



September 27, 2012

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

Subject: September 2012 **ASAP** Progress Report on the Alaska Stand Alone Pipeline

Dear Members of the Alaska Legislature:

The ASAP project team submits the following ASAP progress report for your review.

The ASAP staff spent much of September working on finalizing details with the U.S. Army Corps of Engineers on securing the Environmental Impact (EIS) Statement, working on refining tariff assumptions, continuing to evaluate the engineering design and the facilities design, and continuing the ASAP public outreach efforts.

The ASAP project asset portfolio continues to build value for the State of Alaska. The Final Environmental Impact Statement is in progress, a 100-mile Federal Bureau of Land Management (BLM) lease Right-of-Way will follow the EIS by 30 days, a BLM Record of Decision will be received 30 days after the EIS, and a completed Section 404 Permit is expected to be filed early in 2013. This is the only energy solution in front of Alaskans with this critical project work near completion. These assets represent millions of dollars of work product and this work represents diligence and precedence in critical pipeline project work.

Engineering

Pipeline engineering efforts continues to focus on refining pipeline cost estimates for the tariff models and for the design of the pipeline. The ASAP team continues to perform diligence in cost analysis and assumptions for the most economic outcome for the ASAP project. Field work preparation and planning continued in September to secure the necessary environmental and land access permits for the FY 13 field work program.

External Affairs

The team expects to deliver an ASAP Project Update report to the legislature at the end of 2012. The report will include updates from each discipline outlining the project progress and milestone achievements during the past year.

ASAP public outreach conducted public meetings in the following organizations and communities during September: Commonwealth North membership forum, September 5, 2012;

City of Anderson Community Meeting and City Assembly, September 11, 2012; Clear Air Force Station leadership meeting, September 12, 2012; Alaska Oil and Gas Summit, Anchorage, September 17, 2012; Alaska Oil and Gas Congress, Anchorage, September 19, 2012; Talkeetna/Trapper Creek Community Meeting, September 25, 2012; Alaska Support Industry Alliance Annual Forum, Fairbanks, September 28, 2012.

The ASAP Community Advisory Council cancelled the September 20, 2012 meeting due to weather and scheduling conflicts.

Regulatory

ASAP project staff is initiating an appraisal of lands included in the 604 miles State of Alaska lease Right-of-Way as required by the terms of ADL418997 Right-of-Way Leases for the Alaska Stand Alone Pipeline.

Mr. Fauske and the ASAP project team appreciate the legislative support and oversight provided to AGDC during the continuation and execution of the ASAP Project Plan. 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