



AK LNG: Potential State Revenues and Debt Capacity

**Supplemental Slides for the Senate Finance
Committee**

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Corrected

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Fiscal Impacts - Overview

This presentation aims to tie together several different sources of analysis, to provide a comprehensive overview of AK LNG project fiscal impacts to the state.

Fiscal Impact Analysis

Fall 2013 Revenue Forecast + AK LNG

Alaska Department of Revenue, Tax Division

Black and Veatch

AK LNG Debt Capacity

*Alaska Department of Revenue, Treasury
Division*

Black and Veatch

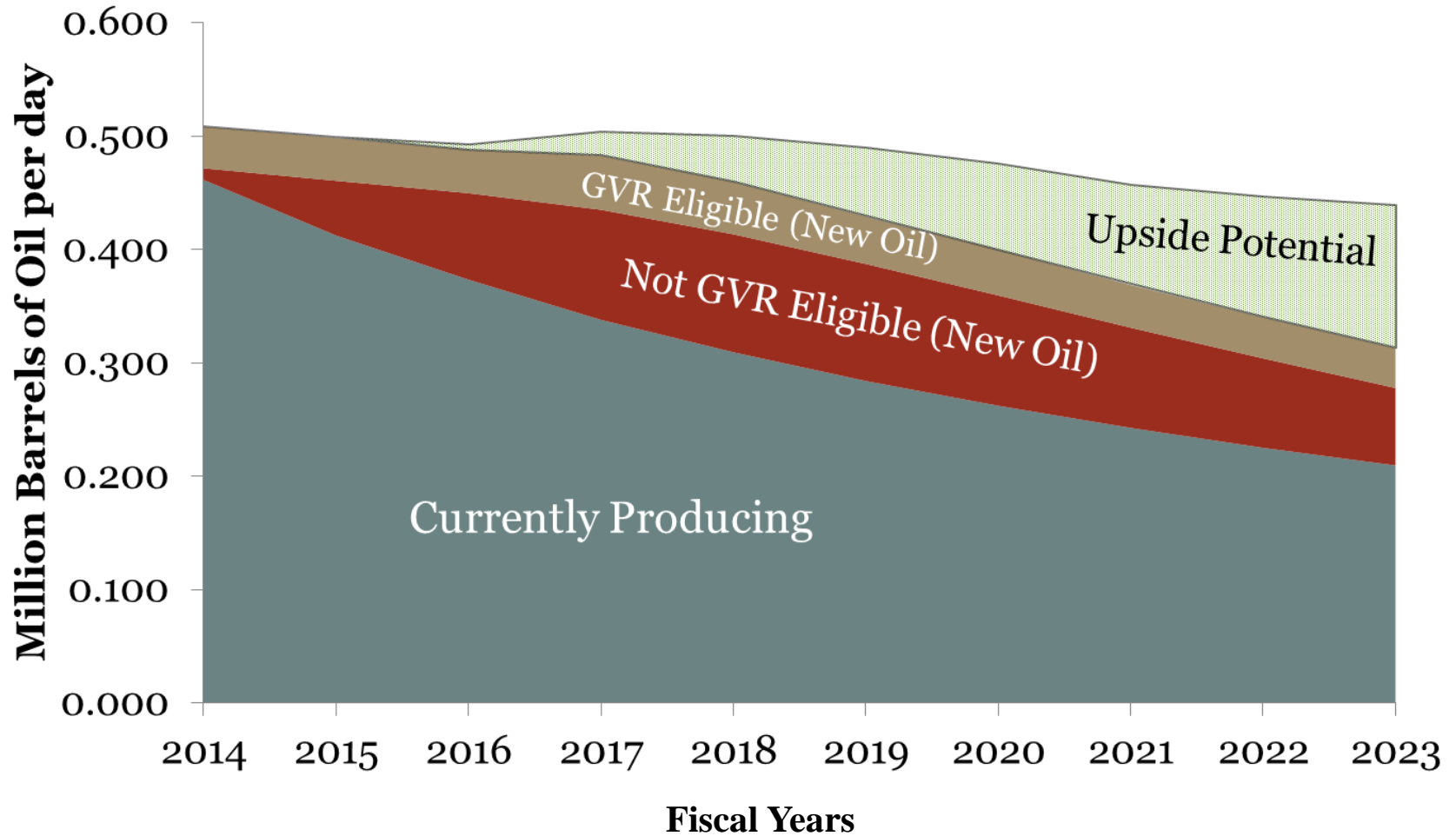
A note on uncertainty....

- Goal: To give a **reasonable** view of how the AKLNG project could impact Alaska's financial position both over the:
 - short term (next few years),
 - mid term (next decade), and
 - long term (to 2040 and beyond)
- Analysis presented represent a set of scenarios taken from a range of possible outcomes
- Different assumptions may produce significantly different results.
- Department of Revenue and consultants are in the process of refining this analysis. As a result, future analysis could have different results.

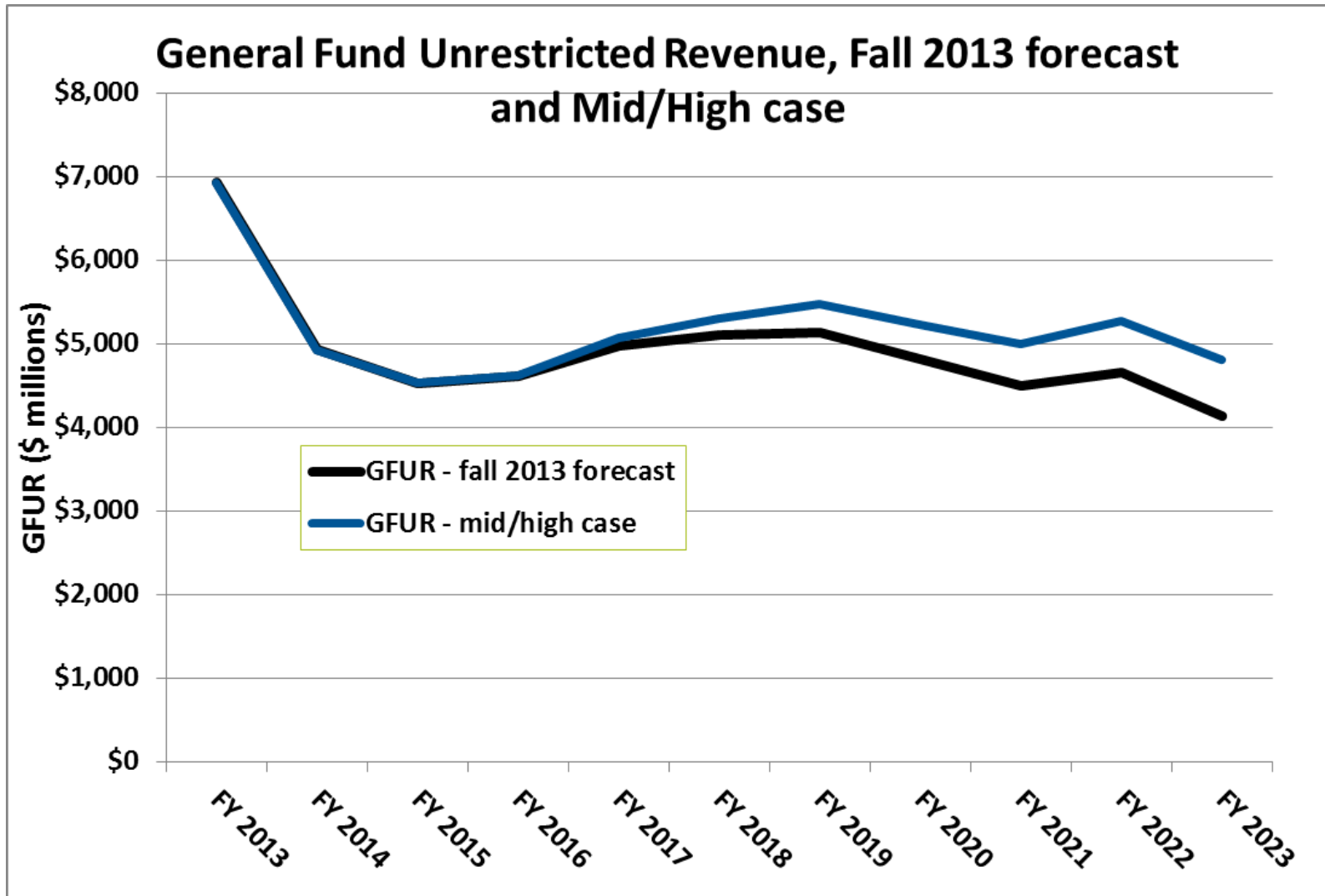
AKLNG – Long term potential: Assumptions

