



December 30, 2010

Alaska State Legislature
Alaska State Capitol
alllegislators@state.ak.us
Juneau, AK 99801

Subject: November Progress Report on the In-State Natural Gas Pipeline Project

Dear Legislators;

In accordance with HB 369, the Alaska Gasline Development Corporation submits the following monthly Project progress report for your review.

Work is underway with ENTRIX, ASRC Energy Services and the U.S. Corps of Engineers to address the Affected Environment chapters of the Draft Environmental Impact Statement (DEIS). Affected Environment sections will address wildlife, T&E species, wetlands, floodplains, fish, cultural resources, subsistence, water resources, socioeconomics, land use, navigation, recreation, air, climate change and noise along the proposed 737 mile pipeline route.

AGDC is working to establish an Administrative Record system that is conducive to integration with the ENTRIX, Baker and ASRC Energy Administrative Record systems utilized by their respective firms. The AGDC reading library is established and AGDC has secured the information on the Sharepoint site.

AGDC continues to conduct work on Project analysis and cost optimization along the proposed pipeline route. Results of the work underway are expected to be reported by March 2011.

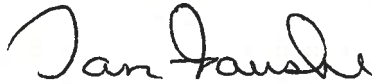
Work continues with State and Federal agencies on the Bureau of Land Management Right-of-Way application, the State of Alaska Land Lease application and the Project Plan of Development. The Project staff has received comments from cooperating agencies on the Plan of Development regarding the federal right-of-way application. AGDC is diligently responding to the comments from all agencies.

Preparation is completed on the Draft Preliminary Jurisdictional Determination Report and ASRC Energy Services is beginning the peer review process.

The AGDC Project staff is continuing to work with the necessary state and federal agencies to develop the Project work plan for 2011 to support the 2011 permitting schedule and 2011 field work.

Please call either 907.330.8452 or 907.277.4432 with any questions or to receive more detailed information about any of the information provide above.

Respectfully submitted,



Dan Fauske
Chair, Joint In-State Gasline Development Team

Enclosures: November Project reports from ASRC Energy Services, Michael Baker, Inc., and ENTRIX (13 pages)

Alaska Stand Alone Gas Pipeline Project Details

November 2010

ASRC Energy Services – Project Activity Detail – November 2010

Team Milestones:

- Participated in project-related meetings.
- Participated in team discussions regarding EIS.
- Participated in USACE EIS Coordination Team Meetings.
- Conducted “Stakeholder 101” training with AGDC team.
- Presented overview of Cultural Resources Program for AGDC team.
- Prepared updated final Permit Acquisition Plan.
- Continue to coordinate Tier 2 major permits and air permitting issues, assertions, assumptions, and path forward.
- Continue to coordinate with Baker on GIS data sharing.
- Submitted an engineering Request for Additional Information to Baker to support Tier 1 and Tier 2 permitting efforts.
- Biological Assessment (BA) task initiated with USACE and a formal request made to U.S. Fish & Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) for the listed species.
- Responding to comments on the POD from SPCO, ADF&G and the National Park Service (NPS). Contacted BLM regarding their comments on the federal ROW application.
- Participated in AGDC and agency team meetings to discuss permit data gaps, subsistence and other permitting issues.
- Continued to work on major field work technical report deliverables for wetlands and cultural.

TASK LEVEL DETAILS

Task 1 Project Management

Current Activity:

- Completed review of FY 2011 contract provisions, budgets, and prepared amended Task Orders.
- Received updated Task Orders to support continued Tier 2 permitting, air permitting, wetlands, stakeholder outreach and preparation of biological assessment to support USACE Section 7 Consultation.
- Participated in team trip to fly the route between Willow and Point MacKenzie.
- Supported air permitting strategy and meeting with ADEC.
- Continued interface with the USACE, BLM, and State Pipeline Coordinator to ensure that there is full and complete understanding of the project schedule and the need to modify the permit applications to reflect HB 369 direction.
- Met with the State to discuss the revised right-of-way (ROW) lease application and procedures for filing additions/amendments.
- Supported completion of Stakeholder/Public Outreach Engagement Plan and scheduled team training.
- Supported revisions to Permit Acquisition Plan schedule.

