

State of Alaska
FY2014 Governor's Operating Budget

Department of Revenue
Alaska Gasline Development Corporation
Component Budget Summary

Component: Alaska Gasline Development Corporation

Contribution to Department's Mission

The Alaska Stand Alone Gas Pipeline/**ASAP** is an in-state gas pipeline designed to provide long-term, stable supplies of natural gas from the North Slope. This gas will serve the Fairbanks and Cook Inlet areas, as well as other communities where practicable. The ASAP Project will have a capacity of 500 million standard cubic feet p/day (MMscfd) of clean-burning natural gas enriched with natural gas liquids, (NGL). The project will also support export of liquefied natural gas (LNG) and NGL to the West Coast and/or Pacific Rim.

Southcentral Alaska relies primarily on Cook Inlet gas fields for heat and electric power. The developed fields are in decline and may not meet demand as early as 2015. The ASAP Project proposes North Slope gas as a long-term solution for Alaska energy. Much of Alaska has no long-term source of fuel other than oil. A long-term, affordable energy source is needed for Fairbanks, the Railbelt, and western Alaska communities. The project could stimulate existing industries and encourage new business development, including mining, gas and oil, and small business. Potential end-users include industrial consumers and utility companies for residential use and power generation.

Core Services

- Engineering Plan
- Commercial Plan
- Regulatory/Permitting Plan

Major Component Accomplishments in 2012

In 2010, the Alaska Legislature passed House Bill 369, which tasked the Alaska Gasline Development Corporation (AGDC) with producing “a project plan for developing an in-state natural gas pipeline.” The plan was due on July 1, 2011, and was to include an analysis of alternative possible routes and the selection of a route that:

- “Is economically feasible;
- Makes natural gas available to residents at the lowest possible cost;
- Allows for connecting lines to serve industrial, residential, and utility customers along the entire route, and in other regions of the state that can be served at commercially feasible rates;
- Uses state land and existing state highway and railroad rights-of-way to the maximum extent feasible; and
- Uses existing highway and railroad bridges, gravel sources, equipment yards, maintenance facilities, and other existing facilities and resources to the maximum extent feasible.”

AGDC completed the ASAP Project Plan on July 1, 2011, and the Plan was delivered it to the executive branch and the legislature on July 5, 2011. The plan may be viewed in its entirety on AGDC's website at: <http://www.gasline.us.com>.

Key Component Challenges

AGDC's financial analysis concluded that state ownership makes economic sense, with a private developer building and operating the project. The project will cost \$7.52 billion (in 2011 dollars) with an uncertainty range of plus or minus 30% at this stage of work completed. The legislature is currently reviewing the ASAP Project Plan.

Significant Changes in Results to be Delivered in FY2014

The ASAP Project Plan is now complete, and serves as a baseline document for designing, financing, and building the project and making it operational. In developing the plan, the ASAP team refined engineering and cost analyses and wrote a Plan of Development for the proposed route.

Members of the project team have met with pipeline construction and operation companies about interest in developing the project and a successful **Expression of Interest** (EOI) meeting was conducted in 2011 with potential producers and shippers. Ownership and financing alternatives for the ASAP project have also been analyzed.

On October 26, 2012 the final environmental impact statement (EIS) was published on the Federal Register and the project team expects to receive the federal Bureau of Land Management (BLM) Record of Decision on the EIS by December 2012. The next expected milestone is the federal BLM Right-of-Way grant covering approximately 100 miles of federal lands. A 604-mile unconditional state right-of-way and lease for the ASAP pipeline alignment was received in 2011.

The ASAP Project Plan proposes a deliberate stage-gate approach for the ASAP project. A stage-gate approach is standard for mega projects. The process establishes criteria for rigid checks, balances and approvals at defined stages in order to advance the project. ASAP work performed to date validates the project is economically feasible estimating delivery of gas to consumers at rates below the spot market prices of imported Liquefied Natural Gas (LNG).