- Incremental analysis: Gas revenues forecasted independent of oil
- Long-term forecast assumes the following trends for oil and gas related revenues
 - Oil revenues – GFUR mid/high case through 2024, then trend from 2020-2024 projected forward (decline of ~2%/yr)
 - Gas revenues – AKLNG Project revenues assumed to begin in 2024
- Assumptions underlying gas revenues
 - AKLNG project comes online in 2024
 - Capital cost of AKLNG Project (GTP, Pipeline and LNG Plant) = \$55 billion in nominal dollars.
 - Export volume of 2.5 Bcf/d and in-state volume of 0.25 Bcf/d
 - Oil price = \$90/bbl in 2013\$ growing at 2.5% a year; LNG Price (\$/MMBtu) = 13.5%*Oil Price + \$1
 - GFUR is assumed to include 75% of royalties, 25% of property tax, 100% of state corporate income tax, production tax and return on equity on AKLNG project investment
- Three different scenarios for State equity participation:
 - Go it alone – State holds 20%-25% equity stake in GTP, Pipeline and LNG Plant
 - TC with no buy back – TC holds 20%-25% equity stake in GTP and Pipeline, State holds 20-25%% equity stake in LNG Plant
 - TC with buy back – initially, TC holds 20%-25% equity stake in GTP and Pipeline, State holds 20%-25% equity stake in LNG Plant. State buys back 30%-40% of TC's stake at beginning of FEED

NORTH SLOPE PRODUCTION FORECAST

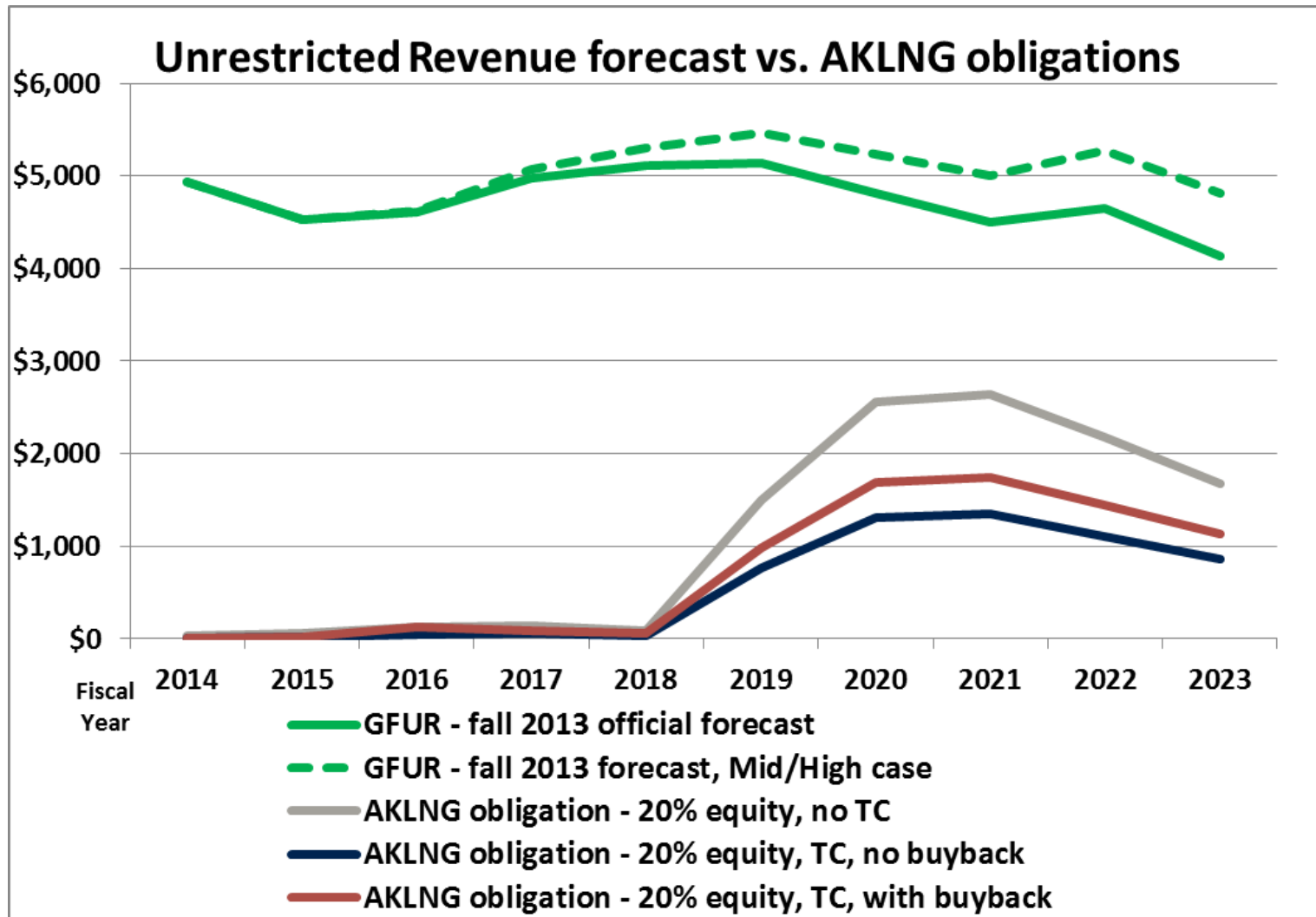


REVENUE FORECAST – OFFICIAL, AND MID/HIGH CASE



Source: Department of Revenue. Official forecast from Revenue Sources Book Fall 2013. Mid/high case uses a production assumption midway between the fall 2013 official “risked” forecast, and an unrisked, independent technical assessment provided to the Department.

