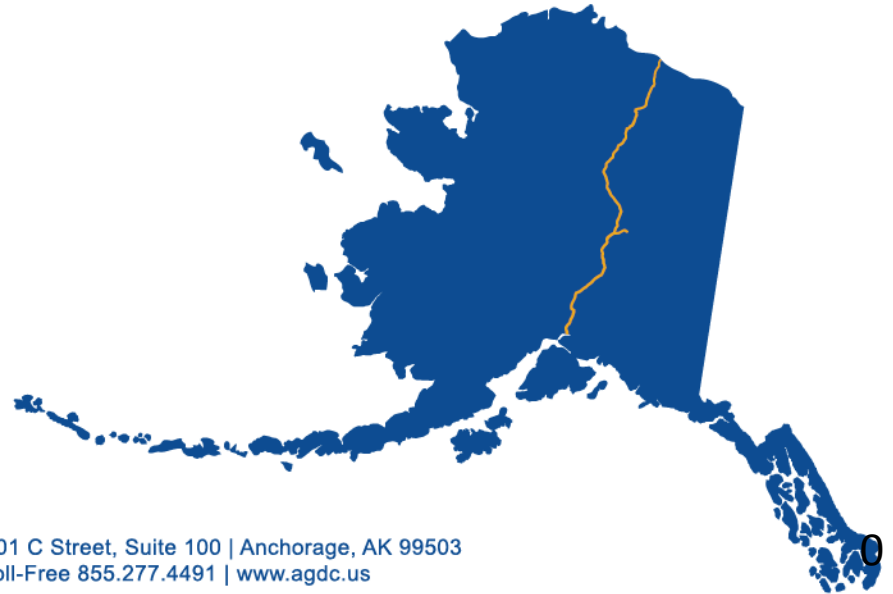




Joint Senate and House Resources Meeting

AGDC Update

May 30, 2013



Governor Parnell Signs HB4



ASAP

Alaska Gasline Development Corporation | 3301 C Street, Suite 100 | Anchorage, AK 99503
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HB4 2013 Enabling Legislation

Key legislation components to advance the project:

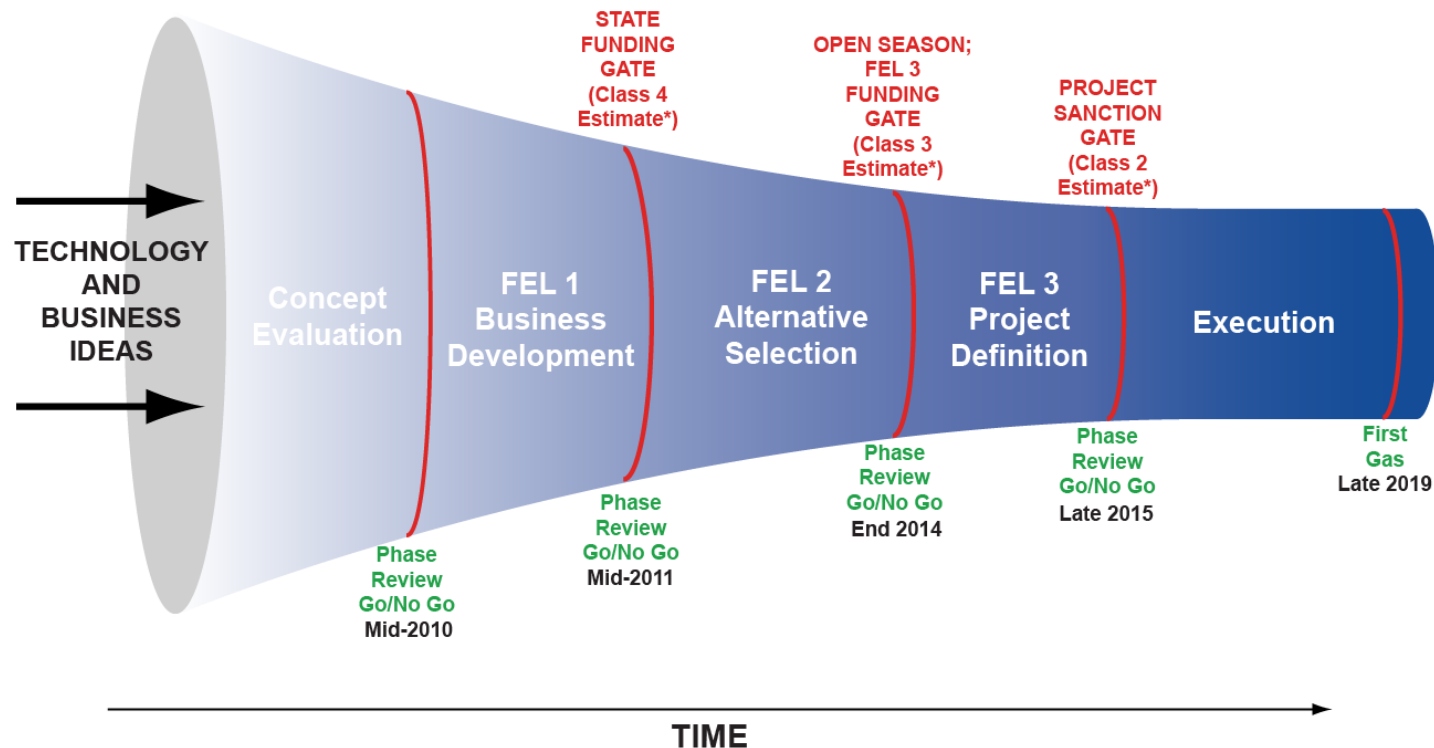
- New regulatory framework for contract carriers
 - Contract carrier status allows AGDC to enter into long-term contracts
- Ability to enter into confidential agreements (similar to AGIA)
- Authorizes AGDC to issue bonds
- Sufficient funding to advance project through Open Season
- Authority to determine ASAP ownership structure—key to attracting shippers/buyers and financing
- Procurement code and administrative procedures aligned with oil & gas industry standards
- Establishes a new corporation under Alaska Department of Commerce, Community and Economic Development
- Creates 7 member Board of Directors to provide oversight
 - 5 public members and 2 Cabinet members

S. 157: Denali National Park Improvement Act

- Secretary of the Interior to issue a right of way for a natural gas pipeline through Denali National Park
- Allows for construction of distribution and transmission pipelines for use by the Park
- Must comply with Title 11 of ANILCA
- Must comply with National Environmental Policy Act
- Subject to terms and conditions the Secretary deems necessary
- Passed out of Committee on Energy and Natural Resources

