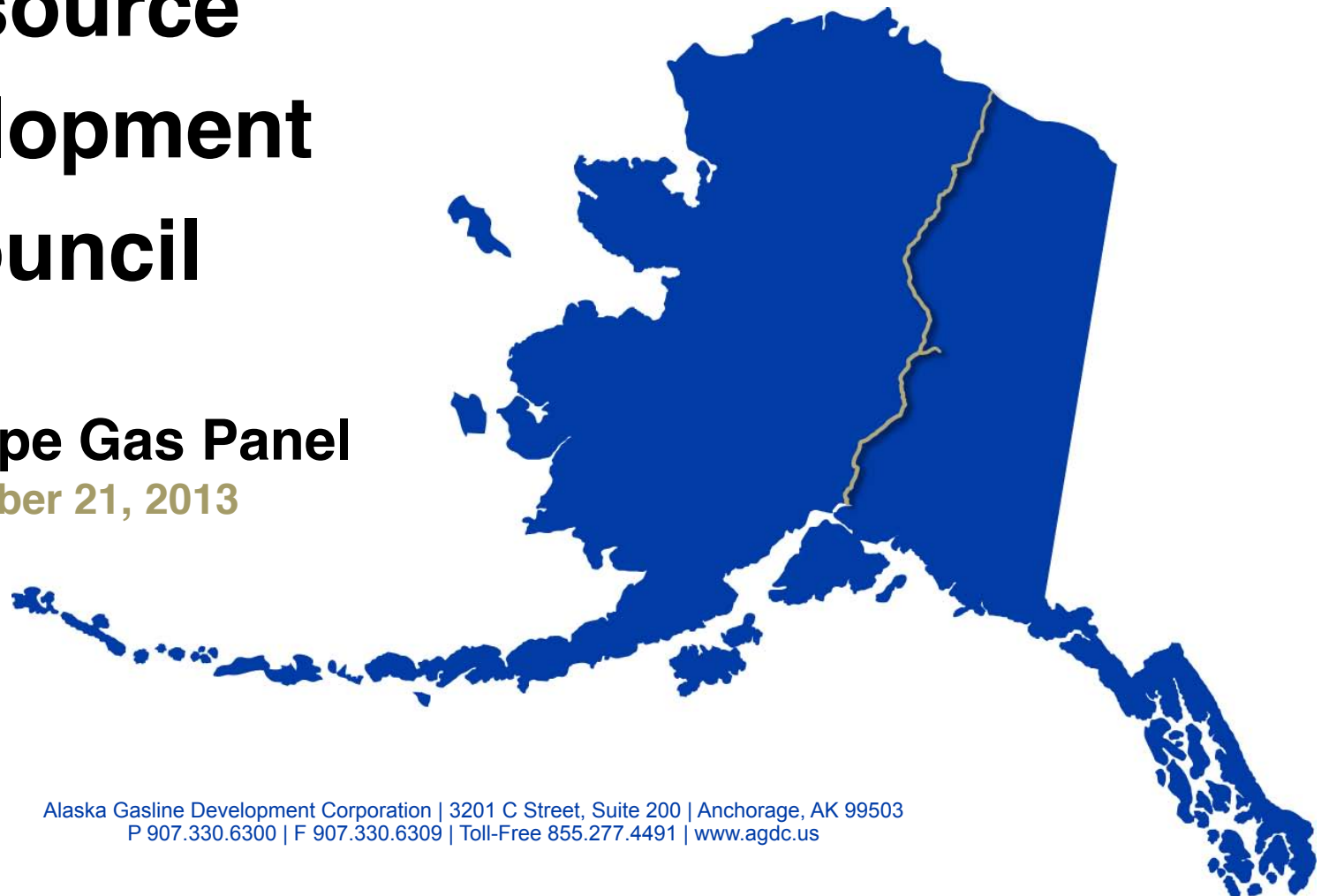




Resource Development Council

North Slope Gas Panel

November 21, 2013

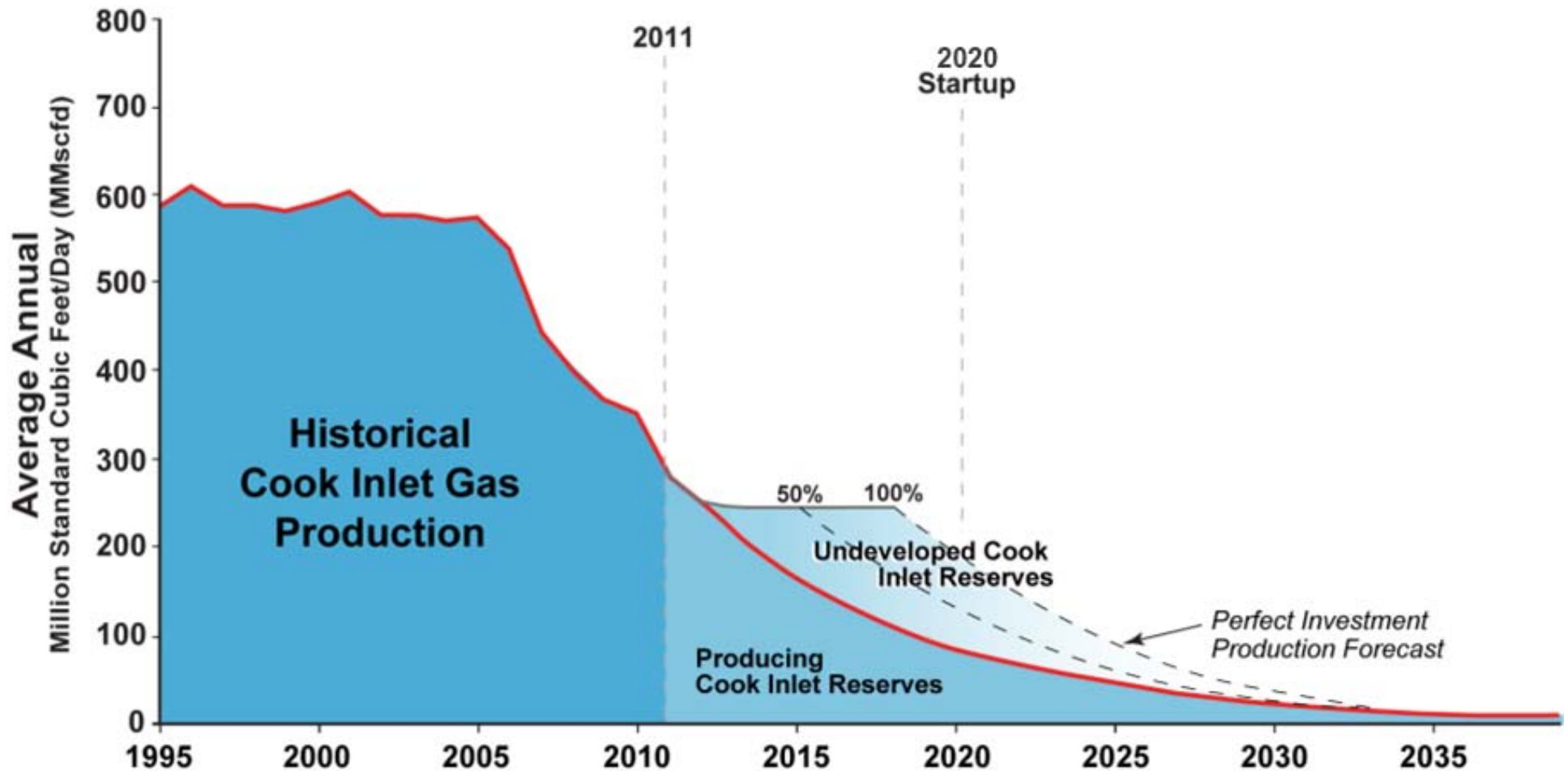


Alaska's Energy Situation

- North Slope energy rich
 - ✓ 30+ Trillion cubic feet of natural gas
- Cook Inlet Basin in decline
 - ✓ Creating uncertainty as early as 2018
- Cost of residential heat
 - ✓ Fairbanks heating oil ~\$30/MMBTU
 - ✓ Cook Inlet natural gas \$9 - \$10/MMBTU