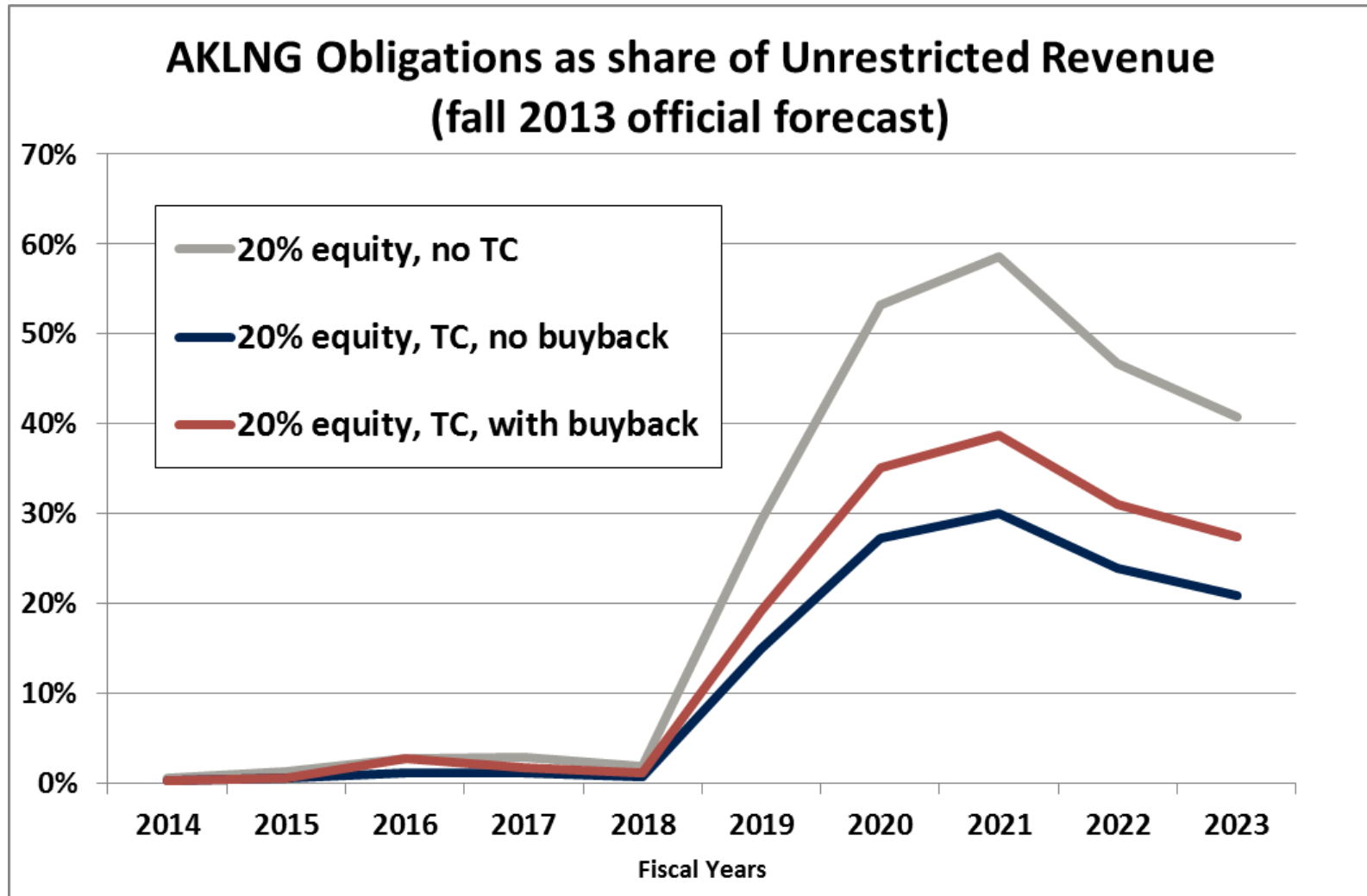
REVENUE FORECAST VS AKLNG OBLIGATIONS @ 20% STATE OWNERSHIP IN MILLIONS OF DOLLARS



Source: Department of Revenue - Revenue Sources Book Fall 2013; Black and Veatch.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

AKLNG OBLIGATIONS VS. GFUR FORECAST @ 20% STATE OWNERSHIP



Source: Department of Revenue - Revenue Sources Book Fall 2013; Black and Veatch.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

AKLNG OBLIGATIONS vs. GFUR FORECAST @ 20% STATE OWNERSHIP IN MILLIONS OF DOLLARS.

Unrestricted Revenue Forecast vs. AKLNG Obligations

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
GFUR - fall 2013 official forecast \$ millions	\$ 4,930	\$ 4,532	\$ 4,609	\$ 4,981	\$ 5,105	\$ 5,135	\$ 4,810	\$ 4,503	\$ 4,654	\$ 4,129
GFUR - fall 2013 forecast, Mid/High case \$millions	\$ 4,930	\$ 4,532	\$ 4,620	\$ 5,070	\$ 5,300	\$ 5,470	\$ 5,230	\$ 5,000	\$ 5,270	\$ 4,810

AKLNG obligation - 20% equity, no TC \$millions	\$ 28	\$ 58	\$ 123	\$ 144	\$ 93	\$ 1,493	\$ 2,563	\$ 2,640	\$ 2,175	\$ 1,680
AKLNG obligation - 20% equity, TC, no buyback \$millions	\$ 11	\$ 23	\$ 49	\$ 58	\$ 37	\$ 763	\$ 1,310	\$ 1,349	\$ 1,112	\$ 859
AKLNG obligation - 20% equity, TC, with buyback \$millions	\$ 11	\$ 23	\$ 145	\$ 90	\$ 58	\$ 1,037	\$ 1,782	\$ 1,842	\$ 1,530	\$ 1,200

Obligation % of GFUR - 20% equity, no TC	1%	1%	3%	3%	2%	29%	53%	59%	47%	41%
Obligation % of GFUR -20% equity, TC, no buyback	0%	1%	1%	1%	1%	15%	27%	30%	24%	21%
Obligation % of GFUR -20% equity, TC, with buyback	0%	1%	3%	2%	1%	20%	37%	41%	33%	29%

Source: Department of Revenue - Revenue Sources Book Fall 2013; Black and Veatch.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

AKLNG OBLIGATIONS VS. GFUR FORECAST @ 20% STATE OWNERSHIP IN BILLIONS OF DOLLARS.

