



AGENDA
ALASKA GASLINE DEVELOPMENT CORPORATION (AGDC)
REGULAR BOARD MEETING

April 13, 2017 AGDC Board Room, 3201 C St Suite 604 Anchorage, AK 9:00 am

- I. CALL TO ORDER
- II. ROLL CALL
- III. CHAIRMAN'S CHOICE
- IV. APPROVAL OF AGENDA
- V. APPROVAL OF MINUTES – February 9, 2017
- VI. PUBLIC COMMENTS - Boardroom _____ Statewide _____
- VII. PRESIDENT'S REPORT
- VIII. NEW BUSINESS – AGDC MANAGEMENT/OPERATIONAL
 - A. Committee Chair Updates
 - B. External Affairs Update
 - C. Commercial Update
 - D. Resolution 2017 – 01 – Authorizing Submittal to the Federal Energy Regulatory Commission (FERC)
- IX. FINANCIALS
- X. PROJECT UPDATES
- XI. EXECUTIVE SESSION
- XII. ANY OTHER ITEMS TO COME BEFORE THE BOARD
- XIII. BOARD COMMENTS
- XIV. ADJOURNMENT

The Chair may announce changes in the Order of Business during the meeting.

Meeting Minutes

ALASKA GASLINE DEVELOPMENT CORPORATION REGULAR BOARD OF DIRECTORS MEETING

February 9, 2017

09:00am

A Regular Board of Directors Meeting of the Alaska Gasline Development Corporation ("AGDC") was held at the Alaska Gasline Development Corporation Board Room, 3201 C Street, Suite 604, Anchorage, Alaska on February 9, 2017, convening at 09:00am.

The following board members were present at the meeting (or attended via teleconference) except as otherwise noted:

DAVE CRUZ
Anchorage, AK

Chair of the Board

HUGH SHORT
Anchorage, AK

Vice Chair of the Board

Joey Merrick
Anchorage, AK

Secretary/Treasurer

MARC LUIKEN
Excused Absence

Member of the Board

COMMISSIONER DRYGAS
Telephonic

Member of the Board

WARREN CHRISTIAN
Telephonic

Member of the Board

DAVID WIGHT
Anchorage, AK

Member of the Board

Meeting Minutes

- I. **CALL TO ORDER:** Chair Cruz convened the meeting at 9:00am.
- II. **ROLL CALL:** A quorum was declared present and the meeting was duly and properly convened for the transaction of business.
- III. **CHAIRMAN'S CHOICE:** Chair Cruz gave a safety moment on visibility and the importance of wearing sunglasses and keeping windows clean on vehicles and airplanes.
- IV. **APPROVAL OF AGENDA:** David Wight moved to approve the agenda and Hugh Short second. The approval of the agenda passed unanimously (5-0).
- V. **MINUTES:** Hugh Short moved to approve board meeting minutes from December 8, 2016, December 21, 2016, and January 12, 2017. David Wight second. The approval of the three board meeting minutes passed unanimously (5-0).

Joey Merrick arrived at 9:25am.

- VI. **PUBLIC COMMENTS:** Boardroom – Chris Gates; Statewide – None
Mr. Chris Gates complimented AGDC for the information that AGDC made available to the public for this board meeting and noted it was an improvement in comparison to past board meetings. He also voiced concerns that AGDC previously asked a potential competitor to advise and assist AGDC to procure gas supply contracts that could benefit its own company.
- VII. **President's Report:** AGDC President Keith Meyer gave an update on Alaska LNG, which included an overview on the land and LLC negotiations, Conoco-AGDC joint marketing negotiations, AGDC-BP Cooperative Agreement, FERC responses, tolling structure preparation, capacity market, LNG marketing, and project configuration decisions. He also addressed the status of the legislative hearings, the marketing

Meeting Minutes

efforts in Asia-Pacific, the upcoming Alaska LNG Summit, and the 2016 AGDC Annual Report.

VIII. NEW BUSINESS – AGDC MANAGEMENT/OPERATIONAL ISSUES:

A. Committee Chair Updates:

Commercial Committee – AGDC staff updated David Wight on the pending AFEs that will be presented at today's Board meeting. The Committee also discussed the opportunities regarding the Kenai LNG plant.

Technical Committee – Committee members discussed the FERC responses and the pending AGDC Authorizations for Expenditures (AFE's).

B. External Affairs Update: AGDC VP of Communications Rosetta Alcantra presented to the Board an overview of AGDC's recent accomplishments and happenings, including discussion of AGDC marketing materials, slide deck presentations, in-State outreach, the forthcoming Alaska LNG Summit, the Iditarod sponsorship events, media relations, and digital communications.

C. AFE 2017-01 – Alaska LNG Project FY 2017/2018 Commercial and Finance Development; AFE 2017-02 – FY17/18 Regulatory and Program Management Work Programs; and AFE 2017-03 – FY17/18 Communications.

Hugh Short moved to approve AFE 2017-01, 2017-02 and 2017-03, Joey Merrick second. The motion passed unanimously (6-0).

IX. FINANCIAL UPDATE: Philip Sullivan, Finance Manager, gave an update on the year-to-date statement of activities through December 31, 2016. He also presented a breakdown on the cost report ending January 31, 2017.

X. PROJECT UPDATE: Frank Richards, Vice President of Engineering and Program Management, gave an update on the Alaska LNG project FERC process. Additionally, he provided an update on the Army Corps comments concerning the Supplemental Environmental Impact Statement on the ASAP project.

Meeting Minutes

- XI. EXECUTIVE SESSION: None
- XII. ANY OTHER ITEMS TO COME BEFORE THAT BOARD: None
- XIII. COMMENTS: Board members expressed that AGDC was in a good position and they look forward to the upcoming Alaska LNG Summit.
- XIV. ADJOURNMENT: Hugh Short moved to adjourn, Joey Merrick second, none opposed. The meeting adjourned at 3:21pm.


Dave Cruz, Chair

4-13-17
Date



ALASKA
GASLINE
DEVELOPMENT CORP.



PRESIDENT'S REPORT:

APRIL 13, 2017

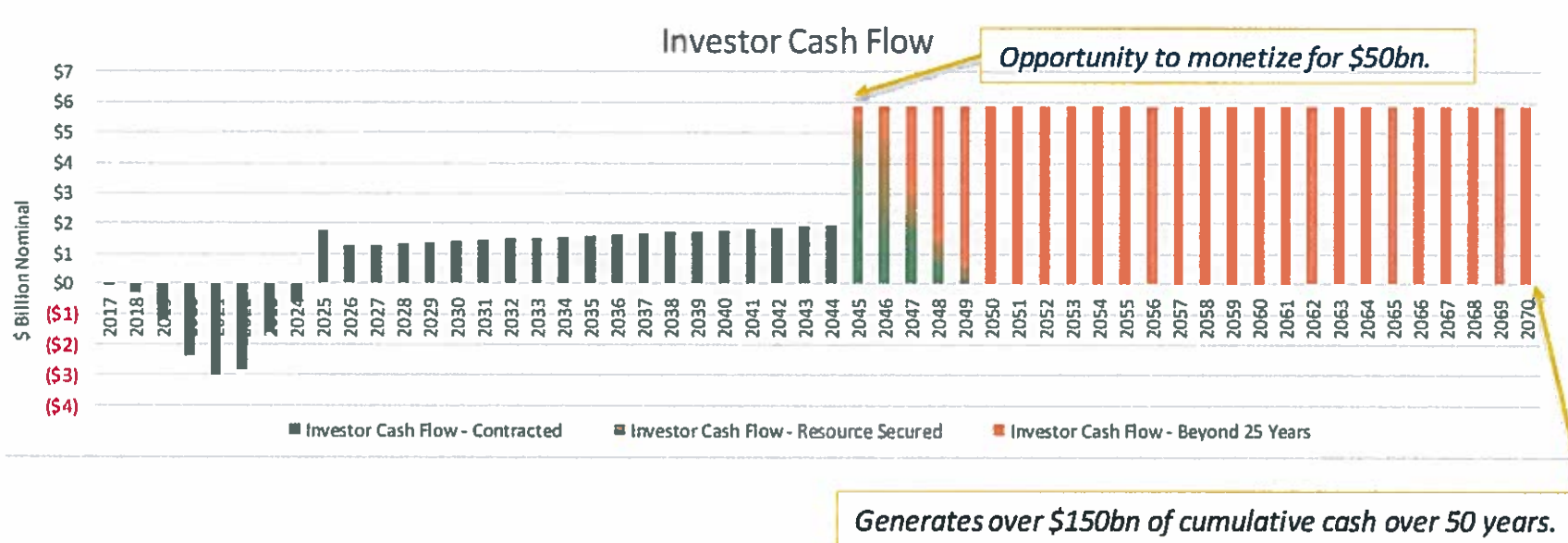
www.agdc.us

- **Alaska LNG Update**
 - Regulatory
 - Finance
 - Commercial
- **Marketing Efforts: Asia-Pacific**
- **Government Relations**
- **Upcoming Activities**

- FERC Section 3 Application:
 - Met with FERC to discuss upcoming filing.
 - Majority of questions addressed; answers to be submitted in filing or to be filed during application review process.
 - Preparing to file formal application after AGDC April Board approval.
- State agencies
 - Working with State agencies to coordinate all comments and agencies under one agency: DNR to be point of contact.
 - Public awareness campaign set to commence April 20 and include community meetings across the state.
- Interviewing EPC contractors to assist with regulatory application and provide input on capital cost estimates.
- Finalizing negotiations for AKLNG LLC (land) purchase option.

