



**STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU**

**Question and Answer:
Senate Finance, November 1, 2015**

Senate Finance Committee:

What mechanically needs to occur to complete the transfer of interest transaction?

Department of Revenue Response:

Outside counsel and the Department of Law, to the extent required during the "transaction week", will:

- Negotiate, review and finalize the TC Termination documents, including the PSA, closing certificates and transfer documents. These action items should only be clean-up work during the transaction week.

Once the state receives the agreed upon final termination amount the exact funds will be moved via Reimbursable Services Agreement (RSA) from the AKLNG Fund to the Department of Natural Resources (DNR) upon approval by the Office of Management and Budget (OMB) Director.

DNR then orders the wire transfer from the Department of Revenue (DOR), Cash Management section, who will have been given advance notice to set up the needed payee vendor path. Outbound wire transfer payments are rare and only used for large repetitive and time sensitive payments, which must be arranged several days in advance with the Cash Manager. A test wire will take place for \$100 to ensure the payee path is functioning; they will also have a contact at TransCanada to verify the receipt of the funds into their account. The DOR has successfully paid TransCanada many times in the past, though we will still verify all of the account numbers.

The Department of Revenue, Cash Manager already knows to add this payment to cash needs as soon as the bill passes. They will have cash on hand to make the payment as soon as approvals are in place, no more than a two day turnaround. The Cash Management group in Treasury and our Custodial bank take a number of steps to ensure that payments are made timely and accurately. Cash Management and our bank do not simply rely on the banking information provided by for example DNR for this transaction.