



AGENDA  
ALASKA GASLINE DEVELOPMENT CORPORATION (AGDC)  
REGULAR BOARD MEETING

April 12, 2018 AGDC Board Room, 3201 C St Suite 604 Anchorage, AK 9:00am

- I. CALL TO ORDER
- II. ROLL CALL
- III. CHAIRMAN'S CHOICE
- IV. APPROVAL OF AGENDA
- V. APPROVAL OF MINUTES – March 8, 2018
- VI. PUBLIC COMMENTS - Boardroom \_\_\_\_\_ Statewide \_\_\_\_\_
- VII. PRESIDENT'S UPDATE
- VIII. AGDC MANAGEMENT/OPERATIONAL
  - A. Committee Chair Updates
  - B. External Affairs Update
  - C. Project Update
- IX. FINANCIALS
- X. EXECUTIVE SESSION
- XI. ANY OTHER ITEMS TO COME BEFORE THE BOARD
- XII. BOARD COMMENTS
- XIII. 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

March 8, 2018

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 March 8, 2018, 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  
Telephonic

Vice Chair of the Board

Joey Merrick  
Anchorage, AK

Secretary/Treasurer

COMMISSIONER MARC LUIKEN  
Anchorage, AK

Member of the Board

COMMISSIONER HEIDI DRYGAS  
Juneau, AK - Telephonic

Member of the Board

WARREN CHRISTIAN  
Fairbanks, AK -Telephonic

Member of the Board

DAVID WIGHT  
Houston, TX - Telephonic

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 briefing on spring thaw and stopping at intersections safely.
- IV. APPROVAL OF AGENDA: Commissioner Luiken moved to approve the agenda and Hugh Short second. The approval of the agenda passed unanimously (6-0).
- V. MINUTES: David Wight moved to approve board meeting minutes from December 7, 2017. Hugh Short second. The approval of the board meeting minutes from December 7, 2017 passed unanimously (6-0).

Joey Merrick arrived at 9:12am

- VI. PUBLIC COMMENTS: Boardroom – Dan Coffey, Richard McGahan; Statewide – Donald Bollock
- VII. PRESIDENT'S REPORT: AGDC President Keith Meyer gave a presentation overview on the following:
  - a. Old vs. New Structure of the Alaska LNG project
  - b. Evolving Objectives of each AGDC Department
  - c. Capital Costs and Project Structuring
- VIII. NEW BUSINESS – AGDC MANAGEMENT/OPERATIONAL ISSUES:
  - A. Committee Chair Update

Communications Committee – Commissioner Luiken focused his presentation on the scheduled community meetings along the pipeline corridor and getting people involved in the Alaska LNG project. He acknowledged that social media traffic related to the Alaska LNG project tripled in one month's time, demonstrating that

## Meeting Minutes

people are interested in the project and believe that it can be successful.

Technical Committee – Dave Cruz, chair of the Technical Committee, stated that the Technical Committee continues to concentrate its efforts on the FERC process, answering FERC's questions, and explaining about Alaska LNG's footprint.

External Affairs Update: AGDC VP of Communications Rosetta Alcantra discussed AGDC's continued outreach to the Senate Joint Resources and Finance Committees, as well as meeting with the Mat-Su delegation. She explained that the community meetings, which Commissioner Luiken spoke about earlier, were actually a statewide project ranging from Nuiqsut to Unalaska. Alaskans are hopeful for Alaska LNG-related job opportunities and her team is collaborating with the Department Labor and Workforce Development to share information about training centers and other opportunities that Alaskans can benefit from.

- B. PROJECT UPDATE: Alaska LNG - Frank Richards, Vice President of Engineering and Program Management, gave an update on the continued discussions with FERC and other Federal agencies. He predicts that by the end of April approximately 91% of the FERC questions will be complete. His team has initially asked for clarity from FERC on an additional 21 questions. Other topics he addressed were as follows:
  - a. meeting with the Matanuska Susitna Borough,
  - b. Alaska LNG Army Corps 404 Application,
  - c. filing of a petition for Incidental Harassment with the National Oceanic and Atmospheric Fisheries Division,
  - d. four special permits regarding PHMSA (environmental assessment),
  - e. a visit to China to meet with Sinopec, and
  - f. a visit to a module yard owned by Fluor and Sinopec.



- C. Commercial Update: Lieza Wilcox, Vice President of Commercial and Economics, gave an update on the project commercial structure, which included a hybrid merchant/tolling model. She also gave an activities update that included the following topics:
  - a. Joint Development Agreement,
  - b. Asia marketing activities,
  - c. Gas purchasing, and
  - d. Financing.
- D. Resolution 2018-01 – Authorizing the President to Formally Engage Investment Banks for Alaska LNG: this resolution will allow for AGDC to execute and finalize letter agreements with investment banks for project financing after the Governance Committee reviews them and on the condition that the Governance Committee may still refer the engagement letters to the entire Board if necessary. Hugh Short moved to adopt Resolution 2018-01, Joey Merrick second. The resolution passed unopposed (7-0).
- IX. FINANCIAL UPDATE: Philip Sullivan, Finance Manager, gave an update on the operating and capital budget through January 2018. Mr. Sullivan stated that AGDC requested Statutory Designated Program Receipt Authority (SDPR), which would allow AGDC to receive third party funds. AGDC is still waiting for a legislative decision about SDPR.
- X. EXECUTIVE SESSION: None
- XI. ANY OTHER ITEMS TO COME BEFORE THE BOARD: None
- XII. COMMENTS: None
- XIII. ADJOURNMENT: Hugh Short moved to adjourn, Joey Merrick second, none opposed. The meeting adjourned at 12:47pm.

