



November 22, 2010

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

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

Dear Legislators;

In accordance with HB 369, the following monthly Project progress report is submitted for your review.

Dave Haugen, Project Manager for Alaska Gasline Development Corporation (AGDC) and Engineering Manager, Dave Norton attended the International Petroleum Conference in Calgary, Alberta. Meetings were held with industry professionals to introduce the Project and increase the industry awareness of the Project.

The Project staff and representatives from ASRC Energy Services, Michael Baker, Inc., State of Alaska Department of Natural Resources, Federal Bureau of Land Management toured the proposed Project route from McKinley south to Port MacKenzie.

AGDC rolled out web-based Geographic Information System for agencies and third party Environmental Impact Statement activities. AGDC also delivered wetlands, lakes and cultural resources field work results to the U.S. Army Corps of Engineers.

AGDC is working with contractors and cooperating agencies to revise and tighten the wording on the Purpose and Need Statement for the Plan of Development that was submitted in September.

AGDC held multi-state/federal-agency meetings to explain the scope of the Project. Agencies were encouraged to bring any questions and concerns to AGDC for review and response. AGDC continues to expand the audience to include all appropriate agencies as work progresses.

AGDC is working to develop a realistic permitting strategy for inclusion in the Project Plan. Currently, permitting work includes work on the U.S. Army Corps of Engineers Section 404/Environmental Impact Statement, the State of Alaska Department of Natural Resources Right-of-Way Lease, and the Federal Pipeline Right-of-Way Grant.

Work was completed on the new AGDC website, the address for the site is www.gasline.us.com. All Project updates, legislative reports and public reports will be posted and the site will be maintained to reflect the most current Project information.

AGDC issued RFP #2010-AGDC-003 Economic Feasibility Study Greenfield Natural Gas Liquids (NGL) Extraction, Fractionation, Storage, and Export Facility on October 1, 2010. Addendum #1 was published

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on October 20, 2010. Three (3) proposals were received and are under review. To read the entire proposal, please refer to the website. Results will be noted in the November monthly report.

Project work continues to provide cost optimization on the proposed route and develop the most cost effective Project Plan.

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