- Coordinated pre-application permitting process with Baker.
- Supported agency pre-application meeting and follow-up action items.
- Supported air permit strategy and work plan efforts.

Look Ahead:

- Continue to coordinate with the USACE, BLM and State Pipeline Coordinator regarding revised permit applications submitted in August 2010.
- Continue to coordinate the final field data reports with team leads and coordinate with Baker on routing adjustments.
- Continue to support AGDC at EIS Coordination Team Meetings and discussions regarding alternatives.
- Continue to work with AGDC and Baker on any areas of concern so that route discussion in the EIS and other documents/permits is accurate.
- Continue to participate in meetings or to present information to support stakeholder discussions and work with AGDC on stakeholder outreach program.

Concerns:

- None at this time.

Task 2 Cultural Resources

Current Activity:

- Presented overview of Cultural Resources Program to AGDC team.
- Continue to input new datasets and 2010 field results into predictive model and gathering background information to include in the technical report to the Office of History and Archaeology, per the Alaska Cultural Resources Permit requirements.
- Continue to coordinate with GIS to identify data gaps for the predictive model.
- Conducting cost analyses for potential fieldwork in May and June, 2011.

Look Ahead:

- Expected submittal of the technical report for Office of History and Archaeology is March, 2011.
- Continue analysis for predictive model.
- Start preparing for FY 2011-2012 field season if funded (including research, land ownership, predictive model, and logistics).

Concerns:

- Private property issues within some of the survey segments – need to discuss with Baker and AES GIS.
- Need to determine if there will be funding for FY 2011-2012 fieldwork.

Task 3 Wetlands Analysis

Current Activity:

- Completed preparation of Draft Preliminary Jurisdictional Determination Report (PJD) and beginning peer review process.
- Completed style guide for technical editing of PJD report.
- Coordinated with AES GIS to edit metadata and sent to M. Baker, Jr.
- Completed wetland functional analysis data.

- Completed wetland photo library for report.
- Coordinated with GIS to finalize corridor route maps and individual field data point location maps for report.
- Continue to coordinate with the USACE regarding the draft permit.
- Continue to support EIS effort.

Look Ahead:

- Incorporate peer review comments into next version of PJD report.
- Begin technical editing/word processing of peer-reviewed report.
- Continue to work with Baker to finalize pipeline routing based on wetlands field data results.
- Coordinate with Baker on preparation of Final Section 404 permit. Permit will require drawings of project footprint overlain on wetlands to be depicted in AutoCAD.

Concerns:

- PJD is a very large document and expensive to produce. Recommend that we product minimal number of hard copies to keep costs down and offer DVDs where possible.
- Preparation of Final Section 404 permit will require close collaboration with Baker on the selection of the project footprint.

Task 4 Project Library

Current Activity:

- None at this time.

Task 5 Permitting

Current Activity:

- Prepared updated final Permit Acquisition Plan.
- Continue to coordinate with AGDC team to discuss Tier 2 major permits and air permitting issues, assertions, assumptions, and path forward.
- Prepared detailed trip report on the ADEC and USCG permitting meeting.
- Coordinated with Baker on GIS data sharing.
- Submitted an engineering Request for Additional Information to Baker to support Tier 1 and Tier 2 permitting efforts.
- Responding to comments on the POD from SPCO, ADF&G and the National Park Service (NPS). Contacted BLM regarding their comments on the federal ROW application.
- Participated in AGDC and agency team meetings to discuss permit data gaps, subsistence and other permitting issues.
- Coordinating closely with task leads for the Air Permitting Strategy and Biological Assessment regarding associated regulatory issues.

