

Fiscal Note Attachment

File Name: HB009CS(RES)-DOR-AHFC-3-12-12

Title: In State Gasline Development Corp.

Sponsor: Representative Chenault

Alaska Gasline Development Corporation

Component Number

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13					
Personal Services	2,414.0	1,207.2	4,828.8	4,828.8	4,828.8	4,828.8	4,828.8
Travel							
Services	3,600.0	2,422.2	6,202.9	6,202.9	6,202.9	6,202.9	6,202.9
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	6,014.0	3,629.4	11,031.7	11,031.7	11,031.7	11,031.7	11,031.7
Positions	14	7	28	28	28	28	28

While this Fiscal Note indicates a relatively small fiscal impact in the current year, it should be noted that the 2011 Legislature appropriated \$200 million to a fund that would be created under this bill, and the AGDC will begin to utilize the amounts in the fund during FY2013. Capital expenditures from that fund and additional appropriations are anticipated according to the following schedule (in million \$; at a +/- 30% confidence level):

Fiscal Year	Capital Budget	Used from in state natural gas pipeline fund	Total
2009-2012	\$ 50,668.2		\$ 50,668.2
2013	21,000.0	\$ 75,990.0	96,990.0
2014		114,810.0	114,810.0
2015	128,331.7	9,200.0	137,531.8
Total:	200,000.0	200,000.0	\$ 400,000.0

To continue the project at that level, it is anticipated that 14 additional staff will be added during FY 2013 at an average annual fully-loaded cost of approximately \$170,000 per year. The seven positions requested in FY2014 will be of a similar nature and will help to lead the project through open-season.

708	Manager, Stakeholder Engagement	90,000
709	Governmental & External Affairs Spclst	95,000
710	General Counsel	170,000
711	Staff Attorney	120,000
712	Paralegal	80,000
713	Supervisor, Administrative Support	70,000
714	Manager, Building Services	90,000
715	Manager, Human Resources	95,000
716	Manager, I/T I/S	95,000
717	Desktop Support/ Sharepoint Admin	80,000
718	Document Control/Admin. Record	80,000
719	Network Supervisor	80,000
720	GIS	95,000
721	Risk Manager	125,000
722	Procurement & Logistics Specialist	85,000
723	Admin Assistant I	35,000
724	Admin Assistant I	35,000
725	Admin Assistant II	45,000
726	Admin Assistant II	45,000
727	Admin Assistant II	45,000
728	Admin Assistant III	60,000

The related operating budget items will be expended in support of the capital budget items in each of the subsequent fiscal years.

Total expenditures are budgeted in the following categories:

Project Plan Completion	\$ 30,000,000
Commercial Operations	13,825,000
Pipeline Engineering	93,784,000
Facilities Engineering	182,962,000
Support Activities	79,429,000
Total	\$400,000,000

Project Plan Completion: Completion of the project plan required by HB 369 and delivered to the Legislature in July, 2011. Included all preliminary engineering and commercial analysis up to that point.

Commercial Operations: Progress commercial discussions with potential shippers and markets. Develop agreements to allow for the future development of this project. Engage and work with the Prudhoe Bay operations & owners on numerous integration issues.

Pipeline Engineering, Environmental & Permitting: Progress pipeline route data collection and design, utilizing the information to upgrade project cost estimates and plans necessary for serious commercial discussions and project development approvals. Engineering work to be developed inline the industry best practices for mega-projects. Collect key environmental data necessary for permits preparation prior to construction.

Facilities Engineering, Environmental & Permitting: Conduct preliminary and front-end engineering development, utilizing the information to upgrade project cost estimates and plans necessary for serious commercial discussions and project development approvals. Engineering work to be developed inline the industry best practices for mega-projects. Prepare engineering design to be ready for placing long lead equipment and stock orders. Collect key environmental data necessary for permits preparation prior to construction.

AGDC Support Activities: Home office activities to support the commercial and engineering development of the project including all external affairs, accounting, budget, legal, records management and managerial oversight activities.

