

Capital expenditures are anticipated according to the following schedule (in thousand \$; at a +/- 30% confidence level):

<b>Fiscal Year</b>	<b>Capital Budget</b>	<b>Used from in state natural gas pipeline fund</b>	<b>Total</b>
2009-2012	\$ 50,668.2		\$ 50,668.2
2013	21,000.0	\$ 75,990.0	96,990.0
2014		114,810.0	114,810.0
2015	128,331.7	9,200.0	137,531.8
<b>Total All</b>	<b>200,000.0</b>	<b>200,000.0</b>	<b>\$ 400,000.0</b>

To continue the project at that level, it is anticipated that 14 additional staff will be added during FY 2013 at an average annual fully-loaded cost of approximately \$170,000 per year. The majority of these positions will be senior positions in the commercial and engineering areas.

The seven positions requested in FY2014 will be of a similar nature and will help to lead the project through open-season. The related operating budget items will be expended in support of the capital budget items in each of the subsequent fiscal years.

Total expenditures are budgeted in the following categories:

Project Plan Completion	\$ 30,000,000
Commercial Operations	13,825,000
Pipeline Engineering	93,784,000
Facilities Engineering	182,962,000
Support Activities	79,429,000
<b>Total</b>	<b>\$400,000,000</b>

**Commercial Operations:** Progress commercial discussions with potential shippers and markets. Develop agreements to allow for the future development of this project. Engage and work with the Prudhoe Bay operations & owners on numerous integration issues.

**Pipeline Engineering, Environmental & Permitting:** Progress pipeline route data collection and design, utilizing the information to upgrade project cost estimates and plans necessary for serious commercial discussions and project development approvals. Engineering work to be developed inline the industry best practices for mega-projects. Collect key environmental data necessary for permits preparation prior to construction.

**Facilities Engineering, Environmental & Permitting:** Conduct preliminary and front-end engineering development, utilizing the information to upgrade project cost estimates and plans necessary for serious commercial discussions and project development approvals. Engineering work to be developed inline the industry best practices for mega-projects. Prepare engineering design to be ready for placing long lead equipment and stock orders. Collect key environmental data necessary for permits preparation prior to construction.

**AGDC Support Activities:** Home office activities to support the commercial and engineering development of the project including all external affairs, accounting, budget, legal, records management and managerial oversight activities.