ALASKA LNG UPDATE: FINANCE

- Preliminary financial modeling work on project finance structure indicates ability to compete in global LNG arena at acceptable financial parameters.
- Investor prospectus being drafted to demonstrate the competitiveness of the project and attractiveness of investment.
- Financial advisor selection process is underway; independent registered municipal advisor (IRMA) also to be retained via DOR.



Past

- Alaska LNG Summit
- Gastech – Tokyo Japan
- China visit

Present

- Follow-up with existing prospects;
 - Confidentiality agreements, dataroom access, LOI's
- Continue to raise awareness of project and correct perceptions.
 - Capital cost less than \$45 Billion;
 - Potential for phased development;
 - Delivered LNG is very competitive.

Future

- Commence China and broader Asia-Pacific commercial plan.
- Implement capacity solicitation process.
- Progress drafting of detailed tolling contracts.

MARKETING EFFORT: ASIA-PACIFIC



Alaska LNG Summit:

- ✓ 23 International guests; 14 companies.
- ✓ Strong local support;
 - ✓ Warm welcome at every stop,
 - ✓ Speaker participation by many stakeholders,
 - ✓ Cost of event covered with sponsorships.

GasTech, Tokyo (week of April 3, 2017):

- ✓ LNG Summit follow up; individual meetings;
- ✓ Some new introductions.

Upcoming Commercial Outreach Efforts:

- ✓ Engage potential Chinese LNG buyers and investors.
- ✓ Preparation for CWC Beijing Conference (May 17-19, 2017).
- ✓ Preparation for CWC Americas Conference (June 20-22, 2017).
- ✓ Broader Asia-Pacific efforts.



Phase 2: Prudhoe Bay



Sunshine: Kenai Peninsula

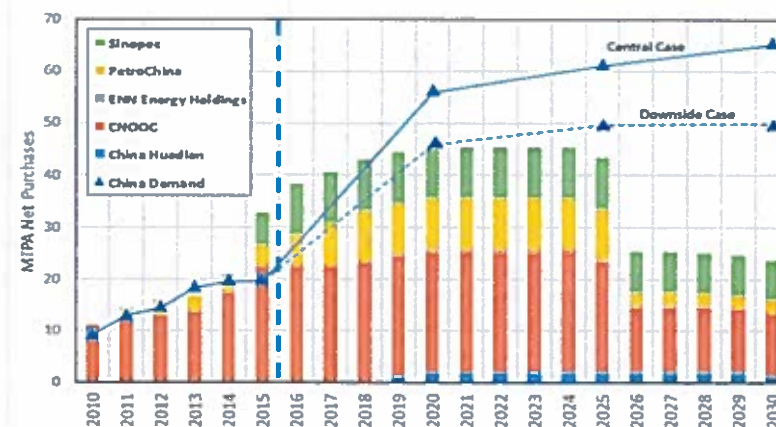
CHINA INITIATIVE

- Historic visit of Chinese President Xi.
- Alaska meeting followed meeting with President Trump.
- Significant growth prospects for LNG.
- Stated goal of coal displacement.
- AGDC present at formal meeting and private dinner;
- Alaska LNG project was topic of major discussion.

China President Xi tells Alaska “we have 100 years of LNG demand”;
Alaska tells President Xi “we have 100 years of supply.”



China LNG Demand and LNG Contracts



ALASKA LNG MILESTONES

	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Q1 2019
Regulatory/ Engineering	Engage EPC Lead/Contractor		Regulatory support, capital cost and schedule validation					Lump sum turnkey estimate	
		File Sec. 3 Application				Draft EIS in Federal Register		Final EIS in Federal Register	FERC issues order authorizing AK LNG
Commerical/ Financing	Select and engage Independent Registered Municipal Advisor, Financial Advisor			Financing plan, prepare debt and equity financing term sheets		Rating agency presentations	Debt Financing		
			Phase 1 equity			Phase 2 equity			ESB
		Initial customer engagement, confidentiality agreements							
			Capacity Solicitation for tolling capacity in Alaska LNG						
				Agreements for LNG/gas sales, North Slope gas, and tolling capacity					

CONFIDENTIAL

GOVERNMENT RELATIONS

US Federal Initiatives

- US White House holds conference call with states to hear of infrastructure projects.
 - » Each state allowed three individuals on call.
 - » AGDC pipes up early with our project.
 - » White House staff refers to the Alaska LNG project as the type of “big meaty project” they are looking for.
- Engaging Washington DC firm Holland & Hart to assist with federal interface.

Alaska Legislative meetings:

- ✓ Week of March 6, 2017, meetings with individual legislators.
- ✓ Board member confirmation hearings; March 24 and 27.

Legislative semi-monthly reports being issued.

Legislative presentation scheduled April 14.

**AMERICA'S LARGEST
ENERGY EXPORT PROJECT**

**TRANSFORMING ALASKA GAS INTO JOBS
AND EXPORTS TO THE ASIA-PACIFIC REGION**

Alaska holds America's largest concentration of proven, conventional, but stranded gas supply. Through the development of an 800-mile pipeline and LNG facility, Alaska can supply domestic projects and can provide a stable source of gas supply to our allies in the Asia-Pacific region. With expedited regulatory approval the project can finalize commercialization and begin construction.

This LNG project will create 10,000 direct jobs and up to 70,000 total jobs without burdening the taxpayers, increase our national energy production capacity, and strengthen commercial ties with our allies.

Alaska gave birth to the US-Japan LNG trade and now seeks to be the strategic supplier to the region.

ALASKA MOVING FORWARD

- NEW ENERGY INFRASTRUCTURE
- 70,000 NEW CONSTRUCTION & RELATED JOBS
- STRENGTHENS ENERGY TIES WITH OUR ALLIES
- IMPROVES TRADE BALANCE WITH ASIAN MARKETS

Alaska LNG will be pivotal and profitable for America.

ALASKA GASLINE DEVELOPMENT CORP. Alaska Gasline Development Corporation
907.330.6300 | www.agdc.us



UPCOMING ACTIVITIES



- **File FERC Section 3 application.**
- **Finalize AKLNG LLC purchase option agreement.**
- **Engage EPC company to assist with regulatory and construction cost and schedule validation.**
- **Continue interface with Japanese and Korean companies and global LNG trading organizations.**
- **Prepare for China and broader Asia-Pacific initiative.**
- **Engage financial advisor.**
- **Continue to advance potential US support.**

**** End ****

BOARD REPORT

April 2017

GOVERNMENT RELATIONS

- A. Alaska LNG Summit, March 1-6, 2017.
- B. Individual legislative updates conducted, March 15-17, 2017.
- C. Board confirmation hearings, March 24 and March 27, 2017.
- D. Senate Finance Committee, February 14, 2017.
- E. Legislative semi-monthly reports (March 6, March 15, and March 31, 2017).

PRIMARY COMMUNICATIONS INITIATIVES

A. Presentations:

- Feb. 8: Alaska Eskimo Whaling Commission, Barrow
- Feb. 23: Fairbanks Chamber of Commerce, Juneau
- Feb. 23: Alaska Municipal League, Juneau
- Feb. 23: Community Advisory Council, Juneau
- Feb. 24: UAA Engineers Program, Anchorage
- March 3: Alaska LNG Summit, Girdwood
- March 10: Tanana Chiefs Yukon-Tanana Sub-Regional Committee, Fairbanks
- March 14: World Trade Center: 2017 Japan Business Outlook, Anchorage
- March 15: Southeast Energy Conference, Juneau
- March 16: Alaska Miners Association-Southeast, Juneau

B. Alaska LNG Summit:

- Attendees included 23 representatives of 14 LNG buyers, trading companies, and investors.
- Invoices and sponsorship contributions continue to be processed. Thirty companies/organizations signed up as sponsors with 20 payments received to date. AGDC staff is following up with the remaining 10 sponsors regarding payment.
- Summit costs are estimated to total \$264,883 with \$243,200 covered by sponsors' generous contributions. Another \$13,365 was generated through registrations fees, leaving AGDC to pay \$8,318.
- Display "Thank You" ad published in Alaska Dispatch News, Peninsula Clarion, Juneau Empire, and Fairbanks Daily News Miner to recognize summit sponsors.
- Letters were sent to all sponsors on March 9 thanking them for their support of the Alaska LNG Summit.

