

**State of Alaska
FY2016 Governor Amended Operating
Budget**

**Department of Natural Resources
North Slope Gas Commercialization
Component Budget Summary**

Contents

<i>Component: North Slope Gas Commercialization</i>	3
Component Financial Summary	8
Summary of Component Budget Changes	9
Personal Services Information	10

Component: North Slope Gas Commercialization

Contribution to Department's Mission

The Department of Natural Resources (DNR), North Slope Gas Commercialization Office (NSGCO), in collaboration with the Department of Revenue (DOR) and the Alaska Gasline Development Corporation, is responsible for negotiating and executing commercial agreements for the advancement of an Alaska liquefied natural gas project to bring Alaska's natural gas resources to market for maximum use and benefit consistent with the public interest. The Department of Law, along with specialized outside counsel retained by the department, represents DNR and DOR in negotiating and drafting commercial agreements and in regulatory matters.

Major Component Accomplishments in 2014

January 2014, the State of Alaska signs a Heads of Agreement, outlaying the principles and understandings to support advancement of the Alaska LNG Project.

July 2014, the DNR North Slope Gas Commercialization component is up and running and begins recruiting for essential positions.

July 2014, the project filed an export application with the U.S. Department of Energy for the Alaska LNG project.

September 2014, Japan and Alaska sign a Memorandum of Understanding to exchange information on LNG from the North Slope.

September 2014, the project submitted the FERC Pre-Filing Request. This process lays the groundwork for the environmental review required for the siting, design, and permitting for construction of the proposed project that will create thousands of jobs.

Key Component Challenges

Introduction:

The Alaska LNG project is a proposed \$45 to \$65 billion liquefied natural gas export project, anchored by the gas expected to be delivered from the Prudhoe Bay and Point Thomson fields on the North Slope. The key sponsors of the AKLNG project are ExxonMobil, ConocoPhillips, BP, and the State of Alaska. The State of Alaska is represented in the project by the Alaska Gasline Development Corporation (AGDC) for all liquefaction services, and TransCanada for the pipeline and gas treatment portion of the project. The project has the potential to create between 9,000 and 15,000 jobs during the design and construction phases, plus approximately 1,000 jobs for continued operations. In addition to generating billions of dollars in revenue for Alaska, the project will also provide a secure, long-term supply of natural gas for domestic and industrial in-state use.

The Department of Natural Resources (DNR), North Slope Gas Commercialization component, currently referred to as the Alaska Liquefied Natural Gas (AKLNG) Project team was established through the passage of SB 138 (Chapter 14 SLA 14). The legislation passed describes the state's participation in a large-scale North Slope natural gas project and gives the DNR Commissioner the authority to enter into upstream, midstream, and downstream commercial agreements with a duration of less than two years, and to negotiate longer agreements subject to legislative approval. It also gives the DNR Commissioner, in consultation with the DOR Commissioner, the authority to manage the project services and disposition and sale of production tax-as-gas (TAG) from the Department of Revenue (DOR).

The DNR Commissioner, in consultation with the DOR Commissioner, will negotiate contractual agreements related to the state's equity position in the AKLNG project, with the assistance of the Department of Law and outside counsel. DNR's role is to ensure the state's equity participation is in the best interest of the State, and facilitates disposition of the State's royalty and TAG gas. Any contracts with duration of more than 2 years, equity arrangements, and sales-purchase agreements will be subject to legislative approval and will define the state's relationship with the parties and potential gas customers during the life of a North Slope natural gas project. Each contract, arrangement, and agreement will be conditioned on continued progress of a North Slope gas project and will establish how value will be shared among the parties and manage the state's exposure to commercial risks.

Challenges:

The AKLNG project will be segregated into three key analysis and decision points related to pre-Front End Engineering and Design (pre-FEED); FEED; and the Final Investment Decision (FID). The project entered the "pre-FEED" phase following the governor's signature of project enabling legislation in SB 138 on May 9, 2014, and the signing of a Joint Venture agreement on June 30, 2014. Successful development of key agreements during pre-FEED, coupled with consultation and approval by the legislature, will enable the project to enter into FEED with the FEED investment decision slated for the first quarter 2016. Equity partners will spend more than a billion dollars during the FEED phase. The Final Investment Decision and commitment by all equity partners to provide the necessary funds is contemplated in 2019, with 'first gas' to begin flowing in 2025.