Unrestricted Revenue Forecast vs. AKLNG Obligations

	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
GFUR - fall 2013 official forecast \$billions	\$ 4.9	\$ 4.5	\$ 4.6	\$ 5.0	\$ 5.1	\$ 5.1	\$ 4.8	\$ 4.5	\$ 4.7	\$ 4.1
GFUR - fall 2013 forecast, Mid/High case \$billions	\$ 4.9	\$ 4.5	\$ 4.6	\$ 5.1	\$ 5.3	\$ 5.5	\$ 5.2	\$ 5.0	\$ 5.3	\$ 4.8

AKLNG obligation - 20% equity, no TC \$billions	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1	\$ 1.5	\$ 2.6	\$ 2.6	\$ 2.2	\$ 1.7
AKLNG obligation - 20% equity, TC, no buyback \$billions	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.0	\$ 0.8	\$ 1.3	\$ 1.3	\$ 1.1	\$ 0.9
AKLNG obligation - 20% equity, TC, with buyback \$billions	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 1.0	\$ 1.8	\$ 1.8	\$ 1.5	\$ 1.2

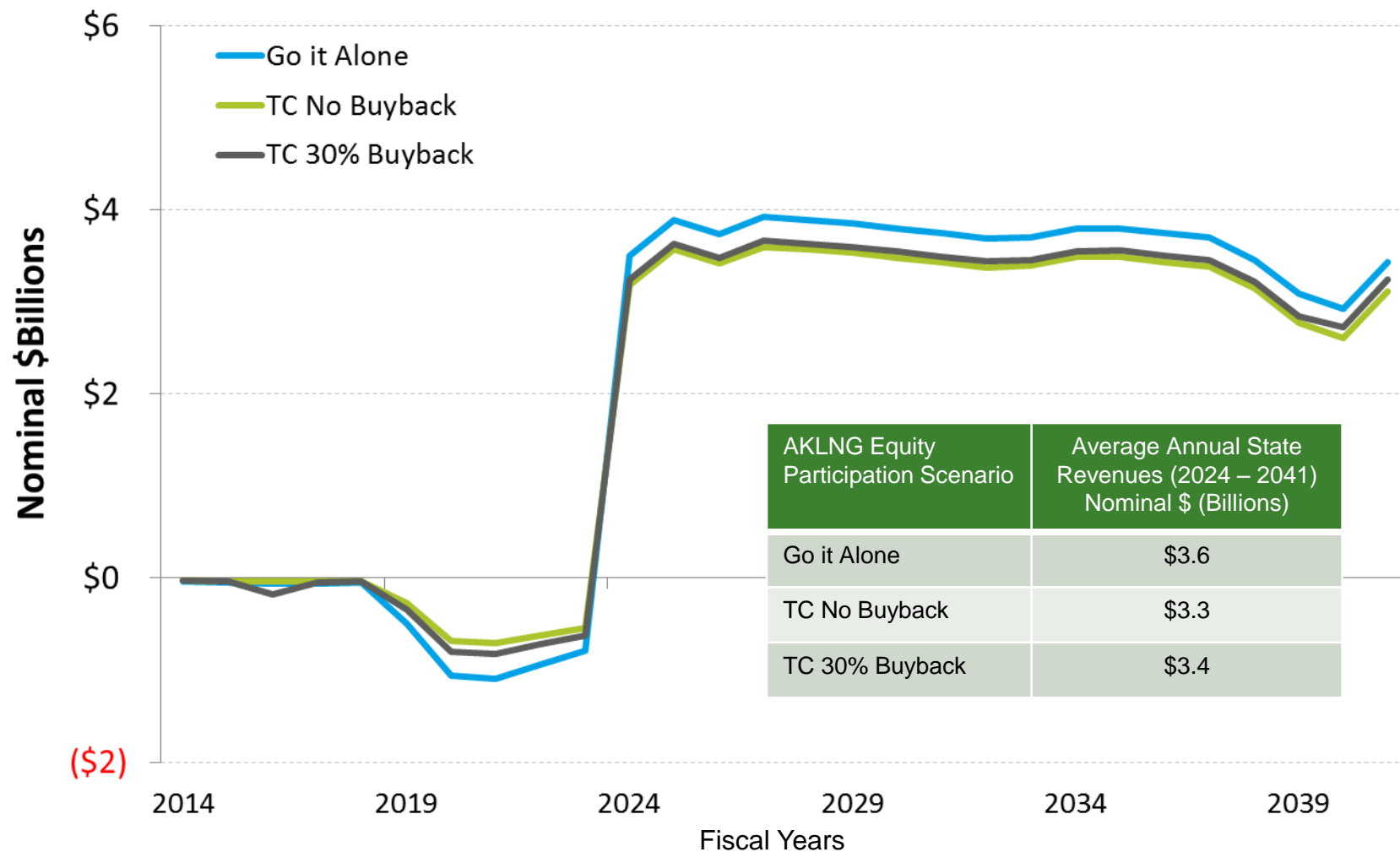
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Source: Department of Revenue - Revenue Sources Book Fall 2013; Black and Veatch.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

AKLNG – Long term potential

20% Equity Alternative SOA Cash Flow Forecast



Source: Black and Veatch. Based on assumed 70%/30% financing split for debt/equity.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