C. Media Relations/Messaging:

- FOIA: AGDC received a request under the Freedom of Information Act (FOIA), AS 40.21.010, from KTOO reporter Rashah McChesney for a copy of the March 6, 2017 *AGDC Legislative Report*. Increased public exposure will limit AGDC's ability to disclose commercially sensitive information in the semi-monthly report.
- Responded to a request from *Alaska Business Monthly* to answer 14 questions related to the Alaska LNG project and FERC filings. The Q&A will appear in the May 2017 issue of *Alaska Business Monthly*, along with an AGDC ad.

D. Digital Communication:

- The LNG World Market Update continues to be distributed on a bi-weekly basis and is distributed to in-state audiences and other interested stakeholders.
- Traffic to the website continues to grow, with total traffic exceeding 14,000 over the past 8 months.

MONTH	TRAFFIC
July 2016	1,254
August 2016	1,638
September 2016	792
October 2016	1,866
November 2016	1,879
December 2016	2,027
January 2017	2,765
February 2017	2,168
FISCAL YEAR TOTAL	14,389

E. CRM Database:

- EAGR began to populate CRM with corporate contacts.

F. Public Opinion Research:

- On hold until after Legislative session.

G. Community Coordinators:

- Established schedule for outreach.

EVENTS AND ACTIVITIES

A. Upcoming Events:

- April 4-7 – GasTech, Tokyo (Keith, Nick)
- April 17 – Nikiski Community Council (update on Alaska LNG project)
- April 20 – Homer Community Meeting
- April 25 – Anchorage Rotary (Keith)
- April 25 – Valdez High School Job Fair (Jesse)
- April 26 – Fairbanks Chamber of Commerce Energy Committee (Lieza)
- May 4 – Fairbanks Community Meeting
- May 17-18 – CWC China LNG & Gas International Summit (Keith, Lieza, Guy, Yingdi, John)
- June 20-22 – CWC World LNG Series: Americas Summit 2017, Houston (Keith, Lieza, Terry, Kathy)



ALASKA LNG EXPORT PROJECT

FINANCIAL AND COMPETITIVENESS UPDATE

APRIL 2017



The Alaska LNG Project is

✓ Needed

- The Asian market will experience a contracted supply gap within 7 years.
- Alaska LNG is well positioned to target this supply deficit.
- This project provides large, long-term cash flow to Alaska with the potential to sell down equity after financing period.

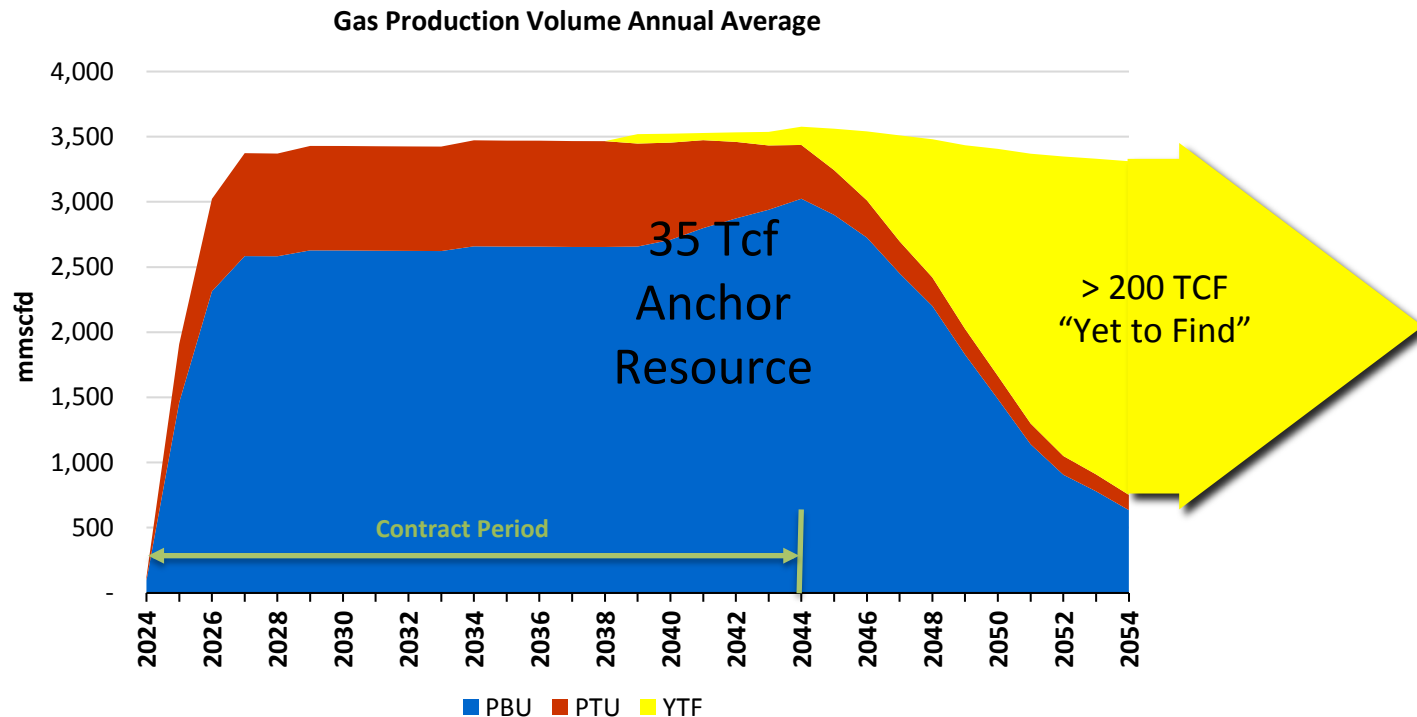
✓ Competitive

- Alaska is able to deliver LNG at a competitive price and high value to customers.
- Alaska LNG can provide stable, predictable and competitive long-term returns.
- The ability to phase the project reduces both the risk and the exposure.

✓ Achievable

- Allows for introduction of infrastructure investors and provides tax efficiency.
- Project finance structure is proven, most recently with Lower-48 LNG projects.

Anchored by Secure Resource



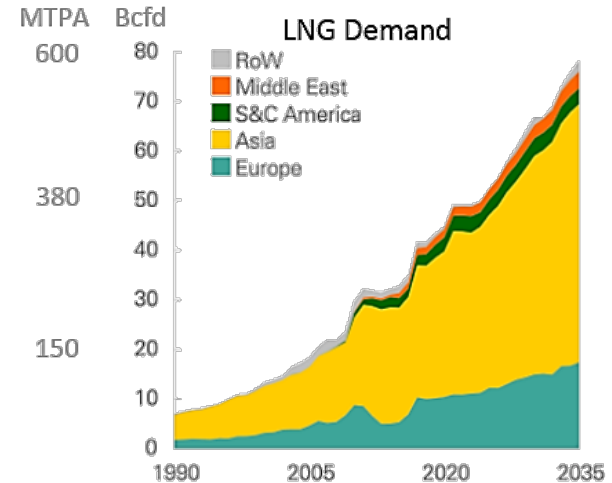
Note: Anchor Resource includes PBU (24.8 Tcf), PTU (8 Tcf), Duck Island/Endicott and Northstar (1.8 Tcf)
For illustration purposes, Duck Island/Endicott and Northstar are included under PBU as developed resources.

- Secure, known resources in Prudhoe Bay (PBU) and Point Thomson (PTU) anchor the project for 20 years and continue to anchor the project beyond 25 years.
- Even a ten percent success in Yet-to-Find discoveries would back-fill the spare capacity for another 25 years.