Alaska Natural Gas Development Authority

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY13	FY13	FY14	FY15	FY16
OPERATING EXPENDITURES							
Personal Services							
Travel							
Services	436.7		436.7	436.7	436.7	436.7	436.7
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	436.7	0.0	436.7	436.7	436.7	436.7	436.7
Positions:		3		3	3	3	3

Acquisition of natural gas

ANGDA will finalize natural gas purchases and gas sales contracts bid in the APP Open Season. This includes the completion of precedent agreements with APP and resolving all conditions precedent. ANGDA will continue to evaluate the natural gas reserves purchased to meet aggregated electric utility needs.

North Slope propane for use in rural and coastal Alaska

ANGDA will continue to promote and market the use of Propane as an alternative to costly diesel in many of our communities and villages. Propane is a clean burning alternative to diesel. Propane from an in-state pipeline system off take point/straddle plant and from the North Slope at a wholesale distribution meter would make a difference in energy costs and air quality for so many of our villages and communities.

Budget costs for the North Slope project would include storage and necessary engineering to adapt the existing propane refrigerant system or build-out of a separate facility on the North Slope.

Alaska Stand Alone Pipeline - Open Season

ANGDA has bid in the Alaska Standalone Pipeline (ASAP) preliminary Expression of Interest and will continue to participate as a shipper on behalf of the railbelt electric utilities, as well as the National Propane Gas Association (NPGA). Continued interest by the railbelt utilities, as well as the NPGA can be assessed as additional information progresses forward. The role of ANGDA would be one of a gas and propane marketer and would also include the negotiation of gas and propane contracts with entities interested in an aggregated approach to contractual negotiations.

Royalty Gas

Negotiate with potential LNG investors & shippers to be serviced as part of the ASAP project and possible counterparties to Alaska royalty gas agreements.

Department of Natural Resources

In the preparation of this fiscal note certain assumptions have been made:

- 1) Participating state agencies (ADF&G, ADEC, etc.) will provide separate fiscal notes.
- 2) DGGS cost estimate assumes that the state needs to understand the geohazards to ensure the applicant has identified and considered all geologic hazards along the route.
- 3) Schedule assumptions are based on AGDC's currently proposed schedule.
- 4) Construction oversight begins in FY 2014 and continues through FY 2015 and FY 2016. Operational oversight begins in FY 2017. The cost estimate for these activities is for DNR only and does not include estimates for other state agencies (ADF&G, ADEC, etc.).
- 5) Assume SPCO will administer material sales and the material sites after initial sale.
- 6) Assume a two and one half-year construction schedule segregated into four geographic areas.
- 7) DMLW has concluded that costs after FY 2013 are indeterminate. This budget does not include any funding for DMLW for fiscal years 2014-2018.

STATE PIPELINE COORDINATORS OFFICE

State Pipeline Coordinators Office

Component Number **1191**

OPERATING EXPENDITURES	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY13	FY13	FY14	FY15	FY16
Personal Services	473.2				1,782.8	2,051.7	2,051.7
Travel	10.0				200.0	250.0	250.0
Services	4.0				70.0	76.5	76.5
Commodities	2.0				10.0	10.0	10.0
Capital Outlay							
Grants, Benefits							
Miscellaneous	5.0				10.0	10.0	10.0
TOTAL OPERATING	494.2	0.0	2,072.8	2,398.2	2,398.2	346.6	346.6

Costs to DNR would include SPCO expenses to coordinate the participation of state agencies in pre-construction permitting, work on the Federal EIS and work associated with AGDC's development of Plans and processes required by the State Lease, lease compliance and the preparation and issuance of Notices to Proceed. In addition to SPCO costs, estimated expenses are included for the participation of the State Historic Preservation Office (SHPO), the Division of Geological and

Geophysical and Surveys (DGGS), and the Division of Mining Land and Water (DMLW). Eight new Natural resource Specialist (NRS) III (range 18) positions will be created in FY 2014 and will exist through FY 2016. All remaining positions will be partial use of existing SPCO positions, FY 2013 through FY 2018. A list of positions is listed below for each fiscal year.

