



November 21, 2011

Members of the Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

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

Dear Members of the Alaska Legislature:

The ASAP project team submits the following October monthly progress report on the ASAP project for legislative consideration and review.

Administrative

During October, the Administrative Services Division secured office space on the first floor of the Calais II building in mid-town. Wiring and cable to accommodate 28 desk-tops is currently underway to support the project office build-out. This location affords adequate access to parking necessary to accommodate the business of the ASAP project office. The anticipated move-in date is mid-December.

Commercial Team

During October the Commercial team continued to meet with potential ASAP shippers to educate them and increase understanding of the project and, most significantly, gain more clarity and definition on the shippers' requirements. These discussions are essential to preparing the ground work for the planned 2013 ASAP Open Season.

Environmental Impact Statement

Third-party Environmental Impact Statement (EIS) contractor Cardno ENTRIX reorganized its approach to completing the EIS and has revised its schedule to recover some delay from the schedule that was presented by the U.S. Corps of Engineers (USACE) in August reflecting a 150-day delay. The Draft EIS (DEIS) is now scheduled to be published in December, with public hearings planned for late January and February. A list of the dates, communities, times and locations will be posted on the ASAP website as soon as that information is confirmed with the USACE. Once published the DEIS will be posted on the ASAP website and the USACE website under the ASAP project tab.

The summer 2011 Field Season was completed in October without lost time and with zero safety issues. The accomplishment is considered significant as the season started late causing a compressed schedule to complete summer field work for this year.

ASAP has installed air monitoring equipment stations at the compressor and straddle plant locations along the alignment. Data collection from the monitoring stations is planned to commence in December.

The engineering team is continuing work on the pipeline and facilities design with a focus on acquiring detailed information required to conduct a successful Open Season.

External Affairs

Public outreach in October included the following meetings and public presentations.

On October 6th Dan Fauske presented an ASAP project overview to over 70 members and guests of the Fairbanks Rotary. Later that afternoon Mr. Fauske and members of his team held a meeting with over 30 individuals representing various Fairbanks Chamber committees to discuss the progress and the status of the ASAP pipeline. The forum was a casual format with members of the Chamber asking questions and ASAP project team and Mr. Fauske providing answers. That same evening, the ASAP team presented an in-depth project overview to the general public during a Fairbanks Community meeting. The meeting was well attended with over 100 people in attendance. Questions from the public were focused on the timing of the project and when the ASAP project could make gas available to Fairbanks residents. Questions were also asked on the tariff and when ASAP would have answers on the firm price of gas delivered in that area. All questions were satisfactorily answered and overall support for the project is strong in the region. Everyone in meetings throughout the day asked for continued information as the project progresses through the next phase to Open Season.

On October 11 and 12th, ASAP members traveled to the communities of Cantwell and Trapper Creek/Talkeetna to hold public meetings on the ASAP project progress. Both meetings were noticed by public announcements on the radio, through mailings, posters placed in businesses and schools, notice published on the ASAP website and through calls to organizations in the communities. Both meetings recorded a small turnout; questions were addressed and the project team was able to provide facts on the project which served to increase understanding about the project purpose, schedule and funding.

October 14th Dan Fauske addressed the Alaska Association of Conservation Districts on the status of the ASAP project. The information was well received by those in attendance and the group supports the work of the ASAP team.

Numerous meetings were held with state and federal agencies and with corporations during the month of October to further the work being done on the project. Agency and commercial meetings are essential to the ASAP project mission.

FEL 2 progress

The ASAP project management team is continuing to set in motion the necessary work packages and activities associated with the Open Season process. Tom Foster was hired in October as the Project Planner/Scheduler. Tom will map the deliverables on the project and he will conduct meetings with project management to close any data gaps and continue the momentum on project milestones.

The project team sincerely appreciates the legislative oversight and interest in the work conducted by the ASAP project team. The project team is committed to performing the project work as generally defined in FEL 2 of the ASAP Project Plan. If there are any questions regarding the information contained in this report, please call 907.277.4488.

Respectfully submitted,



Dan Fauske
President, Alaska Gasline Development Corporation

cc: Honorable Sean Parnell, Governor
Honorable Mead Treadwell, Lieutenant Governor
State of Alaska Commissioners
AGDC Board Members
AGDC In-State Team Members