# President's Report

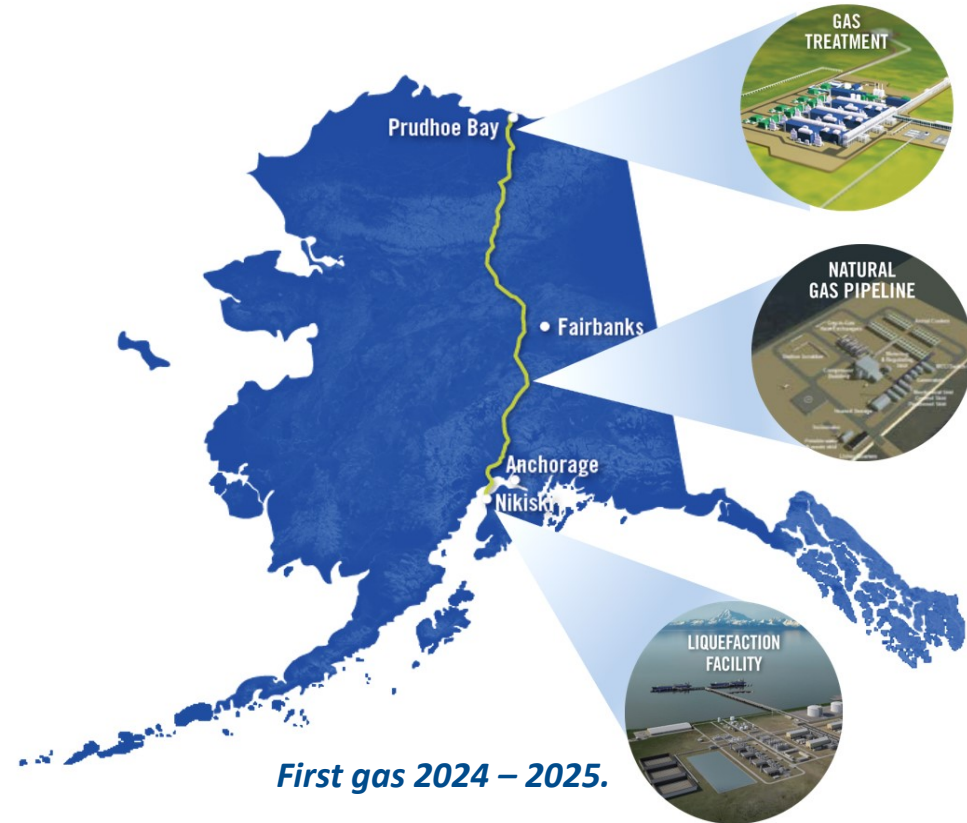
April 12, 2018

Keith Meyer, President



# President's Report Overview

- **Commercial and Technical.**
  - JDA Work Team visit.
  - Investment bankers.
- **Communications.**
- **Finance.**
  - Budget.
  - Timeline.



- **Joint Development Agreement (JDA) Work Team Visit:**

- March 25-30, 2018: JDA executive, commercial, facilities, and pipeline teams met in Alaska.
- The delegation included 38 JDA representatives.
- Participated in the weeklong series of work sessions, field visits, and meetings.

- **Executive members met with:**

- Alaska's Department of Natural Resources.
- Department of Revenue.
- Department of Commerce, Community, and Economic Development.
- Alaska Native Regional Corporations.
- Local industry groups.
- State and local elected officials.



# Work Team Visit Day 1: Commercial & Technical

**Welcome and technical briefings for Commercial and Technical (Pipeline and Facilities) Work Teams.**



The Governor, AGDC, and Alaska Department of Natural Resources (DNR) representatives were in attendance.



# Work Team Visit Day 1: Commercial & Technical



**Majority of Work Teams visited the North Slope.**







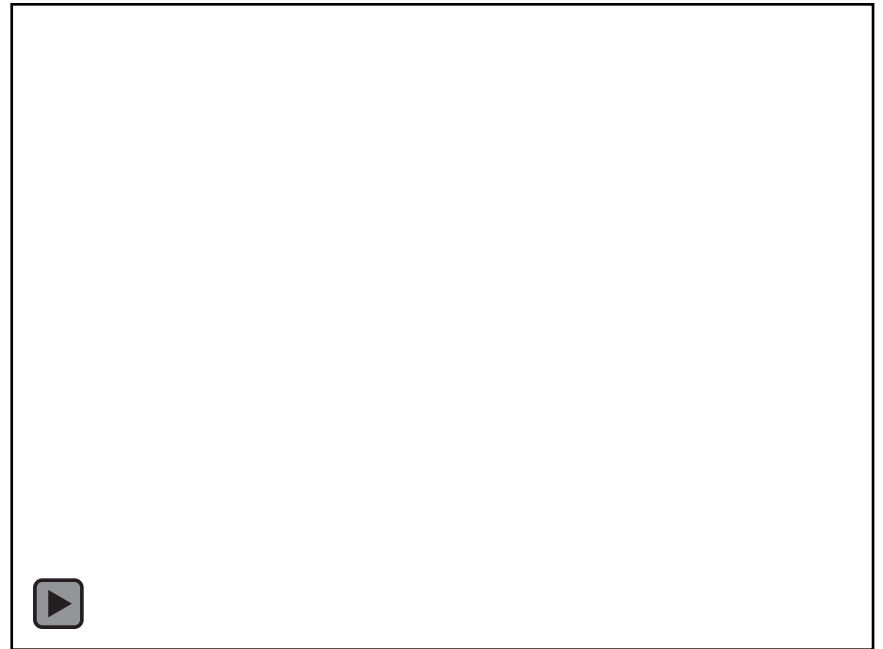
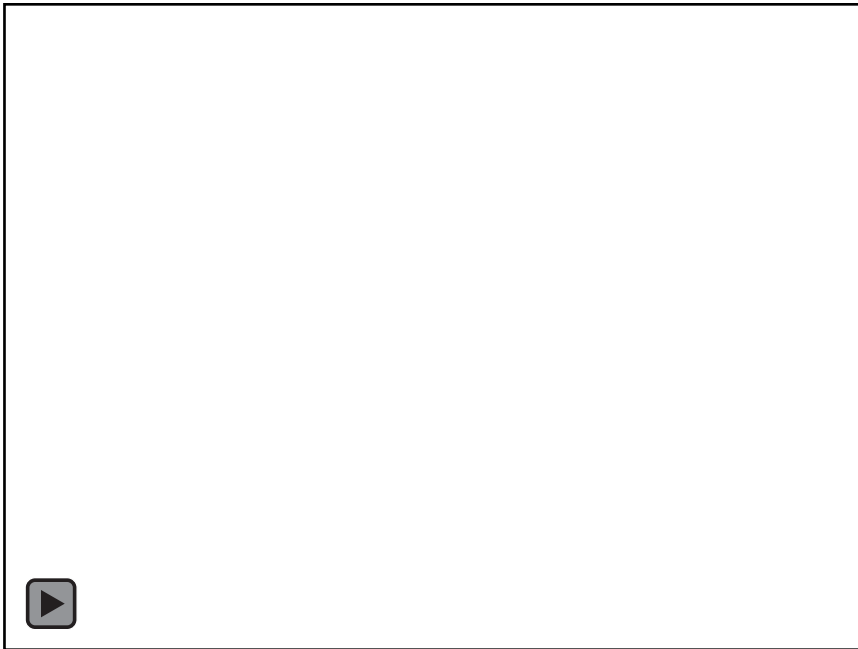
- **Highlights of Prudhoe Bay trip:**
  - BP's Prudhoe Bay Operations Center.
  - ARCO Spark Discovery Well.
  - Seawater Treatment Plant Control Room.
  - West Dock
  - Central Gas Facility.
  - Badami Ice Road Construction site.
  - Cruz Construction material site.



# Work Team Visit Day 2



Work Team at the ARCO Spark Discovery Well on Tuesday, March 27.



Work Teams inspected facilities and continued with tours of the Seawater Treatment Plant Control Room and West Dock.

# Work Team Visit Day 3: Pipeline



Pipeline's Prudhoe Bay trip included views of the Badami Ice Road Construction site and Cruz Construction material site.

# Work Team Visit Day 3: Facilities & Leaders



Cannery Lodge welcome reception  
with local assembly and community leaders.

- **Leader Team meets with:**
  - DNR, DOR, DOC.
  - Alyeska Pipeline Service Company.
  - Sheldon Fisher the Commissioner of Revenue.
  - Mark Wiggin the Deputy Commissioner of the DNR.
  - Mike Navarre the Commissioner of the Department of Commerce.
  - Shelley James the Director of International Trade for the Governor.



# Work Team Visit Day 3: Facilities & Leaders



Andeavor's Kenai LNG Plant.

- **Facilities and Leaders Teams trip to Kenai:**
  - Alaska LNG plant site.
  - Andeavor's Kenai LNG plant.



# Work Team Visit Day 3 & 4: Commercial



Commercial Team members discuss potential commercial structure and modeling.