Positions:

New & Existing positions in Anchorage - pre-construction permitting /plan development and preparation of NTP's, new and partial use of existing positions:

FY 2013

- 1 Natural Resource Specialist (NRS) IV (range 21)
- 1 Natural Resource Manager (NRM) III (range 22)
- 1 Natural Resource Specialist (NRS) III (range 18)
- 1 Natural Resource Specialist (NRS) III (range 18)
- 1 Information Officer III(PIO) (range 20)
- 1 Engineer IV (range 27)
- 1 Deputy State Pipeline Coordinator
- 1 State Pipeline Coordinator - total 3 months
- 1 Administrative Support

FY 2014

(Eight of the ten NRS III range 18 are new in FY 2014, two are existing positions)

- 10 Natural Resource Specialist (NRS) III (range 18)
- 1 Natural Resource Manager (NRM) III (range 22)
- 1 Engineer IV (range 27)
- 1 Technical Engineer I (range24)
- 1 Natural Resource Specialist (NRS) III (range 18)
- 1 Information Officer III(PIO) (range 20)
- 1 Deputy SPC
- 1 SPC - total 6 months
- Administrative Support

FY 2015

- Pipeline construction oversight;
- 10 Natural Resource Specialist (NRS) III (range 18)
- 1 Natural Resource Manager (NRM) III (range 22)
- 1 Engineer IV (range 27)
- 1 Technical Engineer I (range24)
- 1 Natural Resource Specialist (NRS) III (range 18)
- 1 Information Officer III(PIO) (range 20)
- 1 Deputy SPC
- 1 SPC - total 6 months
- 1 Administrative Support

SPCO FY 2016

Pipeline construction oversight;
1 Natural Resource Specialist (NRS) III (range 18)
1 Natural Resource Manager (NRM) III (range 22)
1 Engineer IV (range 27)
1 Technical Engineer I (range 24)
1 Natural Resource Specialist (NRS) III (range 18)
1 Information Officer III(PIO) (range 20)
1 Deputy SPC
1 SPC - total 6 months
Administrative Support

FY 2017 and FY 2018

Operational oversight and lease administration;
1 Natural Resource Specialist (NRS) III (range 18)
1 Natural Resource Manager (NRM) III (range 22)
1 Engineer IV (range 27)
1 Technical Engineer I (range 24)
1 Natural Resource Specialist (NRS) III (range 18)
1 Information Officer III(PIO) (range 20)
1 Deputy SPC
1 SPC - total 1 month
Administrative Support

OFFICE OF HISTORY & ARCHAEOLOGY

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY13	FY13	FY14	FY15	FY16
OPERATING EXPENDITURES					FY17	FY18	
Personal Services	27.5			27.5	27.5	27.5	27.5
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	27.5	0.0	27.5	27.5	27.5	27.5	27.5

Positions

Position in Anchorage for review and monitoring the cultural resource project program.

- one Archeologist = \$25,000
- Administrative Overhead = \$2,500

DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services			137.3	137.3	137.3		
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	137.3	137.3	137.3	0.0	0.0

Positions in Fairbanks for management of geological hazards project related studies and review of existing information.

- 1 Geologist IV (range 21)
- 1 LTNP Geologist III (range 19)
- 1 Graduate Intern

DIVISION OF MINING, LAND AND WATER

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	85.0						
Travel	2.0						
Services	1.0						
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	88.0	0.0	*	*	*	*	*

Assumptions:

DMLW will be required to supervise, review and approve a title report prepared by SPCO regarding state owned lands in the pipeline ROW;

That DNR will not be required to transfer title to any state lands to DOT/PF;

DMLW will not be responsible for title or ROW acquisitions from entities other than DNR managed lands including lands owned by private persons, boroughs, the university, mental health trust, ANCSA corporations, native allotments, and the federal government;

DMLW will review and approve all land surveys associated with granting an in-state gasline ROW and developing an in-state gasline across state land;

DMLW will participate in the ROW planning effort to some degree across state land, the review of the AS 38.35 ROW lease to be prepared by SPCO for issuance to DOT/PF, DMLW will participate in the identifying lands within legislatively designated areas over which the ROW will cross and assist the responsible state agencies with efforts to extricate the ROW from the LDAs;

That SPCO will issue AS 38.35 ROW across lands to DOT/PF, and SPCO will be responsible for issuance of the majority of the land use permits and material sales necessary within the ROW, but that DNR/DMLW will be required to issue some land use permits (within and without the ROW), and material sales (outside the ROW) during the construction phase for gasline construction and maintenance (Beyond FY12).

