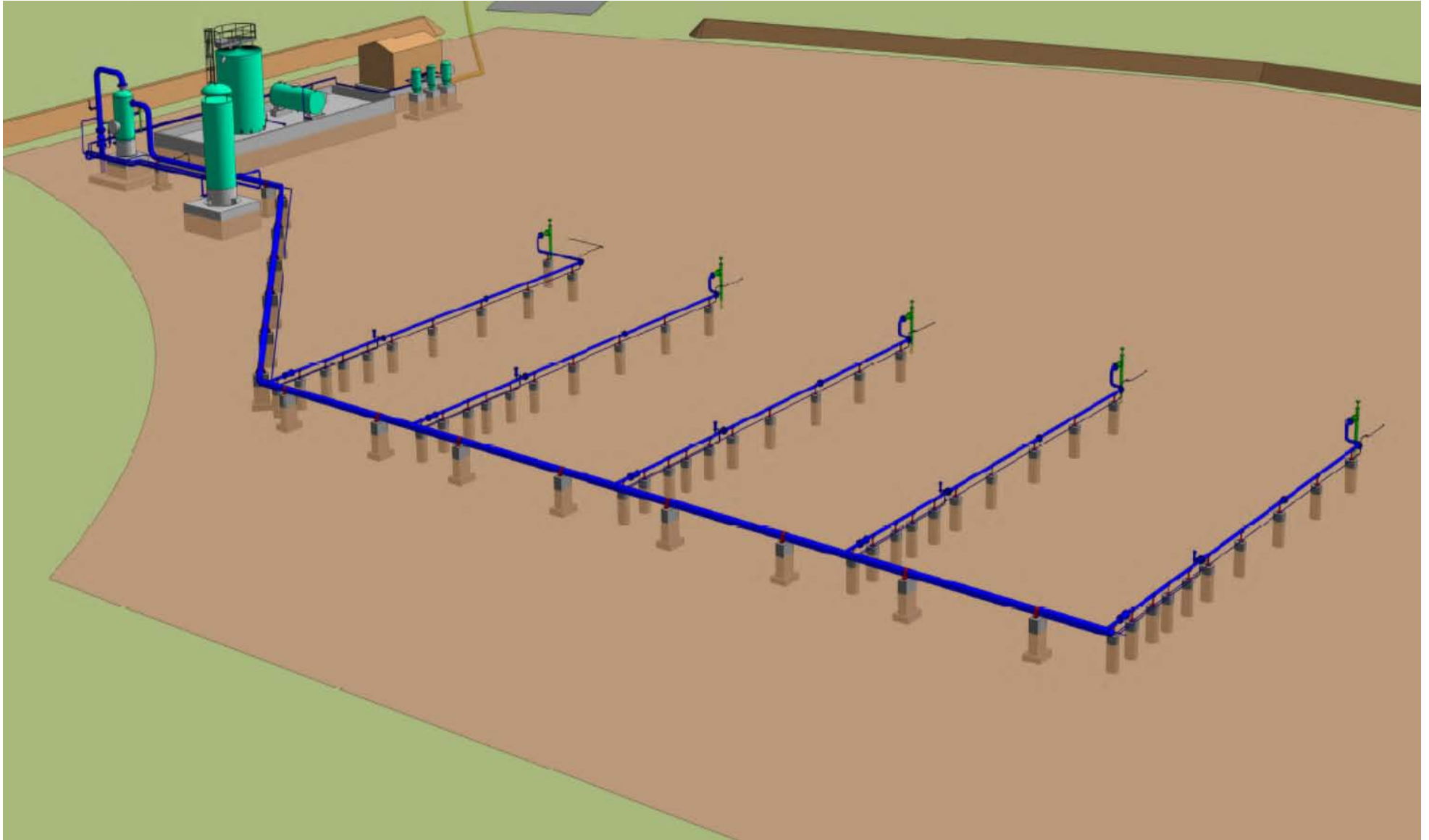




# CINGSA Facilities Site



# CINGSA Well Pad





# CINGSA Well Pad



# Storage Contracts & Customers

- CINGSA entered into four Firm Service Storage Agreements for 100% of the storage capacity for a period of 20 years
  - All four regulated utilities jointly demonstrated to the RCA the need for an underground natural gas Storage Facility and have received approval from the RCA to include the cost of operating the Storage Facility in their gas and electric tariffs upon completion of the Storage Facility

Storage Customer	Maximum Storage Quantity				
	Commencement - April, 2012	Apr 1,2013 - Mar 31, 2014	Apr 1,2014 - Mar 31, 2016	Apr 1,2016 - Mar 31, 2017	Apr 1,2017 - Mar 31, 2032
<b>ENSTAR (a division of SEMCO)</b>	<b>5 Bcf</b>	<b>7.975 Bcf</b>	<b>8.475 Bcf</b>	<b>8.675 Bcf</b>	<b>8.775 Bcf</b>
<b>Chugach Electric Association</b>	<b>2.4 Bcf</b>	<b>2.3 Bcf</b>	<b>1.9 Bcf</b>	<b>1.7 Bcf</b>	<b>1.6 Bcf</b>
<b>Electric Utility Fund of the Municipality of Anchorage, Alaska</b>	<b>.6 Bcf</b>	<b>.6 Bcf</b>	<b>.5 Bcf</b>	<b>.5 Bcf</b>	<b>.5 Bcf</b>
<b>Homer Electric Association</b>	<b>*0 Bcf</b>	<b>.125 Bcf</b>	<b>.125 Bcf</b>	<b>.125 Bcf</b>	<b>.125 Bcf</b>
<b>Total</b>	<b>8 Bcf</b>	<b>11.0 Bcf</b>	<b>11.0 Bcf</b>	<b>11.0 Bcf</b>	<b>11.0 Bcf</b>

**\*HEA service begins November 1, 2013**

# Summary

Benefits of the CINGSA project to customers

## **Enhances System Reliability**

- Provides pipeline load balancing capability

- Provides utility customers with an “insurance policy” against supply interruptions

- Can switch quickly from injection to withdrawal

## **Permanently Valuable Resource**

- Short Term – Deliverability

- Long Term – Deliverability and Supply

**Important component of future gas supply contracts**