

State of Alaska FY2017 Governor's Operating Budget

Department of Natural Resources North Slope Gas Commercialization Component Budget Summary

Component: North Slope Gas Commercialization

Contribution to Department's Mission

The Department of Natural Resources (DNR), North Slope Gas Commercialization Office (NSG), in collaboration with the Department of Revenue (DOR) and the Alaska Gasline Development Corporation (AGDC), 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 2015

- November 2015 - The Department of Natural Resources terminated its agreement with TransCanada. The state, through AGDC, now holds a full 25 percent equity interest in the entire Alaska LNG project.
- May 2015 - U.S. Department of Energy conditionally approved the Alaska LNG export application for non-free trade countries
- February 2015 - draft Resource Reports filed with Federal Energy Regulatory Commission (FERC)
- 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.
- September 2014, Japan and Alaska signed a Memorandum of Understanding to exchange information on LNG from the North Slope.
- July 2014, the project filed an export application with the U.S. Department of Energy for the Alaska LNG project.
- July 2014, the DNR North Slope Gas Commercialization component is up and running and begins recruiting for essential positions.
- January 2014, the State of Alaska signs a Heads of Agreement, outlaying the principles and understandings to support advancement of the Alaska LNG Project.

Key Component Challenges

Introduction:

In 2014, the legislature passed SB 138 (Chapter 14 SLA204) establishing the framework for state participation in a large-scale project to commercialize North Slope natural gas by giving the Commissioner of the Department of Natural Resources (DNR), in consultation with the Commissioner of the Department of Revenue, the authority to enter into commercial agreements related to such a project, with the assistance of the Department of Law and outside counsel.

DNR's role under SB 138, in consultation with DOR and support from DOL, is to ensure the state's participation in a North Slope gas commercialization effort is in the best interest of the state, and facilitates disposition of the state's royalty and tax-as-gas (TAG) gas. Any contracts with duration of more than two 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.

Under the above directives, DNR has begun to create in-house capacity within the department to provide the administration with consistent and well-informed advice and support throughout the initial negotiations and to manage experts needed through the negotiation process. The North Slope Gas Commercialization (NSG) component, often referred to as the state gas team, is tasked with the negotiation and crafting of commercial agreements, managing expert consultants supporting the state gas team, monitoring agreements as a project progresses and conditions are

met or changed, leading the marketing of the state's share of gas, and preserving and protecting confidential information.

Currently, the state gas team is involved in negotiations with BP, ConocoPhillips, and ExxonMobil as a 25 percent equity owner in the Alaska Liquefied Natural Gas (Alaska LNG) project. 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 State of Alaska is represented in the project by the Alaska Gasline Development Corporation (AGDC) for all proposed facilities of the project including a gas treatment plant (GTP) on the North Slope, an 800-mile pipeline and liquefaction plant to bring LNG to market. 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.

Challenges:

The Alaska LNG project will be segregated into three key analysis and decision points related to pre-Front End Engineering and Design (pre-FEED); Front End Engineering and Design (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 second 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.

One major challenge the NSG will face in the coming year is the need for a marketing organization to negotiate and maintain the marketing component of a project to commercialize North Slope natural gas. The marketing phases follow fairly closely along with the project phases, with pre-marketing taking place during pre-FEED. The NSG marketing lead has been active in building relationships with prospective buyers and generating interest in the Alaska LNG project. The next marketing phase comes with the project's move into the FEED phase.

The state is actively evaluating the position it will take in regards to joint venture and equity marketing structures and the NSG marketing organization will help define what structure and organization is appropriate in the best interest of the state.

Significant Changes in Results to be Delivered in FY2017

Through further definition of timelines and deliverables, and development of project plans, the NSG continues to push towards a fully-staffed organization 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 with more emphasis on marketing.