Look Ahead:

- Continue to complete permit applications and respond to agency comments. Waiting on comments on the federal ROW application from BLM.
- Continue to close data gaps with Baker to support revisions to the POD and preparation of Tier 2 permit applications.
- Continue to coordinate air permitting strategy timeline with major permitting timeline.
- Meet with agencies to discuss revisions to POD and to determine if information provided is adequate and responsive.

Concerns:

- Stream crossings and materials sites continue to be agency concerns.
- Need to have sufficient information to engage agencies, be responsive to their comments on the ROW/POD and move ahead with permit application submittals.
- Schedule for permit submittal is dependent upon data availability.
- Need to be responsive to agency concerns to ensure positive working relationship.

Task 6 GIS Support

Current Activity:

- Continue to support AGDC through permitting and EIS as needed/requested.
- Completed analysis of stream survey data, lake studies/water volumes, wetlands data and delivered to Baker/ENTRIX.
- Awaiting receipt of GIS data from Baker's ArcReader and WSF to support permitting.

Look Ahead:

- Support data delivery to Baker/ENTRIX as needed.
- Continue to support Cultural Resources Predictive Model development.
- Continue to support permit application preparation as needed.

Concerns:

- Reliance on web-based GIS has not proven as straight-forward and seamless as hoped. AES internal GIS support continues to expand to support permitting beyond what was originally anticipated.

Task 7 Lake Studies/Water Resources Program

Current Activity:

- Submitted Lake Studies/Water Resources Collection Report to ADF&G.
- Submitted Lake Studies/Water Resources maps to ADNR.
- Completed draft Lake Studies/Water Resources maps for Completion Report.

Look Ahead:

- Complete Lake Studies/Completion Report and submit to agencies.
- Complete draft proposal of water availability data gaps and field work opportunities for 2011 for AGDC review.

Concerns:

- Water availability for the project construction and operation is a long-lead permitting issue. Narrowing down water requirements should be underway to support ice pad construction, ice road construction, earthwork, and hydrotesting.
- The AES 2010 field season for evaluating water availability was a limited program and there remain data gaps that could begin to be filled in the 2011 field season. If there is information from TAPS for the segments north of Livengood, this would help facilitate the permitting effort and supplement the field data results from 2010.
- In addition, a desktop analysis/study is recommended to determine water availability from lakes (winter sources) and streams (summer sources) for the entire route and this could begin in the winter of 2011 whether or not a field season is executed. This information could be useful as part of the project "package".

Task 8 Stream Survey Program

Current Activity:

- Submitted stream crossing survey data to Baker.
- Send Anadromous Waters Catalog nominations to Baker for use in their stream crossing methods evaluations.
- Continue to coordinate with Permitting effort and Baker regarding stream crossing methodology.

Look Ahead:

- Submit Stream Crossing Surveys fish collection report to ADF&G.
- Complete Stream Crossing Survey Completion Report.
- Continue to support permitting and coordinate with Baker on engineering evaluation.

Concerns:

- Stream crossing permitting is a long-lead permitting issue. Stream crossing methods are a critical agency and potentially local stakeholder issue. Need to begin discussions with AGDC, Baker and AES to determine crossing methods, level of detail required and the data gaps.
- Assumption that there are plenty of stream crossing/fish habitat data for streams north of Livengood. 2010 stream crossing surveys occurred south of Livengood based on this assumption. Obtaining information from TAPS, determining whether it will be acceptable to the permitting agencies and identifying gaps that could be filled in a 2011 field season is time-critical. A desktop study is recommended that would be coordinated with Baker and the agencies to determine anadromous and resident fish species habitat for north of Livengood.

Task 9 – No Activity Allocated

Task 10 Stakeholder Engagement/Public Outreach Support

Current Activity:

- Conducted “Stakeholder 101” training with AGDC team.
- Prepared a comparative timeline of the three major Alaska gas pipeline projects.
- Prepared updated stakeholder engagement schedule.

Look Ahead:

- Obtain feedback regarding the stakeholder calendar and Draft Stakeholder Plan.
- Finalize stakeholder engagement schedule for village/community visits.
- Prepare engagement message.
- Prepare pre-read information (issues, stakeholder profiles) for visits.