Stage Gate Approach

Front-End Development Progressively Narrows Uncertainty of Cost and Schedule



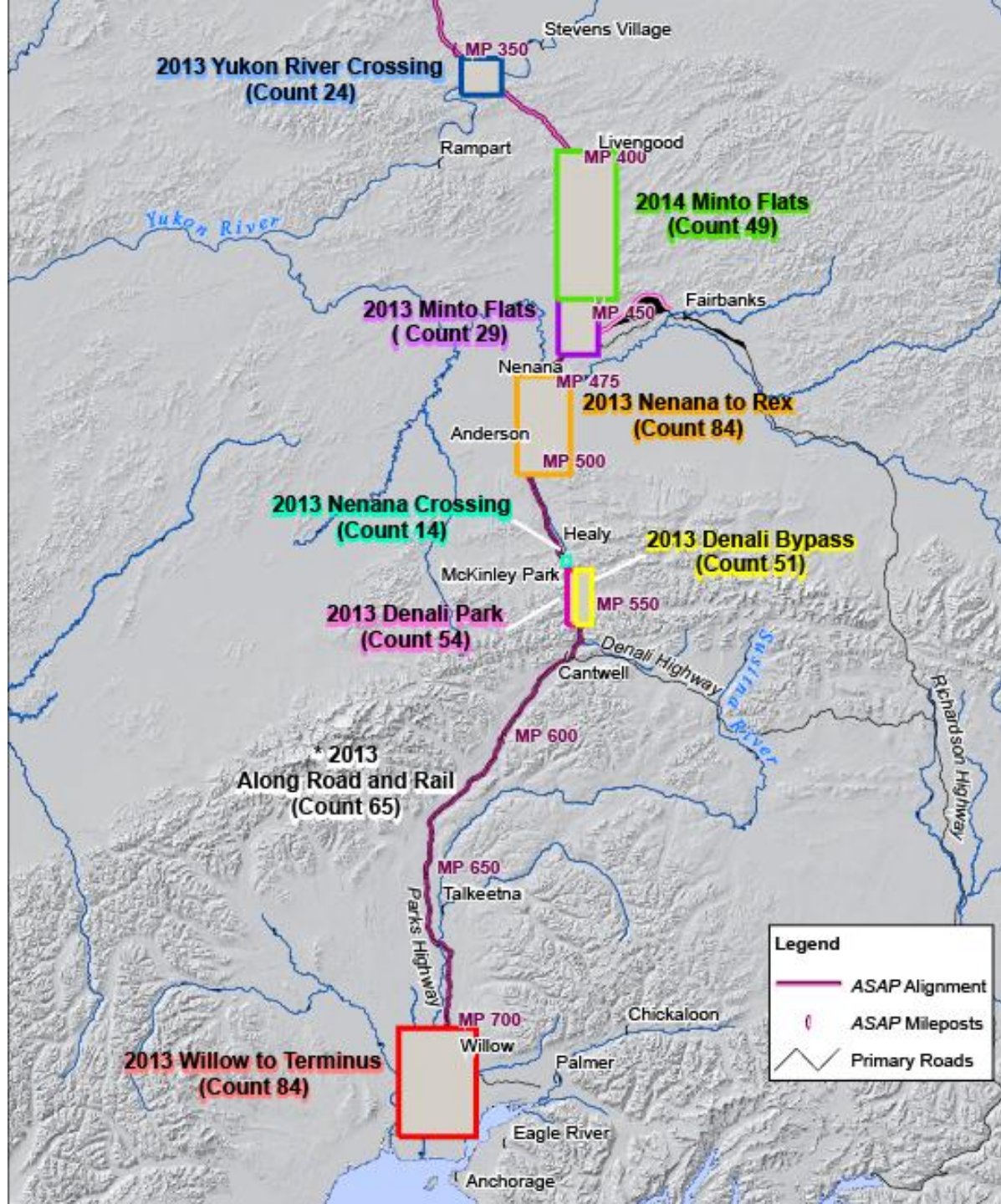
*Refers to AACE cost estimate classes (Association for the Advancement of Cost Engineering). The lower the class number, the higher the confidence in the accuracy of the estimate.

Work Underway

- Preparing for new AGDC organizational structure
 - Business and Project Execution Plans
 - New Policies & Procedures
- Initiating commercial engagement with new confidentiality authority
- 2013 major work activities (Funding available July 1)
 - Advancing FEL-2 (Pre-FEED) facilities and pipeline engineering
 - Program management contractor solicitation
 - Open season management contractor solicitation
 - Construction planning and logistics
 - Regulatory engagement – PHMSA special permit
 - 2013 summer/winter field programs

2013 Field Program

- 444 geotechnical boreholes from Yukon River to Point Mackenzie
- Geohazard investigation
- Stream crossing surveys
- Terrain unit mapping
- Cultural resource surveys
- Routing surveys