Statutory and Regulatory Authority

AS 38.05.020, AS 38.05.180

Contact Information

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North Slope Gas Commercialization Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2016 Management Plan	FY2017 Governor		
			Annual Salaries	8,412,839
Full-time	7	21	Premium Pay	0
Part-time	0	0	Annual Benefits	2,962,647
Nonpermanent	0	0	<i>Less 2.00% Vacancy Factor</i>	(227,510)
			Lump Sum Premium Pay	0
Totals	7	21	Total Personal Services	11,147,976

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant I	1	0	0	0	1
Administrative Officer II	1	0	0	0	1
AKIng Comm Lead	1	0	0	0	1
AKIng Marketing Negotiator	3	0	0	0	3
AKIng Proj Coor	1	0	0	0	1
AKIng Sr Marketing Negotiator	3	0	0	0	3
Gasline Project Marketing Mgr	1	0	0	0	1
Gasline Project Midstream Mgr	1	0	0	0	1
Gasline Upstream Project Lead	1	0	0	0	1
Geoscientist	1	0	0	0	1
Market Analyst	4	0	0	0	4
Natural Resource Spec V	1	0	0	0	1
Reservoir Engineer	1	0	0	0	1
Reservoir Technician	1	0	0	0	1
Totals	21	0	0	0	21

Component Detail All Funds
Department of Natural Resources

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

Non-Formula Component

	FY2015 Actuals	FY2016 Conference Committee	FY2016 Authorized	FY2016 Management Plan	FY2017 Governor	FY2016 Management Plan vs FY2017 Governor	
71000 Personal Services	694.2	1,809.7	1,769.7	1,769.7	11,148.0	9,378.3	529.9%
72000 Travel	57.1	102.0	102.0	102.0	500.0	398.0	390.2%
73000 Services	7,235.7	7,115.0	7,115.0	7,115.0	24,000.0	16,885.0	237.3%
74000 Commodities	54.7	0.0	0.0	0.0	85.1	85.1	100.0%
75000 Capital Outlay	1.1	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	8,042.8	9,026.7	8,986.7	8,986.7	35,733.1	26,746.4	297.6%
Fund Sources:							
1004Gen Fund (UGF)	8,042.8	40.0	0.0	0.0	0.0	0.0	0.0%
1229AGDC-ISP (Other)	0.0	8,986.7	8,986.7	8,986.7	0.0	-8,986.7	-100.0%
1241GF/LNG (UGF)	0.0	0.0	0.0	0.0	35,733.1	35,733.1	100.0%
Unrestricted General (UGF)	8,042.8	40.0	0.0	0.0	35,733.1	35,733.1	100.0%
Designated General (DGF)	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Other Funds	0.0	8,986.7	8,986.7	8,986.7	0.0	-8,986.7	-100.0%
Federal Funds	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
Positions:							
Permanent Full Time	7	7	7	7	21	14	200.0%
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 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 FY2016 Conference Committee To FY2016 Authorized *****												
FY2016 Conference Committee												
	ConfCom	9,026.7	1,809.7	102.0	7,115.0	0.0	0.0	0.0	0.0	7	0	0
1004 Gen Fund		40.0										
1229 AGDC-ISP		8,986.7										
Reverse Over Appropriation of FY2016 Cost of Living Adjustment												
	Unalloc	-40.0	-40.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-40.0										
To adjust authorization for salary over-appropriations that occurred when the original COLA transaction reversals were restored by the Legislature in the budget but associated salary adjustments were not reversed.												
Subtotal		8,986.7	1,769.7	102.0	7,115.0	0.0	0.0	0.0	0.0	7	0	0

***** Changes From FY2016 Management Plan To FY2017 Governor *****												
Reverse Gas Pipeline; AGDC; Oil and Gas Production Tax, Sec2 Ch16 SLA2014 P48 L12 (SB138)												
	OTI	-8,986.7	-1,769.7	-102.0	-7,115.0	0.0	0.0	0.0	0.0	-7	0	0
1229 AGDC-ISP		-8,986.7										

This transaction reverses the FY2016 fiscal note amount for the Department of Natural Resources (DNR) associated with SB138 (the bill that established the framework for state participation in a large natural gas project), which was appropriated as one-time funding for FY2016.

During SLA2015, the Legislature transferred the funding for the North Slope Gas Commercialization budget component from general funds (UGF) to In-State Natural Gas Pipeline Fund (Other).

Reverse to Correct for Negative Fund Source												
	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										

Restore UGF FY2016 Salary Increases because cuts taken in other expenditure lines.

