



March 28, 2019

The Honorable Chris Birch
Chairman
Alaska Senate Resources Committee
Alaska State Capitol
120 4th Street, Room 125
Juneau, Alaska 99801

RE: March 22 AGDC Alaska LNG Update

Dear Chairman Birch:

During the Senate Resources Committee meeting on March 22, 2019, Senator Cathy Giessel requested additional information regarding the Alaska LNG project.

Senator Giessel requested a summary of spending to date for the Alaska LNG project, which is provided in the attached chart and table.

Senator Giessel also inquired whether the Federal Energy Regulatory Commission (FERC), as part of their authorization, establishes a timeframe requiring projects like Alaska LNG to begin service or become operational.

In order to provide the most informed response, AGDC submitted this question directly to FERC staff. Per their response, when FERC provides an order granting authorization under Section 3 of the Natural Gas Act, the order typically includes a standard condition specifying that "...proposed liquefaction facilities shall be constructed and made available for service with ## years of the date of this order." FERC sets the length of time based on the schedule provided by the project developer in their resource report submittal.

Resource Report #1 in AGDC's FERC application for the Alaska LNG project includes a high-level schedule that identifies an eight-year construction period. FERC staff indicated that AGDC can amend this schedule as necessary during the ongoing review process or after an order is granted.

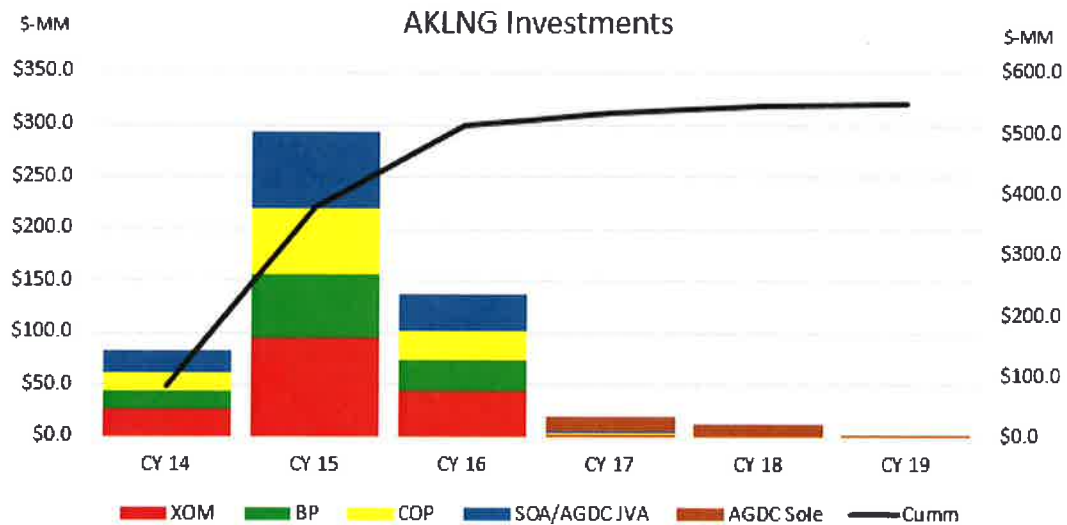
By way of example, FERC published the Section 3 authorization for the Calcasieu Pass liquefaction project on February 21, 2019. The authorization provides a five-year construction window based on the project developer's construction schedule. FERC staff indicated that project sponsors routinely request time extensions as issues arise, and FERC regularly authorizes such extensions.

Should the committee require any additional information, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Dubler". The signature is fluid and cursive, with the first name "Joe" and last name "Dubler" clearly distinguishable.

Joe Dubler
Interim President
Alaska Gasline Development Corporation



Company	Working Interest (WI)	CY 14	CY 15	CY 16	CY 17	CY 18	CY 19	Total
JV Gross WIP (\$-MM)		83.33	293.00	137.23	5.40	0.05		519.00
XOM	32%	27.06	95.14	44.56	1.75	0.02		168.52
BP	21%	17.55	61.71	28.90	1.14	0.01		109.30
COP	21%	17.89	62.91	29.46	1.16	0.01		111.43
SOA/AGDC JVA	25%	20.83	73.25	34.31	1.35	0.01		129.75
AGDC Sole	100%				14.40	13.50	1.95	29.85
Total		83.32	293.00	137.23	19.80	13.55	1.95	548.86
	Cumm	83.32	376.32	513.55	533.35	546.90	548.86	

- 1) AKLNG JV total WIP of \$519MM is split 25% AGDC (\$129.7MM) other JV participants 75% (\$389.5MM)
- 2) Final JV WIP from email correspondence with Exxon's Maria Epishkina 4/25/2018
- 3) AGDC gained project leadership 1/1/2017
- 4) JV-Joint Venture
- 5) WIP-Work In Place (aka value of work done)
- 6) Table represents direct project costs only