



June 3, 2011

Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Subject: April Progress Report on the Alaska Stand Alone Gas Pipeline/**ASAP**

Esteemed Members of the Alaska Legislature:

Pursuant to HB369, the Alaska Gasline Development Corporation (AGDC) is submitting the following monthly project report on the Alaska Stand Alone Gas Pipeline/**ASAP** (ASAP) for legislative review.

AGDC continues to work on the comprehensive submittals for the Preliminary Draft Environmental Impact Statement (PDEIS) due in early June, 2011. Other submittals include completion of the Coastal Project Questionnaire in support of the State Pipeline Coordinator's Office (SPCO) Right-of-Way (ROW) application for lease and revised permit applications which were submitted in March.

The project work in the month of April included: fieldwork coordination with contractors and agencies as planning continued through the month in anticipation of supplemental funding. Stipulations for the State of Alaska Right-of-Way lease on state land were finalized and submitted to the State Pipeline Coordinators Office. Commercial work to update and harden the tariff analysis for the July 1 report continued throughout April. Initial planning was conducted for the **Expression of Interest** meeting to be held with prospective shippers in May. AGDC planning on the next phase of the project moved forward in an effort to keep the project on schedule.

Significant work has been accomplished with regard to the air monitoring, air permitting strategy and the air quality cost estimate. Work includes efforts to define the air monitoring site selection locations along the alignment and efforts related to clarifying the pre-air permitting assertions and assumptions.

The 2011 summer field work season was planned to maintain the ASAP project momentum. To support that effort, 2011 fieldwork permitting and desktop analysis was performed in April. The program requires funding to hire field technicians, perform contractor coordination, support logistics (equipment, camps, transportation), and secure access to lands. AGDC is also working to secure accurate land ownership GIS data to identify any/all private property along the 2011 survey segments.

AGDC met with the Alaska Division of Geological & Geophysical Surveys (DGGS) to collaborate on LiDAR survey needs. AGDC entered into an RSA with DGGS and work commenced immediately. Results will benefit both DGGS and AGDC programs.

Wetlands work continues as AGDC identified wetland data gaps to be addressed in the 2011 field season. The 2011 Wetland Data Gap Field Study Work Plan is underway with a final copy due for approval and funding in May. AGDC received and approved the Upland Vegetation/Merchantable Timber/Agricultural Land Use Survey Work Plan in April for implementation in the summer field season.

AGDC continues to meet with the State Historic Preservation Office (SHPO) for the purpose of reviewing the project progress and identifying the 2011 study areas. Also under review are the sampling methods and discussion regarding the forward action and the predictive model for the on-going project cultural work. The 2011 cultural work plan and survey needs assessment were completed in April.

First review of the economic feasibility submittals on Liquid Natural Gas, Gas to Liquids, and Natural Gas Liquids was conducted throughout April. Considerable work is scheduled in the coming months to refine the data and transfer the information from the findings into executive summary format for inclusion in the July 1 deliverable.

On-going federal and state agency consultations were conducted during the month of April for the purpose of reviewing the required submittals and ensuring the completion of all requirements for the PDEIS. Continued progress was made in April on the required permits.

Stakeholder engagement activity escalated in April as the ASAP project becomes more publicized. AGDC held the following stakeholders meetings:

- AGDC met with Mayor Hopkins of Fairbanks and Mayor Isaacson of North Pole to discuss the ASAP proposed alignment as defined in the Environmental Impact Statement (EIS) and as defined in the ASAP Plan of Development. Discussion ensued over the future development of infrastructure to build out the greater Fairbanks customer service area. It was determined that the ASAP project work does not encompass development of local distribution networks.
- An informal introductory meeting was held with Tanana Chiefs Conference (TCC) leadership to introduce the project and discuss project potential activity in the interior of Alaska. Representatives from TCC included President Jerry Issac; Bob Sattler, Realty Division; Tony Delia, Special Projects Director and Workplace Development.
- A meeting was held with ASRC Energy Services and the Minto Development Corporation to discuss the opportunities and activities on the ASAP project.

Other project meetings in April included: a meeting with Leo van Wijk, CEO and founder of Janus Methanol Ltd; a meeting with the executive team from ENSTAR; a meeting with business development representatives from CH2M Hill; a meeting with the executive team with Shell Oil; a meeting with Larry Persily, Office of the Federal Coordinator, Alaska Natural Gas Transportation Projects; and a meeting with executives from GCI.

Thank you for your continued support and interest in the progress of the Alaska Stand Alone Gas Pipeline project. Please call either 907.330.8452 or 907.277.4432 with any questions on information in this report or to request more information on the Project.

Respectfully submitted,



Dan Fauske
Chair, Joint In-State Gasline Development Team

cc: Honorable Governor Parnell
Lieutenant Governor Treadwell
AHFC Board Members
AGDC Team Members