Reverse FY2016 One-Time Unrestricted General Fund Salary Adjustments in FY2017 Budget Request												
	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										

Cost of living adjustment for certain bargaining units: \$40.0

Year three cost of living adjustment for non-covered employees - 2.5%: \$34.2

Year three cost of living adjustment for Alaska State Employees Association/General Government Unit - 2.5%: \$5.8

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	
Restore Alaska Liquefied Natural Gas Project												
1241 GF/LNG	IncM	8,986.7	1,769.7	102.0	7,115.0	0.0	0.0	0.0	0.0	7	0	0
		8,986.7										

The legislature passed an FY2016 one-time increment for the North Slope Gas commercialization office for funding relating to the advancement of an Alaska Liquefied Natural Gas (AKLNG) project to commercialize North Slope natural gas.

The North Slope Gas Commercialization office anticipates the AKLNG project will move forward to the next phase in FY2017. During this Front End Engineering and Design, or FEED phase, the state gas team will continue to be involved in technical reviews and begin oversight of the various agreements negotiated during the pre-FEED phase in FY2016. This will require maintaining consultants, and continued legal services for Department of Revenue financing work and general work relating to the AKLNG project.

Existing PCNs (7)

(10-?099) Gasline Upstream Project Lead, range 25, Anchorage, Full-Time

(10-0435) Administrative Officer II, range 19, Anchorage, Full-Time

(10-X018) Gasline Project Midstream Mgr, range 26, Anchorage, Full-Time

(10-X019) Gasline Project Marketing Mgr, range 27, Anchorage, Full-Time

(10-X020) AKLNG Project Coordinator, range 27, Anchorage, Full-Time

(10-X021) AKLNG Commercial Lead, range 27, Anchorage, Full-Time

(10-4253) Natural Resource Specialist V, range 23, Anchorage, Full-Time

Marketing Analyst Position Funded by Sec3 Ch1 TSSLA2015 P2 L4 (SB3001)

PosAdj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0
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North Slope gas commercialization requests a marketing analyst, range 25, located in Anchorage.

The North Slope Gas Commercialization office is DNR's in-house support providing the administration with consistent and well informed advice throughout the life of the Alaska LNG project. This position will provide expert analysis and assistance to the marketing lead and the AKLNG state gas team.

This position will provide and be involved in negotiating and crafting marketing agreements, performing various marketing activities including traveling abroad, managing expert consultants at each of the project phases, monitoring the agreements as the project progresses and conditions are met or changed, and preserving and protecting confidential information provided by the state's counterparties.

Establishing this position to analyze and assist with marketing under the direction of the marketing lead in support of the AKLNG state gas team and preserving it as the project develops is essential to facilitate the state's effective participation in the project. Currently, the North Slope Gas Commercialization office lead responsibilities are being met primarily through the use of contractors. It is critical to the continuing success of the project to hire, train, and maintain state employees to take overall management of roles and responsibilities to provide consistency for the state's equity participation.

Alaska Liquefied Natural Gas Project

1241 GF/LNG	Inc	26,746.4	9,378.3	398.0	16,885.0	85.1	0.0	0.0	0.0	13	0	0
		26,746.4										

This funding request is for the advancement of an Alaska Liquefied Natural Gas (AKLNG) project to commercialize North Slope natural gas.

This request includes a significant increase in personal services and contractual services for the anticipated shift in work focus during FY2017. With the move to