Statutory and Regulatory Authority

Chapter 7, SLA 2010 (HB 369)

Contact Information
<p>Contact: Joe Dubler, AGDC, Vice President Phone: (907) 330-8394 Fax: (907) 338-9967 E-mail: jdubler@ahfc.us</p>

**Alaska Gasline Development Corporation
Component Financial Summary**

All dollars shown in thousands

	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	1,080.9	1,207.2	1,212.1
72000 Travel	0.0	0.0	0.0
73000 Services	0.0	2,422.2	2,422.2
74000 Commodities	0.0	0.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	1,080.9	3,629.4	3,634.3
Funding Sources:			
1061 Capital Improvement Project Receipts	1,080.9	3,629.4	3,634.3
Funding Totals	1,080.9	3,629.4	3,634.3

Estimated Revenue Collections

Description	Master Revenue Account	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Capital Improvement Project Receipts	51200	1,080.9	3,629.4	3,634.3
Restricted Total		1,080.9	3,629.4	3,634.3
Total Estimated Revenues		1,080.9	3,629.4	3,634.3

**Summary of Component Budget Changes
From FY2013 Management Plan to FY2014 Governor**

All dollars shown in thousands

	<u>Unrestricted Gen (UGF)</u>	<u>Designated Gen (DGF)</u>	<u>Other Funds</u>	<u>Federal Funds</u>	<u>Total Funds</u>
FY2013 Management Plan	0.0	0.0	3,629.4	0.0	3,629.4
Adjustments which will continue current level of service:					
-FY2014 Salary and Health Insurance Increases	0.0	0.0	4.9	0.0	4.9
FY2014 Governor	0.0	0.0	3,634.3	0.0	3,634.3

**Alaska Gasline Development Corporation
Personal Services Information**

Authorized Positions			Personal Services Costs	
	FY2013 Management Plan	FY2014 Governor		
Full-time	7	7	Annual Salaries	799,756
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	442,937
			<i>Less 2.46% Vacancy Factor</i>	<i>(30,593)</i>
			Lump Sum Premium Pay	0
Totals	7	7	Total Personal Services	1,212,100

Position Classification Summary

Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Admin Asst - Public Affairs	1	0	0	0	1
Director, Admin Services	1	0	0	0	1
Director, Public Affairs	1	0	0	0	1
Document Control-Budget Spec	1	0	0	0	1
Manager, Budget/Accounting	1	0	0	0	1
Manager, Pipeline Engineering	1	0	0	0	1
Manager, Project Services	1	0	0	0	1
Totals	7	0	0	0	7

Component Detail All Funds
Department of Revenue

Component: Alaska Gasline Development Corporation (AR15556) (2986)
RDU: Alaska Housing Finance Corporation (46)

	FY2012 Actuals	FY2013 Conference Committee	FY2013 Authorized	FY2013 Management Plan	FY2014 Governor	FY2013 Management Plan vs FY2014 Governor	
71000 Personal Services	1,080.9	1,207.2	1,207.2	1,207.2	1,212.1	4.9	0.4%
72000 Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
73000 Services	0.0	2,422.2	2,422.2	2,422.2	2,422.2	0.0	0.0%
74000 Commodities	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Totals	1,080.9	3,629.4	3,629.4	3,629.4	3,634.3	4.9	0.1%
Fund Sources:							
1061 CIP Rcpts (Other)	1,080.9	3,629.4	3,629.4	3,629.4	3,634.3	4.9	0.1%
Unrestricted General (UGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	1,080.9	3,629.4	3,629.4	3,629.4	3,634.3	4.9	0.1%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	7	7	7	7	7	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%

Change Record Detail - Multiple Scenarios With Descriptions
Department of Revenue

Component: Alaska Gasline Development Corporation (2986)

RDU: Alaska Housing Finance Corporation (46)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2013 Conference Committee To FY2013 Authorized *****												
FY2013 Conference Committee	ConfCom	3,629.4	1,207.2	0.0	2,422.2	0.0	0.0	0.0	0.0	7	0	0
1061 CIP Rcpts		3,629.4										
Subtotal		3,629.4	1,207.2	0.0	2,422.2	0.0	0.0	0.0	0.0	7	0	0
***** Changes From FY2013 Authorized To FY2013 Management Plan *****												
Subtotal		3,629.4	1,207.2	0.0	2,422.2	0.0	0.0	0.0	0.0	7	0	0
***** Changes From FY2013 Management Plan To FY2014 Governor *****												
FY2014 Salary and Health Insurance Increases	SalAdj	4.9	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1061 CIP Rcpts		4.9										
FY2014 Salary and Health Insurance increase : \$4.9												
FY2014 Health Insurance increase of \$59.00 per month per employee - from \$1,330 to \$1,389 per month Non-covered: \$4.9												
Totals		3,634.3	1,212.1	0.0	2,422.2	0.0	0.0	0.0	0.0	7	0	0