Concerns:

- Stakeholder Engagement opportunities are rapidly approaching for a January 2011 engagement process; scheduling decisions must be finalized.

Task 11 Air Permitting Strategy

Current Activity:

- AES and Trinity Consultants continue to hold weekly teleconferences to work toward completing project air permit planning Phase I deliverables.
- Weekly AES-Trinity Consultants teleconferences were held on November 9th, 15th, 23rd and 30th.
- Completed preliminary technology standards list and preliminary equipment list and emission inventory.
- Confirmed from ADEC that the USFS FLM will not have any role in permitting the project.
- Identified potential National Weather Service (NWS) and/or Alaska DOT/PF Road Weather Information System (RWIS) met stations located near Wiseman (projected CS-4 location) and Nenana (projected CS-8/NGL Extraction/Straddle Facility location).
- Determined NWS and ADOT/PF RWIS meteorological stations are located too far away from the project's southern stationary sources (NGL Extraction Facility at MP 39 Beluga Pipeline & NGL Fractionation Facility located at Port MacKenzie to support air permitting).
- Prepared estimated power budget for each meteorological station and each air contaminant monitoring station.
- Identifying potential vendors of "remote" power equipment (fuel cells, lithium ion batteries, wind power, etc.) to power monitoring stations not located on an electrical grid.
- Learned that APP air contaminant station planned to be installed at Prudhoe Bay may not be built, or at least planned construction/installation has been delayed due to an alleged disagreement with BPXA.
- Coordinating with Trinity Consultants to began preparing permitting effort cost estimate.

Look Ahead:

- Continue weekly teleconferences and prepare weekly teleconference minutes for AGDC review.
- Meet with DoyonEmerald on December 2, 2010 to refine project equipment list and hence, potential emission inventory.
- Following December 2, 2010 DoyonEmerald meeting, contact applicable FLMs the week of December 6-10, to determine dispersion modeling requirements and permitting issues related to Class I areas, e.g., NPS for Denali National Park & Preserve.
- Contact Baker to identify/finalize location of CS 4, and CS 8 as either part of Straddle Plant facility or as separate facility location (possibly done as part of December 2 DoyonEmerald meeting).
- Continue evaluation of usefulness of NWS and ADOT/PF RWIS meteorological station data, and have follow-up teleconference with ADEC regarding acceptability of NWS and/or RWIS meteorological stations data.
- Using Baker project route GIS cut-sheets identify land ownership, ROW, topography, utilities, man-made features (roads, rail, structures) and permitting issues associated with new meteorological/air contaminant stations (i.e., desktop study). Begin planning for "buffer area" around each of the project emission sources locations to minimize affects of project emissions on ambient air quality. Prepare "working maps".
- Need to meet with Baker and AGDC to determine potential locations for new meteorological and air contaminant monitoring stations (Desktop exercise). Final site selection is anticipated after "boots on the ground" field visits (CS 4 – Wiseman; CS 8/Straddle Plant – Dunbar; Tidewater NGL Facilities – Point/Port MacKenzie; and possibly Prudhoe Bay) in spring of 2011.
- Support AGDC efforts to meet with AGIA and Denali pipeline teams to determine potential synergies between the two projects air permit planning activities.

- Continue preparing preliminary order of magnitude cost estimate for new meteorological and air contaminant monitoring stations for FY2011.
- Continue preparing Phase I Air Permit Draft Technical Report pursuant to Task Order 05-002.
- Refine preliminary draft timeline estimate to plan and install meteorological and air contaminant stations.
- Continue preparing budgetary cost estimate to complete Phase II and Phase III activity, which includes initial screening level air dispersion modeling analyses; new meteorological/air contaminant monitoring stations; FLM required “Class I” area air dispersion modeling; application preparation; and permit agency meetings plus other subtasks described in Task Order 05-002.