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 FEED phase, the state will focus more heavily on the marketing aspects of the AKLNG project. The state is actively evaluating the position it will take in regards to marketing structures and an in-house marketing organization will help define what structure and organization is appropriate in the best interest of the state. The state anticipates the possibility of entering into three separate joint venture marketing agreements, one with each of the three producers. The FY2017 marketing funding requests are based on this scenario.</p> <p>Personal services funding request includes 1 position added in FY2016 supplemental, and increased funding for 13 new positions to build in-house marketing capacity for the negotiation and participation in three joint venture marketing agreements and the future sale and disposition of the state's share of royalty and Tax-As-Gas.</p> <p>Travel funding request includes maintaining funding for in-state and out-of-state meetings and conferences and increased funding for anticipated out-of-state and out-of-country travel related to additional marketing outreach.</p> <p>Services funding request includes maintaining funding for the various expert consultants being used to support the state gas team to advance the AKLNG project into the FEED phase and increased funding primarily for additional legal services:</p> <ul style="list-style-type: none"> • \$6 million in legal support from the Department of Law via outside counsel to continue advancing the legal and regulatory AKLNG project work • \$12 million for legal support from the Department of Law via outside counsel in anticipation of the state entering three separate joint venture marketing agreements, one with each of the three producers, which would require the state to support 50 percent of the legal support for each one of the ventures. <p>Commodities funding request anticipates the need for additional office equipment and furniture with the addition of 13 new positions.</p> <p>New PCN during FY2016 Special Session (1) (10-#128) Marketing Analyst, range 25, Anchorage, Full-Time</p> <p>New PCNs in FY2017 (13) (10-#129) Market Analyst, range 25, Anchorage, Full-Time (10-#130) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time (10-#131) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time (10-#132) AKLNG Sr Marketing Negotiator, range 27, Anchorage, Full-Time (10-#133) Market Analyst, range 25, Anchorage, Full-Time (10-#134) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time (10-#135) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time (10-#136) AKLNG Marketing Negotiator, range 27, Anchorage, Full-Time (10-#137) Reservoir Engineer, range 27 , Anchorage, Full-Time (10-#138) Geoscientist, range 27, Anchorage, Full-Time (10-#139) Reservoir Technician, range 25, Anchorage, Full-Time (10-#140) Administrative Assistant I, range 12, Anchorage, Full-Time (10-#141) Market Analyst, range 25, Anchorage, Full-Time</p>												
		35,733.1	11,148.0	500.0	24,000.0	85.1	0.0	0.0	0.0	21	0	0

Personal Services Expenditure Detail
Department of Natural Resources

Scenario: FY2017 Governor (12995)
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-#128	Market Analyst	FT	A	XE	Anchorage	N00	25A	12.0		201,994	0	0	83,006	285,000	285,000
10-#129	Market Analyst	FT	A	XE	Anchorage	N00	25A	12.0		201,994	0	0	83,006	285,000	285,000
10-#130	AKing Sr Marketing Negotiator	FT	A	XE	Anchorage	N00	27A	12.0		908,667	0	0	291,333	1,200,000	1,200,000
10-#131	AKing Sr Marketing Negotiator	FT	A	XE	Anchorage	N00	27A	12.0		908,667	0	0	291,333	1,200,000	1,200,000
10-#132	AKing Sr Marketing Negotiator	FT	A	XE	Anchorage	N00	27A	12.0		908,667	0	0	291,333	1,200,000	1,200,000
10-#133	Market Analyst	FT	A	XE	Anchorage	N00	25A	12.0		201,994	0	0	83,006	285,000	285,000
10-#134	AKing Marketing Negotiator	FT	A	XE	Anchorage	N00	27A	12.0		723,310	0	0	236,690	960,000	960,000
10-#135	AKing Marketing Negotiator	FT	A	XE	Anchorage	N00	27A	12.0		723,310	0	0	236,690	960,000	960,000
10-#136	AKing Marketing Negotiator	FT	A	XE	Anchorage	N00	27A	12.0		723,310	0	0	236,690	960,000	960,000
10-#137	Reservoir Engineer	FT	A	XE	Anchorage	N00	27A	12.0		290,811	0	0	109,189	400,000	400,000
10-#138	Geoscientist	FT	A	XE	Anchorage	N00	27A	12.0		290,811	0	0	109,189	400,000	400,000
10-#139	Reservoir Technician	FT	A	XE	Anchorage	N00	25A	12.0		60,516	0	0	37,744	98,260	98,260
10-#140	Administrative Assistant I	FT	A	GP	Anchorage	100	12A	12.0		38,508	0	0	30,527	69,035	69,035
10-#141	Market Analyst	FT	A	XE	Anchorage	N00	25A	12.0		201,994	0	0	83,006	285,000	285,000
10-?099	Gasline Upstream Project Lead	FT	A	XE	Anchorage	N00	25A	12.0		264,000	0	0	101,285	365,285	365,285
10-0435	Administrative Officer II	FT	A	GP	Anchorage	200	19B / C	12.0		65,179	0	0	40,024	105,203	105,203
10-4253	Natural Resource Spec V	FT	A	GP	Anchorage	400	23M / N	12.0		115,079	0	0	57,793	172,872	172,872
10-X018	Gasline Project Midstream Mgr	FT	A	XE	Anchorage	N00	26A	12.0		140,000	0	0	64,730	204,730	204,730
10-X019	Gasline Project Marketing Mgr	FT	A	XE	Anchorage	N00	27A	12.0		1,094,024	0	0	345,976	1,440,000	1,440,000
10-X020	AKing Proj Coord	FT	A	XE	Anchorage	N00	27A	12.0		150,000	0	0	67,678	217,678	217,678
10-X021	AKing Comm Lead	FT	A	XE	Anchorage	N00	27A	12.0		200,004	0	0	82,419	282,423	282,423

