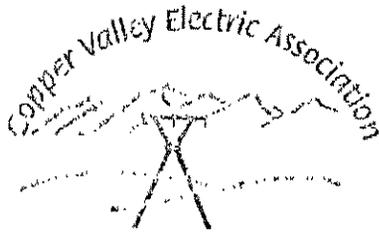


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Copper Valley Electric Association, Inc.

P.O. Box 45 • Glennallen, Alaska 99588 • Telephone: 907-822-3211 • Facsimile: 907-822-5586 • Valdez: 907-835-4301

April 24, 2006

E-mail: wilkinson@cvea.org

State Pipeline Coordinator's Office
Department of Natural Resources
State of Alaska
411 West 4th Avenue
Anchorage, Alaska 99501-2343

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JOINT PIPELINE OFFICE
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SUBJECT: Comments on Conditional Right-of-Way Lease ADL 229297

Dear Sir or Madam:

The purpose of this letter is to provide written comments regarding the proposed conditional right-of-way lease to the Alaska Natural Gas Development Authority on behalf of Copper Valley Electric Association (CVEA) and its 3,600 customer-owners.

CVEA is a nonprofit, member-owned electric cooperative utility, organized under AS10.25, which serves the City of Valdez and the Greater Copper River Basin. CVEA maintains over 400 miles of electric distribution line including an 80-mile long, single phase segment between Mileposts 109-189 Glenn Highway.

CVEA is in strong support of the Glennallen to Palmer spur gas line and offers the following specific and general comments.

Specific Comments

The conditional lease application states that approximately 50 miles of the proposed pipeline route will follow the Department of Transportation right of way along the Glenn Highway. CVEA operates and maintains a primary distribution line within easements granted by DOT from Mileposts 109-189 of the Glenn Highway.

Comment 1 - It is conceivable, should the gas line be constructed, that routing conflicts between the gas line and CVEA's existing facilities could result. Should this occur, CVEA's position is that if relocation of CVEA's facilities is required it should be done at no expense to the Cooperative's members.

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Comment 2 - The voltage of CVEA's primary distribution line is 14,400 volts and is constructed in accordance with the National Electric Safety Code. Construction of the proposed gas line will quite possibly result in the operation of aerial equipment in areas close to energized circuits. Part IV of the right-of-way lease application addresses safeguards for persons, property, the public and the environment. The subject of safety as it pertains to working in close proximity to energized electrical circuits should be clearly addressed in any lease agreement and in addition financial responsibility for losses to persons and property should be accounted for.

General Comments

CVEA provides central station electric service to a geographic area which is 100 miles east to west and 150 miles north to south. Electricity is generated from three resources: hydro 60%, combustion turbine cogeneration plant 25%, and 15% from reciprocating diesel plants. In April 2006, with oil prices above \$65 per barrel, the cost per mmbtu for the 40% fossil fuel component of our electric rate was \$17.

High energy costs are often blamed as the single largest impediment to economic development in the region served by CVEA. Developing Alaska's gas reserves and delivering that resource to markets from the North Slope to south central Alaska and points in between accomplishes the goal of the 2002 legislation. For those reasons, CVEA strongly supports granting the conditional lease for the proposed spur line project.

Sincerely,



Robert A. Wilkinson
Chief Executive Officer