Cook Inlet Basin Production Forecast



ASAP — Alaska Stand Alone Pipeline

April 2010: HB 369 mandated that **Alaska Housing Finance Corporation (AHFC)** facilitate development of a plan for an in-state pipeline *project*.

July 2010: AHFC established the **Alaska Gasline Development Corporation (AGDC)** as a subsidiary corporation to take over *project* planning and execution.

April 2013: HB 4 mandates **AGDC** to advance an in-state gas pipeline from North Slope to Fairbanks and Southcentral to an *open season* and *sanction*.

ASAP is that *project*: the **Alaska Stand Alone Pipeline**.
Also known as the in-state pipeline.



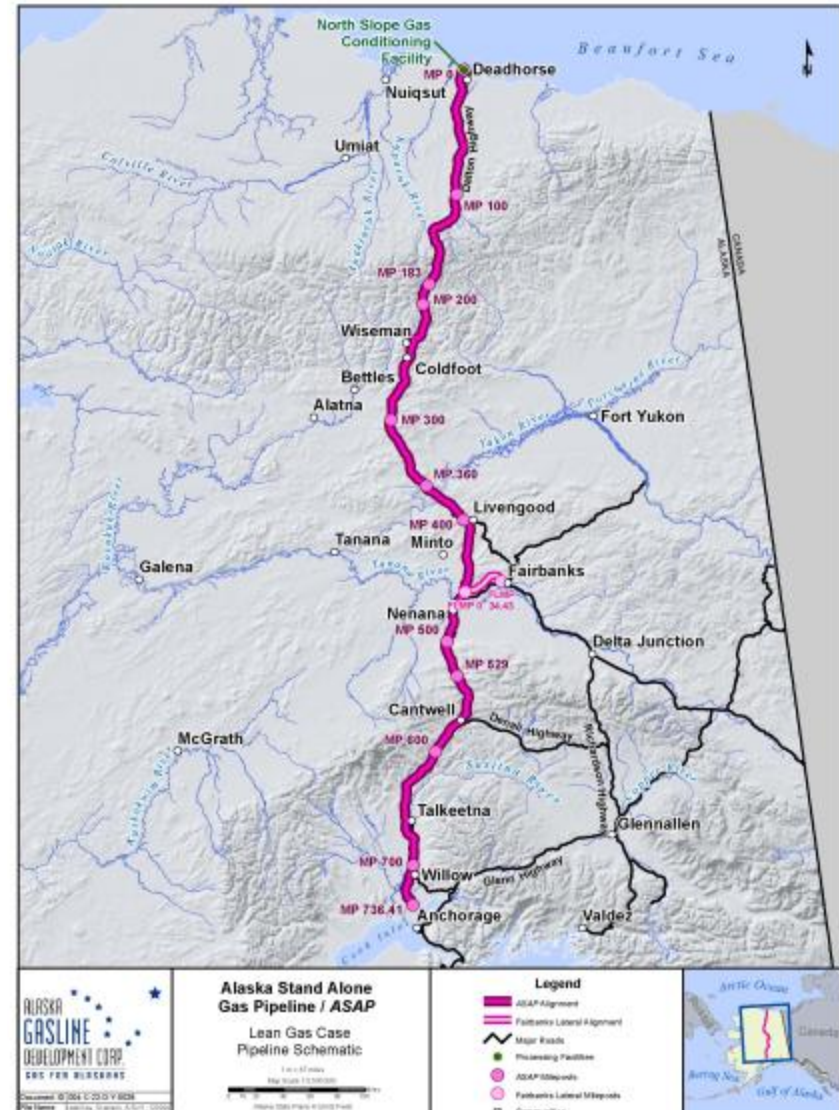
2013 Legislative Action

- Re-established AGDC as a new, independent, public corporation
- Authorizes AGDC to continue work on ASAP and gas transportation systems, issue bonds, and determine ownership model
- Established a 7-member Board of Directors