- **Facilities Team and Leaders Team meet in Seward:**
  - Tour of simulator at Alaska's Institute of Technology (AVTEC).
  - Hands-on simulator runs at AGDC Terminal.

# Work Team Visit Day 4: Facilities & Leaders



Hands-on  
simulator runs at  
AGDC Terminal.



# Work Team Visit Day 4 & 5: Pipeline



- Pipeline's trip continued with tour of pipeline route, including:

- Franklin Bluff Camp.
- Galbraith Lake Compressor Station.
- Atigun Pass.
- Middle Fork/ Koyukuk River.
- Wiseman.
- Coldfoot Camp.

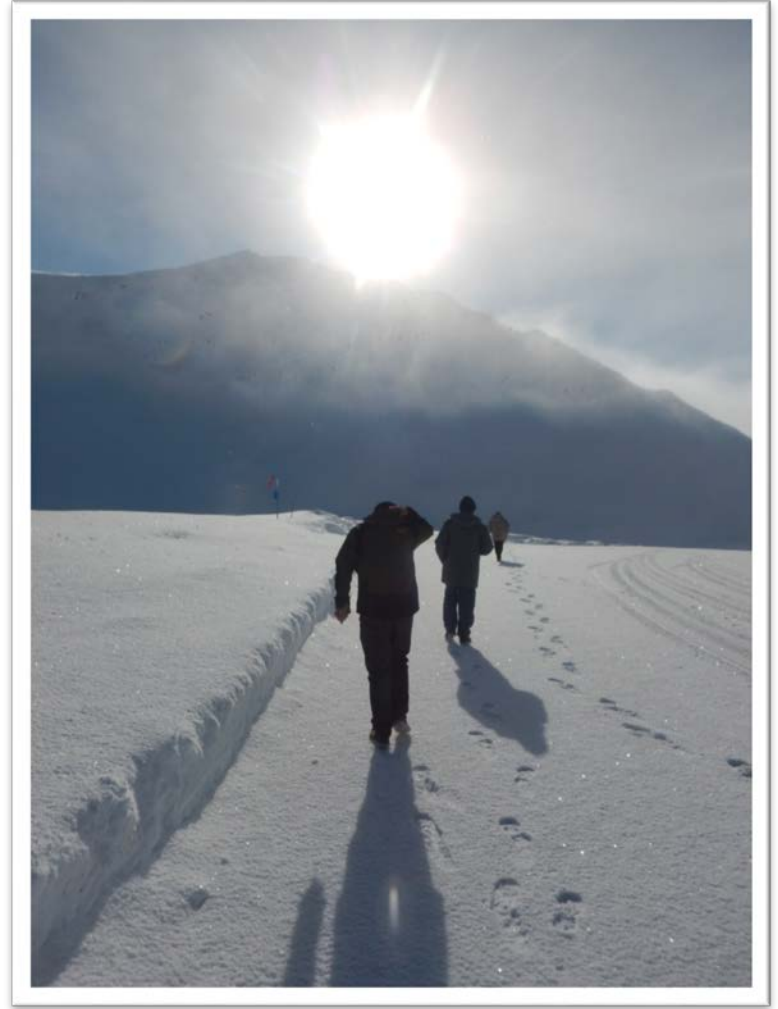


Pipeline Team on Thursday, March 29.

# Work Team Visit Day 4 & 5: Pipeline



Pipeline's trip continued with a tour of Atigun Pass.

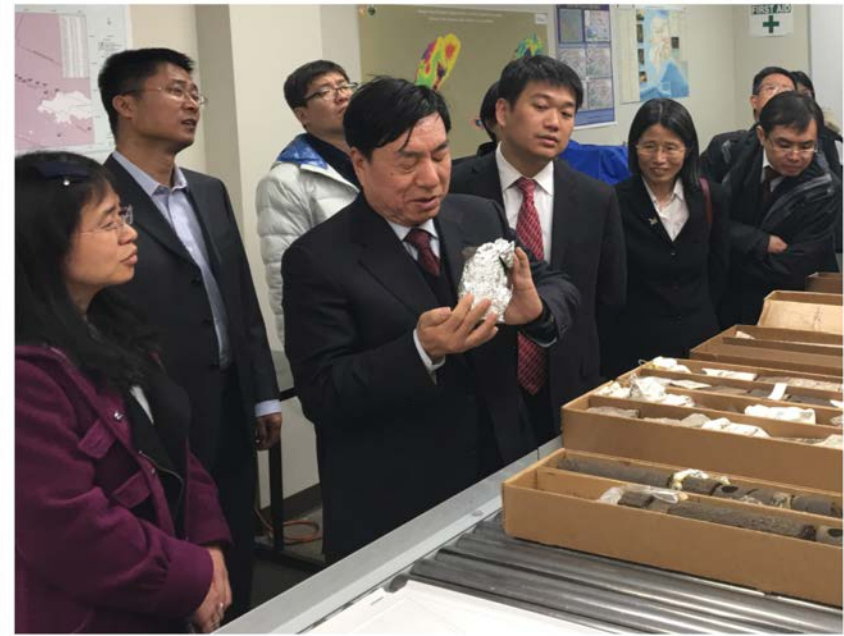


**Work Teams tour DNR Geologic Materials on Friday, March 30.**





## Work Teams tour DNR Geologic Materials on Friday, March 30.



## Closing day presentations from Doyon, ASRC, and AGDC.



Teresa Imm, Sr. VP, Resource Development  
Arctic Slope Regional Corporation.



Aaron Schutt, President/CEO  
Doyon Limited.

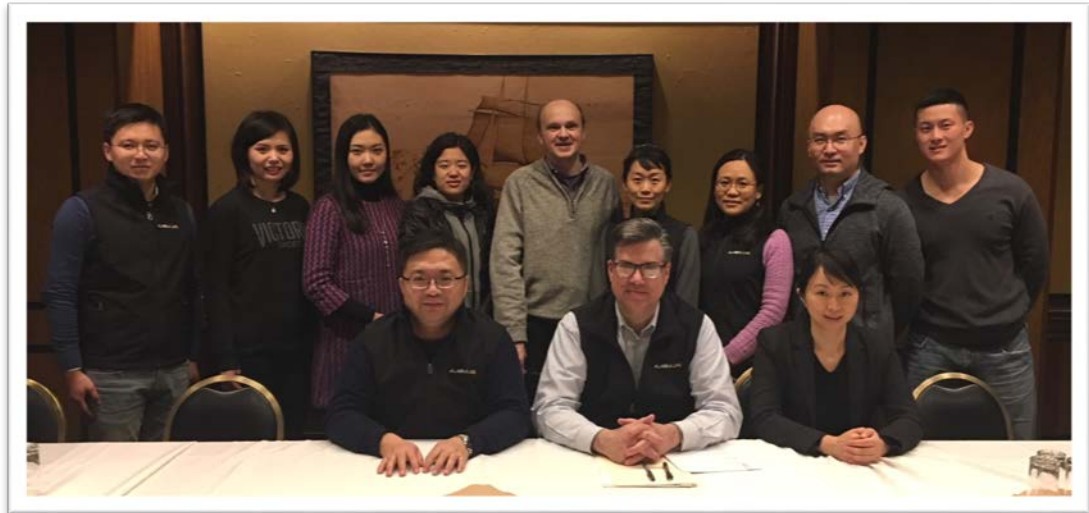


Keith Meyer, President  
Alaska Gasline Development Corp.