Geotechnical Boreholes 2013/2014

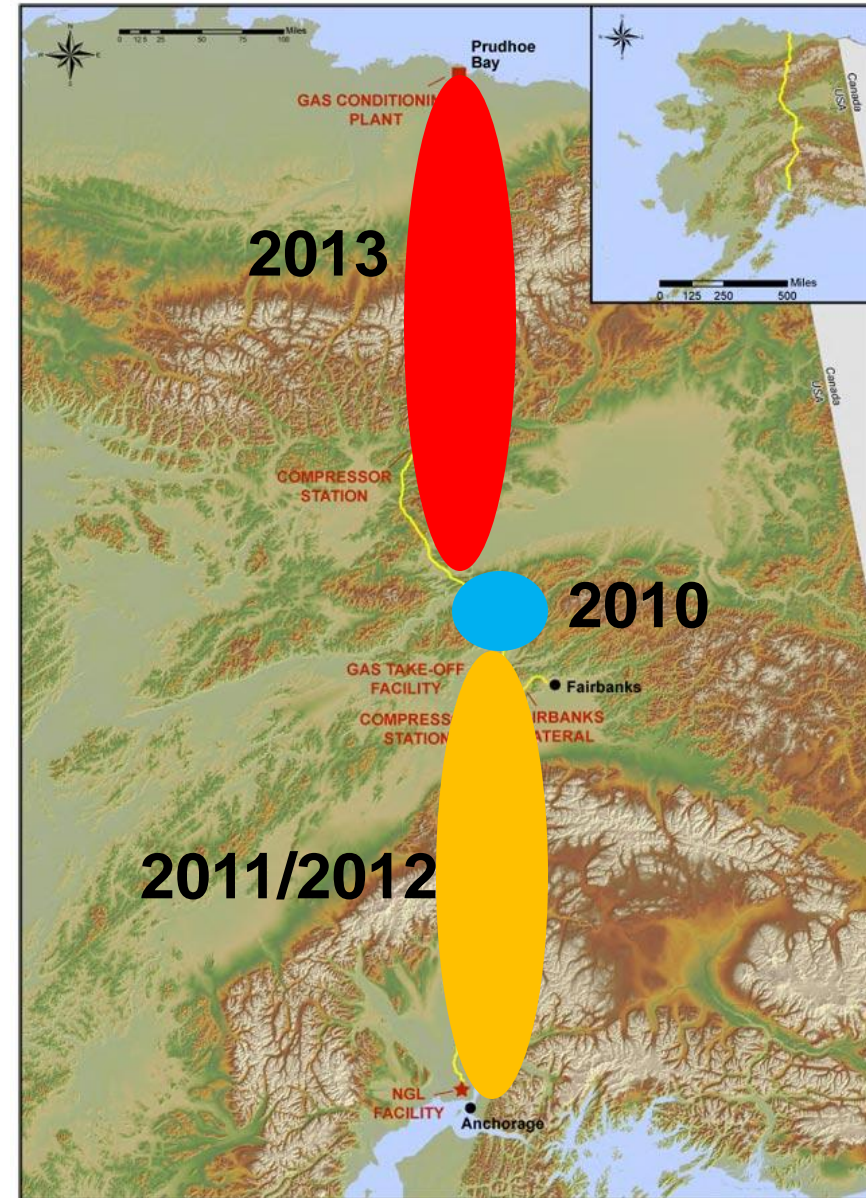
Geohazard Investigation

Division of Geological & Geophysical Surveys (DGGS)