The costs to DMLW would include expenses during FY12 for providing assistance during the development teams planning efforts and pre-application meetings as well as costs associated with materials sales and permitting, as necessary, during the construction of the gasline. Funds to be provided to DLWM through RSA for services rendered.

DMLW PERSONAL SERVICES COST - FY13 and Indeterminate in FY 14 and beyond.

Natural Resource Manager (NRM) III – (Range 22) – Total of three months at a rate of approximately \$126,000 per year for the supervision, review and approval of a title report prepared by SPCO staff. \$31,500 in FY 2013.

Land Surveyor I (LS) II – (Range 22) – Total of two months at a rate of approximately \$126,000 per year for review and approve all land surveys associated with granting an in-state gasline ROW. \$21,000 in FY 13.

Natural Resource Specialist (NRS) III – (Range 18) – Total of three months at a rate of approximately \$97,400 per year for 1) participation in the ROW planning effort to some degree across state land, the review of the AS 38.35 ROW lease to be prepared by SPCO for issuance to DOT/PF, and the ACMP (if reauthorized) review of the ROW, 2) DMLW will participate in the identifying lands within legislatively designated areas over which the ROW will cross and assist the responsible state agencies with efforts to extricate the ROW from the LDAs. \$32,500 in FY 13.

Natural Resource Specialist (NRS) II – (Range 16) – At a rate of approximately \$87,500 per year for issuance of land use permits (within and without the ROW), and material sales (outside the ROW) during the construction phase for gasline construction and maintenance (Beyond FY12).

Indeterminate as the necessity, number and size of the permits or material sales are not known at this time - FY 14 and beyond.

DNR/DMLW - TRAVEL, CONTRACTUAL, SUPPLIES

Other Cost	FY13 Approp. Needed	Included in Gov's FY13 Request	FY14	FY15	FY16	FY17	FY18
Travel Services	10.0		200.0	250.0	250.0	25.0	25.0
	4.0		70.0	76.5	76.5	15.0	15.0
	2.0		10.0	10.0	10.0	2.0	2.0
	5.0		10.0	10.0	10.0	5.0	5.0
Total:	21.0		290.0	346.5	346.5	47.0	47.0
DMLW Travel	2.0		0.0	0.0	0.0	0.0	0.0
DMLW Services	1.0		0.0	0.0	0.0	0.0	0.0
Totals	3.0		0.0	0.0	0.0	0.0	0.0
Total DNR Impact:	609.7		2,237.6	2,563.0	2,563.0	374.1	374.1

Travel will be for planning and public meeting, as well as survey review and approval. Travel in FY 14 and beyond for issuance of land use permits (within and without the ROW), and material sales (outside the ROW) during the construction phase for gasline construction and maintenance is indeterminate as the necessity, number and size of the permits or material sales are not known at this time.

DNR - EXCEPT DMLW - TRAVEL, CONTRACTUAL, SUPPLIES

Travel would be for public meeting, public hearings, agency coordination and monitoring of contractors performing field work and compliance oversight. Miscellaneous costs include aerial photos, satellite imagery, field supplies and maps. Other, contractual and supply costs include SPCO office space, telephones, core service charges and related expenses.

Department of Environmental Conservation

Summary of Cost for DEC

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	244.9	0.0	229.3	689.8	1,966.9	2,124.9	2,096.0
Travel	8.2	0.0	14.2	24.4	109.4	119.4	117.0
Services	22.7	0.0	159.6	71.3	230.9	351.1	352.4
Commodities	15.0	0.0	7.5	22.5	129.0	9.0	61.5
Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	290.8	0.0	410.6	808.0	2,436.2	2,604.4	2,626.9
Positions:	2.0	0.0	3.0	6.0	19.0	20.0	20.0

The primary impact of this bill on the Division of Air Quality is the fee authority for permitting for the Alaska Gasline Development Corporation. The bill also exempts air quality permits required under the federal Clean Air Act from certain provisions related to permit appeals. This provision is helpful in preventing conflicts with regards to our federally approved permitting program.