Concerns:

- Aggressive schedule, time sensitive issues, e.g., meteorological/air contaminant stations planning, siting, cost estimate, installation, etc. “Desktop” monitoring station siting task/activity on schedule but could become an issue if schedule slips.

Task 12 Biological Assessment

Current Activity:

- Biological Assessment (BA) task order kicked off in November with a meeting with the USACE, AGDC, AES, and Jeff Leppo attorney with Stoel Rives.
- USACE sent a formal request for listed species to U.S. Fish & Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS).
- Draft Table of Contents for and work plan (scope, schedule, and budget) for preparing BA developed.
- Coordination with authors begun.
- Discussions were held with AGDC and attorney regarding Action Area and Baseline Environment.
- Request for copies of USACE dredging permits at West Dock (North Slope) were made.

Look Ahead: TBD

- December is dedicated to producing the draft BA. Interim progress reporting by authors to task lead will occur.
- Consultation with agencies and attorney will occur.
- Draft BA prepared.

Concerns:

- Schedule is fairly tight. As of November 30, 2010, AES had not received the list of species from USFWS and NMFS.

Michael Baker, Inc. - Project Activity Detail – November 2010

TASK LEVEL DETAILS

Task 1 Project Management:

- Ongoing internal project coordination/planning.
- Weekly project meetings.
- Accounting activities, preparing invoices.
- Reviewing sub invoices.
- Reviewing project expenditures, budget.
- Reporting activities.

Task 2 Data Management/Library:

- Quality control activities.
- Rolled out web-based GIS for agencies and third party EIS activities.

Task 3 Outreach:

- Coordination meeting with USACE / Agencies.
- Map making

Task 4 Alternative Analysis:

- Complete

Task 5 Supply/Demand Analysis:

- Complete

Task 6 Project Description:

- Complete

Task 7 Cost of Service:

- Complete

Task 8 ROW Application:

- Complete

Task 9 Construction Planning:

- No significant work.

Task 10 EIS Support:

- Coordination with AES, ENTRIX.
- Revising ROW Apps and POD
- Revised purpose and need

Task 12 Alignment Investigation:

- Trip reports completed
- Integrated data into GIS
- Working on final reports.

Task 13 Special Design Areas:

- Started work on Atigun Pass, Tanana, Denali Park Bypass, and Yukon River

Task 14 Geotechnical Data Gap Analysis

- Started work on this report

Task 15 IPA Pacesetter Evaluation

- Coordination for meetings in Early November
- Complete work books and additional documentation

LOOK AHEAD:

Task 1 Project Management:

- Ongoing internal project coordination/planning.
- Weekly project meetings.

Task 2 Data Management/Library:

- Ongoing data management committee meeting.
- Building Geographic Information System (GIS) database with derived cost of service information.
- Updating and maintaining SharePoint.

Task 3 Outreach:

- Support USACE activities and requests.
- Support Dave Norton, Dave Haugen outreach requests.
- Meeting with PHMSA materials
- ADOT/Railroad coordination meetings.

Task 4 Alternative Analysis:

- Complete

Task 5 Supply/Demand Analysis:

- Complete

Task 6 Project Description:

- Complete

Task 7 Cost of Service:

- Complete

Task 8 ROW Application:

- Complete

Task 9 Construction Planning:

- Significant work is not anticipated in the next month.

Task 10 EIS Support:

- Support AES/Entrix/USACE data request for information

Task 11 Cost Optimization:

- Continue work on Facilities and pipeline size/J curves.

Task 12 Alignment Investigation:

- Finalize hydrology and engineering reports

Task 13 Special Design Areas:

- Continue work on the various special design areas
- Begin work on the ADOT bridge coordination

Task 14 Geotechnical Data Gap Analysis:

- Continue work on Geotechnical Data Gap Analysis

Task 15 IPA Pacesetter Evaluation:

- IPA Pacesetter Evaluation is scheduled for Nov 2 – Nov 4.

Comparing Actual vs. Budget of Overall Project Completion

- The project is progressing under budget and on schedule.
- Addressing the Upcoming Work Order Packages
- AGDC has requested Baker prepare a scope and fee for a ROW acquisition way forward similar to Task 14.