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		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000	Travel		57.1	102.0	500.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
72000 Travel Detail Totals			57.1	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.	3.3	25.0	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.	53.8	72.0	470.0
72721	Move Household Goods	Employee move related 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)

Line Number	Line Name			FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000	Services			7,235.7	7,115.0	24,000.0
Expenditure Account				FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
Servicing Agency		Explanation		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals				7,235.7	7,115.0	24,000.0
73002	Interagency Services	Law	Legal support for drafting and negotiating of joint venture marketing agreements, as well as other various legal actions to progress a project to commercialize North Slope gas	0.0	0.0	12,000.0
73002	Interagency Services	Law	Legal support for legal services for the progression of a project to commercialize North Slope gas. Previous years charged to 73812.	0.0	0.0	6,000.0
73025	Education Services		Professional development and conference opportunities	9.8	0.0	2.0
73050	Financial Services		VISA purchases for Commissioner Balash marketing trip to Japan	0.6	0.0	0.0
73150	Information Technlgy		Update and upgrade our software as technologies change and enhancements are made in the industry, including user licenses for certain softwares.	2.1	175.0	100.0
73156	Telecommunication		Telecommunication expenses including cable, cellular phones, desk phones, long distance charges, and teleconference services	22.9	20.0	40.0
73225	Delivery Services		Freight, courier, and postage costs	3.6	5.0	5.0
73450	Advertising & Promos		Legal notices and ads in statewide newspapers	0.0	13.0	5.0
73650	Struc/Infstruct/Land		Commissioner's Office conference room upgrade	4.0	0.0	0.0
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	7.0	25.0	15.0
73750	Other Services (Non IA 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 a project to commercialize North Slope gas	2,880.8	3,774.6	5,650.0

Line Item Detail
Department of Natural Resources
Services

Component: North Slope Gas Commercialization (3082)

RDU: Administration and Support (600)

Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
73000 Services Detail Totals			7,235.7	7,115.0	24,000.0
73752	Economic/Development (Non-IA Svcs)	Upstream and commercial support for the commercialization of North Slope natural gas	350.8	0.0	0.0
73753	Program Mgmt/Consult	Commercial support for the commercialization of North Slope natural gas	350.0	0.0	0.0
73756	Print/Copy/Graphics	Printing, copying, and graphics services	0.0	5.0	1.0
73804	Economic/Development (IA Svcs)	Technical support for the upstream project team	79.7	0.0	0.0
73805	IT-Non-Telecommunication	Video conferencing	7.7	0.0	12.0
73806	IT-Telecommunication	Centralized ETS Services	4.7	7.5	10.0
73809	Mail	Central Mail	0.3	2.0	2.0
73810	Human Resources	Centralized HR	1.0	10.5	5.0
73811	Building Leases	Leases	20.2	75.0	150.0
73812	Legal	Law	3,489.1	3,000.0	0.0
		Legal support for drafting and negotiating of joint venture marketing agreements, as well as other various legal actions to progress a project to commercialize North Slope gas. FY2017 moved funding to 73002 - Interagency Services.			
73814	Insurance	Risk Management	0.0	1.0	1.0
73815	Financial		0.6	0.0	0.0
		AKSAS/AKPAY/ALDER chargeback			
73816	ADA Compliance		0.1	0.0	0.5
		ADA compliance			
73818	Training (Services-IA Svcs)	Admin	0.3	0.5	0.5
73819	Commission Sales (IA Svcs)	State Travel Office	0.4	0.9	1.0
		Central travel fees			

