



Alaska's In-State Gas Pipeline

May 14, 2013

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

Subject: April 2013 **ASAP** Progress Report on the Alaska Stand Alone Pipeline

Dear Members of the Alaska Legislature:

The following monthly report for April is provided on the Alaska Stand Alone Pipeline/**ASAP**.

Government Affairs

April 1st Frank Richards, Government Affairs and Pipeline Engineering Manager, and Joe Dubler, Vice President of AGDC traveled to Juneau for testimony on HB 4. HB 4 legislation governing the Alaska Gasline Development Corporation (AGDC) and the Alaska Stand Alone Pipeline (ASAP) project moved out of the House Finance committee on April 1st and was referred to the Senate. The bill moved to Senate Resources April 3rd for the first Senate committee review. HB 4 is written to empower AGDC to connect Alaskans with clean, secure, reasonably priced natural gas from the North Slope.

The week of April 8th, the ASAP executive team focused their efforts on being available for Senate testimony and support of HB 4 as it moved through the Senate Finance committee. Dan Fauske, Joe Dubler, Frank Richards, Dave Haugen, and Daryl Kleppin were present in Juneau during the week, as requested, to support the sponsors of HB 4 with project detailed information. Additional members of the executive team were on hand by telephone to support any requests for technical information, or documentation support.

The enabling legislation includes removing AGDC from under the Alaska Housing Finance Corporation and defines the organization as a stand-alone state agency under the Department of Commerce. As a new state corporation, AGDC will report to a new Board of Directors appointed by the Governor, the corporation will have an expanded mission to oversee other pipeline projects and the bill appropriated \$300+ million in multi-year funding for AGDC to carry out the work necessary to move the ASAP project to Open Season and optimally to project Sanction.

Engineering

Frank Richards attended multiple hearings on HB 4 as the Senate heard testimony and held committees on HB 4. Mr. Richards assembled several of the project team experts to assist in providing immediate responses to requests for technical, regulatory and commercial information.



Public Affairs

ASAP outreach for April included presentations and meetings with several stakeholder groups. On April 1st Leslye Langla, Public Affairs Director, presented a project overview to the Sand Lake Community Council where significant interest was noted. ASAP is receiving considerable attention as HB 4 moves through the legislative committees. Area local representatives were available by phone to answer questions on the project and speak with constituents about the project and the details of the legislation. April 2nd, Public Affairs was in the community of Talkeetna/Trapper Creek for a project update on the optimized pipeline changes. The community was extremely supportive of the changes and noted they were sending correspondence in support of HB 4 to their law makers.

April 8th Public Affairs delivered a project update to the Roger's Park Community Council meeting. Attendees were supportive and appeared to be very educated on the current supply and demand of Southcentral energy. April 10th, Ms. Langla presented an ASAP project update to the Palmer Chamber of Commerce. Ms. Ehmann, Chamber President, stated she anticipated the Palmer Chamber executive committee would be submitting either a resolution or a letter of support for HB 4 in the next couple of days if one had not been submitted.

Ms. Langla presented a project update to the Anchorage Hillside Rotary the morning of April 11th. Members appreciated the update and asked how they could become more involved in the decision to bring an energy solution to the Anchorage bowl area. Langla advised local utility providers are working on an interim solution for the area and local law makers are addressing the long-term energy for the region.

April 19th, Dan Fauske and Ms. Langla traveled to Fairbanks for an ASAP Community Council Meeting. The Council was very appreciative of the work the ASAP team has performed and the Council expressed sincere gratitude for the extensive work done by both members of the House and the Senate in passing this historic legislation. Co-Chair Tim Navarre announced that former Governor Sheffield accepted the invitation to join the Community Advisory Council, stating Sheffield is pleased to support the project. Sheffield congratulated Dan Fauske and the ASAP project team for the diligence and the deliverables that have been produced to date, stating "the quality of the work performed by this group is excellent."

April 24th, Public Affairs traveled to Barrow to hold a community meeting explaining the progress and accomplishments on the ASAP pipeline. Over 85+ people from the community attended the meeting. Comments from the general public in Barrow are focused on workforce preparedness and community notification of opportunities. ASAP Public Affairs told attendees that communities will learn of workforce development efforts in 2014. The project office has had initial meetings to discuss this activity, however workforce development is not currently staffed in the project office.

Project Management

To support the requests of law makers, all senior management has been available to address technical concerns and questions as legislation supporting AGDC moves through committees.



The project team is also maintaining momentum on internal project work in all disciplines in an effort to maintain the schedule and related milestones. Upcoming milestones include the development of the Project Execution Plan, which includes a plan from each of the project disciplines, and the overall Project Business Plan. Both documents are intended for internal use and will serve as guiding documents as the organization moves forward to develop the ASAP project.

Regulatory

The project office is coordinating with state and local agency offices to secure the permits for the 2013 Field Season work. A robust borehole drilling campaign of up to 335 boreholes south of Livengood is in planning phase and is expected to be finalized by early May. The ASAP regulatory team is continuing to work with local boroughs and agencies to apply for necessary access and right-of-entry on lands south of Livengood to perform this work.

Thank you for your support and oversight of the ASAP project. If you have any questions or would like to receive more information regarding the contents of this report, please contact my office at 907.330.6320 or visit www.agdc.us.

Respectfully submitted,



Daniel R. Fauske
President, Alaska Gasline Development Corporation

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