Area of Concern, Problems, Decisions Required

- Need to coordinate with AES and develop a realistic permit strategy.
- Need TAPS data around Atigun Pass.
- Will need a review of the proposed alignment changes as a result

Actual vs. Work Order Dollars

Task	Estimate	Actual Labor	Actual Expense	Actual Subs
1-Project Management	\$705,328	\$493,757.38	\$35,100.73	\$0
2-Data Management/Library	\$456,112	\$196,833.25	\$40,129.15	\$0
3-Outreach	\$380,602	\$91,890.55	\$30,539.96	\$80,561.95
4-Alternative Analysis	\$269,221	\$221,360.59	\$10,633.47	\$31,741.50
5-Supply/Demand Analysis	\$104,200	\$0	\$2591.00	\$65,989.57

6-Project Description	\$2,179,606	\$1,699,401.20	\$50,962.09	\$390,377.05
7-Cost of Service	\$1,089,628	\$360,634.73	\$143,590.39	\$554,543.36
8-ROW Application	\$54,632	\$51,309.82	\$73.30	\$0
9-Construction Planning	\$218,565	\$0	\$0	\$0
10-EIS Support	\$796,847	\$453,644.25	\$24,998.91	\$0
11 – Cost Optimization	\$723,214	\$1,791.00	\$0	\$0
12 – Field Reconnaissance	\$483,690	\$419,613.03	\$66,772.35	\$0
13 – Special Design Areas	\$1,034,840	\$22,710.00	\$6.60	\$0
14 – Geotechnical	\$298,046	\$22,798.50	\$2.55	\$0
15 – IPA Workshop	\$88,374	\$17,043.50	\$147.70	\$0

**Stand Alone Gas Line Draft EIS
10-10-907 NTP#1**

Monthly Progress Report – November, 2010.

The following project activities were conducted over the period September 25 to October 29, 2010:

- Continued to work with ASRC and MJB on GIS data access and use.
- Conducted additional project team meetings to discuss development of affected environment chapters for DEIS.
- Continued to prepare Affected Environment sections on Wildlife, T&E Species, Wetlands Floodplains, Fish, Cultural Resources, Subsistence, Water Resources, Socioeconomics, Visual, Land Use, Navigation, Recreation, Air, Climate Change and Noise. Completed internal review of completed Affected Environment sections.
- Conducted GIS analyses to support Affected Environment Sections.
- Conducted Visual Resources issues meeting with USACE and BLM on 9/29.
- Attended Coordination Team Meeting on 9/28.
- Attended Cultural Resources and GIS meetings with agencies and applicant on 10/4.
- Updated website as directed by Corps.
- Maintained project administrative record.
- Updated detailed project expenditures worksheet for monthly reporting.

The following activities are planned for the month of November 2010:

- Integrate ANGDA B2F data in Affected Environment for Richardson Route (received October 1, 2010).
- Attend Coordination Team Meeting on Nov 2 to discuss revised information from the applicant.
- Attend Coordination Team meeting on November 4 to discuss development of alternatives.
- Update website with new documents as necessary
- Update stakeholder database as necessary
- Continue to formalize "master" document list, incorporate into GIS-based GAP analysis
- Continue writing other affected environment sections for inclusion in an affected Environment deliverable document.
- Discuss receipt and integration of Summer 2010 studies data
- At request of USACE, prepare scope of work and budget for 3 newsletters, initiate newsletter 1.
- Provide subsistence references and data gaps to USACE and BLM per their request.
- Provide support as requested by USACE for additional public comment period.



Outstanding Issues:

- A clear understanding of the final purpose and need, project description, and path forward needs to be established with the applicant and cooperating agencies as soon as possible.
- Determination as to whether the Richardson Alternative will be considered in the DEIS
- Specific ASAP centerline needed to proceed with impacts analysis.
- Resolution of the timing of integration of summer 2010 field data into the NEPA process.