The DNR Commissioner will need the support, expertise, and involvement of a variety of experts to inform the state's decisions on commercial negotiations and complex agreements, and legal representation by the Department of Law

and specialized outside counsel. The project is structured with four main areas of oversight: upstream, midstream, downstream or marketing, and commercial. Very experienced and skilled project managers, primarily contractors, are now leading these four project areas. The ultimate goal of transitioning these positions into full time state employees will be a challenge given the expertise, experience, and compensation required to attract appropriate staff to manage a LNG project of this size.

Significant Changes in Results to be Delivered in FY2016

Through further definition of timelines and deliverables, and development of project plans, the NSGCO expects to have a fully-staffed organization in the coming fiscal year; capable of providing the necessary support to the Commissioners of the DNR and DOR to negotiate and execute contracts and agreements, with the Department of Law's assistance, and to continue work into the FEED phase.

The DNR Commissioner will enter into agreements on major aspects of the AKLNG project including:

- DNR will enter into production off-take agreements and gas balancing agreements with the producers to ensure a consistent supply of state-owned gas into the project. The DNR Commissioner may modify the state's oil and gas lease terms, including modification of the lease royalty rates for net profit share and sliding scale royalty leases at not less than the value the state would have received before a modification, field costs, and the state's rights to switch between taking its royalty gas in kind or in-value. If DNR determines it is in the best interest of the state to take its royalty and TAG gas in kind, the State will be responsible for transporting and marketing its equity share of the gas.
- The DNR Commissioner will enter into agreements to define gas treatment costs, transportation tolls/tariffs, and liquefaction services. These agreements will also be designed to manage capacity and arrange for expansion of the project, if needed, and must accommodate changes in equity ownership. DNR will forge contractual arrangements with the producers and other industry parties participating in the project as well as state entities who may be part of the project initially or who may acquire equity ownership later.
- The marketing of the state's gas will depend on the rights and obligations defined in the agreements. As time progresses, DNR must make decisions about how it will supply royalty and TAG gas to the domestic and international markets. Gas supply agreements are likely to be long-term and may include mechanisms to attract additional investment capital into the project. Planning and design of the marketing organization will occur during the pre-FEED phase.

Additionally, SB 138 directs the DNR Commissioner to provide the legislature with certain reports to help inform their decision-making. Prior to providing a firm transportation services agreement for legislative approval, DNR will, in consultation with the Alaska Gasline Development Corporation (AGDC), prepare a report to the legislature that provides a plan and alternatives to make North Slope natural gas available for delivery and use in the state. The NSGCO will evaluate: the means of gas delivery; the benefits, risks and liabilities to the state associated with sale of RIK and TAG gas in-state; the effect and consequences of the state's transport of a reduced amount of natural gas south of an in-state delivery point or underutilizing capacity in a LNG plant; and the costs, benefits and risks associated with a 48 inch diameter pipeline in comparison with the current design basis of 42 inches. Concurrently, the NSGCO will assist the DNR Commissioner in providing recommendations on methods to mitigate the risks and liabilities identified.

Whenever the Alaska LNG Project provides an update to the legislature, the NSGCO Midstream team will also be responsible for providing a report of the amount of money the state may be obligated to pay a third party under an agreement or contract under AS 38.05.020(b)(10) or (11) if a North Slope natural gas project is terminated before the first flow of gas in the project.

DNR will also act as a consultant to the Department of Transportation & Public Facilities in its report evaluating infrastructure needs associated with a gas pipeline and potential for multiple uses for such infrastructure (e.g., use of roads for the project and also for other vehicular traffic).