**Closing day at the Petroleum Club on Friday, March 30.**



- AGDC engaged Bank of China Limited (“Bank of China”) and Goldman Sachs & Co. LLC (“Goldman Sachs”) to serve as global capital coordinators to AGDC’s Alaska LNG project.
- The investment banks and AGDC anticipate raising the funds in multiple rounds, which will include offerings to the State of Alaska, Alaska residents, Alaska municipalities, Alaska Native Corporations, and private equity sources.
- Initial equity will be raised to meet AGDC’s working capital requirements to keep project on schedule; additional engineering, LSTK development, long lead item procurement.



AGDC and Bank of China sign an engagement agreement in Anchorage on March 27, 2018.



- **Washington engagement messaging: “America’s largest energy export project.”**
- **AGDC hosted two briefings on Capitol Hill for House and Senate and congressional staffers on March 19, 2018:**
  - Staff from the Senate Committee on Energy and Natural Resources, House Committee on Natural Resources, as well as the personal offices of Senators Durbin, Murkowski, Sullivan, and Congressman Young attended the briefings.
- **AGDC continues to meet with members and staff of Alaska’s Legislature, congressional delegation, borough and municipal officials in order to keep them apprised of Alaska LNG project updates.**



Keith Meyer, AGDC President, briefing Congressional staffers at the U.S. Capitol on March 19, 2018.



2018

## “Get Ready.” “Alaska First.”

- Jobs-focused flyer to be distributed on April 22.
- Purpose is to get the Alaskan workforce prepared, trained, and equipped with the skills to be contributors on the project – in all phases.
- Developing a system to gather and organize information from individuals and organizations that are interested in working on the Alaska gasline and LNG export project.
- Cooperating with Dept. of Labor to leverage regional training centers and State’s resources.
- Preparing for community interface across Alaska with an emphasis on impacted areas.

The Timing is Right for Alaska LNG ..... 2      Alaska LNG is Great for Alaskans ..... 3      Stake Your Claim in Alaska's Future ..... 4      Get Ready..... 6      Who Will Own Alaska LNG? ..... 7

### Alaska Moving Forward

Delivering Natural Gas to the World

It's time to stake your claim in Alaska's natural gas infrastructure project

During the 1970s, Alaskans built the nation's largest energy project – the Trans Alaska Pipeline System (TAPS) to move oil from the North Slope to Valdez for export. The TAPS project was one of the largest construction projects of all time and employed thousands of Alaskans across all trades. For Alaskans who arrived in the 1980s and in the years that followed, life was good. The hard work of getting the pipeline built was done; the oil pipeline started an economic engine that has run for 40 years and still runs today.

The heart of the economic engine has been the Prudhoe Bay oil and gas field – the largest oil and gas field in all of North America. After 40 years, oil production from the Prudhoe Bay field has declined, but the enormous natural gas resource has stayed in place.

Meanwhile, the world has been demanding more and more clean-burning natural gas as concern for the environment takes a higher priority.

Alaska needs a new economic engine and has been developing that engine in the form of the Alaska gasline and LNG project we call Alaska LNG. For Alaskans who did the hard work in the 1970s, this is familiar territory: build a pipeline – this time a gas pipeline – from the heart of Alaska's North Slope at the Prudhoe Bay field, and create an economic engine for future Alaskans.

This time, it is your opportunity. Whether you are a student, a tradesman, or a business, it is time to stake your claim in Alaska's economic future.

Build on Alaska's history and become a part of Alaska's future.

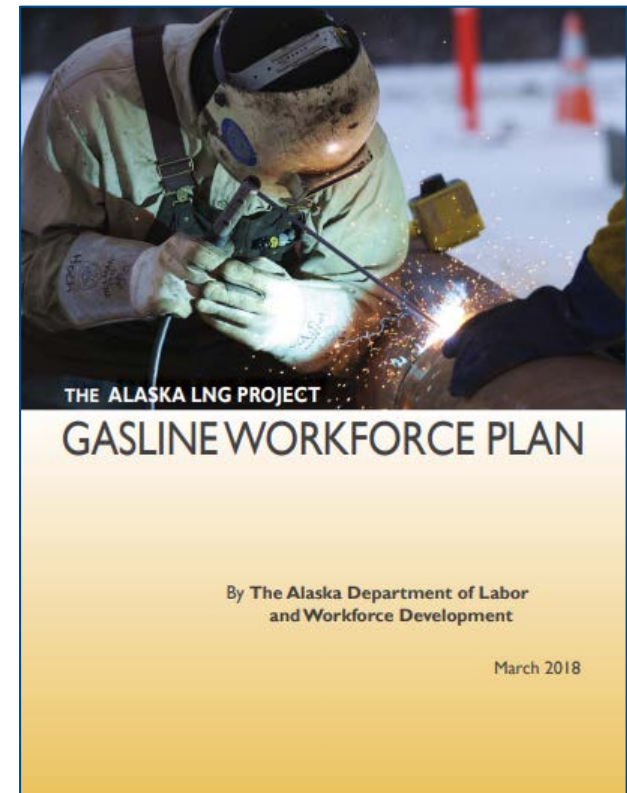
PRUDHOE BAY  
FAIRBANKS  
NOME  
ANCHORAGE

PIPELINE CONSTRUCTION AHEAD

agdc.us

**Alaskans are capable.**

- **The Alaska LNG Project Gasline Workforce Plan:**
  - The Goal: Train and educate an Alaskan workforce with the skills necessary to build and operate the project.
- **Part 1: Project Workforce Plan's six key areas and recommended action steps:**
  1. Leadership.
  2. Focus.
  3. Quality education and training.
  4. Alaskans first.
  5. Resources.
  6. Results.
- **Part 2: Project Workforce Report:**
  - Workforce overview.
  - Project labor needs.
  - Education and training capacity.
  - Economic and workforce development.



[jobs.alaska.gov/energy/2018\\_Gasline\\_Workforce\\_Plan.pdf](https://jobs.alaska.gov/energy/2018_Gasline_Workforce_Plan.pdf)

## Preparing for funding authority to raise funds to take us to a 2019 FID and through 2019 pre-construction activities:

Additional engineering work.

Completing the regulatory application.

Structuring for project financing.

Secure funding commitments.

Building the organization.

Preparing for construction activities.

- AGDC is seeking Statutory Designated Program Receipt Authority (“SDPRA”) from the legislature, which will allow AGDC to receive funds from third-parties.
- Investment Banker engagement to finalize structure and pursue third-party funding for project development.

# Timeline of Financing and De-risking Events

## Financing Events

2018 Q3:  
Opportunity for State and Alaskans to secure equity stake at "Alaskan price"; raise up to \$600 million, depending on State's appetite.

2018 Q3 – 2018 Q4:  
Third-party equity fund-raising road show; goal is to raise up to \$1 Billion less any amount raised from State and Alaskans.

2019 Q1 - 2020 Q2:  
Fund-raising for debt and equity capital.

2018

2019

2020

2021 –'23

2024

2018 Q3 – 2019 Q2:  
Further work on Engineering & Design as part of Turn Key Lump Sum contracts.

December 31, 2018:  
Target date to have definitive agreements submitted to China.