CS HB 9 (RES) would require pre-application assistance, data reviews, modeling, engineering plan review and approval for air quality permits in conjunction with development of the pipeline. The division assumes four construction applications in FY2014. This includes one Prevention of Significant Deterioration (PSD) permit and three Minor Source Specific (MSS) permits. Operation permits and compliance reviews would begin in FY2016.

Division of Environmental Health - Air Quality

Division of Environmental Health - Air Quality Component Number 2061

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	40.9		13.5	23.9	12.8	28.9	
Travel	3.2		3.2	2.4	2.4	2.4	
Services	10.5		143.9	1.4	0.8	33.7	
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	54.6	0.0	160.6	27.7	16.0	65.0	0.0

Personal Services:

The division assumes pre-application assistance will be provided by current staff (Environmental Program Manager III, and Environmental Program Specialist III) in FY13 and current staff will provide oversight of term contracts in FY2014 and FY2017.

Travel:

Program staff will do a limited amount of traveling to manage this program, such as project site trips.

Services:

Much of the work effort will be completed by term contractors, with oversight by current staff. The majority of contractual work effort would be provided in FY2014.

Division of Environmental Health - Drinking Water

Component Number	2066						
	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services					100.5	120.7	120.7
Travel					15.0	15.0	15.0
Services					8.0	9.2	9.2
Commodities					8.0	0.5	0.5
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	131.5	145.4	145.4
Positions:	0	0	0	0	1	1	1

Travel will be required to provide on-site reviews and compliance monitoring of the water systems for public health protection.

Contractual services include costs for training registrations and small contracts.

One-time costs to set up a new position are included in the first year only. Supplies necessary for training and inspections are included as well in this fiscal note.

Division of Environmental Health - Food Safety & Sanitation

Component Number **2343**

	FY13 Appropriati on Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY13	FY13	FY14	FY15	FY16
OPERATING EXPENDITURES							
Personal Services						89.8	107.8
Travel					15.0	15.0	15.0
Services					7.4	8.5	8.5
Commodities					8.0	0.5	0.5
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	120.2	131.8	131.8
Positions:	0	0	0	0	1	1	1

The primary impact of this bill on the Food Safety & Sanitation component will be an increase in the permitting and inspecting of labor camp kitchens and public accommodations.

Personal Services:

Ensuring these camps and facilities are permitted and inspected requires additional staffing. The Department will add one position to this component, an Environmental Health Officer III, to inspect and permit labor camp kitchens and public facilities. This position will be filled for 10 months the first year to allow for classification and recruitment time, and for 12 months each year thereafter.

Travel:

Travel will be required to provide technical assistance, inspect the labor camps and public facilities, and staff training and certification.

Services:

Contractual services include costs for training registrations and small contracts.

Commodities:

One-time costs to set up a new position are included in the first year only. Supplies necessary for training and inspections are included as well in this fiscal note.

Division of Environmental Health - Solid Waste Management

The primary impact of this bill on the Solid Waste Management component will be an increase in permitting the solid waste treatment facilities and landfills associated with pipeline construction. These facilities pose a high risk to human health and the environment. They are authorized to operate either by permit or plan approval, which allows the Solid Waste Program to ensure that these facilities meet the design and operational standards in the regulations. After an authorization is issued, the Program further assesses compliance with the regulations by conducting on-site inspections of these facilities.

Component Number 2344

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY13	FY14	FY15	FY16	FY17
OPERATING EXPENDITURES							
Personal Services					89.8	107.8	107.8
Travel					15.0	15.0	15.0
Services					7.4	8.5	8.5
Commodities					8.0	0.5	0.5
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	120.2	131.8	131.8
Positions:	0	0	0	0	1	1	1

The Department will add one position to this component, an Environmental Program Specialist III, to inspect solid waste treatment facilities and landfills. This position will be filled for 10 months in the first year to allow for classification and recruitment time, and for 12 months each year thereafter.