Statutory and Regulatory Authority

AS 38.05.020, AS 38.05.180

Contact Information

Contact: Robert Swenson, Deputy Commissioner

Phone: (907) 269-8431

Fax: (907) 269-8918

E-mail: robert.swenson@alaska.gov

**North Slope Gas Commercialization
Component Financial Summary**

All dollars shown in thousands

	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	0.0	1,790.8	2,160.8
72000 Travel	0.0	102.0	500.0
73000 Services	0.0	8,255.4	10,541.3
74000 Commodities	0.0	0.0	23.1
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	0.0	10,148.2	13,225.2
Funding Sources:			
1004 General Fund Receipts	0.0	10,148.2	13,225.2
Funding Totals	0.0	10,148.2	13,225.2

**Summary of Component Budget Changes
From FY2015 Management Plan to FY2016 Governor Amended**

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>
FY2015 Management Plan	10,148.2	0.0	0.0	0.0	10,148.2
One-time items:					
-Reverse Gas Pipeline; AGDC; Oil and Gas Production Tax, Sec2 Ch16 SLA2014 P48 L12 (SB138)	-8,986.7	0.0	0.0	0.0	-8,986.7
-Gasline Right-of-Way and Application, Sec13(c) Ch16 SLA2013 P120 L4 (SB18), Effective Dates (FY09-FY15)	-1,161.5	0.0	0.0	0.0	-1,161.5
Adjustments which continue current level of service:					
-FY2016 Salary Increases	40.0	0.0	0.0	0.0	40.0
-FY2016 Health Insurance Rate Reduction	-1.5	0.0	0.0	0.0	-1.5
-Restore Gas Pipeline; AGDC; Oil and Gas Production Tax, Sec2 Ch16 SLA2014 P48 L12 (SB138)	8,986.7	0.0	0.0	0.0	8,986.7
Proposed budget increases:					
-Gas Pipeline; AGDC; Oil and Gas Production Tax	4,900.0	0.0	0.0	0.0	4,900.0
Proposed budget decreases:					
-Reduce Estimated Service Contracts for Alaska Liquefied Natural Gas Project	-700.0	0.0	0.0	0.0	-700.0
FY2016 Governor Amended	13,225.2	0.0	0.0	0.0	13,225.2

North Slope Gas Commercialization Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2015 Management Plan	FY2016 Governor Amended		
Full-time	7	8	Annual Salaries	1,490,080
Part-time	0	0	COLA	48,726
Nonpermanent	0	0	Premium Pay	0
			Annual Benefits	632,786
			<i>Less 3.00% Vacancy Factor</i>	<i>(65,082)</i>
			Lump Sum Premium Pay	54,290
Totals	7	8	Total Personal Services	2,160,800

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Officer II	1	0	0	0	1
Gasline Commercial Lead	1	0	0	0	1
Gasline Marketing Project Lead	1	0	0	0	1
Gasline Project Manager	1	0	0	0	1
Gasline Project Midstream Mgr	1	0	0	0	1
Gasline Subject Matter Expert	1	0	0	0	1
Gasline Upstream Project Lead	1	0	0	0	1
Natural Resource Spec V	1	0	0	0	1
Totals	8	0	0	0	8

Component Detail All Funds
Department of Natural Resources

Component: North Slope Gas Commercialization (AR37981) (3082)
RDU: Administration and Support (600)

	FY2014 Actuals	FY2015 Conference Committee	FY2015 Authorized	FY2015 Management Plan	FY2016 Governor Amended	FY2015 Management Plan vs FY2016 Governor Amended	
71000 Personal Services	0.0	0.0	1,790.8	1,790.8	2,160.8	370.0	20.7%
72000 Travel	0.0	0.0	102.0	102.0	500.0	398.0	390.2%
73000 Services	0.0	0.0	8,255.4	8,255.4	10,541.3	2,285.9	27.7%
74000 Commodities	0.0	0.0	0.0	0.0	23.1	23.1	100.0%
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	0.0	0.0	10,148.2	10,148.2	13,225.2	3,077.0	30.3%
Fund Sources:							
1004Gen Fund (UGF)	0.0	0.0	10,148.2	10,148.2	13,225.2	3,077.0	30.3%
Unrestricted General (UGF)	0.0	0.0	10,148.2	10,148.2	13,225.2	3,077.0	30.3%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	0	0	6	7	8	1	14.3%
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 Natural Resources