1H 2019:  
Target date for Conditional Final Investment Decision (FID); detailed engineering and long lead procurement; FERC issues draft EIS.

Dec 2019:  
FERC issues final EIS; additional long-lead item procurement.

March 2020:  
FERC record of decision obtained; FID.

2024: Q4  
First gas delivered with first of three "trains" (GTP and LNG facilities) operational.

## De-risking and Other Events

*Get Involved.*  
*Get Ready.*  
*Get Engaged.*

---



agdc.us

 Facebook.com/AKGaslineDevelopmentCorp

 Alaska Gasline Development Corporation

## Communications Update

April 12, 2018


Rosetta Alcantra, Vice President



- **Legislative semi-monthly reports:**
  - March 15 and March 30.
  - Second report each month contains AGDC budget info.
- **Interaction with Legislators and/or staff:**
  - House/Finance interaction re: SDPR in operating budget.
  - Response to Senator von Imhof questions March 16.
  - Meetings with key Senate staff March 16 & April 5.
  - Senator Stedman regarding LB&A consultant access to modeling information.
  - Developing a CA for legislative consultants.
  - Meetings with Senator Shower – project overview, discuss China concern and Committee on Foreign Investment in the United States review.
  - Secure quotes from Legislators for next AGDC insert.
- **Coordination with state agencies:**
  - DNR presentation to Senate Resource March 21.
  - DOR presentation to Senate Finance March 22.




# Community Outreach and Meetings



## COMMUNITY MEETING

**WHEN** ▶ Monday, April 9, 2018  
5:30PM-7:30PM, PRESENTATION AT 6:00PM



**WHERE** ▶ Old St. Joe's Civic Center  
407 BERING STREET, NOME, AK 99762



**NOME**

**You are invited** to attend a community meeting to learn more about the Alaska Liquefied Natural Gas (LNG) project. Members of the Alaska LNG team will provide a project update and share information about the recent commercial and regulatory activities. Refreshments will be provided.

Rosetta Alcantra, Vice President of Communications  
T: 907.330.6360, Email: [externalaffairs@agdc.us](mailto:externalaffairs@agdc.us)

[agdc.us](http://agdc.us)  

March 13:	AFL-CIO Lunch & Learn
March 26:	Nine Star Education and Employment Services Group.
April 3:	Valdez High School Career and College Fair Day.
April 9:	Nome
April 11:	Kotzebue
April 17:	Dillingham
April 19:	Unalaska
April 24:	Nenana/Anderson
April 25:	Fairbanks
April 26:	Minto
May 1:	Mat-Su
May 3:	Nikiski



*\*Note meetings are subject to change.*




**PENINSULA CLARION**

Posted April 1, 2018 07:26 pm  
By REPS. GARY KNOPP, DAVID GUTTENBERG

**Voices of Alaska: Don't settle. Alaskans can get the job done**

"You miss 100 percent of the shots you don't take." — Wayne Gretzky



Since the State of Alaska took control of the efforts to commercialize North Slope gas reserves a few years ago, a common criticism from some state lawmakers is that the state would never find investors.

The project was not economical with private industry at the reins, so it must not be economical at all: that was the argument, a line of thinking that makes perfect sense on face value but on closer examination is actually plain wrong.

It is now evident that the Alaska Gasline Development Corporation is on the cusp of signing deals with investors who are willing to pour hundreds of millions of dollars into our state, that there is a path forward for the Alaska LNG Project in the immediate future rather than waiting and wishing for another generation.

**AK ALASKA PUBLIC MEDIA** **PBS npr** Quality PBS shows. On-demand access.

TELEVISION RADIO NEWS KIDS & FAMILY SUPPORT ABOUT US

**Chinese officials tour proposed gasline project**

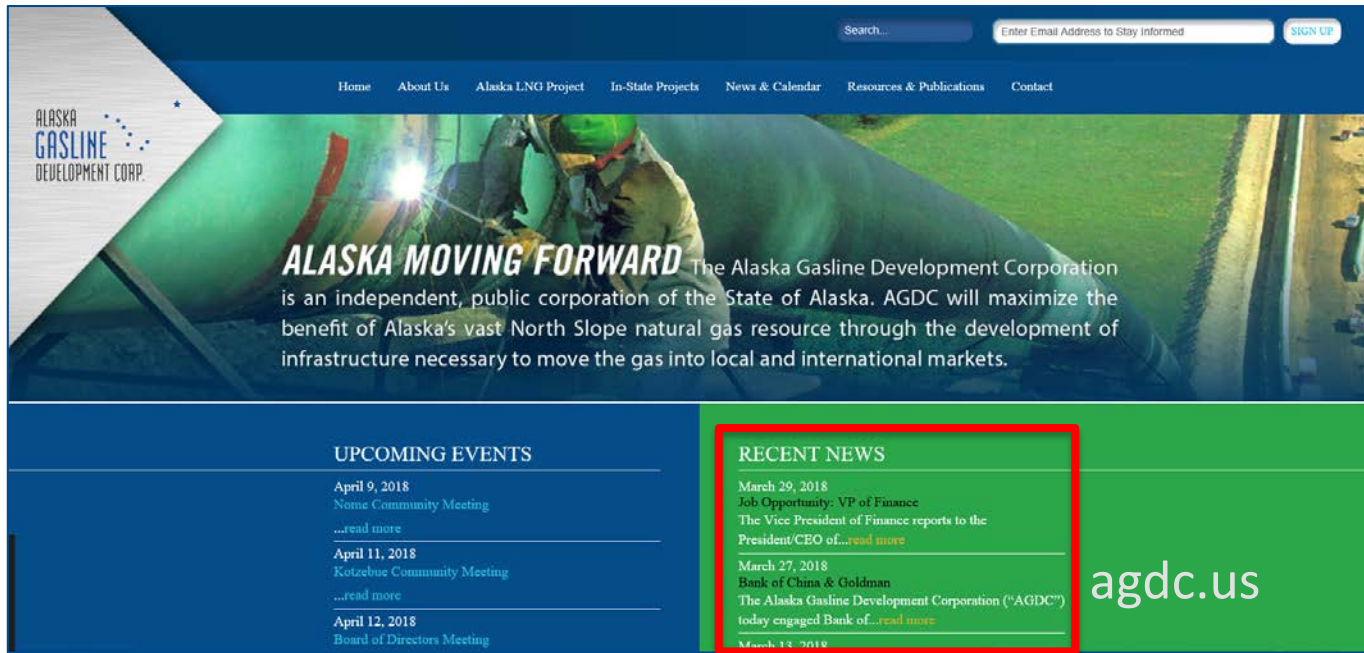
By Don Bross, KUAC - Fairbanks - March 30, 2018

A Chinese group is touring the route of a proposed Alaska natural gas pipeline. Chinese government and energy officials are investigating the project in cooperation with the state of Alaska, in anticipation of investing in construction of the \$43 billion gas line. Speaking in Fairbanks yesterday, Alaska Governor Bill Walker said the Chinese contingent here this week is taking in the breadth of the project from the North Slope to Cook Inlet.

“They’re what’s called the due diligence group,” Walker said. “They’re over here looking at the North Slope where the gas is, looking at the route, looking at the terminal site, they’re looking at some of the infrastructure we have in Alaska. It’s just the next step of them getting comfortable with where they want to do business.”

Walker says the group of 39 Chinese officials began the trip with meetings in Anchorage earlier this week.

