



October 20, 2010

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

Subject: September 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.

Project work continues to prepare reports and provide analysis results to meet requirements of the Project schedule. The Project staff continues to conduct meetings with prospective pipeline builder, owner, operators to gain perspective on commercial interest in the Project.

Work continues with numerous federal and state agencies to meet the regulatory requirement schedule established under HB369.

The following information is a snapshot of the work performed in September.

September 1 -3, 2010 Delivery of the Project Plan of Development and the State of Alaska Right-of-Way Application was delivered to state and federal agencies and contractors working on the Project.

September 6, 2010 During the week of September 6th meetings were held with representatives of Continental Energy Systems, Lindsay Goldberg, Northern Natural Gas, ENSTAR, UniversalPegasus and HDR. Meetings were held to gauge commercial and financial interest in the Project.

September 10, 2010 RF{P 2010-AGDC-001 was awarded to HATCH.

September 10, 2010 Dan Fauske addressed Commonwealth North regarding progress made by three Team since the July 1 hand-off from the State of Alaska, Department of Natural Resources.

September 16, 2010 Members of the AGDC staff and representatives from US Corps of Engineers, State Pipeline Office, and ASRC Energy Services traveled to Fairbanks to view the proposed route from Livengood south to McKinley Park.

September 28, 2010 – A federal and state joint agency meeting was held by the US Corps of Engineers to bring all pertinent agencies together and resume regular meetings to provide project updates and progress.

The AGDC staff continues to move forward with the schedule to meet the deadlines for regulatory compliance and to provide cost optimization on the proposed route.

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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,

A handwritten signature in blue ink, appearing to read "Dan Fauske".

Dan Fauske
Chair, Joint In-State Gasline Development Team