Component: North Slope Gas Commercialization (3082)
RDU: Administration and Support (600)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	

***** Changes From FY2015 Conference Committee To FY2015 Authorized *****

Gasline Right-of-Way and Application, Sec13 Ch16 SLA2013 P120 L4 (SB18), (FY09-FY15)	CarryFwd	1,161.5	21.1	0.0	1,140.4	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1,161.5										

Original Appropriation - AR 37998 - \$3,900.0 (\$2,925.0 GF and \$975.0 Perm Fund). AR 37992. Sec24(p) CH159 SLA2004 SB283 lapse 06/30/09.

The appropriation was reappropriated to the Gas Pipeline Implementation Office in CH14, SLA2009, Sec 22(c).

The lapse date was extended to June 30, 2012 in CH1, FSSLA2011, Sec 11(c).

The lapse date was extended to June 30, 2013 in CH5, SLA2012, Sec 12.

The lapse date was extended to June 30, 2015 in CH16, SLA2013, Sec 13(c), Pg120, Ln4

Actuals
 FY2009 - \$0.0
 FY2010 - \$34,002.01
 FY2011 - \$865,719.20
 FY2012 - \$823,152.04
 FY2013 - \$ 27,885.63
 FY2014 - \$ 50,000.00

Gas Pipeline; AGDC; Oil and Gas Production Tax Ch14 SLA2014 (SB138) (Sec2 Ch16 SLA2014 P48 L12 (HB266))	FisNot	8,986.7	1,769.7	102.0	7,115.0	0.0	0.0	0.0	0.0	6	0	0
1004 Gen Fund		8,986.7										

10-5-5004 4 PCNs

This bill establishes the framework for state participation in a large natural gas project by giving the Commissioner of the Department of Natural Resources (DNR) the authority to enter into upstream and downstream commercial agreements related to a North Slope natural gas project. It also gives the DNR Commissioner, in consultation with the Commissioner of Revenue, the authority to manage the project services and disposition and sale of tax-as-gas (TAG) gas from the Department of Revenue (DOR).

With passage of this bill, the DNR Commissioner, in consultation with the DOR commissioner, will enter into contractual agreements related to the state's equity position in the project. DNR's role is to make sure that the state's equity participation complements and facilitates the state's royalty and TAG gas marketing efforts. The contracts, equity arrangements, and gas sales agreements will be subject to legislative approval and will define the state's relationship with the parties and potential gas customers during the life of a North Slope natural gas project. Each contract, arrangement, and agreement will be conditioned on continued progress of a North Slope gas project and will establish how value will be shared among the parties and manage the state's exposure to commercial risks.

Most of these agreements will be negotiated during the 12-18 months following passage of this legislation so that the state and the other parties in the project can be in a position to commit to the Front-End Engineering Design (FEED) phase. This pre-FEED work will provide the state with the information necessary to make

Change Record Detail - Multiple Scenarios with Descriptions
Department of Natural Resources

Component: North Slope Gas Commercialization (3082)