Line Item Detail
Department of Natural Resources
Commodities

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000	Commodities		54.7	0.0	85.1
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
74000 Commodities Detail Totals			54.7	0.0	85.1
74222	Books And Educational	Books and materials for education	0.8	0.0	2.0
74226	Equipment & Furniture	Office furniture, desk, computer return, bookcases, and chairs	28.5	0.0	50.0
74229	Business Supplies	General office supplies, paper, pens, pencils, etc	4.5	0.0	10.0
74233	Info Technology Equip	Computers, phones, etc	19.2	0.0	22.0
74236	Subscriptions	Subscriptions	0.5	0.0	1.0
74237	I/A Purchases (Commodities/Business)	Service pins for employees	0.0	0.0	0.1
74481	Food Supplies	Food services for workshops	1.2	0.0	0.0

Line Item Detail
Department of Natural Resources
Capital Outlay

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

Line Number	Line Name		FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000	Capital Outlay		1.1	0.0	0.0
Expenditure Account	Servicing Agency	Explanation	FY2015 Actuals	FY2016 Management Plan	FY2017 Governor
75000 Capital Outlay Detail Totals			1.1	0.0	0.0
76150	Other Equipment	Furniture replacement for furniture left from Department of Revenue for Department of Natural Resource use	1.1	0.0	0.0

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	FY2015 Actuals	FY2016		
					Management Plan	FY2017 Governor	
73002	Interagency Services	Legal support for drafting and negotiating of joint venture marketing agreements, as well as other various legal actions to progress a project to commercialize North Slope gas	Inter-dept	Law	0.0	0.0	12,000.0
73002	Interagency Services	Legal support for legal services for the progression of a project to commercialize North Slope gas. Previous years charged to 73812.	Inter-dept	Law	0.0	0.0	6,000.0
73002 Interagency Services subtotal:					0.0	0.0	18,000.0
73804	Economic/Development (IA Svcs)	Technical support for the upstream project team	Inter-dept		79.7	0.0	0.0
73804 Economic/Development (IA Svcs) subtotal:					79.7	0.0	0.0
73805	IT-Non-Telecommunication	Video conferencing	Inter-dept		7.7	0.0	12.0
73805 IT-Non-Telecommunication subtotal:					7.7	0.0	12.0
73806	IT-Telecommunication	Phones and virtual private network	Inter-dept	Centralized ETS Services	4.7	7.5	10.0
73806 IT-Telecommunication subtotal:					4.7	7.5	10.0
73809	Mail	Central Mailroom	Inter-dept	Central Mail	0.3	2.0	2.0
73809 Mail subtotal:					0.3	2.0	2.0
73810	Human Resources	Central Human Resources	Inter-dept	Centralized HR	1.0	10.5	5.0
73810 Human Resources subtotal:					1.0	10.5	5.0
73811	Building Leases	Building lease space	Inter-dept	Leases	20.2	75.0	150.0
73811 Building Leases subtotal:					20.2	75.0	150.0
73814	Insurance	Property Insurance	Inter-dept	Risk Management	0.0	1.0	1.0
73814 Insurance subtotal:					0.0	1.0	1.0
73815	Financial	AKSAS/AKPAY/ALDER chargeback	Inter-dept		0.6	0.0	0.0
73815 Financial subtotal:					0.6	0.0	0.0
73816	ADA Compliance	ADA compliance	Inter-dept		0.1	0.0	0.5
73816 ADA Compliance subtotal:					0.1	0.0	0.5
73818	Training (Services-IA Svcs)	DOA classes	Inter-dept	Admin	0.3	0.5	0.5
73818 Training (Services-IA Svcs) subtotal:					0.3	0.5	0.5
73819	Commission Sales (IA Svcs)	Central travel fees	Inter-dept	State Travel Office	0.4	0.9	1.0
73819 Commission Sales (IA Svcs) subtotal:					0.4	0.9	1.0
North Slope Gas Commercialization total:					115.0	97.4	18,182.0
Grand Total:					115.0	97.4	18,182.0