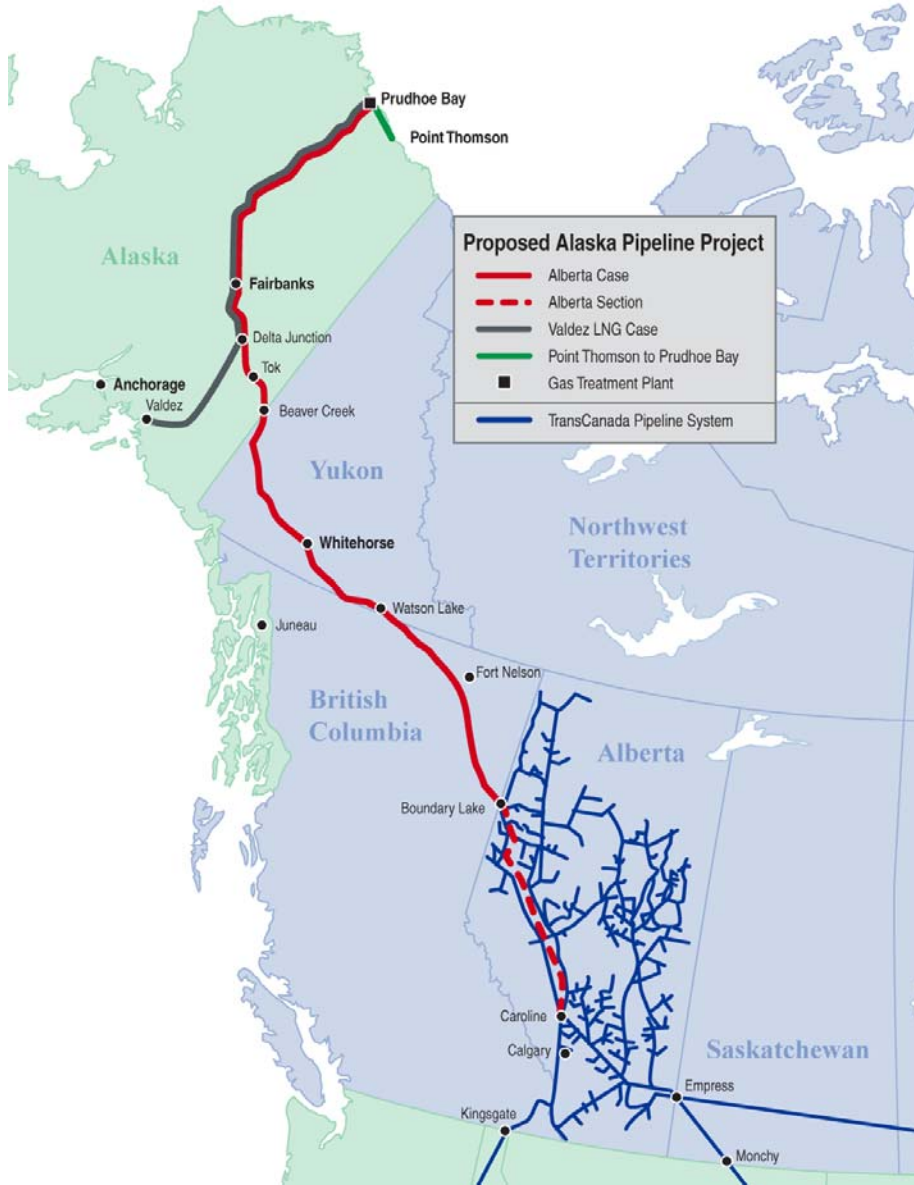


# ALASKA PipelineProject



**Open Season Plan Filed with FERC  
January 29, 2010**

# First Open Season for North Slope Gas



On January 29, Alaska Pipeline Project (APP) filed an Open Season plan with Federal Energy Regulatory Commission (FERC)

## Two pipeline options:

- 4.5 Bcf/d Pipeline from North Slope to Alberta Hub
- 3.0 Bcf/d Pipeline from North Slope to Valdez
- Both options include:
  - Access to North Slope gas for Alaskans
    - Minimum 5 Alaska off-takes
  - Gas Treatment Plant
  - Pipeline from the Point Thomson field

# Open Season Objectives



## **APP provides potential shippers:**

- Engineering design
- Commercial terms
- Estimate of project costs, tariffs and timelines

**APP seeks Shippers' contractual support through executed precedent agreements**



## Large pipeline projects undergo:

- Lengthy development stage
- If development stage is successful, then move to construction and operations

## APP's development stage scheduled to run through 2014

- Prior to Open Season: through April 2010
- Open Season: May to July 2010
- Post Open Season: August 2010 through 2014

## All stakeholders have important responsibilities

- Alaska Pipeline Project / Producers-Shippers / Governments
- All parties need to achieve commercial and regulatory breakthroughs