RDU: Administration and Support (600)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<p>the investment decision to enter into FEED. Equity partners will spend more than a billion dollars during FEED.</p> <p>With the rights and obligations defined in the agreements, DNR will be able to structure its royalty and TAG gas marketing efforts. The marketing organization may include the potential utilization of a marketing subsidiary of AGDC or may leverage the Producers' marketing organizations and expertise, per Article 8.3 of the Heads of Agreement (HOA), resulting in a smaller state organization than might otherwise be required.</p> <p>The DNR commissioner will need the support, expertise, and involvement of a variety of experts to inform the state's decisions, including:</p> <ul style="list-style-type: none"> • When the state takes its royalty and TAG gas, it will become more aligned with the North Slope gas producers than has ever been the case historically. DNR will enter into production offtake agreements and gas balancing agreements. The DNR Commissioner may modify the state's oil and gas lease terms, including modification of the lease royalty rates not less than the value the state would have received before a modification, treatment of lease net profit share provisions, field costs, and the state's rights to take royalty gas in-value. • The DNR commissioner will enter agreements to define gas treatment costs, transportation tolls/tariffs, and liquefaction services. These agreements will also be designed to manage capacity and arrange for expansion of the project, if needed, and must accommodate changes in equity ownership. DNR will forge contractual arrangements with the producers 												
Subtotal		10,148.2	1,790.8	102.0	8,255.4	0.0	0.0	0.0	0.0	6	0	0
***** Changes From FY2015 Authorized To FY2015 Management Plan *****												
Transfer Natural Resource Specialist V (10-4253) from State Pipeline Coordinator's Office for Gasline Project												
Trin		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
<p>Transfer Natural Resource Specialist V, range 23 (10-4253) located in Anchorage from the State Pipeline Coordinator's Office component to the North Slope Gas Commercialization component which was created in SLA2014 via SB138. This position will be part of the team assigned duties related to the North Slope natural gas project.</p>												
Subtotal		10,148.2	1,790.8	102.0	8,255.4	0.0	0.0	0.0	0.0	7	0	0
***** Changes From FY2015 Management Plan To FY2016 Governor Amended *****												
FY2016 Salary Increases												
SalAdj		40.0	40.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		40.0										
<p>Cost of living adjustment for certain bargaining units: \$40.0</p> <p>Year three cost of living adjustment for non-covered employees - 2.5%: \$34.2</p> <p>Year three cost of living adjustment for Alaska State Employees Association/General Government Unit - 2.5%: \$5.8</p>												
FY2016 Health Insurance Rate Reduction												
SalAdj		-1.5	-1.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-1.5										

Change Record Detail - Multiple Scenarios with Descriptions
Department of Natural Resources

Component: North Slope Gas Commercialization (3082)
RDU: Administration and Support (600)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
Select Benefits health insurance rate reduction from \$1,371 to \$1,346: \$-1.5												
Reverse Gas Pipeline; AGDC; Oil and Gas Production Tax, Sec2 Ch16 SLA2014 P48 L12 (SB138)												
1004 Gen Fund	OTI	-8,986.7	-1,769.7	-102.0	-7,115.0	0.0	0.0	0.0	0.0	-6	0	0
Gasline Right-of-Way and Application, Sec13(c) Ch16 SLA2013 P120 L4 (SB18), Effective Dates (FY09-FY15)												
1004 Gen Fund	OTI	-1,161.5	-21.1	0.0	-1,140.4	0.0	0.0	0.0	0.0	0	0	0
Original Appropriation - AR 37998 - \$3,900.0 (\$2,925.0 GF and \$975.0 Perm Fund). AR 37992. Sec24(p) CH159 SLA2004 SB283 lapse 06/30/09.												
The appropriation was reappropriated to the Gas Pipeline Implementation Office in CH14, SLA2009, Sec 22(c).												
The lapse date was extended to June 30, 2012 in CH1, FSSLA2011, Sec 11(c).												
The lapse date was extended to June 30, 2013 in CH5, SLA2012, Sec 12.												
The lapse date was extended to June 30, 2015 in CH16, SLA2013, Sec 13(c), Pg120, Ln4												
Restore Gas Pipeline; AGDC; Oil and Gas Production Tax, Sec2 Ch16 SLA2014 P48 L12 (SB138)												
1004 Gen Fund	IncM	8,986.7	1,769.7	102.0	7,115.0	0.0	0.0	0.0	0.0	6	0	0
Gas Pipeline; AGDC; Oil and Gas Production Tax												
1004 Gen Fund	Inc	4,900.0	0.0	0.0	4,900.0	0.0	0.0	0.0	0.0	0	0	0
This is the preliminary amount for the AKLNG project. Exact figures to follow.												
Gasline Project Manager for Participation in Large Natural Gas Project												
	PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
Hire one new State of Alaska Gasline Project Manager (10-#127) position. Equity participation in the AKLNG project, which is estimated to ultimately cost from 45 to 60 billion dollars, is a significant undertaking for the state that will require highly qualified and experienced personnel to manage. Currently, international expert contractors are helping manage the myriad of issues that are being negotiated and it is imperative that state employees are hired and trained in the complex business interactions through the project phases. The Gasline Project Manager will be one of the key state positions in this effort. Funding for this position is included in the net \$4,200.0 increment.												
Allocate Authorization to Align with Expenditures												
	LIT	0.0	352.6	398.0	-773.7	23.1	0.0	0.0	0.0	0	0	0