AKLNG – Long term potential – 20% equity

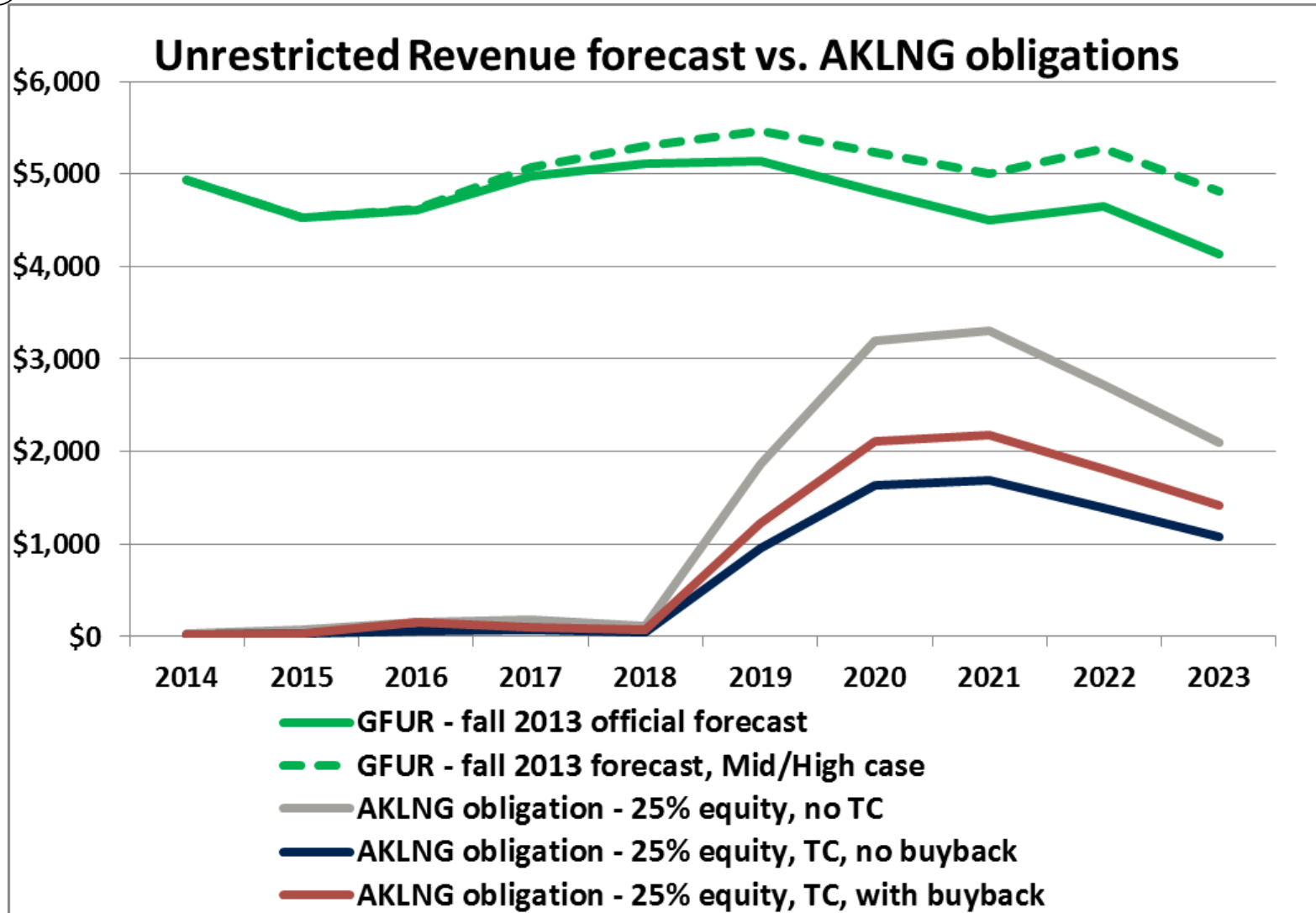
in *Millions of Dollars*

Equity Alternative 20% - State Go It Alone		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Royalty	[mm\$/yr]	\$1,230	\$1,380	\$1,360	\$1,380	\$1,410	\$1,440	\$1,460	\$1,490	\$1,510	\$1,540	\$1,570	\$1,590	\$1,620	\$1,650	\$1,690	\$1,720	\$1,760	\$1,800
Production Tax	[mm\$/yr]	\$330	\$550	\$540	\$710	\$670	\$630	\$570	\$520	\$470	\$500	\$590	\$600	\$550	\$500	\$240	(\$160)	(\$320)	\$120
SCIT	[mm\$/yr]	\$170	\$190	\$190	\$200	\$210	\$230	\$230	\$240	\$250	\$260	\$270	\$280	\$290	\$290	\$300	\$320	\$340	\$420
Total Property Tax	[mm\$/yr]	\$1,060	\$1,070	\$960	\$940	\$930	\$900	\$880	\$860	\$830	\$800	\$770	\$730	\$700	\$680	\$670	\$660	\$620	\$580
Project Ownership	[mm\$/yr]	\$700	\$690	\$680	\$670	\$660	\$650	\$640	\$630	\$620	\$610	\$600	\$590	\$580	\$570	\$550	\$540	\$530	\$520
Total SOA Net Cash Flow	[mm\$/yr]	\$3,490	\$3,880	\$3,730	\$3,900	\$3,880	\$3,850	\$3,780	\$3,740	\$3,680	\$3,710	\$3,800	\$3,790	\$3,740	\$3,690	\$3,450	\$3,080	\$2,930	\$3,440
Equity Alternative 20% - TC No Buy Back		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Royalty	[mm\$/yr]	\$1,170	\$1,320	\$1,300	\$1,330	\$1,350	\$1,380	\$1,400	\$1,430	\$1,450	\$1,480	\$1,510	\$1,540	\$1,560	\$1,600	\$1,630	\$1,660	\$1,700	\$1,740
Production Tax	[mm\$/yr]	\$300	\$520	\$510	\$680	\$640	\$600	\$540	\$490	\$440	\$460	\$560	\$570	\$510	\$470	\$210	(\$190)	(\$360)	\$90
SCIT	[mm\$/yr]	\$170	\$190	\$190	\$200	\$210	\$230	\$230	\$240	\$250	\$260	\$270	\$280	\$290	\$290	\$300	\$320	\$340	\$420
Total Property Tax	[mm\$/yr]	\$1,160	\$1,170	\$1,060	\$1,040	\$1,020	\$990	\$970	\$940	\$910	\$880	\$840	\$810	\$770	\$750	\$730	\$720	\$670	\$620
Project Ownership	[mm\$/yr]	\$360	\$360	\$350	\$350	\$340	\$340	\$330	\$320	\$320	\$310	\$300	\$300	\$290	\$280	\$270	\$260	\$260	\$250
Total SOA Net Cash Flow	[mm\$/yr]	\$3,160	\$3,560	\$3,410	\$3,600	\$3,560	\$3,540	\$3,470	\$3,420	\$3,370	\$3,390	\$3,480	\$3,500	\$3,420	\$3,390	\$3,140	\$2,770	\$2,610	\$3,120
Equity Alternative 20% - TC with Buy Back		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Royalty	[mm\$/yr]	\$1,170	\$1,320	\$1,300	\$1,330	\$1,350	\$1,380	\$1,400	\$1,430	\$1,450	\$1,480	\$1,510	\$1,540	\$1,560	\$1,600	\$1,630	\$1,660	\$1,700	\$1,740
Production Tax	[mm\$/yr]	\$300	\$520	\$510	\$680	\$640	\$600	\$540	\$490	\$440	\$460	\$560	\$570	\$510	\$470	\$210	(\$190)	(\$360)	\$90
SCIT	[mm\$/yr]	\$170	\$190	\$190	\$200	\$210	\$230	\$230	\$240	\$250	\$260	\$270	\$280	\$290	\$290	\$300	\$320	\$340	\$420
Total Property Tax	[mm\$/yr]	\$1,160	\$1,170	\$1,060	\$1,040	\$1,020	\$990	\$970	\$940	\$910	\$880	\$840	\$810	\$770	\$750	\$730	\$720	\$670	\$620
Project Ownership	[mm\$/yr]	\$460	\$450	\$450	\$440	\$430	\$430	\$420	\$410	\$410	\$400	\$390	\$380	\$380	\$370	\$360	\$350	\$390	\$390
Total SOA Net Cash Flow	[mm\$/yr]	\$3,260	\$3,650	\$3,510	\$3,690	\$3,650	\$3,630	\$3,560	\$3,510	\$3,460	\$3,480	\$3,570	\$3,580	\$3,510	\$3,480	\$3,230	\$2,860	\$2,740	\$3,260