Travel will be required to inspect, provide technical assistance and compliance monitoring to the labor camps as well as training and certification for staff.

Contractual services include costs for training registrations and small contracts.

One-time costs to set up a new position are included in the first year only. Supplies necessary for training and inspections are included as well in this fiscal note.

Division of Spill Prevention & Response - Contaminated Sites

The Contaminated Sites component of the Division of Spill Prevention and Response would be required to research sites located within the proposed pipeline right-of-way and participate in the development of the Environmental Impact Statement. During construction of the pipeline, the program would conduct inspections, assessments and possibly cleanup oversight activities associated with contaminated soil and groundwater which may occur as a result of oil and hazardous substance releases at construction camps and other pipeline support infrastructure. This fiscal note assumes that construction of an in-state gasline would begin in FY16.

The program needs an Environmental Program Specialist II, Range 16, to research sites located within the proposed pipeline right-of-way, prepare input to the Environmental Impact Statements and conduct inspections.

Component Number 2386

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services			11.8	87.7	87.7	87.7	87.7
				6.0	6.0	6.0	6.0
			0.7	5.3	5.3	5.3	5.3
			7.5				
TOTAL OPERATING	0.0	0.0	20.0	99.0	99.0	99.0	99.0
Positions:	0	0	1	1	1	1	1

Travel will be required to conduct research and inspection activities will be necessary. The Department of Law would be consulted as needed. The Division would incur one time set-up costs for the new position identified above.

Division of Spill Prevention & Response - Industry Preparedness & Pipeline Operations
Component Number 1922

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services				278.7	278.7	364.4	364.4
				5.0	6.0	6.0	6.0
				16.7	22.7	22.7	22.7
				15.0		7.5	
TOTAL OPERATING	0.0	0.0	0.0	315.4	307.4	400.6	393.1
Positions:	0	0	0	2	2	3	3

The Industry Preparedness and Pipeline Operations component would be required to conduct contingency plan reviews, inspections, spill exercises and plan modifications/renewals as warranted. This fiscal note assumes that construction of an in-state gasline would begin in FY16.

The program needs one Technical Engineer/Architect II, Range 25, and an Environmental Engineer II, Range 23 in FY15 to review designs, contingency plans, exercises and plan modifications for the gas pipeline. An Environmental Program Specialist III, Range 18, will be needed in FY17 to inspect and issue renewals as warranted.

Travel to conduct inspections, permitting, and preparedness activities will be necessary.

The Department of Law would be consulted as needed.

The Division would incur one time set-up costs for each new position identified above.

Division of Spill Prevention & Response - Prevention & Emergency Response Program

Component Number 2064

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY13	FY13	FY14	FY15	FY16
OPERATING EXPENDITURES	FY13	FY13					
Personal Services				95.5	869.4	869.4	869.4
Travel			6.0	6.0	30.0	40.0	40.0
Services			2.8	35.7	133.0	216.9	251.9
Commodities				7.5	90.0		60.0
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	8.8	144.7	1,122.4	1,126.3	1,221.3
Positions:			0	0	0	1	9
						9	9

The Preparedness and Emergency Response Program would be required to increase inspection activities for pipeline camps, preparedness planning as well as response activities associated with the pipeline. This fiscal note assumes that construction of an in-state gasline would begin in FY16.

Personal Services:

The program needs one Environmental Program Specialist III, Range 18, beginning in FY15 to review and comment on permit activities for the pipeline camps. Eight Environmental Program Specialist III, Range 18 positions (four stationed in Fairbanks and four stationed in Anchorage) will be needed in FY16 for preparedness planning and to address response activities associated with pipeline camps during the construction and operational phases along the right-of-way.

Travel:

Travel to conduct inspections, permitting, and preparedness activities will be necessary.

Contractual Services:

The program assumes one Incident Management Team size response annually, annual training , and additional leased space for eight new positions in field camps or field offices in nearby communities. The Department of Law would be consulted as needed.