Change Record Detail - Multiple Scenarios with Descriptions
Department of Natural Resources

Component: North Slope Gas Commercialization (3082)
RDU: Administration and Support (600)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
<p>The initial increment of \$4,900.0 included in the FY2016 Governor "Work in Progress" scenario placed the full amount in the contractual line item (73000). This transaction aligns the budget with the updated projected spending plan.</p>												
Reduce Estimated Service Contracts for Alaska Liquefied Natural Gas Project												
1004 Gen Fund	Dec	-700.0	0.0	0.0	-700.0	0.0	0.0	0.0	0.0	0	0	0
<p>Reduction related to support for drafting, negotiation and advancement of various confidentiality and commercial agreements, and technical engineering support, as well as other various legal actions to progress the Alaska Liquefied Natural Gas project. Department of Law reduced by \$200.0 due to work scope reduction. The Department of Revenue reduced by \$200.0 due to amended work duration. Department of Natural Resources, contractual services reduced by \$300.0 due to revised consultants' roles and responsibilities.</p>												
Totals		13,225.2	2,160.8	500.0	10,541.3	23.1	0.0	0.0	0.0	8	0	0

Personal Services Expenditure Detail
Department of Natural Resources

Scenario: FY2016 Governor Amended (12201)
Component: North Slope Gas Commercialization (3082)
RDU: Administration and Support (600)

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	UGF Amount
10-#127	Gasline Project Manager	FT	A	XE	Anchorage	99	25A	12.0		231,000	7,512	0	92,851	331,363	331,363
10-?099	Gasline Upstream Project Lead	FT	A	XE	Anchorage	N00	25A	12.0		231,000	7,512	0	92,851	331,363	331,363
10-?101	Gasline Marketing Project Lead	FT	A	XE	Anchorage	N00	25A	12.0		231,000	7,512	0	92,851	331,363	331,363
10-?103	Gasline Commercial Lead	FT	A	XE	Anchorage	N00	25A	12.0		250,800	8,156	0	98,807	357,763	357,763
10-?104	Gasline Subject Matter Expert	FT	A	XE	Anchorage	N00	25A	12.0		231,000	7,512	0	92,851	331,363	331,363
10-0435	Administrative Officer II	FT	A	GP	Anchorage	100	19B / C	12.0		63,320	2,156	0	39,742	105,218	105,218
10-4253	Natural Resource Spec V	FT	A	GP	Anchorage	200	23M	12.0		111,960	3,813	0	57,355	173,128	173,128
10-X018	Gasline Project Midstream Mgr	FT	A	XE	Anchorage	N00	26A	12.0		140,000	4,553	0	65,478	210,031	210,031

Total Salary Costs:														1,490,080
Total COLA:														48,726
Total Premium Pay:														0
Total Benefits:														632,786
Total Pre-Vacancy:														2,171,592
Minus Vacancy Adjustment of 3.00%:														(65,082)
Total Post-Vacancy:														2,106,510
Plus Lump Sum Premium Pay:														54,290
Personal Services Line 100:														2,160,800

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	2,171,592	2,106,510	100.00%
Total PCN Funding:	2,171,592	2,106,510	100.00%

Lump Sum Funding Sources:	Amount	Percent
1004 General Fund Receipts	54,290	100.00%
Total Lump Sum Funding:	54,290	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 Natural Resources
Travel