- Board appointments were announced September 13, 2013: [Al Bolea](#), [John Burns](#), [Dave Cruz](#), [Drue Pearce](#), [Richard “Dick” Rabinow](#), [Commissioner Susan Bell](#), and [Commissioner Dianne Blumer](#)
- Requires all state departments, agencies, and public corporations to work expeditiously with AGDC on permits and authorizations
- Received \$355 million in 2013 to advance the [ASAP](#) project to open season and sanction



ASAP Project Scope

- Mainline
 - ✓ 36" diameter pipe
 - ✓ 737 miles long
 - ✓ 1,480 psi max operating pressure
- Fairbanks Lateral
 - ✓ 12" diameter pipe
 - ✓ 35 miles long
 - ✓ Tie-in w/mainline at MP 458
- 500 Mmscf/day – AGIA limit
- North Slope Gas Conditioning Facility (GCF) at Prudhoe Bay
- More off-takes possible



ASAP Budget

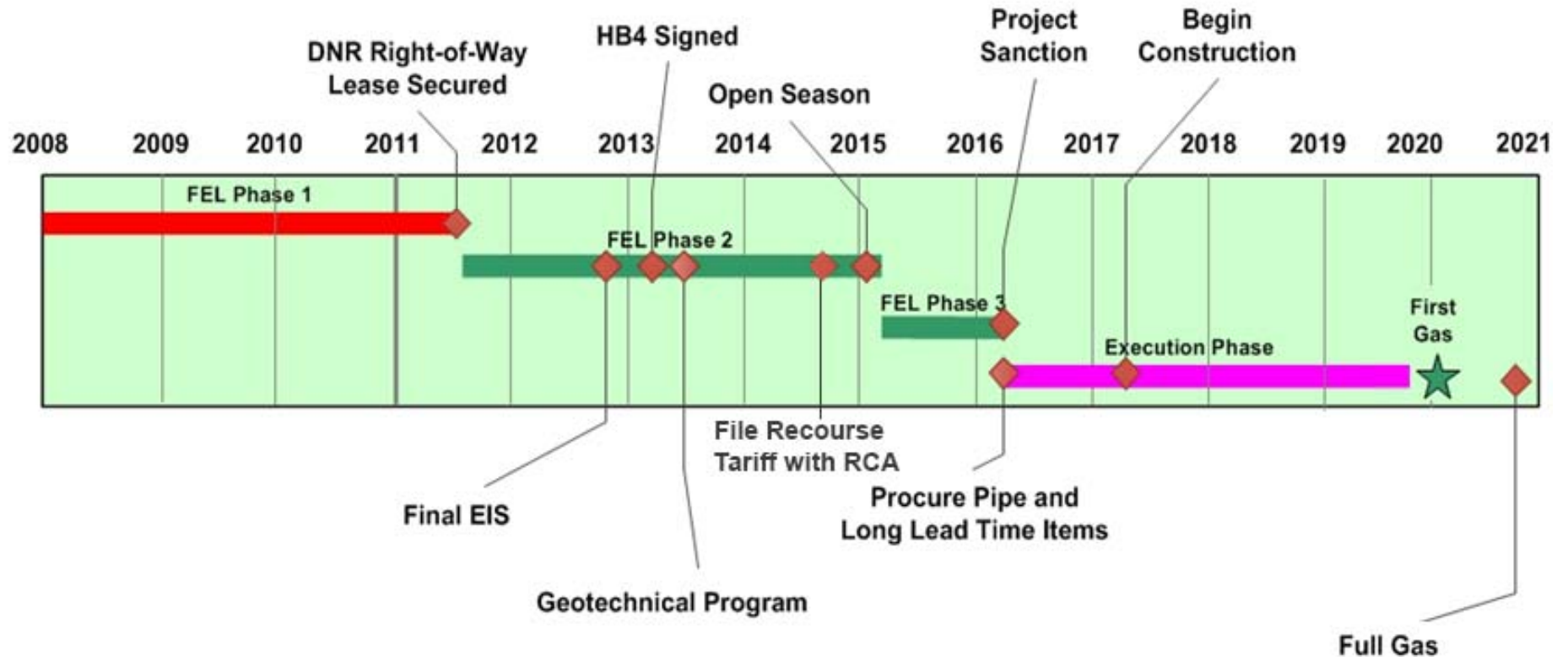
- **Cost to Alaskans:** \$400M up-front budget (~5% of Total)
- **Cost Benefit:** Long term natural gas supply for Alaskans
- **Project Cost:** \$7.7 Billion* in 2012 dollars, +/- 30-40%

