



Data Assessment Project Access to Information



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Alaska Department of Revenue*



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Data Assessment Project Purpose and Objective



Purpose: to establish the foundation of data types required by the department for establishing a centralized, reliable, secure, and automated database of oil and gas production and tax information for DOR to evaluate tax obligations, have efficient reporting, have full compliance from producers/explorers, and for data integration into more advanced information and revenue management systems.

Objective: to assist in the design, development, and implementation of standardized reporting forms from industry leading to the development and implementation of a standardized and automated collection of oil and gas production volume, value, expense, credits, cost forecasts and revenue information to address tax related oil and gas economic, financial, and policy issues and questions for the legislature, the Governor and department.



Accomplishments

Spring 2011 to Spring 2012



- Gathered data, identified information needs and sources.
- Completed Industry Information Catalogue – *Handout 1*.
- Focused on 5 Areas of oil and gas tax information needs.
- Hosted 4 industry workshops to communicate goals.
- Requested and compiled 5-year look back (2006—2010) of capital expenditures (CAPEX) by high level category.
- Integrated, streamlined, and automated forms.
- Proposed work plan to obtain/report detail data for FY12.
- Proposed work plan to integrate (sub ledger) oil and gas accounting data into other information systems .



Project Approach



DOR used an “integrated collaborative” approach among DOR , DNR, AOGCC, industry, and other agencies to gather current information.

- Identified current information received by DOR, DNR, AOGCC and other oil and gas industry associated agencies – “Industry Information Catalogue” – *Handout 1*.
- Identified and cross referenced statute and regulation requirements of data received and NOT received.
- Reviewed past and current DOR information requests.
- Reviewed compliance level of responses
- Identified type and format of information submitted by companies (PDF’s Excel Spreadsheets, etc) for documents, graphs, charts, displays, narratives, spreadsheet data files.



Focus on Current Areas



- Production Forecast Reporting
- Cost Forecast Reporting
- Monthly Information Reporting
- Credit Application Filing
- Annual Production Tax Return

These areas are the key sources of oil and gas tax related information and reporting activities.



Cost Information Gathering Process



- Conducted in house discussion and review.
- Developed CAPEX & OPEX Expense Category Lists.
- Conducted 4 workshops with industry.
- Industry responsive in both active participation and written comments.
- Developed CAPEX 5 year look-back of high level cost categories.
- Proposed forward-looking more detailed CAPEX and OPEX cost categories – *Handout 2*.



Data Assessment to Date



- Data Assessment Project accomplishments, forms & processes.
- 5 Year Look Back effort – compiled baseline data.
- Annual Cost Supplemental Information Report, rev 1.
 - Effective for CY 2011 tax reporting due March 31, 2012
 - Uses high level look back CAPEX categories
 - Filed by producers and explorers
- Near completion of Annual Production Tax Return



Capital Expenditure Categories



- Look Back Categories for 2006-2010:
 - Geological & Geophysical Work (G&G)
 - Exploration Drilling
 - Development Drilling
 - Facilities
 - Other Capital
- High level categories were used as a result of workshop discussions with industry to balance the department's information needs and the industry's ability to respond in a short time frame for 5 years of historical data.
- Categorized capital expenditure data provided represents 90% of company reported capital expenditures relating to credits.



5 Year Look Back (2006-2010) Qualified Capital Expenditures



- Another aspect of the Data Assessment Project included the 5 year look back of qualified capital expenditures into pre-defined industry compatible categories.
- The pre-defined categories for the look back were high level common categories used across the industry to serve as a historical baseline for analysis.
- For CY 2012 and forward tax reporting the department has proposed expanded pre-defined more detailed CAPEX and OPEX cost categories to the industry.



Data Assessment Next 15 Months



- Host prospective Cost Information Workshops on CAPEX\OPEX.
- Update Annual Cost Supplemental Information Report , rev 2.
 - Effective for CY 2012 reporting due March 31, 2013
 - Uses more detailed categories following additional workshops – April 2012
 - Filed by producers and explorers
- Finalization of Annual Production Tax Return for 2012 reporting.
- Consolidating standardized forms to eliminate duplicate reporting.
 - Finalize oil and gas reporting processes, definitions
 - Compile 5 YLB historical cost data with 2012 cost data for analysis
- Complete the foundation and basis for data integration with a Tax Revenue Management System (“TRMS”).
- Refine proposed work plan to initiate development and integration of standardized oil and gas accounting information into a secured database once the Tax Revenue Management System (“TRMS”) project plans decisions advance.



Data Assessment Future July 2014 Forward



- The project has defined what we need to do to organize the oil and gas accounting information.
- TRMS project needs to establish the project implementation plan in order for our project to integrate into that system.
- After TRMS project implementation plan is defined, the next step is to define how the oil and gas accounting information will be incorporated into TRMS and when it can begin.



Benefits of Data Assessment Project



- Proposed reporting definitions and automation standards.
- Established reporting categories for qualified capital expenditures categories.
- Obtained historical capital expenditure information.
- Developed requirements to report cost categories going forward in 2012.
- Identified potential for electronic data sharing among associated agencies.



Next Steps



- Continued interaction with stakeholders to complete indentifying and defining more detailed cost categories for both CAPEX and OPEX for 2012 tax reporting
- Complete standardization of forms, format and content
- Automation of the standardized forms



Handouts



- 1 – Industry Information Catalogue
- 2 – Proposed Master Expenditure Cost Categories
detailed CAPEX and OPEX and definitions
- 3 – SB 192, Amendment 26 information requirements
comparison to currently collected data by Agency



Industry Information Catalogue



- The department's review catalogued information reported to the following State of Alaska agencies:
 - Department of Revenue, Tax Division
 - Department of Natural Resources, Division of Oil & Gas
 - Alaska Oil & Gas Conservation Commission



SB 192, Amd 26 Petroleum Information Management System (PIMS)



- 90% of PIMS data requirements already collected by DOR, DNR and AOGCC.
- 4 out of 35 data items not currently collected and require further coordination with Department of Labor.
- More data collected by DOR, DNR and AOGCC than identified in SB 192, Amendment 26.



QUESTIONS?