Component: North Slope Gas Commercialization (3082)
RDU: Administration and Support (600)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000	Travel		0.0	102.0	500.0
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
72000 Travel Detail Totals			0.0	102.0	500.0
72110	Employee Travel (Instate)	Travel within the state to coordinate, manage, and progress the project priorities in relation to the Alaska Liquefied Natural Gas project. Includes transportation, per diem, and other costs associated with in-state travel.	0.0	10.0	25.0
72410	Employee Travel (Out of state)	Out-of-state travel for project meetings, outreach activities, conferences and professional development to effectively coordinate, manage, and progress the Alaska Liquefied Natural Gas project. Includes transportation, per diem, and other costs associated with travel.	0.0	82.0	470.0
72721	Move Household Goods	Employee move related costs.	0.0	10.0	5.0

Line Item Detail
Department of Natural Resources
Services

Component: North Slope Gas Commercialization (3082)
RDU: Administration and Support (600)

Line Number	Line Name			FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000	Services			0.0	8,255.4	10,541.3
Expenditure Account	Servicing Agency	Explanation		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals				0.0	8,255.4	10,541.3
73001	Non-Interagency Svcs		Service contracts to support the negotiation and advancement of agreements and technical engineering support to determine the state's best interest in the progression of the Alaska Liquefied Natural Gas project.	0.0	4,936.0	2,998.9
73002	Interagency Services	Fairbanks Campus	Technical support for the upstream project team.	0.0	75.0	0.0
73002	Interagency Services	Oil & Gas	Technical and commercial support from the Division of Oil and Gas within the Dept. of Natural Resources, and additional support from Mining, Land, and Water, the Commissioner's Office, OPMP, and the Joint Pipeline Office.	0.0	0.0	750.0
73002	Interagency Services	Oil, Gas and Mining	Legal support for drafting and negotiating of various confidentiality agreements and commercial agreements, as well as other various legal actions to progress the Alaska Liquefied Natural Gas project.	0.0	3,000.0	4,800.0
73002	Interagency Services	Rev	Contractual services as well as economist and audit master support in the negotiation and drafting of agreements in relation to the tax and commercial aspects in the progression of the Alaska Liquefied Natural Gas project.	0.0	0.0	1,650.0
73150	Information Technlgy		Software to manage data and comply with requirements of certain confidentiality agreements as part of the Alaska Liquefied Natural Gas project.	0.0	50.0	100.0
73150	Information Technlgy		Update and upgrade our software as technologies change and enhancements are made in the industry, including user licenses for certain softwares.	0.0	50.0	75.0
73156	Telecommunication		Telecommunication expenses including cable, cellular phones, desk phones, long distance charges, and teleconference services.	0.0	10.0	20.0
73225	Delivery Services		Freight, courier, and postage costs.	0.0	5.0	5.0

Line Item Detail
Department of Natural Resources
Services

Component: North Slope Gas Commercialization (3082)

RDU: Administration and Support (600)

Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73000 Services Detail Totals			0.0	8,255.4	10,541.3
73450		Advertising & Promos Legal notices and ads in statewide newspapers.	0.0	10.0	13.0
73675		Equipment/Machinery Includes repair, maintenance, and support contracts for software and hardware, as well as other general repair costs for the organizations office equipment.	0.0	15.0	25.0
73756		Print/Copy/Graphics Printing, copying, and graphics services.	0.0	5.0	5.0
73806	Centralized ETS Services	IT-Telecommunication Phones and VPN.	0.0	7.5	7.5
73809	Central Mail	Mail Central Mailroom	0.0	2.0	2.0
73810	Centralized HR	Human Resources Central Human Resources	0.0	10.5	10.5
73811	Leases	Building Leases Building Lease Space.	0.0	75.0	75.0
73812	Law	Legal Regulation Review	0.0	2.0	2.0
73814	Risk Management	Insurance Property Insurance	0.0	1.0	1.0
73818	Admin	Training (Services-IA Svcs) DOA Classes	0.0	0.5	0.5
73819	State Travel Office	Commission Sales (IA Svcs) Central Travel Fees	0.0	0.9	0.9