- **March 22 – President Keith Meyer submits OpEd on “Gasline Jobs for Alaska” to Anchorage Daily News, Fairbanks News-Miner, Juneau Empire, Frontiersman and Peninsula Clarion.**
- **March 28 – President, Keith Meyer, Featured Guest Author in Alaska Business Monitor.**



## • Press releases Distributed:

- March 8: AGDC Annual Report
- March 13: FERC Issues Notice of Schedule.
- March 27: Bank of China & Goldman Sachs selected as AGDC's Lead Global Investment Banks.

- **LNG World Market Update:**
  - Features LNG news from around the world.
  - Distributed weekly.
- **Website:**
  - Traffic to agdc.us continue to increase.

ALASKA GASLINE DEVELOPMENT CORP.

ALASKA MOVING FORWARD.  
DELIVERING NATURAL GAS TO THE WORLD

## LNG WORLD MARKET UPDATE

March 29, 2018

U.S. LNG Exports Quadrupled in 2017; Abbott to India: Expand LNG shipments from Texas; Japanese Power Companies' December LNG Consumption Rises; EDF to Lead Consortium Developing Vietnamese Gas-fired Power Plant. Subscription options for this report are available at the bottom of this email. Please contact AGDC External Affairs at [externalaffairs@agdc.us](mailto:externalaffairs@agdc.us) with questions.

### Natural Gas

HH Spot Price  
\$2.63 (\$/MMBtu)  
March 26 close

Weekly Change  
+\$0.01 (0.38%)

Trend

Source: EIA

### U.S. LNG Exports Quadrupled in 2017

(The Maritime Executive, March 28) - U.S. exports of LNG reached 1.94 billion cubic feet per day (Bcf/d) in 2017, up from 0.5 Bcf/d in 2016. U.S. LNG exports in 2017, all of which originated from Louisiana's Sabine Pass liquefaction terminal, reached 25 countries. More than half (53 percent) of U.S. LNG exports in 2017 were shipped to three countries: Mexico, South Korea, and China. Mexico received the most: 20 percent of the 2017 total. As export capacity continues to increase, the U.S. is projected to become the third-largest LNG exporter in the world by 2020, surpassing Malaysia and remaining behind only Australia and Qatar. [Read more.](#)

### Abbott to India: Expand LNG shipments from Texas

(Chron, March 28) - In a continuing push to increase

MONTH	TRAFFIC VISITS
November 2017	4,928
December 2017	3,234
January 2018	3,030
February 2018	2,320
March 2018	2,780

ALASKA GASLINE DEVELOPMENT CORP.

Home About Us Alaska LNG Project In-State Projects

## ALASKA MOVING FORWARD

The is an independent, public corporation of the benefit of Alaska's vast North Slope natural gas infrastructure necessary to move the gas into lo



- **Facebook:**
  - Continue running video vignettes.
  - Reach, engaged users, and impressions nearly tripled due to a change in ad buying strategy and greater organic interest.

	LIKES	TOTAL REACH	ENGAGED USERS	TOTAL IMPRESSIONS
SEPTEMBER	56	3,557	158	5,325
OCTOBER	96	2,710	228	4,613
NOVEMBER	688	70,748	2,580	85,721
DECEMBER	1,157	129,748	4,964	155,016
JANUARY	1,730	39,352	1,180	44,678
FEBRUARY	2,321	95,467	3,278	118,869
MARCH	2,338	78,707	6,969	89,951

**Alaska Gasline Development Corporation**  
March 29 at 12:06pm · 🌐

Two of the largest banks in the world are helping us turn the Alaska LNG project into a reality. Learn more in this article from the Alaska Journal of Commerce.



**AGDC gets help soliciting investors for LNG Project**  
The Alaska Gasline Development Corp. has secured two of the world's largest banks to help raise funds for the \$43 billion Alaska LNG Project.  
ALASKAJOURNAL.COM

Like Comment Share

**Alaska Gasline Development Corporation**  
March 30 at 2:41pm · 🌐

If you're an Alaskan electrician with experience installing and maintaining wiring, control and lighting systems, we have good news for you: we'll need people just like you for the Alaska LNG project.



Like Comment Share

**Alaska Gasline Development Corporation** added 2 new photos.  
20 hrs · 🌐

Dillingham! Houston! We'll be in both of your communities on Tuesday, April 17th for community meetings where we'll update you on the progress of the Alaska LNG project. Interested in learning more? Don't miss these meetings!

**WHEN** ▶ Tuesday, April 17, 2018  
5:30PM-7:30PM, PRESENTATION AT 6:00PM

**WHERE** ▶ Bristol Inn  
104 MAIN ST., DILLINGHAM, AK 99576

**DILLINGHAM**

**WHERE** ▶ Station 9-1 Fire Department  
13965 W. ARMSTRONG ROAD, HOUSTON, AK

**HOUSTON**



ALASKA GASLINE  
DEVELOPMENT CORP.[illegible]

- **April insert focuses on jobs/benefits.**
- **Distribution scheduled for April 22 in papers statewide.**
- **Printing about 115,000 copies.**
- **Being coordinated with labor training initiative – getting Alaskans ready.**

# Upcoming Activities

- **In-state:**

- Refine community outreach calendar.
- Launch “Alaska First” online database to track Alaskans interested in working on the project. Contact information and skill areas will be captured.
- Quarterly Newsletters to share project advancements.

- **National:**

- Ad campaigns timed around industry events.
- Continued preparation for World Gas Conference, Washington DC.
- Support Regulatory team as needed.

- **International:**

- Support Commercial team with April FAM trip.
- Support China Trade Mission in May.



Keith Meyer, AGDC President briefing Congressional staffers at the U.S. Capitol on March 19, 2018.