# Prior to Open Season



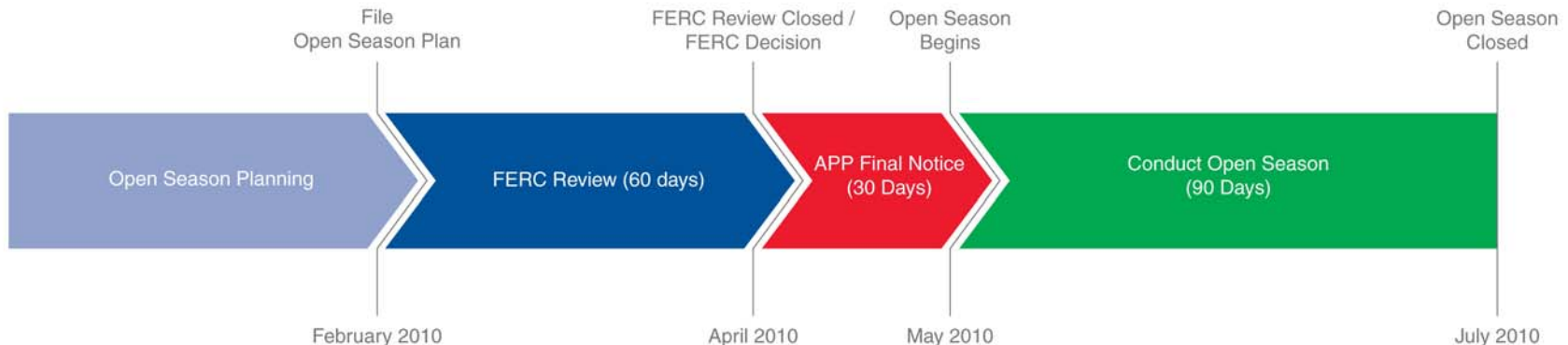
## Achievements to Date:

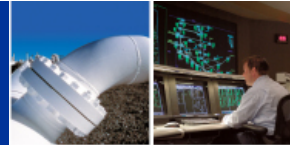
- Producers / Shippers
  - Gas reserves in place, reviewed transportation and market alternatives
- State of Alaska
  - AGIA statute and License in place
- U.S. Government / FERC
  - Legislative & regulatory structure, Federal Loan Guarantees
- Canadian Government
  - Legislative & regulatory structure (Northern Pipeline Act), pipeline right-of-way in Yukon Territory
- Alaska Pipeline Project
  - State/TransCanada/ExxonMobil alignment
  - Equity offer to BP/ConocoPhillips
  - Alberta and Valdez alternatives

# Open Season Timeline



- Filing begins 60-day FERC review for U.S. section from February-March
- If FERC approves plan, Open Season runs from May-July 2010
  - Concurrent U.S./Canada Open Seasons for Alberta option
- Expect APP/Shipper follow-up negotiations to resolve conditioned bids (typical situation)
- Final Open Season results targeted by year-end 2010
  - Contingent upon resolution of Shippers' conditions precedent





## **Comprehensive, credible and competitive Open Season plan**

- TransCanada and ExxonMobil – exceptional expertise
- Over one-quarter of a million hours of new engineering, regulatory, environmental, commercial and other work
- Builds on significant base from past initiatives

**Work has provided a much improved understanding of scope, costs, complexities, risk for this large, complex project**

**APP offering better terms and access than in AGIA application**

- Alberta and LNG options
- Better commercial terms reduces tariffs by \$500 million/year

APP Open Season plan available at [www.thealaskapipelineproject.com](http://www.thealaskapipelineproject.com) or FERC website

# Project Cost Estimates / Indicative Tolls



**Note: All numbers 2009\$US**

## **Pipeline from North Slope to Alberta**

- Capital cost range: \$32B - \$41B
- Target in-service: 2020
- Tariff range (incl. fuel): \$2.80 - \$3.50/MMBtu (from GTP to Alberta Hub)
- Alberta Hub gas price\*: \$6.25 - \$7.65/MMBtu

## **Pipeline from North Slope to Valdez**

- Capital cost range: \$20B - \$26B
- Target in-service: 2020
- Tariff range (incl. fuel): \$2.45 - \$3.15/MMBtu (from GTP to Valdez)
- Henry Hub gas price\*: \$6.75 - \$8.15/MMBtu
- Oil price\*: \$110 - \$125/bbl

\*Source: *U.S. Dept. of Energy 2010 Annual Energy Outlook for the years 2020-2030*

**Both Alberta / Valdez options technically / commercially viable based on current forecasts**



## Alaska Pipeline Project

- Resolve conditions precedent with Shippers
- Continue work to prepare for major U.S./Canadian permitting
- Meet AGIA obligations (including FERC Application in 2012)
- Advance project in step with commercial and regulatory breakthroughs
- Continue to seek alignment with BP / COP

## Producers / Shippers

- Resolve conditions precedent with APP
- Resolve upstream fiscal and resource access issues with State
- Arrange downstream transportation, secure final gas markets and export permits (LNG option)

## State of Alaska

- Resolve any fiscal or resource access issues with Producers / Shippers
- Facilitate project permitting

## U.S. Government / FERC

- Establish Federal Loan Guarantee level / terms and conditions
- Facilitate project permitting

## Government of Canada

- Facilitate project permitting



**APP Open Season May-July 2010 if FERC approves APP's plan**

**APP offering improved commercial terms vs. AGIA**

**Alberta / Valdez options both viable**

**Regulatory / commercial breakthroughs required by APP,  
Producers-Shippers, and Governments**

**TransCanada / ExxonMobil / State working together through  
AGIA structure provides best opportunity to:**

- Align all stakeholders
- Achieve project benefits for Alaskans and other parties



## **Tony Palmer**

Vice President Alaska Development  
TransCanada

## **Paul Pike**

Senior Project Manager  
Alaska Pipeline Project  
ExxonMobil Development Company