



Alaska's In-State Gas Pipeline

July 2, 2013

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

Subject: May 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 May.

### **Government Affairs**

May 21, 2013, Governor Sean Parnell signed landmark legislation governing AGDC and the ASAP project. The 2013 legislation gives AGDC the authority to develop, finance, and operate a natural gas pipeline from Alaska's North Slope to a terminus near Big Lake. The line will provide long-term, affordable energy to Fairbanks and Southcentral Alaska in addition to other communities as practicable.

"Despite our plentiful energy sources, high energy costs remain a huge burden on Alaskans," Governor Parnell said. "This legislation moves Alaska forward in securing a reliable, reasonably-priced, long-term energy solution for Alaskans."

As a state corporation, AGDC joins other state corporate agencies working to provide a diverse portfolio of energy solutions for Alaska's future. AGDC's work compliments the mission of Department of Commerce, Community and Economic Development in 'Promoting a healthy Economy, Strong Communities, and Protecting Consumers in Alaska' by working under the administrative framework to bring an affordable energy solution to as many Alaskans as practicable at the lowest possible cost.

2013 legislation established AGDC as a stand-alone agency that will report to a Board of Directors, appointed by the Governor. Together, the Board and the agency will continue working toward delivering Alaska's gas to Alaskans in the most effective and reasonable timeframe possible. "A majority of Alaskans, two-thirds according to our latest Dittman Research poll, support the purpose of HB 4," said co-sponsor Speaker Mike Chenault.

May 30, Frank Richards presented a project update to a joint Senate and House Resources Committee at the Anchorage Legislative Information Office. May 31, Mr. Richards met with U.S. Senator Murkowski's team to provide a project update and discuss issues surrounding U.S. Senate Bill 157 written to allow the in-state gas pipeline to be constructed through Denali National Park.



## **Engineering**

The engineering team advanced the pipeline field program through multiple state and federal permits and has been working with local government officials and organizations to gain right-of-entry to perform the 2013 field work. During the month of May, members of the Engineering and Project Management team presented information on construction management and mega project planning to attendees at a series of UAA seminars held in Juneau, Anchorage and Fairbanks.

Members of the Engineering and Commercial teams conducted meetings with local utilities to discuss gas composition requirements necessary for preliminary project work.

## **Legal Affairs**

May 2013 legal department activities focused on House Bill 4 matters related to the corporate transition, including updating contract and confidentiality agreement terms and considering the need for, and appropriate content of, draft regulations for consideration by the new Board of Directors.

## **Public Affairs**

ASAP outreach for May included presentations to numerous public audiences. May 1, the Public Affairs team presented a project overview to the North Slope village of Nuiqsut. The village acknowledged ASAP for keeping the commitment to bring an update to their community twice per year. Nuiqsut voiced concerns about the continuing need to be included in the economic opportunities and the workforce training that may develop as the project moves forward.

May 10, Daryl Kleppin, ASAP Commercial Manager, presented a project overview to the Building Owners and Managers Association (BOMA) at the Anchorage Hilton Hotel. Several of the members in attendance asked questions about the supply of Cook Inlet gas stating concern for rising energy costs in the near future. Mr. Kleppin advised that the work on the ASAP project was a long-term energy solution and consumers could expect utility providers to continue working on a short-term solution.

May 13, Leslye Langla, Public Affairs Director presented a project overview to the ANCSA CEO's. Members of the group appreciated the presentation and asked that AGDC plan to provide regular updates to this stakeholder group as the project moves forward. Langla agreed that an established schedule for updates would be beneficial to both the project office and the ANCSA CEO group. May 14, several members of the ASAP project team attended the Community Advisory Council meeting held in Anchorage. The Council asked that ASAP have a commercial representative address the council on the preliminary activities associated with preparation for Open Season and access to gas from the ASAP line. Mr. Kleppin answered questions from the group about the possibility of small community participation in an aggregate approach to supply. Kleppin advised the Council that he would work with others in the project office to support the request for more information addressing community access.



May 21, a project update was provided to Lt. Governor Treadwell by Mr. Richards and other project managers. May 22, Dan Fauske and Frank Richards presented an overview of the enabling legislation to a Wells Fargo Board meeting. Board members in attendance were very interested in the activity and the progress made by the AGDC organization. Members thanked Mr. Fauske and his group for producing meaningful work deliverables for the State of Alaska.

May 30, Mr. Richards addressed a joint Senate and House Resources meeting with a "Plan Forward" presentation discussing the corporate transition and the most immediate work facing the ASAP team.

### **Project Management**

Each of the project disciplines have been working on developing draft functional area plans to be included in the Project Execution Plan and overall Business Execution Plan. The project management group is also working on development of the RFP for the Project Program Manager which is scheduled for distribution early July.

### **Regulatory**

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 907.330.6320 or visit [www.agdc.us](http://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