*Get Involved.*  
*Get Ready.*  
*Get Engaged.*

---



agdc.us

 Facebook.com/AKGaslineDevelopmentCorp

 Alaska Gasline Development Corporation

## Project Update

April 12, 2018

Frank Richards, P.E., Senior Vice President Program Management



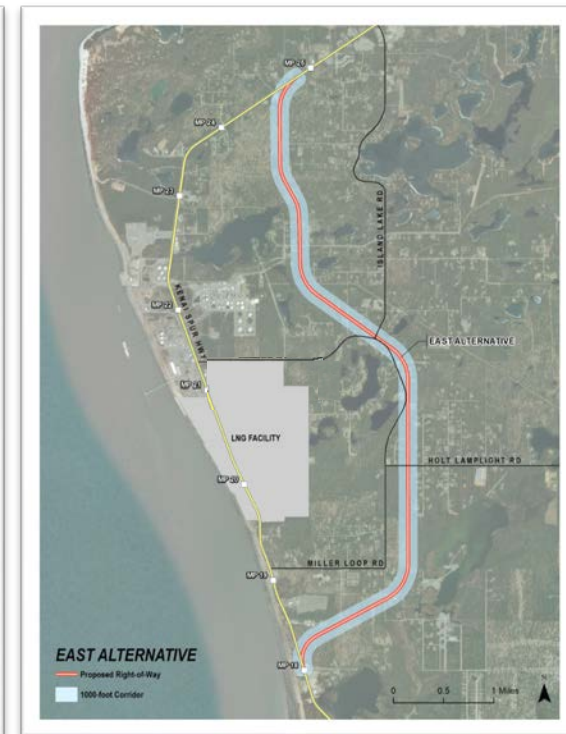
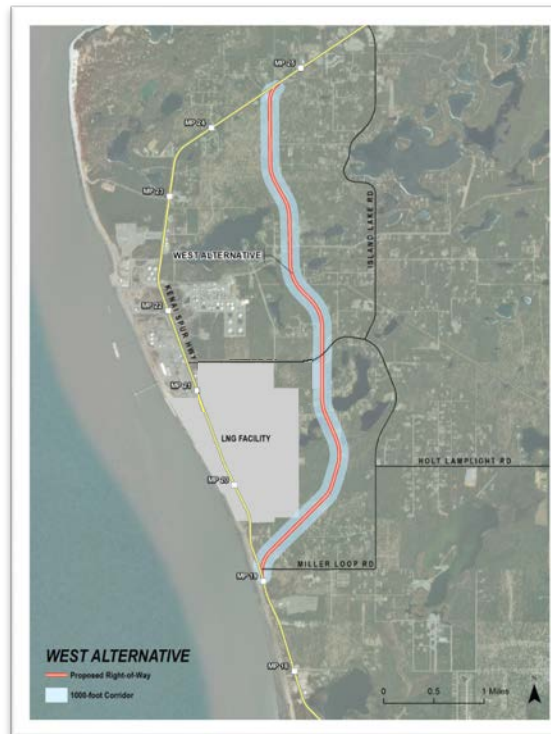


- **Federal Energy Regulatory Commission (FERC) Section 3 Application & EIS Process:**
  - FERC published Notice of Schedule in Federal Register, March 21, 2018.
  - FERC Data Request #4:
    - 288 FERC comments with 279 Federal agency comments.
    - Submitted 192 responses to FERC on March 27, 2018.
    - 142 responses to be submitted April 27, 2018.
    - Additional submittals planned for May 11, 2018 and June 11 , 2018.
  - Open Meeting – March 22, 2018:
    - Open dialogue to obtain clarification on field programs and scope of responses.
    - Discussion limited to AGDC and FERC only.
    - Public Attendees: congressional staff and attorneys for Matanuska-Susitna Borough, City of Valdez, and Jordan Cove Project.
  - FERC drafting Preliminary Administrative EIS (PAEIS).
  - Consultations underway with Environmental Protection Agency (EPA), National Park Service (NPS) and U.S. Fish & Wildlife Service (USF&WS).

- **United States Army Corps of Engineers (USACE) 404 Application:**
  - All 117 responses completed and submitted on March 21, 2018.
- **National Oceanic and Atmospheric Administration (NOAA) Fisheries – Petition for Incidental Harassment:**
  - The Petition for Incidental Harassment was public noticed beginning the year long process for a Letter of Authorization.
- **Air Permits:**
  - Air Permit Applications - Gas Treatment Plant (GTP) submitted December 2017: Liquefaction submittal depending on delivery schedule of construction ambient analysis.
  - GTP Wind Tunnel Study- Review by ADEC/EPA complete and study approved as part of the GTP modeling protocol.
- **Pipeline and Hazardous Materials Safety Administration (PHMSA):**
  - The final draft of the Pipe-in-Pipe Environmental Assessments (EA) is being formatted for transmittal.
  - Met with PHMSA to provide clarifications and edits to the EA and special conditions.

- **Technical team participating with JDA negotiations.**
- **AGDC Metallurgy Team, hosted by Sinopec in early March, visited steel and pipe mills in China to evaluate manufacturing capabilities for X70 and X80 pipe.**
  - Visited four steel and pipe mills:
    - Shougang (Plate Mill).
    - Julong Steel Pipe (Long Seam Pipe Mill).
    - Shashi Steel Pipe (Long Seam & Spiral Pipe Mill).
    - Bao Steel (Integrated Mill).
  - Following these visits AGDC will formulate findings with Sinopec Engineers, revise pipe specifications as necessary, prepare to procure and test pipe, and perform welding trials and full scale validation including compression, tension, and burst tests.

- **Kenai Spur Highway Re-route:**
  - Alternatives analysis complete in December; two alternatives selected primarily based on cost, disruption to community, ability to permit, and number of parcels to acquire.
  - Public comment period ended on March 31, 2018.
  - Public comments being collected; Alternative re-evaluation including resident alternative underway.





- **PHMSA Activity:**
  - Pipe-in-Pipe Special Permit Application.
    - Final tranche of responses planned to submit April 30, 2018.
    - Environmental Assessment to be submitted April 30, 2018.
  - Design Spill Package:
    - Data request received March 9, 2018.
    - Responses planned to submit April 30, 2018.
- **Meetings planned to discuss LNG plant process safety with:**
  - Nikiski Fire Chief – April 10, 2018.
  - Nikiski community – April 12, 2018.

# Alaska Stand Alone Pipeline Project (ASAP)

- **Environmental, Regulatory and Land (ERL) and Engineering:**
  - USACE revised Final Supplemental Environmental Impact Statement (FSEIS) schedule:
    - Publish Notice of Availability in May 2018.
    - Submitted near final cultural and wetland mitigation plans.
  - USACE continues consultation with NOAA Fisheries / USFWS under Section 7 of the Endangered Species Act.
  - Draft Programmatic Agreement (PA) developed for Cultural Resources.
  - Completing the Cultural Resource Management Plan (CRMP), to be submitted by April.

*Get Involved.*  
*Get Ready.*  
*Get Engaged.*

---



agdc.us

 Facebook.com/AKGaslineDevelopmentCorp

 Alaska Gasline Development Corporation

# Financial Update

April 12, 2018

Philip Sullivan, Finance Manager





# Annual Expenditures and Fund Draw

Reporting Period January 2017 to December 2018

Expenditures by Major Activity (\$000s)	AFE Annual Expenditure Totals		
	CY 2017 Total	CY 2018 Total (w/FCST)	AFE Total
Communications	928	1,154	2,082
Commercial (Agreements and Marketing)	5,474	6,712	12,186
Project Finance	297	805	1,102
Regulatory (FERC Effort)	18,021	20,275	38,296
AGDC Corporate (Operating)	8,877	9,424	18,301
<b>Total Expenditures</b>	<b>33,597</b>	<b>38,370</b>	<b>71,967</b>
Average Burn Rates For Period	2,800	3,198	2,999

Projected Fund Balance (Dec 2016) (\$000s) Balance		Annual Draw Down Totals		
		2017 Draw Down	2018 Draw Down	Total Draw Down
AKLNG Total	79,720	(25,991)	(29,684)	(55,675)
ASAP Total	26,410	(7,606)	(8,686)	(16,292)
<b>Remaining Balance</b>	<b>106,130</b>	<b>(33,597)</b>	<b>(38,370)</b>	<b>(71,967)</b>

AFE-Authorization For Expenditures (Board Approved in January 2017).

ITD-Inception To Date.

Note: Funds are combined in July 2018.

