

ASAP

Alaska's In-State Gas Pipeline

August 30, 2013

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

Subject: July 2013 **ASAP** Progress Report

Dear Members of the Alaska Legislature:

The following monthly Alaska Stand Alone Pipeline (**ASAP**) Project activity report is provided for the month of July.

Commercial

The Commercial team held an Open Season “kick-off meeting” with Open Season contractors, Sussex and Concentric Energy. These firms will assist the commercial effort by developing a work plan, schedule and deliverables for preparation of an Open Season scheduled for first quarter 2015. The commercial team is currently finalizing an RFP for an Open Season legal team to further assist the project team with Open Season preparation.

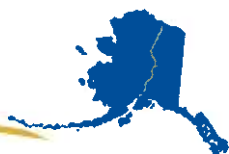
Engineering

Field program efforts continued with boreholes being drilled at various locations along the alignment, south of Livengood. Laboratory testing of field samples continued on soils highly susceptible to frost heave. Pipeline route revisions were presented as alternatives are being investigated to determine the best routing of the pipeline.

Environmental, Regulatory and Lands (ERL)

Mike Thompson, formerly the Director of the State Pipeline Coordinator’s Office (SPCO), joined AGDC as the new ERL manager on July 23. He has significant industry knowledge and experience.

The ERL team responded to questions and concerns that the Denali Borough Planning Commission submitted to the project office. The Commission stated that the information exchange was beneficial and the public outreach is helpful in understanding the project status and progress.



The following were high level ERL activities for July:

- Provided permitting support for the summer 2013 geotechnical program.
- Provided comments to the Project Execution Plan.
- Initiated work to inventory and manage existing air quality sampling equipment.
- Initiated a Task Order to clarify air quality permitting timelines associated with the gas conditioning facility on the North Slope.
- Monitored the progress of the Parcel Fabric Task Order. Upon completion in October, AGDC will own an authoritative land status GIS layer.

Legal Affairs

The Legal Department participated in the review and revision of the AGDC website, prepared various templates for use as AGDC documents, participated in preparation of the Corporation's Business Execution Plan, participated in meetings with outside parties, and advised senior management regarding various legal issues relating to the functioning of the Corporation.

Public Affairs

ASAP outreach for July included presentations to numerous audiences. On July 9, Dan Fauske, President of AGDC, presented a project update to the Alaska USA Insurance Brokers in Anchorage.

On July 10, the Public Affairs (PA) team presented project updates to the Fairbanks "Women Leaders in Energy" group and to the Fairbanks Mechanical Engineers group. Both groups expressed support for the project and concern over the energy crisis in Fairbanks. On July 11, the PA team presented to the Inupiat Community of the Arctic Slope (ICAS) Board of Directors in Barrow. The board expressed interest in workforce development and job opportunities that may develop as the project moves forward.

On July 18, PA travelled to Fairbanks for an ASAP Community Advisory Council (CAC) monthly Meeting. The council stated that they believe the CAC is more important now than ever. All members agreed that the ASAP project message must be delivered throughout the communities to maintain a level of interest and support. Members consider themselves a conduit between the communities and the ASAP project office, and their efforts are aimed at securing a long-term energy solution for Alaska.

From July 30-31, PA presented project and field work updates to the communities of Cantwell and Healy, and to the Commander of Clear Air Force Base in Anderson. During the Healy Community Meeting, the Denali Borough Mayor notified the team that ASAP permits for borehole work on Denali Borough land would be delayed due to a 21-day public comment period.

Project Management

AGDC released a Request for Proposal (RFP) on July 1 to select a company to provide services as a Program Management Contractor (PMC). Responses to the RFP were due on August 12.



Thank you for your continued support and interest in the work performed on the ASAP project. If you have any questions or would like to receive more information regarding the contents of this report, or any other activity within AGDC, please contact 907.330.6300 or visit www.agdc.us.

Respectfully submitted,



(f2c) 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