Source: Black and Veatch. Based on assumed 70%/30% financing split for debt/equity.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

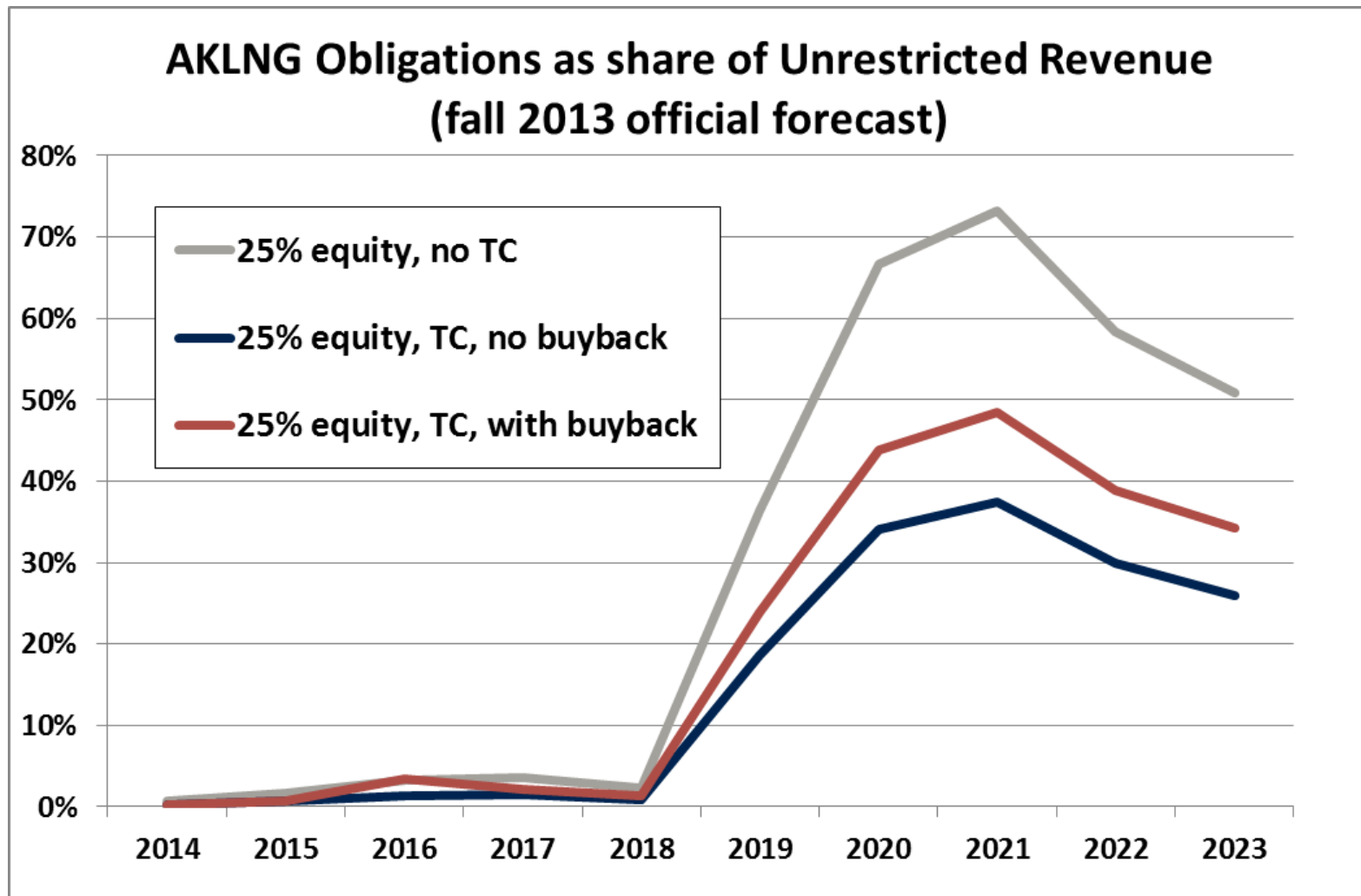
REVENUE FORECAST VS AKLNG OBLIGATIONS @ 25% STATE OWNERSHIP IN MILLIONS OF DOLLARS



Source: Department of Revenue - Revenue Sources Book Fall 2013; Black and Veatch.

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AKLNG OBLIGATIONS VS. GFUR FORECAST @ 25% STATE OWNERSHIP



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AKLNG obligation - 25% equity, no TC \$millions	\$ 35	\$ 73	\$ 153	\$ 180	\$ 116	\$ 1,866	\$ 3,203	\$ 3,300	\$ 2,719	\$ 2,100
AKLNG obligation - 25% equity, TC, no buyback \$millions	\$ 14	\$ 29	\$ 61	\$ 72	\$ 46	\$ 954	\$ 1,637	\$ 1,686	\$ 1,390	\$ 1,073
AKLNG obligation - 25% equity, TC, with buyback \$millions	\$ 14	\$ 29	\$ 158	\$ 105	\$ 67	\$ 1,227	\$ 2,109	\$ 2,179	\$ 1,808	\$ 1,415

Obligation % of GFUR - 25% equity, no TC	1%	2%	3%	4%	2%	36%	67%	73%	58%	51%
Obligation % of GFUR - 25% equity, TC, no buyback	0%	1%	1%	1%	1%	19%	34%	37%	30%	26%
Obligation % of GFUR - 25% equity, TC, with buyback	0%	1%	3%	2%	1%	24%	44%	48%	39%	34%

Source: Department of Revenue - Revenue Sources Book Fall 2013; Black and Veatch.

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AKLNG OBLIGATIONS VS. GFUR FORECAST @ 25% STATE OWNERSHIP IN BILLIONS OF DOLLARS.

Unrestricted Revenue Forecast vs. AKLNG Obligations

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GFUR - fall 2013 forecast, Mid/High case \$billions	\$ 4.9	\$ 4.5	\$ 4.6	\$ 5.1	\$ 5.3	\$ 5.5	\$ 5.2	\$ 5.0	\$ 5.3	\$ 4.8