LNG Demand Continues to Grow

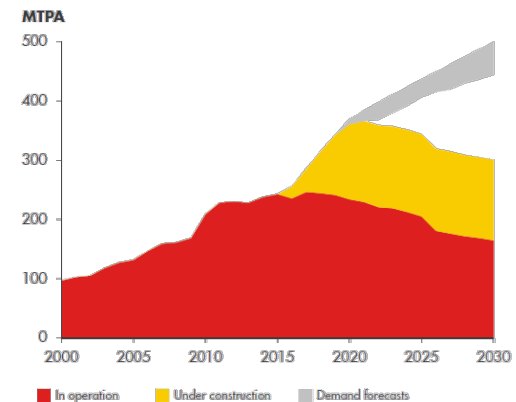
LNG Demand is Growing

- New sources of LNG will be needed at the same time Alaska LNG starts operation.
- Most new demand will be in Asia where Alaska LNG has a geographic shipping advantage.
- Demand to be met by projects across the globe:
 - **US Gulf Coast:** numerous projects underway and planned.
 - **Canada / Pacific Northwest:** Complex land, access and regulatory issues have caused delays.
 - **Russian Arctic:** First icebreaker class LNG vessels undergoing sea trials.
 - **East Africa:** Coral Floating LNG moves toward final approval with BP buying the offtake.
 - **Oceania:** Cost overruns have plagued Australia as Papua New Guinea moves toward expanded capacity.



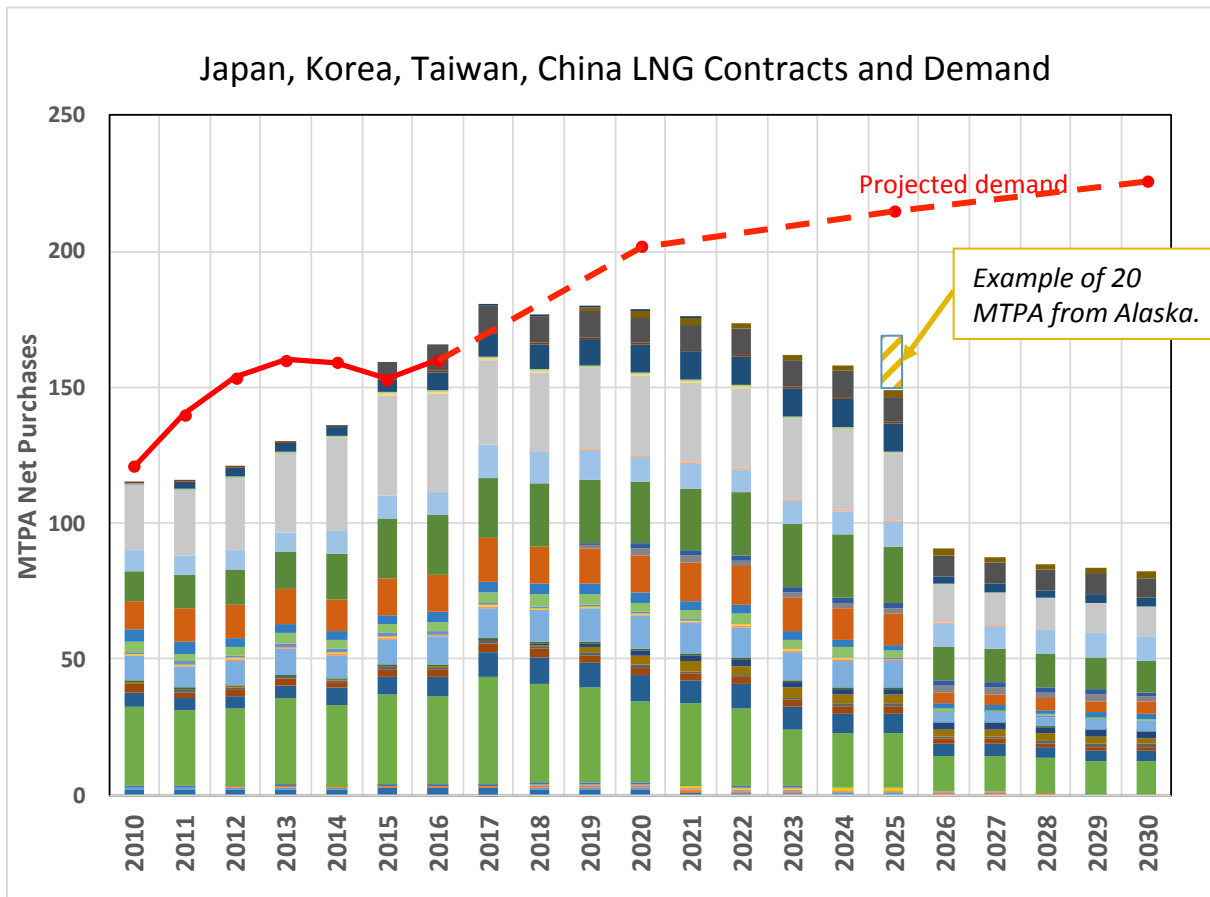
Source: BP plc

LNG market balance



Source: Royal Dutch Shell plc

Asia LNG Contracts Expiring mid-2020's



Note: Colored bar segments represent individual Asian LNG buyers

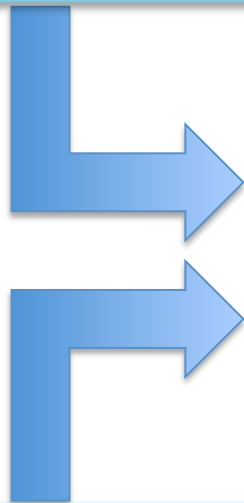
Source: Global NatGas Advisors LLC Analysis

- Market opportunity for Alaska LNG exists across Asia.
- Existing contracts expire in the same timeframe as a projected global shortfall in LNG supply.
- Japan, Korea, Taiwan and China together have contracted supply gaps of over 70 MTPA by 2025.
- Global demand grew 7.5% in 2017, with Japan, Korea, Taiwan and China collectively up 4.6%.

Alaska LNG Indicative Capital Structure

Equity:

- \$10 Billion
- 8% Return



Alaska LNG Total:

- \$40 Billion
- 5.75% Cost of Capital

Alaska LNG is a \$40 Billion Project

- 25% Equity investment
- 75% Non-recourse debt

\$10 Billion Equity Investment

- Opportunity to earn 8% return on equity through initial period.
- State of Alaska has the opportunity to invest.

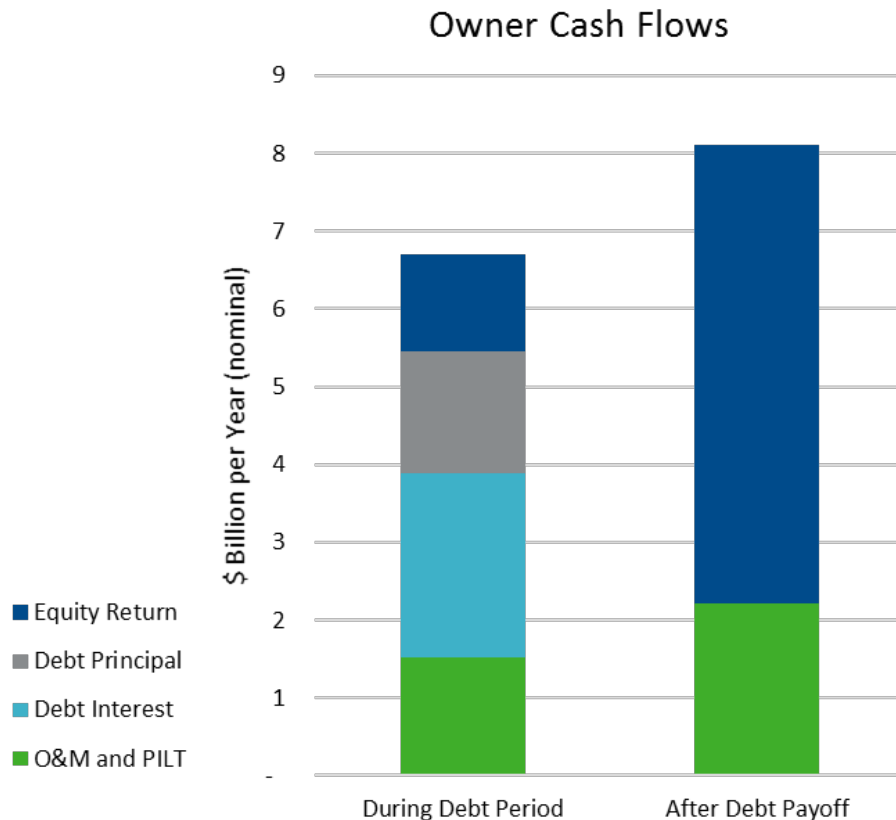
\$30 Billion Non-Recourse Debt

- Non-recourse debt entirely backed by long-term contracts.
- Does not create a liability for the equity owners.

Note: Project may be phased to further reduce the initial capital requirement.