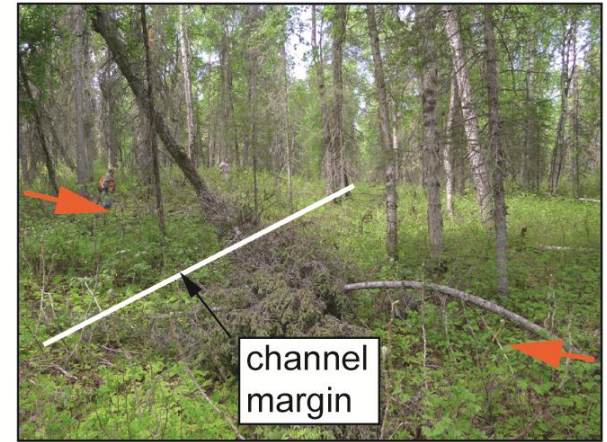
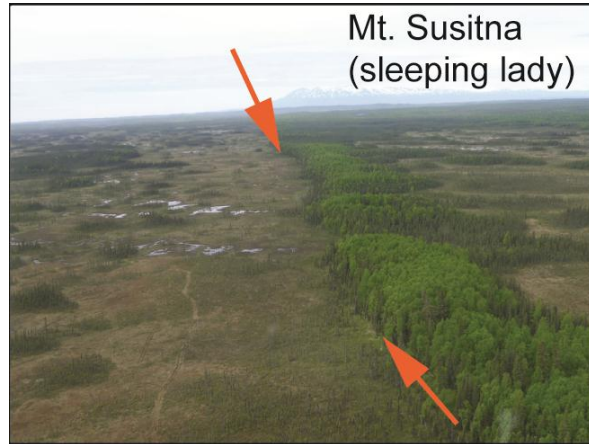
- Acquired Lidar data along entire route
- Completed field programs in 2010, 2011, and 2012
- 2013 field program begins June 1

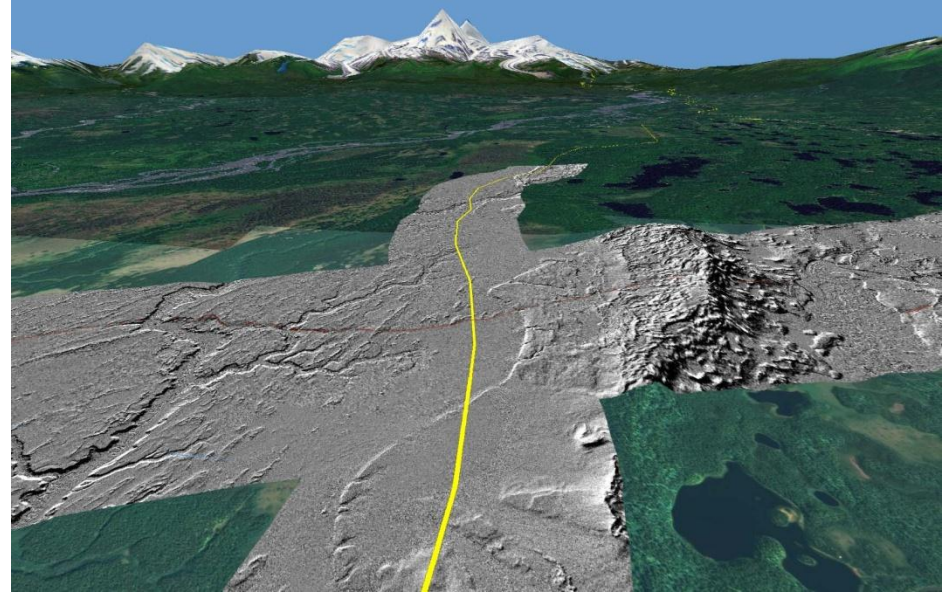
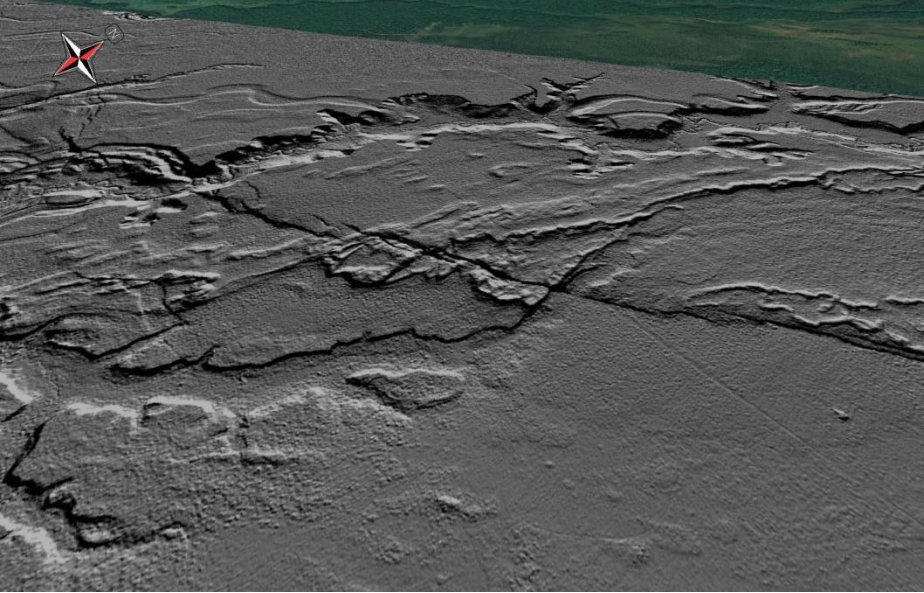
Outcomes of above activities include:

- Characterization of locations and relative activity of geologic hazards
- Maps and reports evaluating potential effects of hazards to pipeline route feasibility, design, and construction

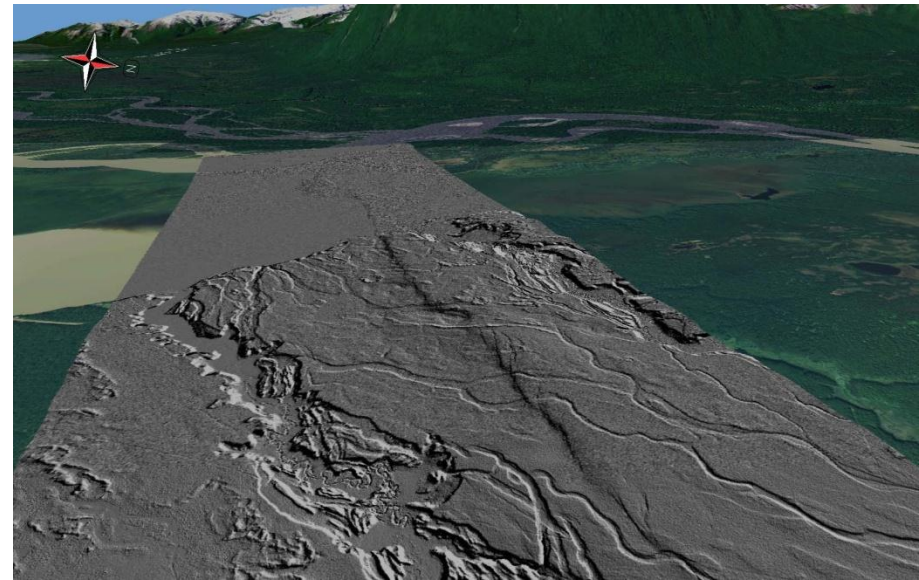
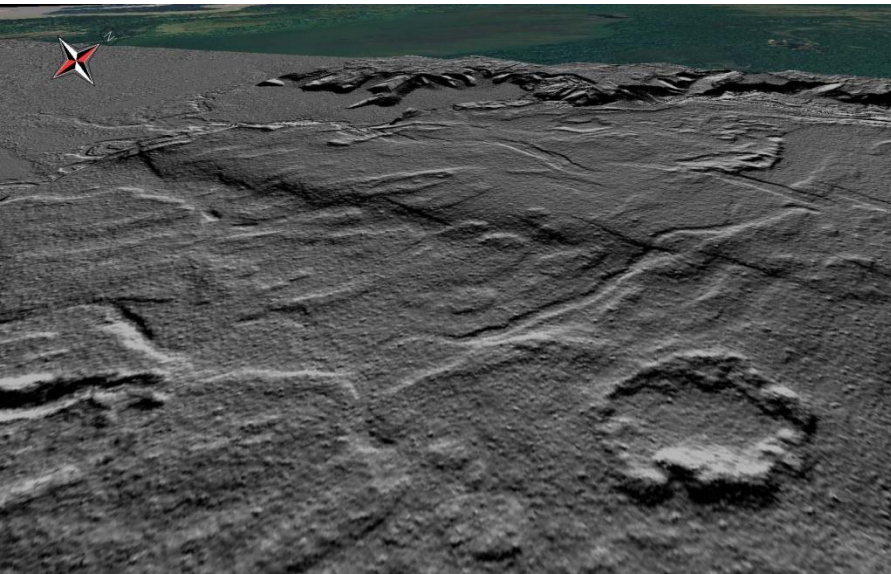