Personal Services Expenditure Detail
Department of Revenue

Scenario: FY2014 Governor (10289)
Component: Alaska Gasline Development Corporation (2986)
RDU: Alaska Housing Finance Corporation (46)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
04-701X	Admin Asst - Public Affairs	FT	A	--	Anchorage	99	0 /	12.0		59,185	0	0	41,413	100,598	0
04-702X	Manager, Project Services	FT	A	--	Anchorage	99	0 /	12.0		126,360	0	0	68,703	195,063	0
04-703X	Manager, Pipeline Engineering	FT	A	--	Anchorage	99	0 /	12.0		201,269	0	0	95,408	296,677	0
04-704X	Director, Public Affairs	FT	A	--	Anchorage	99	0 /	12.0		122,014	0	0	67,154	189,168	0
04-705X	Director, Admin Services	FT	A	--	Anchorage	99	0	12.0		135,696	0	0	72,031	207,727	0
04-706X	Document Control-Budget Spec	FT	A	--	Anchorage	99	0 /	12.0		66,960	0	0	44,662	111,622	0
04-707X	Manager, Budget/Accounting	FT	A	--	Anchorage	99	0 /	12.0		88,272	0	0	53,566	141,838	0
													Total Salary Costs:	799,756	
													Total COLA:	0	
													Total Premium Pay::	0	
													Total Benefits:	442,937	
													Total Pre-Vacancy:	1,242,693	
													Minus Vacancy Adjustment of 2.46%:	(30,593)	
													Total Post-Vacancy:	1,212,100	
													Plus Lump Sum Premium Pay:	0	
													Personal Services Line 100:	1,212,100	
		Total Positions	New	Deleted											
Full Time Positions:		7	0	0											
Part Time Positions:		0	0	0											
Non Permanent Positions:		0	0	0											
Positions in Component:		7	0	0											
Total Component Months:		84.0													

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1061 Capital Improvement Project Receipts	1,242,693	1,212,100	100.00%
Total PCN Funding:	1,242,693	1,212,100	100.00%

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

Line Item Detail
Department of Revenue
Travel

Component: Alaska Gasline Development Corporation (2986)
RDU: Alaska Housing Finance Corporation (46)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
72000	Travel		0.0	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
72000 Travel Detail Totals			0.0	0.0	0.0
72110	Employee Travel (Instate)	Staff travel related to the AGDC	0.0	0.0	0.0
72410	Employee Travel (Out of state)	Attending seminars, meetings, and federal conferences.	0.0	0.0	0.0

Line Item Detail
Department of Revenue
Services

Component: Alaska Gasline Development Corporation (2986)
RDU: Alaska Housing Finance Corporation (46)

Line Number	Line Name		FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000	Services		0.0	2,422.2	2,422.2
Expenditure Account	Servicing Agency	Explanation	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
73000 Services Detail Totals			0.0	2,422.2	2,422.2
73156	Telecommunication	Telephone - Local, long distance, fax, 800 service, and data processing communications. Postage and post office box rent.	0.0	0.0	0.0
73686	Rentals/Leases (Non IA-Eq/Machinery)	Office lease space, off-site storage (records archives, other), safe deposit fees, room rental for workshops, board meetings, and conferences.	0.0	0.0	0.0
73750	Other Services (Non IA Svcs)	Conference registrations, employee tuition and training fees, and organization membership dues. Insurance, information and office services, and microfilming. Other expenditures include legal services, insurance policies, Payments in Lieu of Taxes, collection losses and fees, and organization membership dues.	0.0	2,422.2	2,422.2

Restricted Revenue Detail
Department of Revenue

Component: Alaska Gasline Development Corporation (2986)
RDU: Alaska Housing Finance Corporation (46)

Master Account	Revenue Description				FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51200	Capital Improvement Project Receipts				1,080.9	3,629.4	3,634.3
Detail Information							
Revenue Amount	Revenue Description	Component	Collocation Code	AKSAS Fund	FY2012 Actuals	FY2013 Management Plan	FY2014 Governor
51200	Cap Improv Proj Rec			11100	1,080.9	3,629.4	3,634.3
	CIP Receipts will be collected from capital funding for the Alaska Gasline Development project.						