All values are USD 2017 Real

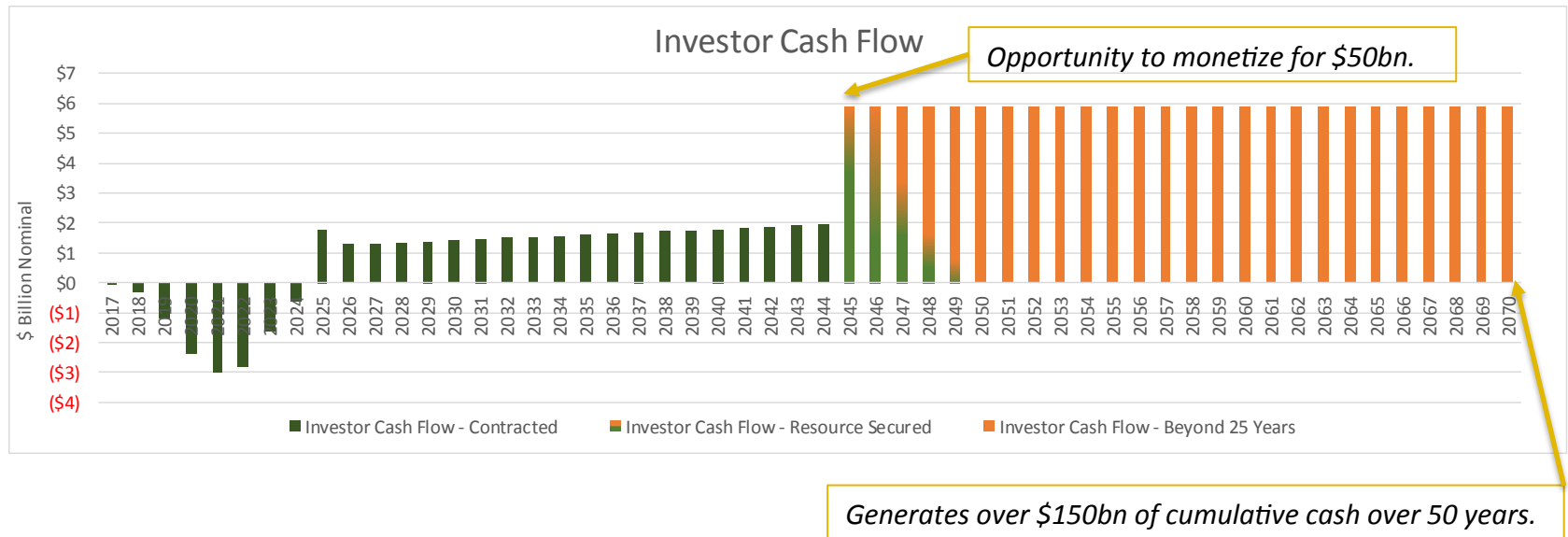
Owner Cash Flows After Debt is Paid



- During the initial 20 year period, more than half of the cash flow is servicing debt.
- Upon retirement of debt service, the equity return is magnified by the portion of toll formerly servicing debt.

These costs are rounded estimates to protect commercially sensitive information but are representative of AGDC's expected cost of service.

Investor Economics



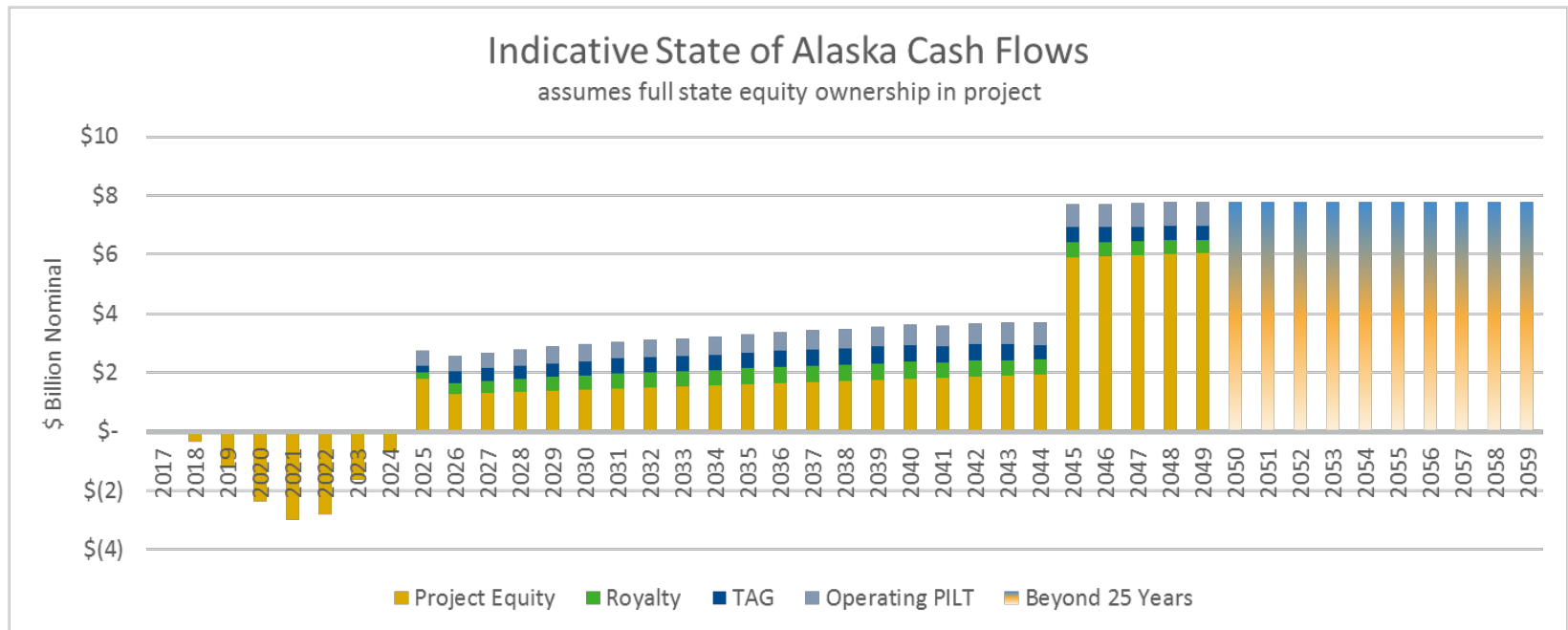
Contract Period

- A 20 year firm contract period.
- Acceptable return on investment.
- Secured by “ship or pay” terms.
- Approx. 25 TCF of gas.

Beyond Contract Period

- Debt paid off during contract period releasing more revenue to equity owners
- 30 TCF (10 TCF of known, 20 TCF of YTF) needed to operate an additional 25 years – 10% of potential YTF.
- Asset Value at 2045 could be \$50bn.
(Assumes 10% return over following 20 years, same tolls and volumes)

State of Alaska Investment Opportunity



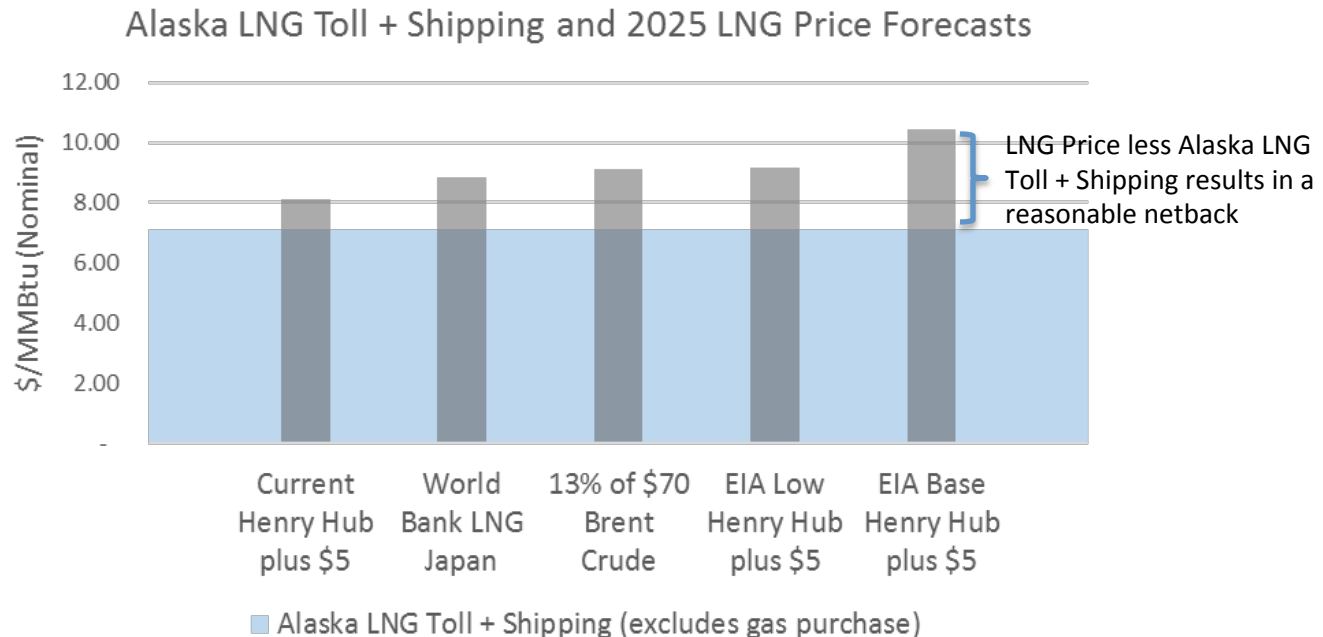
Equity-only ROE:

