



March 16, 2012

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

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

Dear Members of the Alaska Legislature:

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

Engineering

Dave Norton, Engineering Manager, held a quarterly update meeting with PHMSA in Washington, D.C. on February 14th. AGDC intends to maintain the schedule of meeting with representatives from PHMSA on a quarterly basis as the project moves forward.

The ASAP engineering team has been working with the Alaska Division of Geological & Geophysical Surveys to secure high resolution LIDAR data and preliminary reports on the 2011 seismic hazards field investigation. The information has been received and incorporated into the project engineering and design planning work.

ASAP engineering held meetings with the Prudhoe Bay Operator and Co-Owners to clarify gas composition and availability. The information from those meetings is essential to the forward momentum of the ASAP project.

ASAP engineering developed scopes of work for alternate project design basis resulting from on-going commercial feedback. The engineering group participated in continuing discussions with APP on access to common data sets during February.

Environmental Impact Statement

The Corps of Engineers has completed ASAP Draft Environmental Impact Statement (DEIS) meetings in the communities of Kenai, Barrow, Nuiqsut, Anaktuvuk Pass, Fairbanks, Nenana, Cantwell, Denali National Park/Healy, Talkeetna/Trapper Creek, Willow and Anchorage. Two more meetings have been scheduled for the communities of Minto Village on March 20th and Wiseman on April 2nd. The U.S. Army Corps of Engineers extended the public comment period

for 30 days and it will now close April 4th, 2012. The Final EIS (FEIS) is scheduled to be completed in early summer 2012. Following receipt of the FEIS, the Bureau of Land Management (BLM) Record of Decision is expected to be issued within 30 days.

AGDC team has received a letter from the Federal Bureau of Land Management saying the ASAP application for the Federal Right of Way Grant is complete. Work to secure the ROW is on schedule. The ASAP Federal ROW Grant is expected to be completed in fall of 2012.

2012 field season planning is underway. Contractors were asked to present plans for the 2012 season according to the work required to progress ASAP field work through the summer and fall of 2012.

External Affairs

Public outreach in February included participation in the DEIS meetings. Public Affairs also held meetings in Fairbanks with Tanana Chiefs Conference (TCC), Doyon and Minto Development Corporation to discuss the DEIS schedule and ASAP project progress.

AGDC is sitting on the Fairbanks North Star Borough (FNSB) Energy Advisory Committee. AGDC attends the monthly meetings and has received a copy of the FNSB Gas System Distribution Analysis that was developed by Northern Economics in association with Michael Baker, Jr. Inc., SLR International, and the Alaska Energy Board. Members of the AGDC commercial team are reviewing the information.

Other stakeholder activity included planning for the leadership meeting in Barrow to discuss affected communities in the North Slope Borough and establishing contacts with curriculum directors within the high schools and technical programs. The purpose is to educate high school students about the potential possibilities and opportunities associated with the ASAP and other mega projects underway in Alaska.

The project team sincerely appreciates the legislative oversight and interest in the work conducted by the ASAP project team. If there are any questions regarding the information contained in this report, please call 907.330.3600.

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