



Alaska's In-State Gas Pipeline

July 31, 2013

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

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

Dear Members of the Alaska Legislature:

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

Engineering

Keith Meyer, PhD, has joined the ASAP team as the Pipeline Engineering Manager. Keith most recently worked for Baker, Inc. in Washington D.C. While at Baker, Keith worked on the ASAP project along with numerous other successful projects. Frank Richards will oversee all ASAP engineering in the role of Project Pipeline Engineering Manager and Government Relations.

During the month of June, the engineering effort included review of the U.S. Department of Transportation Pipeline and Hazardous Materials Safety Administrations' (PHMSA) Special Permit stipulation to determine the potential impact of the proposed special permit on the project. ASAP engineering anticipates on-going work and coordination with PHMSA related to the potential special permit.

ASAP engineering is working with C-FER Technologies of Canada to develop and test strain-based pipeline design. An active lab program in is progress for the purpose of performing the special pipe testing.

Environmental, Regulatory, Lands

ASAP Environmental, Regulatory, Lands (ERL) personnel have been busy managing the robust summer field programs underway in Healy, Nenana, Denali Park and Cantwell. The borehole campaign underway requires permitting and land access in all areas as well as crew preparation and deployment. The area from Cantwell to Nenana will provide significant soils and substrate data collection. Analysis of that data is required for pipeline engineering and design. Other field work is in preliminary planning for borehole testing later in the season in the Minto area and also in the Willow to terminus area. ASAP ERL is also performing a geo-hazard program north of Livengood to characterize locations and relative activity of potential geologic hazards. The geo-hazard work will trigger reports and maps evaluating potential effects of hazards to the ASAP route, feasibility, design and construction.



Public Affairs

ASAP outreach has included assisting the ERL folks with introductions to community leaders and lands officials for the purpose of securing both land access and permits for the 2013 field work.

Mr. Fauske, President of AGDC, participated in a panel discussion at the Alaska Oil and Gas Infrastructure conference held at the Anchorage Hilton June 5, 2013. Other members of the panel included Larry Persily from the Federal Pipeline Coordinator's Office and Gene Therriault, Deputy Director – Energy Policy Development, Alaska Energy Authority.

July 11, Public Affairs traveled to Barrow for a Community Advisory Council meeting. Several items were discussed during the meeting including how the Council will work with AGDC going forward to prepare communities for gas supply. The Council voiced concern that without AGDC's assistance, smaller communities may not be prepared to benefit from the project. AGDC advised the Council that AGDC will have representatives available to work with the Council on this critical issue going forward. The Council asked AGDC to commit to monthly meetings through the Open Season and Sanction phases of the project.

Mr. Fauske, addressed the Commonwealth North audience at the Dena'ina Center on June 12. The organization was pleased to hear that the legislature passed HB 4 and commended Dan and his team for the project work completed to date.

Public Affairs is planning for the remainder of the summer, fall and early winter outreach which will complete the 2013 series of Tier 1 Community Meetings and finalize details for requests for presentations. AGDC is committed to providing updates for communities along the alignment in an effort to help communities learn how to maximize both the economic benefits of the project and the potential long-term benefits of affordable, reliable, clean energy.

I hope you find this information helpful in maintaining an understanding of the activity and progress being made on the in-state pipeline. If you have any questions or would like to receive more information regarding the contents of this report, please contact 907.330.6320 or visit www.agdc.us. Thank you.

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