Geohazard: Castle Mountain fault

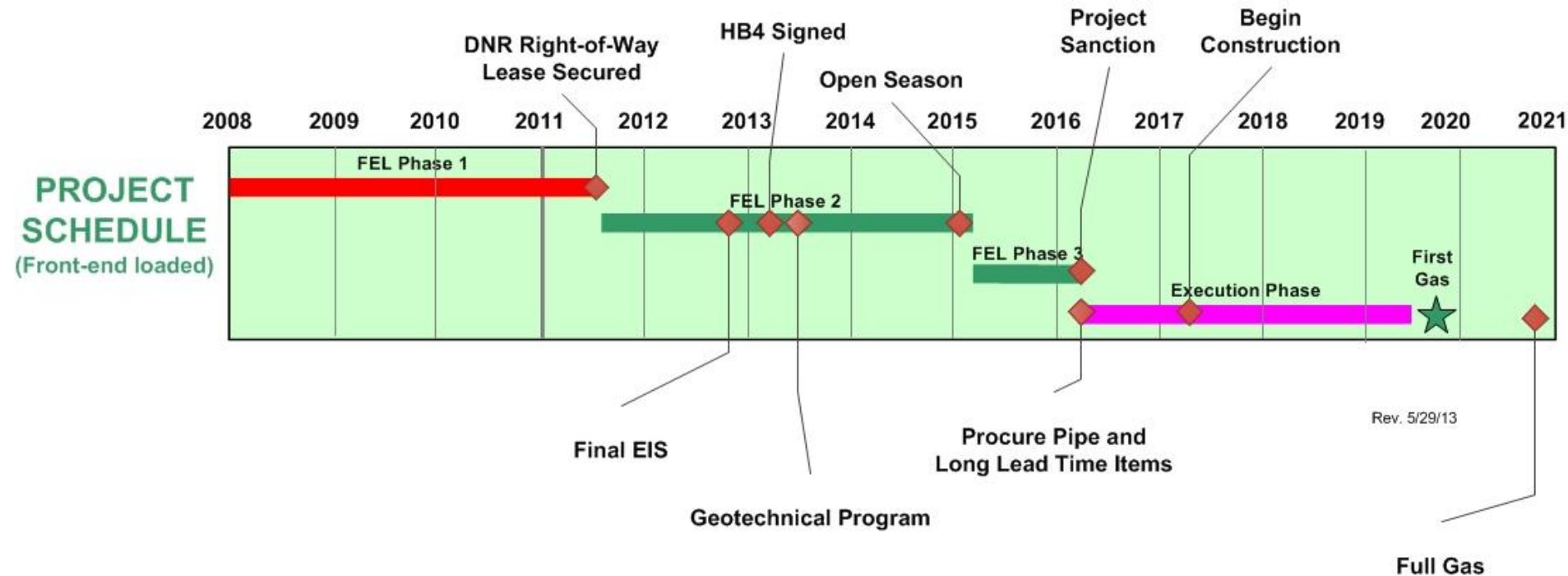




Lidar images of the Castle Mountain fault



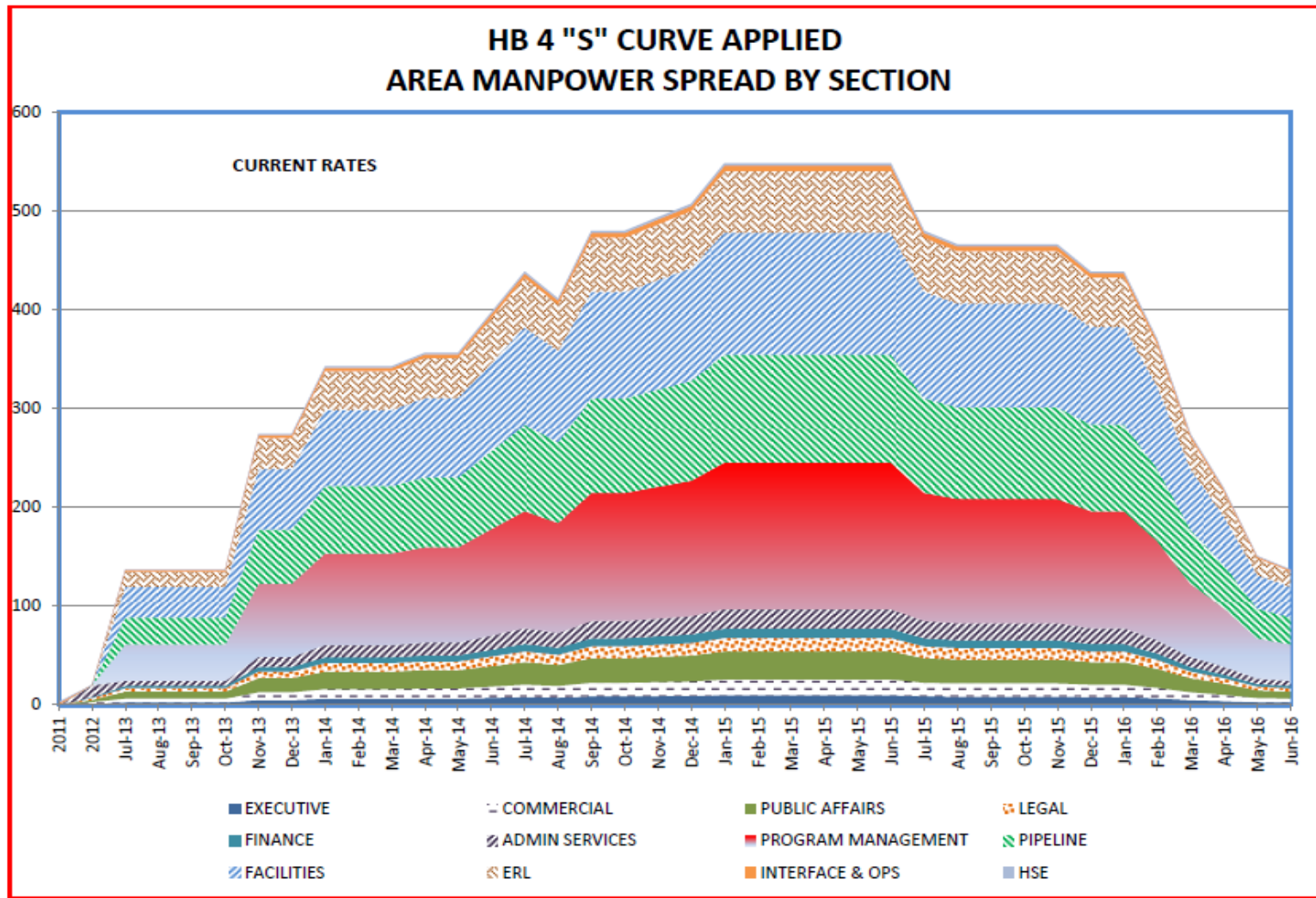
ASAP Schedule



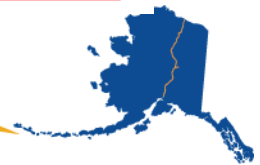
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FEL 2 & FEL 3 Manpower Projections



ASAP



Thank You

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