FACILITY	CAPITAL COST (2012\$ Billion)
Gas Conditioning Facility	\$2.8
Pipeline: GCF to Dunbar	\$3.03
Dunbar Off Take and Lateral to Fairbanks	\$0.07
Pipeline: Dunbar to Big Lake	\$1.8
Total Estimate ASAP Cost	\$7.7 billion

*Each year the project is delayed, 2.5% inflation (~\$210M) is added to the cost of the project



ASAP Schedule



ASAP Work Underway

- Preparing for new AGDC organizational structure
 - ✓ Project Execution Plans
 - ✓ First board meeting held October 30, 2013
- Program Management Contractor (PMC) on board
- 2013 major work activities
 - ✓ Advancing FEL-2 (Pre-FEED) facilities and pipeline engineering
 - Open season management contractor selected
 - Construction planning and logistics
 - Regulatory engagement
 - PHMSA special permit
 - 2013 winter field programs



Scale of Construction Activities

- Considerable construction workforce
 - ✓ Over 8,000 direct jobs
 - ✓ Over 15,000 indirect jobs
- 335,000 tons of steel for the pipeline
- 9,000 truckloads of pipe travelling 4 million miles
- 10 million cubic yards of earthwork
- 15 construction camps
- 6 construction spreads
- 3 years to construct – winter and summer construction



Stakeholder Outreach

- Volunteer Community Advisory Council (CAC) formed in April 2012
- ASAP works cooperatively with CAC to keep the public informed
- Representatives from communities across Alaska:
North Slope Borough, Fairbanks, Nenana, Minto Village, Healy/Denali Borough, Cantwell, Anchorage, Matsu, Kenai Peninsula and Seward
- Goal is to educate Alaskans about the ASAP Project and represent their communities
- Dedicated to helping solve the energy crisis in Alaska



AGDC Committed to Maximize Local Hire

ASAP project expected to generate thousands of jobs, including constructions support facilities:

- Port facilities
- Access roads
- Airports and airstrips
- Laydown yards and storage facilities
- Construction work pads (gravel/ice or snow/grade)
- Project offices, personnel housing and support, and logistics support sites



ASAP Cost to Consumers



Heating Cost Comparison

Fairbanks Now

Natural Gas - \$23.35
Diesel - \$30.00

Fairbanks ASAP Estimate

Natural Gas - \$8.25-\$10

Anchorage Now

Natural Gas - \$9.65

Anchorage ASAP Estimate

Natural Gas - \$9 - \$11.25

Price listed per 1 MMBtu's (1,000,000 btu's) in 2012 dollars. Estimated cost of gas to consumers at the burner tip.

Questions?

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