- 8% through initial period
- 10% life of project

Equity ROE plus RIK/TAG and PILT:

- 13% during initial period
- 15% life of project

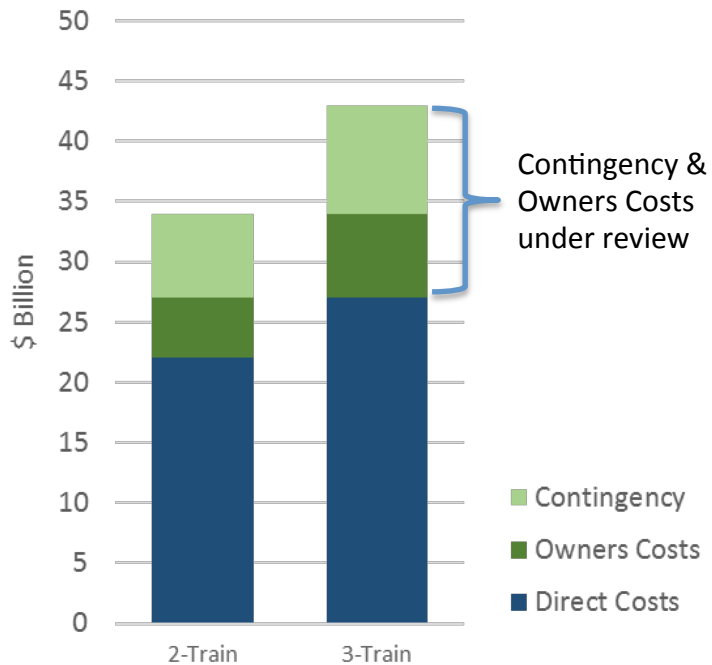
Alaska LNG is Competitive



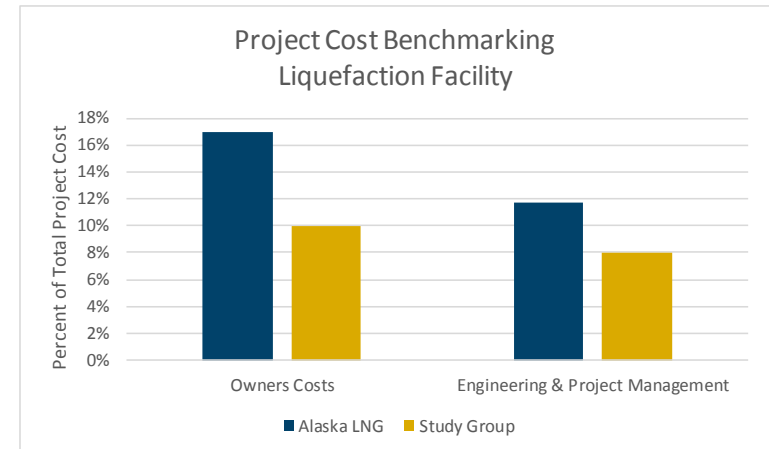
- Alaska LNG toll and shipping costs are sufficiently below market prices to deliver a reasonable netback.
- North Slope gas supply is stranded and not connected to other markets.
- The larger the difference between LNG market price and delivery costs (Alaska LNG tolls + shipping) the more potential profit for project participants.
 - Increased rate of return on tolls
 - Higher North Slope wellhead price

Options to Increase Competitiveness

Capital Costs by Component

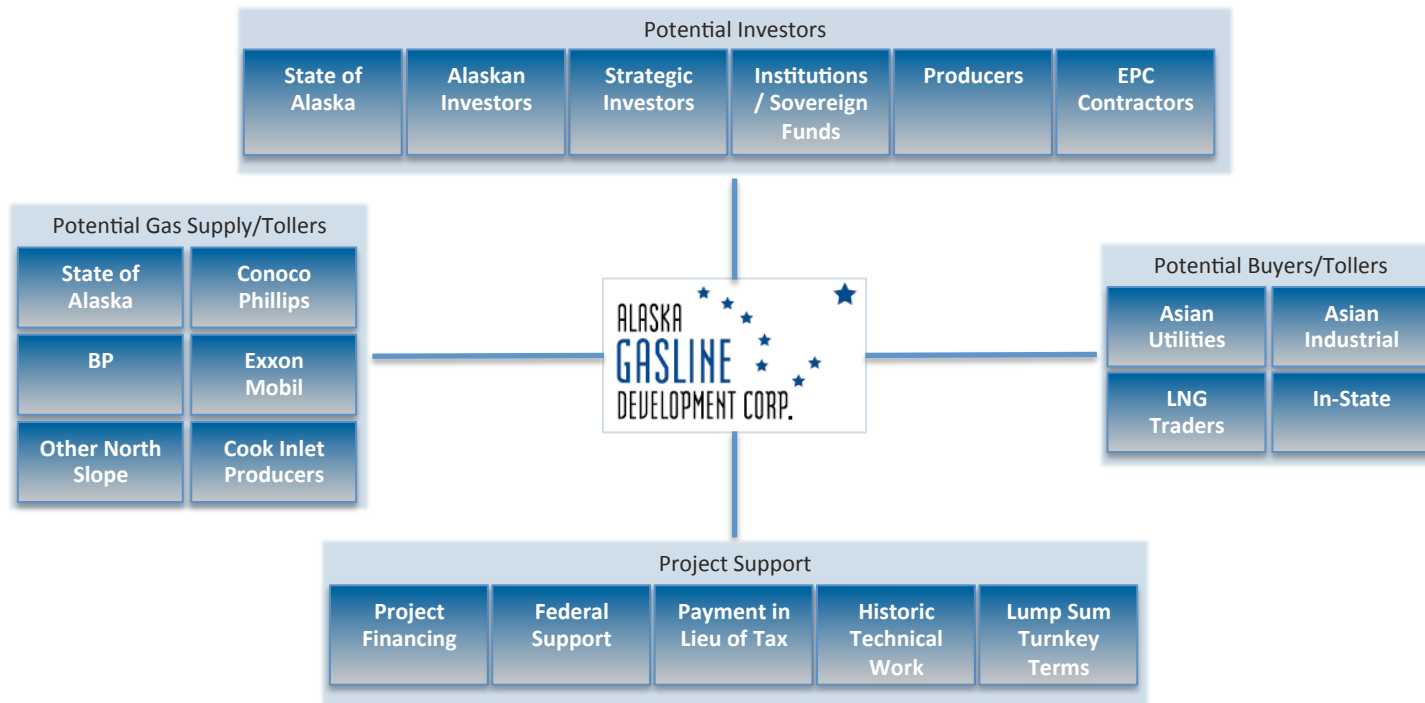


- The potential to phase the project, first building a two-train system, expandable to three trains, reduces the maximum exposure to investors.
- Contingency and Owners Costs (including Engineering and Project Management) are being benchmarked and further reviewed, with early indication of some potential for reduction.



Study Group Source: Oxford Institute of Energy Studies

AGDC Brings the Pieces Together



AGDC is positioned to act as a developer, pulling together:

- Appropriate allocation of risk.
- Ability to attract a wider range of investors.
- A stronger focus on the Asia market.
- Best in class project management approach through engagement with Engineering, Procurement, Construction (EPC) firms to manage construction risk

Recap: the Alaska LNG Project is

✓ Needed

- The Asian market will experience a contracted supply gap within 7 years.
- Alaska LNG is well positioned to target this supply deficit.
- This project provides large, long-term cash flow to Alaska with the potential to sell down equity after financing period.

✓ Competitive

- Alaska is able to deliver LNG at a competitive price and high value to customers.
- Alaska LNG can provide stable, predictable and competitive long-term returns.
- The ability to phase the project reduces both the risk and the exposure.

✓ Achievable

- Allows for introduction of infrastructure investors and provides tax efficiency.
- Project finance structure is proven, most recently with Lower-48 LNG projects.