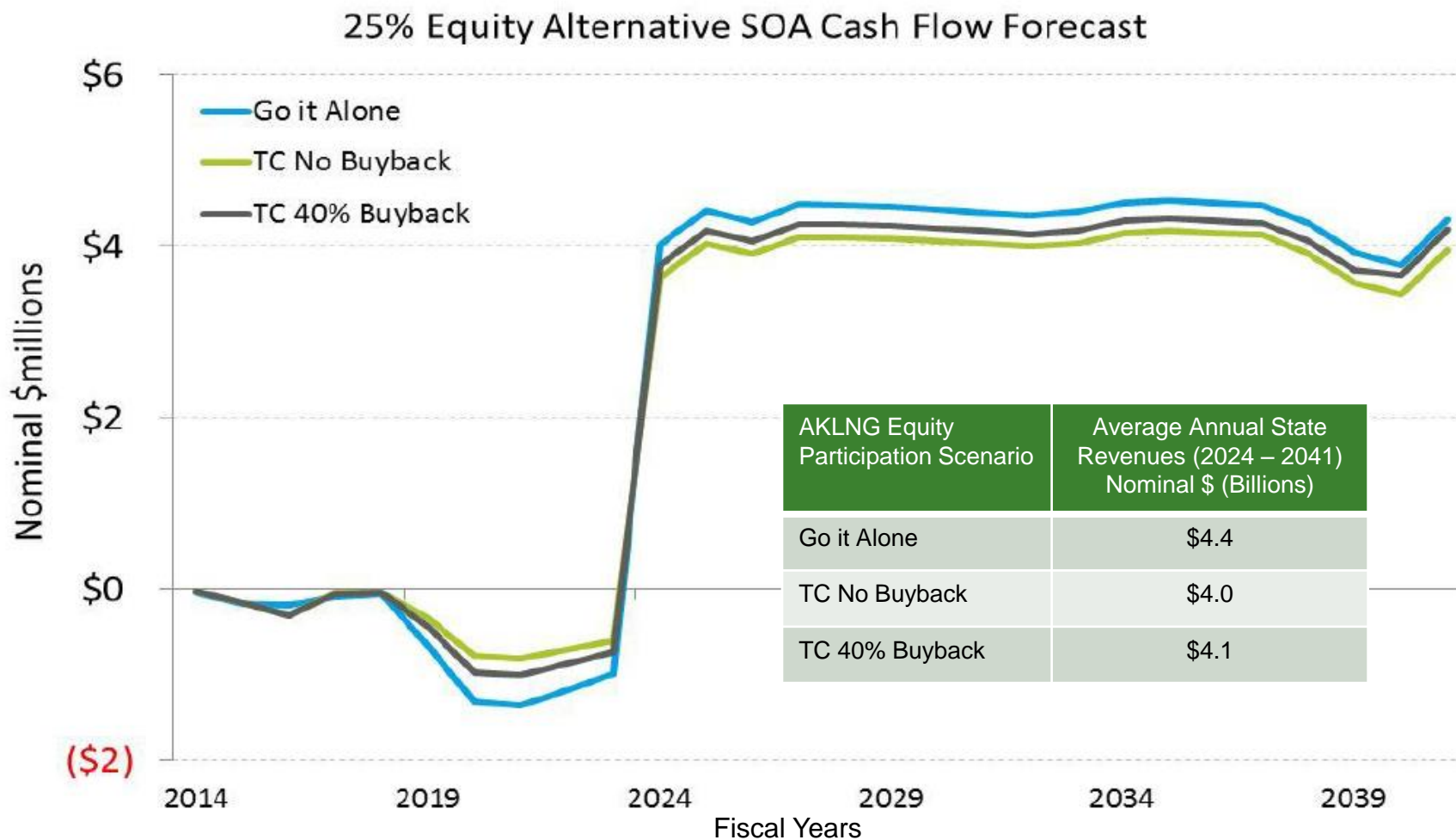
AKLNG obligation - 25% equity, no TC \$billions	\$ 0.0	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.1	\$ 1.9	\$ 3.2	\$ 3.3	\$ 2.7	\$ 2.1
AKLNG obligation - 25% equity, TC, no buyback \$billions	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.0	\$ 1.0	\$ 1.6	\$ 1.7	\$ 1.4	\$ 1.1
AKLNG obligation - 25% equity, TC, with buyback \$billions	\$ 0.0	\$ 0.0	\$ 0.2	\$ 0.1	\$ 0.1	\$ 1.2	\$ 2.1	\$ 2.2	\$ 1.8	\$ 1.4

Obligation % of GFUR - 25% equity, no TC	1%	2%	3%	4%	2%	36%	67%	73%	58%	51%
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Source: Department of Revenue - Revenue Sources Book Fall 2013; Black and Veatch.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

AKLNG – Long term potential



Source: Black and Veatch. Based on assumed 70%/30% financing split for debt/equity.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

AKLNG – Long term potential – 25% equity

in *Millions of Dollars*

Equity Alternative 25% - State Go It Alone		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Royalty	[mm\$/yr]	\$1,230	\$1,380	\$1,360	\$1,380	\$1,410	\$1,440	\$1,460	\$1,490	\$1,510	\$1,540	\$1,570	\$1,590	\$1,620	\$1,650	\$1,690	\$1,720	\$1,760	\$1,800
Production Tax	[mm\$/yr]	\$750	\$990	\$1,000	\$1,200	\$1,180	\$1,160	\$1,130	\$1,100	\$1,070	\$1,120	\$1,240	\$1,280	\$1,250	\$1,230	\$1,000	\$630	\$490	\$970
SCIT	[mm\$/yr]	\$160	\$180	\$180	\$190	\$200	\$210	\$220	\$230	\$230	\$240	\$250	\$260	\$270	\$270	\$280	\$290	\$310	\$390
Total Property Tax	[mm\$/yr]	\$1,000	\$1,010	\$910	\$900	\$880	\$860	\$840	\$810	\$790	\$760	\$730	\$690	\$670	\$640	\$640	\$630	\$590	\$550
Project Ownership	[mm\$/yr]	\$880	\$860	\$850	\$840	\$830	\$820	\$800	\$790	\$780	\$760	\$750	\$740	\$720	\$710	\$690	\$680	\$660	\$650
Total SOA Net Cash Flow	[mm\$/yr]	\$4,020	\$4,420	\$4,300	\$4,510	\$4,500	\$4,490	\$4,450	\$4,420	\$4,380	\$4,420	\$4,540	\$4,560	\$4,530	\$4,500	\$4,300	\$3,950	\$3,810	\$4,360
Equity Alternative 25% - TC No Buy Back		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Royalty	[mm\$/yr]	\$1,170	\$1,320	\$1,300	\$1,330	\$1,350	\$1,380	\$1,400	\$1,430	\$1,450	\$1,480	\$1,510	\$1,540	\$1,560	\$1,600	\$1,630	\$1,660	\$1,700	\$1,740
Production Tax	[mm\$/yr]	\$700	\$940	\$950	\$1,140	\$1,120	\$1,100	\$1,070	\$1,040	\$1,020	\$1,070	\$1,190	\$1,220	\$1,200	\$1,180	\$940	\$570	\$440	\$920
SCIT	[mm\$/yr]	\$160	\$180	\$180	\$190	\$200	\$210	\$220	\$230	\$230	\$240	\$250	\$260	\$270	\$270	\$280	\$290	\$310	\$390
Total Property Tax	[mm\$/yr]	\$1,130	\$1,140	\$1,030	\$1,010	\$990	\$970	\$950	\$920	\$890	\$860	\$820	\$790	\$750	\$730	\$720	\$710	\$660	\$610
Project Ownership	[mm\$/yr]	\$460	\$450	\$440	\$440	\$430	\$420	\$410	\$410	\$400	\$390	\$380	\$370	\$360	\$350	\$340	\$330	\$320	\$310
Total SOA Net Cash Flow	[mm\$/yr]	\$3,620	\$4,030	\$3,900	\$4,110	\$4,090	\$4,080	\$4,050	\$4,030	\$3,990	\$4,040	\$4,150	\$4,180	\$4,140	\$4,130	\$3,910	\$3,560	\$3,430	\$3,970
Equity Alternative 25% - TC with Buy Back		2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Royalty	[mm\$/yr]	\$1,170	\$1,320	\$1,300	\$1,330	\$1,350	\$1,380	\$1,400	\$1,430	\$1,450	\$1,480	\$1,510	\$1,540	\$1,560	\$1,600	\$1,630	\$1,660	\$1,700	\$1,740
Production Tax	[mm\$/yr]	\$700	\$940	\$950	\$1,140	\$1,120	\$1,100	\$1,070	\$1,040	\$1,020	\$1,070	\$1,190	\$1,220	\$1,200	\$1,180	\$940	\$570	\$440	\$920
SCIT	[mm\$/yr]	\$160	\$180	\$180	\$190	\$200	\$210	\$220	\$230	\$230	\$240	\$250	\$260	\$270	\$270	\$280	\$290	\$310	\$390
Total Property Tax	[mm\$/yr]	\$1,130	\$1,140	\$1,030	\$1,010	\$990	\$970	\$950	\$920	\$890	\$860	\$820	\$790	\$750	\$730	\$720	\$710	\$660	\$610
Project Ownership	[mm\$/yr]	\$610	\$600	\$600	\$590	\$580	\$570	\$560	\$550	\$540	\$530	\$530	\$520	\$510	\$500	\$490	\$480	\$550	\$540
Total SOA Net Cash Flow	[mm\$/yr]	\$3,770	\$4,180	\$4,060	\$4,260	\$4,240	\$4,230	\$4,200	\$4,170	\$4,130	\$4,180	\$4,300	\$4,330	\$4,290	\$4,280	\$4,060	\$3,710	\$3,660	\$4,200

