

Report: Alaska pipeline not in long-range projects

JUNEAU, Alaska (AP) — Federal analysts believe it will not be economical to build a major natural gas pipeline in Alaska for at least the next 20 years, according to a recent report by the U.S. Energy Information Administration.

The study looks at domestic energy markets through 2035 and cites higher construction costs and lower natural gas wellhead prices, in 2009 terms, as making a line uneconomical during that timeframe. The report represents what agency analyst Joe Benneche calls its "best guess at what a likely outcome is."

Two pipeline companies, Alberta, Canada-based TransCanada Corp. and Denali-The Alaska Gas Pipeline, are pursuing proposals to bring gas from Alaska's prodigious North Slope to North American or overseas markets by about 2020. Cost estimates for the various options have ranged from \$20 billion to \$41 billion for a longer line that would extend into Canada.

TransCanada is working with ExxonMobil Corp. to

"The big decision is going to be up to the companies."

advance a line and getting up to \$500 million in support from the state to do so as part of then-Gov. Sarah Palin's signature Alaska Gasline Inducement Act. Denali is working with BP and ConocoPhillips.

Benneche said Wednesday that projections call for the average wellhead price in the Lower 48 to improve to the point where a project would make financial sense around 2033. Following construction, a line could be in service by 2036 or 2037, he said.

"It's not like we took it out" of the total energy picture, Benneche said.

For years, Alaskans have hoped for a pipeline as a way to help shore up revenues from declining oil production, create jobs and provide a more reliable source of energy. Gov. Sean Parnell has expressed optimism for a line's prospects, given that

TransCanada and Denali are each now negotiating with gas producers, seeking to secure shipping commitments.

It's widely believed that only one pipeline will be built, if one is developed at all. Officials have said they'll have to weigh factors such as long-term gas prices, supply forecasts and tax rates in the state in evaluating moving forward.

"The big decision is going to be up to the companies," said Larry Persily, the federal coordinator for Alaska natural gas pipeline projects.

He said the report doesn't worry, or surprise, him. For example, its projections do not include potential changes in federal law or to regulations governing, for example, shale gas that could drive gas demand and make Alaska gas more attractive, Persily said.

Alaska's gas line team

believes a separate report the state commissioned on the gas outlook "supports development of a major gas line project," said Mark Morones, the Alaska Gasline Inducement Act outreach program manager.

A TransCanada spokesman didn't immediately return a call Wednesday. A Denali spokesman was out of the office.

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BUSINESS NEWS IN BRIEF

Hilton Garden Inn staffers receive award

EFFINGHAM — Owner Chuck Keller and General Manager Brain Barnes announced in a press release that the Hilton Garden Inn at Effingham has been recognized with an award.

Staff members Robin White and Heather Craig are the recipients of the "Spirit of the Garden" award. This award is given out by Hilton Garden Inn Corporate to staff members who have outdone themselves in regard to guest and customer service.

In October, Adrian Kurre, Hilton Garden Inn Brand president, called to announce White and Craig as winners and awarded them with a

Hotels around the world and for having an amazing hotel staff.

Donaldson named Young Agent of the Year

MATTOON — Mark Donaldson of Dimond Bros. Insurance Agency, Inc. was named the Independent Insurance Agents of Illinois Young Agent of the Year at the group's recent annual conference, according to a press release.

The recipient must have demonstrated service to the

insurance industry, professional trade associations and community in a manner that would be considered exceptional for a person of his or her age. The award is given for career service.

Donaldson is the vice president of operations at Dimond Bros. He started as a commercial insurance producer in 1999. He was promoted to agency manager in 2001 and then to VP of operations in 2007.

Donaldson and his wife Glenda reside in Coles County and have three sons.

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