ALASKA LNG PROJECT:

NATURAL GAS ACT SECTION 3 APPLICATION



- AGDC became sole applicant for Alaska LNG Project in Federal Energy Regulatory Commission (FERC) pre-file docket (Jan. 4, 2017).
- Immediately engaged existing pre-FEED contractors to support preparation of final Resource Reports.
- Met face-to-face with FERC officials on timing and process on application filing.
- Met with other federal agencies to discuss their comments and authorization.
- Internal team adjudicated ~ 3,000 comments from regulatory agencies on Rev. 2 draft of Resource Reports.

- FERC has jurisdiction of safe operation and reliability of LNG terminals in the U.S.
 - Comprehensive siting process requires close collaboration between Federal, State, and local regulatory agencies.
 - Review process ensures LNG terminals and vessels meet safety and environmental requirements during construction and operation.
 - Lead federal agency that will prepare an Environmental Impact Statement (EIS) for the integrated Alaska LNG Project.
 - The integrated Alaska LNG Project was accepted as an LNG System; so it falls under National Gas Act (NGA) Section 3.

FERC REGULATORY PROCESS

- Pre-Filing
 - ✓ Used to ensure project information will be acceptable to FERC.
 - ✓ Draft Resource Reports are modified in response to agency comments.
 - No set timeframe required.
- Post-Application: Draft EIS
 - ✓ FERC reviews NGA Section 3 application.
 - ✓ 3rd-party contractor drafts DEIS document.
 - 12 to 18 months from application submittal.
- Final EIS
 - ✓ 3rd-party contractor drafts FEIS document.
 - ✓ FERC approves application and issues Record of Decision (ROD).
 - Up to 6 months from issuing the DEIS.



- Draft FERC Resource Reports:
 - ✓ Developed to identify environmental, technical, and economic factors contributing to potential environmental and social impacts.
 - ✓ Used by FERC and other agencies for National Environmental Policy Act (NEPA) review and development of the EIS.
- Rev. 2 of Draft Resource Reports were submitted in second half of 2016.
- Draft Resource Reports 1-13 become Exhibit F of the Natural Gas Act (NGA) Section 3 Application.

1. Project Description
2. Water Use & Quality
3. Vegetation & Wildlife
4. Cultural Resources
5. Socioeconomics
6. Geological Resources
7. Soils
8. Land Use, Recreation & Aesthetics
9. Air & Noise Quality
10. Alternatives
11. Reliability & Safety
12. PCB Contamination
13. LNG Information

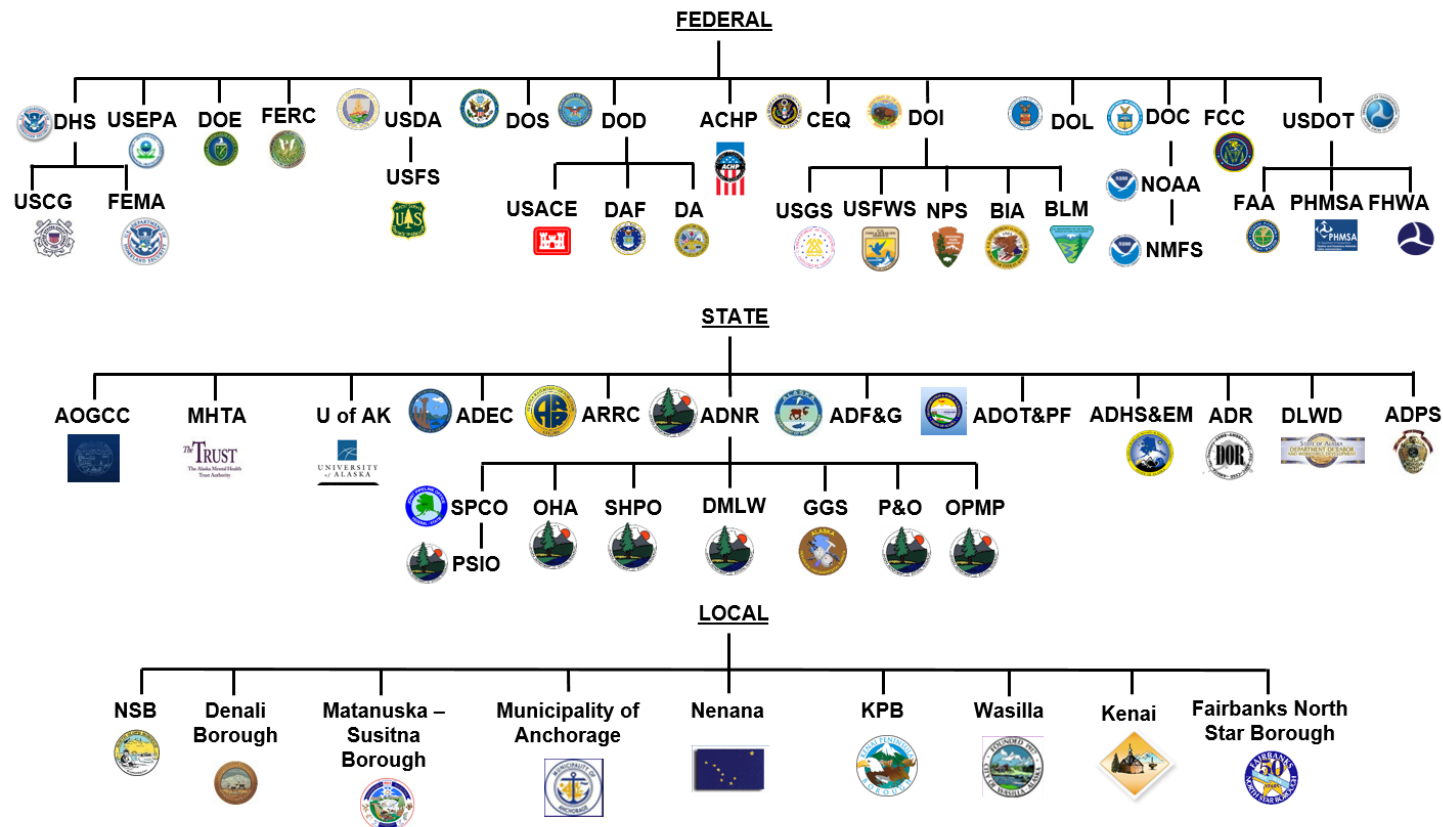
FERC PROCESS - APPLICATION

- AGDC has engaged with FERC through the Pre-Filing period since becoming sole applicant.
- The NGA Section 3 Application to FERC ends the Pre-Filing period and allows FERC to initiate work on the Draft EIS.
- NGA Section 3 Application for the Alaska LNG Project to FERC is complete and ready to file.

Exhibit A	Articles of incorporation and bylaws
Exhibit B	Statement of corporate and financial relationships
Exhibit C	State authorization
Exhibit D	Agreement between the applicant and border facilities
Exhibit E	Safety and reliability statement
Exhibit E-1	Earthquake hazards and engineering
Exhibit F	Final Resource Reports
Exhibit G	Location of facilities
Exhibit H	Statement regarding additional federal authorizations

FERC PROCESS - OTHER AGENCIES

FERC leads NEPA process and is umbrella for creation of all other permit applications; Requires collaboration with cooperating and reviewing Federal, State, Alaska Native, and local entities.



Request:

Board of Directors resolution approving the FERC Application.

- Application Timeline
 - April 17 - Application & exhibits submitted to FERC.
 - April 17 - Federal authorization requests delivered:
 - ✓ U.S. Army Corps Section 404 Permit application.
 - ✓ U.S. Department of Transportation, Pipeline Hazardous Materials Safety Administration (PHMSA) Special Permits (4) Applications: Strain Based Design, 3 Layer Polyethylene Coating, Main Line Block Valve Spacing, Crack Arrestor Spacing.
- FERC NEPA process:
 - Sufficiency review of application. (~90 days)
 - Schedule published in Federal Register.
 - Draft EIS published. (~12 months later)
 - Final EIS published. (~6 months later)

RESOLUTION 2017-01

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE ALASKA GASLINE DEVELOPMENT CORPORATION AUTHORIZING SUBMITTAL TO THE FEDERAL ENERGY REGULATORY COMMISSION OF THE APPLICATION OF ALASKA GASLINE DEVELOPMENT CORPORATION FOR AUTHORIZATION UNDER SECTION 3 OF THE NATURAL GAS ACT

WHEREAS, Alaska Gasline Development Corporation ("AGDC") has taken the lead in advancing the Alaska LNG project;

WHEREAS, on February 9, 2017, the AGDC Board of Directors (the "Board") approved an authorization for expenditure ("AFE") that, among other things, authorized AGDC to expend funds to prepare an application to the Federal Energy Regulatory Commission ("FERC") for the Alaska LNG project under Section 3 of the Natural Gas Act and to carry out other activities with respect to FERC necessary to progress such an application;

WHEREAS, AGDC's outside legal counsel has prepared the necessary FERC application, which is entitled "Application of Alaska Gasline Development Corporation for Authorization under Section 3 of the Natural Gas Act" (the "Application"), and copies of the Application have been provided to the Board;

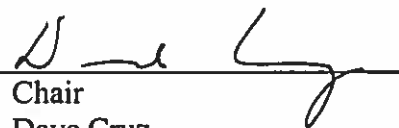
WHEREAS, submitting the Application to FERC will further AGDC's goal of developing the Alaska LNG project and will be in the best interests of AGDC and the State of Alaska as step towards realizing on the benefits of Alaska's vast North Slope natural gas resources.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE ALASKA GASLINE DEVELOPMENT CORPORATION THAT:

1. The Application in the form provided to the Board is approved.
2. AGDC's President is authorized and directed to have AGDC's outside legal counsel execute the Application and submit it to FERC as soon as reasonably possible.
3. This Resolution shall take effect immediately.