Line Item Detail
Department of Natural Resources
Commodities

Component: North Slope Gas Commercialization (3082)
RDU: Administration and Support (600)

Line Number	Line Name		FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000	Commodities		0.0	0.0	23.1
Expenditure Account	Servicing Agency	Explanation	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
74000 Commodities Detail Totals			0.0	0.0	23.1
74222	Books And Educational	Books and materials for education.	0.0	0.0	2.0
74226	Equipment & Furniture	Office furniture, desk, computer return, bookcases, and chairs.	0.0	0.0	5.0
74229	Business Supplies	General office supplies, paper, pens, pencils, etc.	0.0	0.0	9.0
74236	Subscriptions	Subscriptions	0.0	0.0	5.0
74237	I/A Purchases (Commodities/Business)	Service pins for employees.	0.0	0.0	0.1
74607	Other Safety	Arctic winter gear and other safety items when needed to attend tours on the North Slope in conjunction with work relating to the Alaska Liquefied Natural Gas project.	0.0	0.0	2.0

Interagency Services
Department of Natural Resources

Component: North Slope Gas Commercialization (3082)
RDU: Administration and Support (600)

Expenditure Account		Service Description	Service Type	Servicing Agency	FY2014 Actuals	FY2015 Management Plan	FY2016 Governor Amended
73002	Interagency Services	Technical support for the upstream project team.	Inter-dept	Fairbanks Campus	0.0	75.0	0.0
73002	Interagency Services	Technical and commercial support from the Division of Oil and Gas within the Dept. of Natural Resources, and additional support from Mining, Land, and Water, the Commissioner's Office, OPMP, and the Joint Pipeline Office.	Intra-dept	Oil & Gas	0.0	0.0	750.0
73002	Interagency Services	Legal support for drafting and negotiating of various confidentiality agreements and commercial agreements, as well as other various legal actions to progress the Alaska Liquefied Natural Gas project.	Inter-dept	Oil, Gas and Mining	0.0	3,000.0	4,800.0
73002	Interagency Services	Contractual services as well as economist and audit master support in the negotiation and drafting of agreements in relation to the tax and commercial aspects in the progression of the Alaska Liquefied Natural Gas project.	Inter-dept	Rev	0.0	0.0	1,650.0
73002 Interagency Services subtotal:					0.0	3,075.0	7,200.0
73806	IT-Telecommunication	Phones and VPN.	Inter-dept	Centralized ETS Services	0.0	7.5	7.5
73806 IT-Telecommunication subtotal:					0.0	7.5	7.5
73809	Mail	Central Mailroom	Inter-dept	Central Mail	0.0	2.0	2.0
73809 Mail subtotal:					0.0	2.0	2.0
73810	Human Resources	Central Human Resources	Inter-dept	Centralized HR	0.0	10.5	10.5
73810 Human Resources subtotal:					0.0	10.5	10.5
73811	Building Leases	Building Lease Space.	Inter-dept	Leases	0.0	75.0	75.0
73811 Building Leases subtotal:					0.0	75.0	75.0
73812	Legal	Regulation Review	Inter-dept	Law	0.0	2.0	2.0
73812 Legal subtotal:					0.0	2.0	2.0
73814	Insurance	Property Insurance	Inter-dept	Risk Management	0.0	1.0	1.0
73814 Insurance subtotal:					0.0	1.0	1.0
73818	Training (Services-IA Svcs)	DOA Classes	Inter-dept	Admin	0.0	0.5	0.5
73818 Training (Services-IA Svcs) subtotal:					0.0	0.5	0.5
73819	Commission Sales (IA Svcs)	Central Travel Fees	Inter-dept	State Travel Office	0.0	0.9	0.9
73819 Commission Sales (IA Svcs) subtotal:					0.0	0.9	0.9
North Slope Gas Commercialization total:					0.0	3,174.4	7,299.4
Grand Total:					0.0	3,174.4	7,299.4