



Alaska's In-State Gas Pipeline

April 3, 2013

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

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

Dear Members of the Alaska Legislature:

AGDC provides this Alaska Stand Alone Pipeline/**ASAP** project update for February.

Engineering

Frank Richards, AGDC Pipeline Engineering & Government Affairs Manager, attended multiple hearings on HB 4 – In-state Gasline Development Corporation to answer technical questions from the House Resources Committee. On February 1, Mr. Richards presented to the House Resources Committee on status of the ASAP project. On February 5, Mr. Richards also gave a project update to the Special Committee on In-State Energy.

External Affairs

ASAP outreach for February included presentations to a wide array of audiences. On February 1, AGDC Project Management Director, Dave Haugen, presented to Commonwealth North's Energy Action Coalition on ASAP's optimized "lean gas" design. On February 7, AGDC Director of Public Affairs, Leslye Langla, presented to the Anchorage South Rotary. On February 12, AGDC President, Dan Fauske, presented to the Anchorage Downtown Rotary. On February 13, Ms. Langla presented to a joint meeting of the Kenai/Soldotna chambers of commerce.

On February 14, the ASAP Community Advisory Council (CAC) held its monthly meeting in Juneau. Representatives from the ASAP project office attended the CAC meeting by phone. Speaker Chenault and Representative Hawker stopped by the meeting to thank the independent citizens for their involvement in the committee and to answer questions on HB 4. CAC members have been proactive about discussing the ASAP project in their communities and helping the public understand the scope and the purpose of the project. Many of the CAC members set time aside to testify on behalf of HB 4 while they were in Juneau for the AML meeting in February.

Citizen and industry support for HB 4 and the ASAP project has generated resolutions and letters of support from: Alaska Miners Association, Alaska State Chamber of Commerce, Associated General Contractors of Alaska, City of Fairbanks, City of Kenai, City of Nenana, City of North Pole, City of Seward, Cook Inlet Energy, Cooper Valley Development Association, Doyon, Matanuska Susitna Borough, North Slope Borough, Resource Development Council, Tesoro, Kenai Peninsula Borough, Fairbanks Chamber of Commerce, Kenai Chamber of Commerce and the Kenai Convention and Visitor's Bureau, Big Lake Chamber of Commerce, and the Alaska Support Industry Alliance.



On February 21, ASAP Public Affairs presented a project update to the Government Hill Community Council. ASAP Public Affairs has developed a schedule to meet with as many Anchorage area community councils as possible to further educate the public in the SouthCentral region about this energy project.

On February 26, Ms. Langla presented to the Seward Port and Commerce Advisory Board. Citizen representation was strong from the community. Members of the press were in attendance at the meeting. After the presentation, Seward Utility Manager, John Foutz, explained that even though Seward would not receive natural gas from the ASAP pipeline, the community is very interested in the project, noting the current price residents pay for utilities has been on the rise due to the cost of gas generated electricity. Seward citizens also noted concern for preparing their community for the impacts associated with preparing for a mega project. Their hope is that Seward will be better prepared for a project with adequate timing and strong leadership.

On February 28, Ms. Langla met with leadership from Tanana Chiefs Conference to provide a project update on the "lean gas" design model. Members of TCC were pleased to learn about the new tariff for Fairbanks and the potential for more community access points along the alignment. On February 28, AGDC Government Affairs & Pipeline Engineering Manager, Frank Richards, presented to the Society of American Military Engineers at the Captain Cook Hotel.

In February, HB 4, the In-state pipeline project, was heard in four hearings in the House Resources Committee. Mr. Richards attended those hearings to answer technical questions regarding the project and the AGDC executive team was available via teleconference.

Project Management

The contract for early engineering for the Gas Treatment Plant to be located on the North Slope has been awarded to Arctic Solutions - a joint venture between Fluor and WorleyParsons. A press release announcing the award was sent out February 20 and can be found in the "News" section of AGDC's website: www.agdc.us. The scope of their work will be to advance the engineering to the point that a class 3 estimate can be completed in preparation for the Open Season to be conducted in 2014. The first six months of work related to the contract will involve preparing a staffing plan to handle the design aspects of the Gas Treatment Facility (GTP) and the initial work will also include development of an early work plan on the GTP.

Regulatory

The project continues the permitting and land access work required to gain access and approvals required in preparation of the 2013 Field Season work to include geotechnical exploration and drilling of up to 400 boreholes along the pipeline alignment. The ASAP regulatory team is also working with state and federal resource agencies to apply for and receive authorizations for other summer field work in specific areas south of Livengood.

AGDC authorized HDR to perform cultural resources work in support of the geotechnical program and authorized ASRC Energy Services to prepare a cultural resources data gap analysis. The Bureau of Land Management (BLM) is also working to issue AGDC a Record of Decision (ROD) on our Right-of-Way application for the federal lands identified along the alignment.



I hope you find this information to be informative. Please accept my personal appreciation for the support and oversight our team receives from the Legislature. If you have any questions or would like to receive more information on the contents of this report, please contact 907.330.6320 or visit www.agdc.us.

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