PASSED AND ADOPTED THIS 13th DAY OF APRIL, 2017.

**BOARD OF DIRECTORS OF THE ALASKA
GASLINE DEVELOPMENT CORPORATION**

By: 
Chair
Dave Cruz

February, 2017 Close

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Operating Expenditures by Account	Fiscal Year				
((\$000s))	Full FY Budget	FYTD February Actuals	FYTD Projected Budget	FY Budget Remaining (Full Year less Actuals)	FYTD Variance (Under)/Over (Actuals less Projected)
Personal Services	\$ 5,716	\$ 3,312	\$ 3,811	\$ 2,404	\$ (499)
Travel	\$ 295	\$ 124	\$ 197	\$ 171	\$ (72)
Services	\$ 4,125	\$ 2,022	\$ 2,750	\$ 2,103	\$ (728)
Commodities	\$ 250	\$ 147	\$ 167	\$ 103	\$ (20)
Depreciation		\$ 130	\$ -		\$ 130
Operating Total	\$ 10,386	\$ 5,735	\$ 6,924	\$ 4,651	\$ (1,189)

Operating Expenditures by Dept.	Fiscal Year				
((\$000s))	Full FY Budget	FYTD February Actuals	FYTD Projected Budget	FY Budget Remaining (Full Year less Actuals)	FYTD Variance (Under)/Over (Actuals less Projected)
Executive	\$ 2,302	\$ 1,494	\$ 1,535	\$ 808	\$ (40)
Commercial	\$ 666	\$ 313	\$ 444	\$ 353	\$ (131)
External Affairs	\$ 1,583	\$ 921	\$ 1,055	\$ 662	\$ (134)
Legal	\$ 445	\$ 105	\$ 297	\$ 340	\$ (191)
Finance	\$ 1,005	\$ 581	\$ 670	\$ 424	\$ (89)
Admin Services	\$ 2,980	\$ 1,535	\$ 1,987	\$ 1,445	\$ (452)
IT Data Mgmt.	\$ 1,405	\$ 786	\$ 937	\$ 619	\$ (151)
Operating Total	\$ 10,386	\$ 5,735	\$ 6,924	\$ 4,651	\$ (1,189)

Notes: FY - Fiscal Year

FYTD - Fiscal Year to Date

Eight (8) Months complete in FY

Four (4) Months Remain in FY

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Capital Expenditures		Calendar Year		
	July - Dec	YTD	YTD	YTD Variance
(\$000s)	Actuals	February Actuals	February Budget	(Actuals less Budget)
Regulatory/Program Management	\$ 15,624	\$ 2,360	\$ 5,056	\$ (2,696)
Commercial	\$ 2,700	\$ 714	\$ 1,579	\$ (865)
Communications	\$ 94	\$ 163	\$ 257	\$ (94)
Capital Total	\$ 18,418	\$ 3,237	\$ 6,892	\$ (3,655)

Notes: Total FY Capital Expenditures \$ 21,655

Expenditures by Fund (Capital and Operating)			Calendar Year		
		July - Dec	YTD	YTD	YTD Variance
(\$000s)		Actuals	February Actuals	February Budget	(Actuals less Budget)
AKLNG (1235)	Capital	\$ 16,806	\$ 2,795	\$ 5,876	\$ (3,081)
ISG (1229)	Capital	\$ 1,611	\$ 442	\$ 1,016	\$ (574)
Capital Total		\$ 18,417	\$ 3,237	\$ 6,892	\$ (3,655)
AKLNG (1235)	40% of Operating	\$ 1,716	\$ 578	\$ 692	\$ (114)
ISG (1229)	60% of Operating	\$ 2,574	\$ 867	\$ 1,039	\$ (172)
Total Operating		\$ 4,291	\$ 1,444	\$ 1,731	\$ (287)
AKLNG (1235)	Total	\$ 18,522	\$ 3,372	\$ 6,568	\$ (3,196)
ISG (1229)	Total	\$ 4,185	\$ 1,309	\$ 2,055	\$ (746)
AGDC Total		\$ 22,708	\$ 4,681	\$ 8,623	\$ (3,942)

Notes: Total FY Expenditures \$ 27,389
YTD - Year to Date



ALASKA MOVING FORWARD:

DELIVERING NATURAL GAS TO THE WORLD

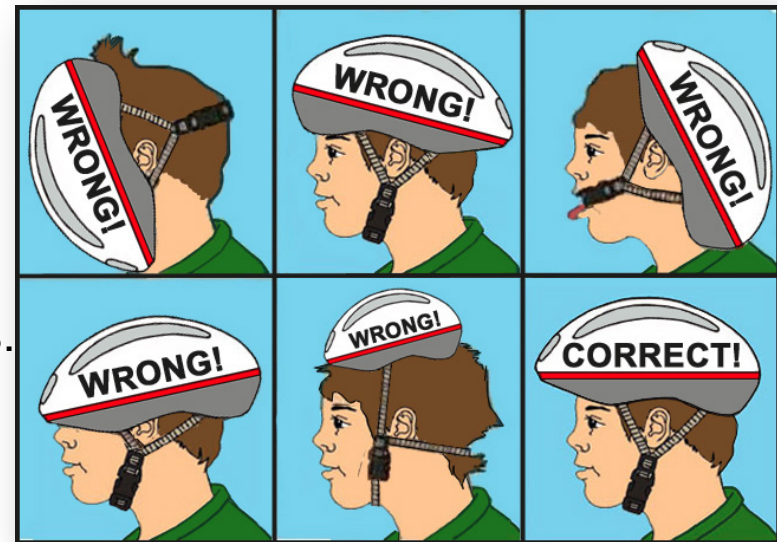




Fact: Bicycle helmets keep your brain safe!

With spring fast approaching in southcentral Alaska, more and more bicycles are getting pulled out of garages and sheds for their first ride of the season. After dusting off your bike and completing a quick function check on critical components, don't shove off without first securing your helmet!

According to the Insurance Institute for Highway Safety, a bike helmet may be the difference between life and death. Their statistics show that head injuries are the leading cause of death for cyclists killed in accidents with automobiles. It's estimated that helmet use reduces the risk of head injury in these types of accidents by **85%!**



If you don't own a helmet or yours has dings, damage or was purchased when bell bottom jeans were still in style, most sporting goods stores carry several approved makes, styles, colors and fits.

Make a point this spring to ensure you and your family are riding safely!

- **Regulatory**

- The regulatory team participated in the FERC Resource Report comment response process
- Prepared the BLM Right-of-Way Application and U.S. Army Corp of Engineers (USACE) 404 permit application
- Completed the four Pipeline and Hazardous Materials Safety Administration (PHMSA) Special Permit applications for Crack Arrestor Spacing, Multi-Layer Coatings, Transmission Line Valve Spacing, and Strain Based Design (SBD).
- AGDC met with FERC in Washington, D.C. on March 21st to discuss final transition matters.

- **GTP, PBU, & PTU**

- Teams have completed initial response to FERC comments for filing

- **Pipeline**

- Teams have completed initial response to FERC comments for filing
- Developed PHMSA Special Permit application packages in support of regulatory team

- **LNG Plant & Marine Facilities**

- Teams have completed initial response to FERC comments for filing

- **Environmental, Regulatory and Land (ERL)**

- Clean Water Act 404 Application and the ASAP SEIS
 - Completed response to final six comments from the draft Supplemental Environmental Impact Statement (SEIS)
 - Submitted Cultural Resource Management Plan to facilitate the Corps Section 106 consultation process

- **Pipeline**

- Pipeline engineering continues to assist the Environmental Regulatory and Lands (ERL) team answering questions and requests for information (RFIs) from the U.S. Army Corps and the general public

- **Project Services**

- Ongoing AGDC specific Capital Projects (deliverable and RFI transmittal tool) and Documentum (document control software) updates