Commodities:

The Division would incur one time set-up costs for the new positions identified above as well as personal protection equipment for Arctic weather to be used during inspections. Additionally, the program will require the purchase of four vehicles in FY16, two staged in Anchorage and two staged in Fairbanks to conduct inspections of the pipeline, camps and for use in emergency responses. Wear and tear on these vehicles is expected to be high with an accelerated replacement schedule, therefore in FY18, the program will purchase two replacement vehicles.

Division of Water - Water Quality

Component Number		2062						
	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates					
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18	
Personal Services	204.0		204.0	204.0	438.2	438.2	438.2	
Travel	5.0		5.0	5.0	20.0	20.0	20.0	
Services	12.2		12.2	12.2	46.3	46.3	46.3	
Commodities	15.0				15.0			
Capital Outlay								
Grants, Benefits								
Miscellaneous								
TOTAL OPERATING	236.2	0.0	221.2	221.2	519.5	504.5	504.5	
Positions:	2	0	2	2	4	4	4	

CS HB 9 (RES) would require approval for wastewater treatment systems constructed in conjunction with the development of the pipeline. The Department would be responsible for authorizing permit coverage for up to four separate wastewater permits for discharges from sinks and showers, drinking water treatment plants, domestic treatment plants, and discharges associated with dewatering activities. Project planning will start in 2013 and require two permitting positions. Construction will start in 2016 and require one engineering and one compliance position. Plan reviews and compliance inspections would occur during construction, with periodic inspections post construction. Assumptions are based on the proposed AGIA schedule.

Personal Services:

The Division of Water would need an Environmental Program Specialists IV, Range 20, and an Environmental Program Specialist III, Range 18, to write permits. Beginning in FY16, one

Environmental Engineer I, Range 22 would be needed to review plans and one Environmental Program Specialist IV, Range 20, would be needed to conduct inspections.

Travel:

Division staff will need to travel to attend meetings, trainings and conduct inspections.

Contractual Services:

Department of Law would be consulted as needed.

Commodities:

Includes one-time set up costs for two positions in FY13 and two positions in FY16.

Department of Transportation and Public Facilities

The Department is a member of the Joint in-state Gas Pipeline Development Team and is tasked with determining status of current right-of-way (ROW), expediting permits for use of the ROW and overseeing construction to insure compliance with federal and state permit requirements. It is anticipated that DOT&PF will assist in determining the needs for and acquisition of additional ROW.

Statewide Engineering and Design

Component

Number

2357

	FY13 Appropriation Requested	Included in Governor's FY13 Request	Out-Year Cost Estimates				
			FY14	FY15	FY16	FY17	FY18
OPERATING EXPENDITURES	FY13	FY13	FY14	FY15	FY16	FY17	FY18
Personal Services	356.6		356.6	356.6	356.6		
Travel	45.0		45.0	45.0	45.0		
Services	1,007.5		1,010.0	1,010.0	10.0		
Commodities	22.5						
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	1,431.6	0.0	1,411.6	1,411.6	411.6	0.0	0.0
Positions:	3		3	3	3		

An Engineer V will serve as the technical expert for the Commissioner of DOT&PF, manage consultant activities and oversee regional staff who will be issuing permits and authorizations. An Environmental Impact Analysis Manager will oversee work done in the ROW to insure compliance with federal and state requirements, insure our processes provide for rapid permitting decisions and no delays in construction. An administrative assistant will assist with the day to day activities of the two professionals.

Staff travel for coordinated meetings, on-site inspections, surveying and associated duties.

DOT&PF estimates 30% of the pipeline may not be economically or efficiently located within the designated state ROW. Of that 30%, it is estimated that 30% must be acquired by acquisitions with appraisals, surveys, and condemnation authority resulting in between 60 to 125 miles of ROW to be identified, appraised, and negotiated. For this fiscal note, DOT&PF assumes, as a ROW owner, that DOT&PF will coordinate the contracts for these services and estimates a cost of 2,000.0 over three years. This does not include acquisition costs. DOT&PF assumes that DNR will require surveys and applications for use of material sites. The estimate for consulting services is \$1,000.00. This does not include the capital costs for acquisition of material sites.

Additional contractual costs are for annual core service costs (\$7.5) . In FY2014, contractual costs increase (\$2.5) for annual maintenance costs for copier, printer and fax machine.