# Expenditures and Projected Funds

Reporting Period January 2017 to December 2018

Expenditures by Major Activity (\$000s)	Actual Spend 2017 Total	Actual Spend YTD FEB 2018	Total Spend AFE ITD	Latest Estimate (LE)				Total LE
				MAR	2Q CY18	3Q CY18	4Q CY18	
Communications	928	144	1,072	110	360	270	270	2,082
Commercial (Agreements and Marketing)	5,474	1,122	6,596	550	1,800	1,620	1,620	12,186
Project Finance	297	105	402	70	210	210	210	1,102
Regulatory (FERC Effort)	18,021	3,225	21,246	1,600	6,450	4,500	4,500	38,296
AGDC Corporate (Operating)	8,877	1,594	10,471	770	2,410	2,325	2,325	18,301
<b>Total Expenditures</b>	<b>33,597</b>	<b>6,190</b>	<b>39,787</b>	<b>3,100</b>	<b>11,230</b>	<b>8,925</b>	<b>8,925</b>	<b>71,967</b>
Average Burn Rates For Period	2,800	3,095	2,842	<b>Forecasted Spend.</b>				



Projected Fund Balance (\$000s)	(Dec 2016) Balance	Draw Down 2017 Total	Draw Down YTD FEB 2018	Total Draw Down	Latest Estimate (LE)			
					MAR	2Q CY18	3Q CY18	4Q CY18
AKLNG Total	79,720	(25,991)	(4,789)	(30,780)	46,542	37,854	43,087	34,162
ASAP Total	26,410	(7,606)	(1,401)	(9,007)	16,701	14,159		
<b>Remaining Balance</b>	<b>106,130</b>	<b>(33,597)</b>	<b>(6,190)</b>	<b>(39,787)</b>	<b>63,243</b>	<b>52,013</b>	<b>43,087</b>	<b>34,162</b>

**Forecasted Balance.**



AFE-Authorization For Expenditures (Board Approved in January 2017).

ITD-Inception To Date.

Note: Funds are combined in July 2018.

# Operating Budget Variance Analysis

## Reporting Period July 2017 to February 2018 Fiscal Year (FY) 2018

Fiscal Year					
Operating Expenditures (\$000s)	Full FY18 Budget	FY18 YTD Actuals	FY18 YTD Budget	FYTD Variance (Under)/Over	Percent Spent
<b>Account</b>					
Personal Services	6,365	3,266	4,243	(978)	51%
Travel	600	326	400	(74)	54%
Services	2,771	1,794	1,847	(53)	65%
Commodities	650	358	433	(76)	55%
Depreciation		24	-	24	-
<b>Operating Total</b>	<b>\$ 10,386</b>	<b>\$ 5,767</b>	<b>\$ 6,924</b>	<b>\$ (1,157)</b>	<b>56%</b>

### Variance Drivers

**Personal Services-** AGDC current in-house full time PCN headcount is 19 verses budgeted headcount of 25.

Fiscal Year					
Operating Expenditures (\$000s)	Full FY18 Budget	FY18 YTD Actuals	FY18 YTD Budget	FYTD Variance (Under)/Over	Percent Spent
<b>Department</b>					
Executive Team	3,111	1,736	2,074	(338)	56%
Commercial Team	872	514	581	(67)	59%
External Affairs Team	1,129	640	753	(113)	57%
Legal Team	200	121	133	(12)	61%
Finance Team	1,390	656	927	(270)	47%
Admin Services Team	2,201	1,166	1,467	(301)	53%
IT Data Mgmt Team	1,483	933	989	(56)	63%
<b>Operating Total</b>	<b>\$ 10,386</b>	<b>\$ 5,767</b>	<b>\$ 6,924</b>	<b>\$ (1,157)</b>	<b>56%</b>

**Vacant positions** need to be filled; as project activity intensifies the need will become more acute.

**Services –General Counsel** position vacancy.

# Expenditure Variance Analysis

Reporting Period January 2017 thru February 2018

Capital Expenditures (\$000s)	AFE ITD Actual Spend	AFE ITD Budget	Variance
Regulatory/Program Management	21,246	40,017	(18,771)
Commercial	6,998	21,345	(14,347)
Communications	1,072	1,656	(584)
<b>Capital Total</b>	<b>\$ 29,317</b>	<b>\$ 63,018</b>	<b>\$ (33,701)</b>

Expenditures by Fund (\$000s)		Actual Spend	Budget	Variance
AKLNG (1235)		26,592	57,206	(30,613)
ISG (1229)		2,725	5,813	(3,088)
<b>Capital Total</b>		<b>\$ 29,317</b>	<b>\$ 63,018</b>	<b>\$ (33,701)</b>
AKLNG (1235)	40% of Operating	4,188	4,847	(659)
ISG (1229)	60% of Operating	6,282	7,270	(988)
<b>Total Operating</b>		<b>\$ 10,470</b>	<b>\$ 12,117</b>	<b>\$ (1,647)</b>
AKLNG (1235)		30,780	62,053	(31,273)
ISG (1229)		9,007	13,083	(4,076)
<b>AGDC Total</b>		<b>\$ 39,787</b>	<b>\$ 75,135</b>	<b>\$ (35,348)</b>

AFE-Authorization For Expenditures (Board Approved in January 2017).  
ITD-Inception To Date.

## Variance Drivers

**Significant austerity program was implemented to extend potential use of allocated funding.**

### Regulatory:

- Timing – Related to AFE activity ramp up and vendor engagement.
- Elected Deferrals including:
  - EPC Contractor Selection.
  - Legal Counsel.
- Efficiency Gains:
  - Use of internal resources for FERC comment responses.
  - Continuity of effort with no work stoppages.

### Commercial:

- Timing – Related to AFE activity ramp up and vendor engagement.
- Elected deferrals including:
  - Financial Advisor Selection.
  - Legal Counsel.
- Efficiency Gains:
  - Use of internal resources for drafting of term sheets and LOIs.
  - Continuity of effort with no work stoppages.
- Ramp up of activity is planned in 2018.



# Capital Expenditure Detail

Reporting Period January 2017 thru March 2018

			Actual	Actual	Actual	Forecast	Actuals
Authorization for Expenditure (AFE)			Total	January	February	March	AFE ITD
(\$0,000)	AFE Activity Group	AFE Activity Element	CY2017	2018	2018	2018	Total
Regulatory	Regulatory Core Activities	FERC	10,729	1,121	1,268	1,181	14,300
		AK LNG Cash Calls	1,353	0	(4)		1,349
		AKLNG Physical Asset Mgmt.	108	(0)	3	1	112
		Core Embedded Technical Team	2,753	247	168	207	3,374
		In State Gas Delivery	1,424	143	82	111	1,760
		Supplemental Environmental Impact	1,652	121	79	100	1,952
Regulatory Total			18,020	1,631	1,595	1,600	22,846
Commercial	Business Development	Agreements	2,811	577	143	320	3,852
		In-State-Gas	113	13	9	10	145
		Project Marketing	2,551	186	194	220	3,149
		Business Development Total	5,474	776	346	550	7,146
	Project Finance	Project Financing / Analysis	297	58	46	70	471
		Project Finance Total	297	58	46	70	471
Commercial Total			5,771	834	392	620	7,617
Communications	Collateral	Marketing Material	164	(7)	61	50	269
	Outreach	Engagement	194	52	53	40	339
	Tradeshows	AGDC LNG Promotions & Outreach	570	(34)	18	20	574
Communications Total			928	12	132	110	1,182
Grand Total			24,720	2,477	2,120	2,330	31,646

*Get Involved.*  
*Get Ready.*  
*Get Engaged.*

---



agdc.us

 Facebook.com/AKGaslineDevelopmentCorp

 Alaska Gasline Development Corporation