Source: Black and Veatch. Based on assumed 70%/30% financing split for debt/equity.

Assumes obligation is due in the corresponding fiscal year; i.e. CY 2019 obligation in FY 2019, etc.

Current Debt Servicing & Capacity

Debt capacity: Current debt outstanding

\$6.6 to \$8.1 Billion in Outstanding State Debt 1999-2014 Summarized by category in millions

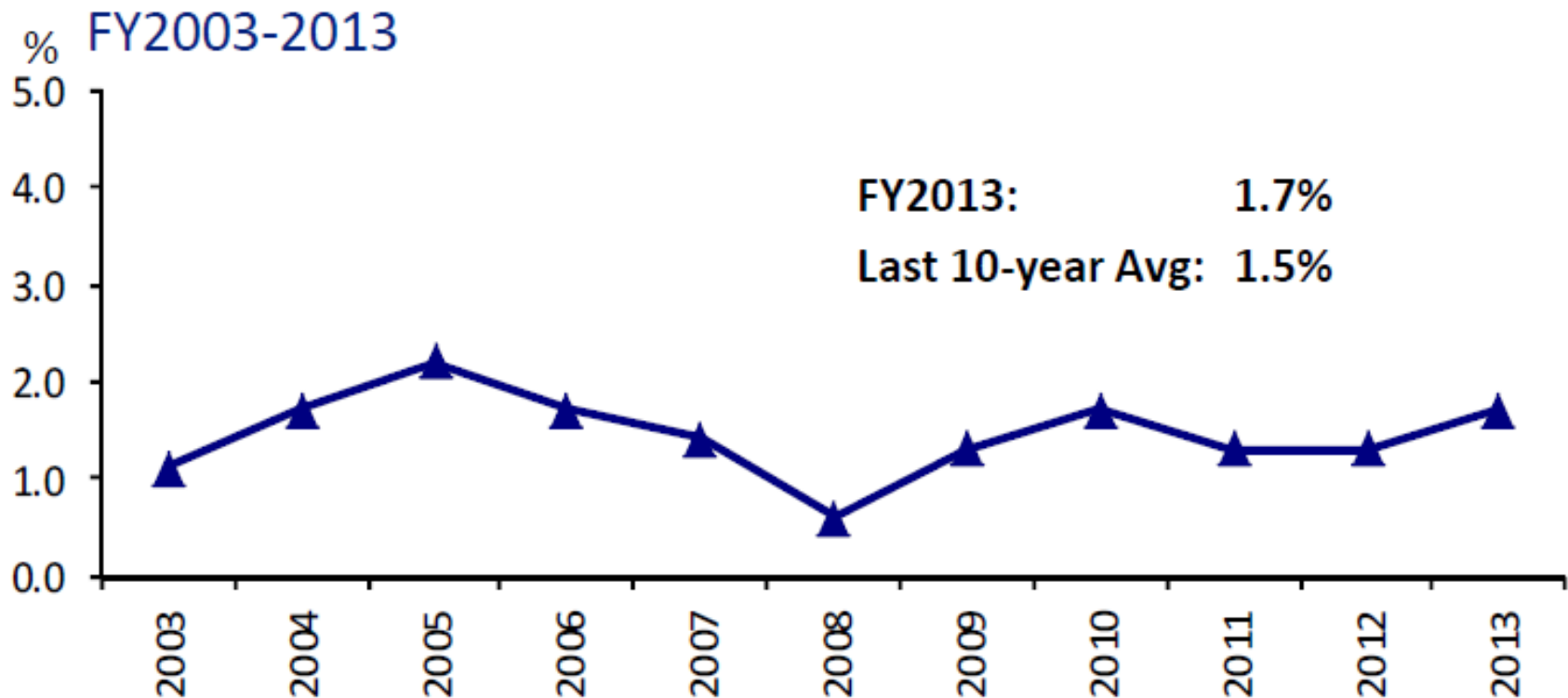
	<u>1999</u>	<u>2014</u>	
• General Obligation	2.4	840.2	(additional \$303 million authorized but unissued)
• State Supported (leases & school debt reimbursement)	459.1	1,195.0	
• State Guaranteed (Veteran's Mortgage Program)	391.0	102.1	(additional \$695 million authorized but unissued)
• State Moral Obligation (AMBBA, AEA, ASLC)	763.1	1,200.7	
• State Revenue (AIAS & Sport Fishing Hatcheries)	210.4	595.7	
• University	85.7	190.5	
• State Agency (AHFC, AMBBA, ARR, NTSC)	767.5	543.3	
• State Agency Collateralized (AHFC, AIDEA)	1,983.8	2,312.2	
• Municipal	2,303.4	3,150.6*	

Source: Alaska Public Debt Book, Table 1.1

*\$2.0 billion of Municipal Debt is also included primarily in the State Supported, and State Moral Obligation categories

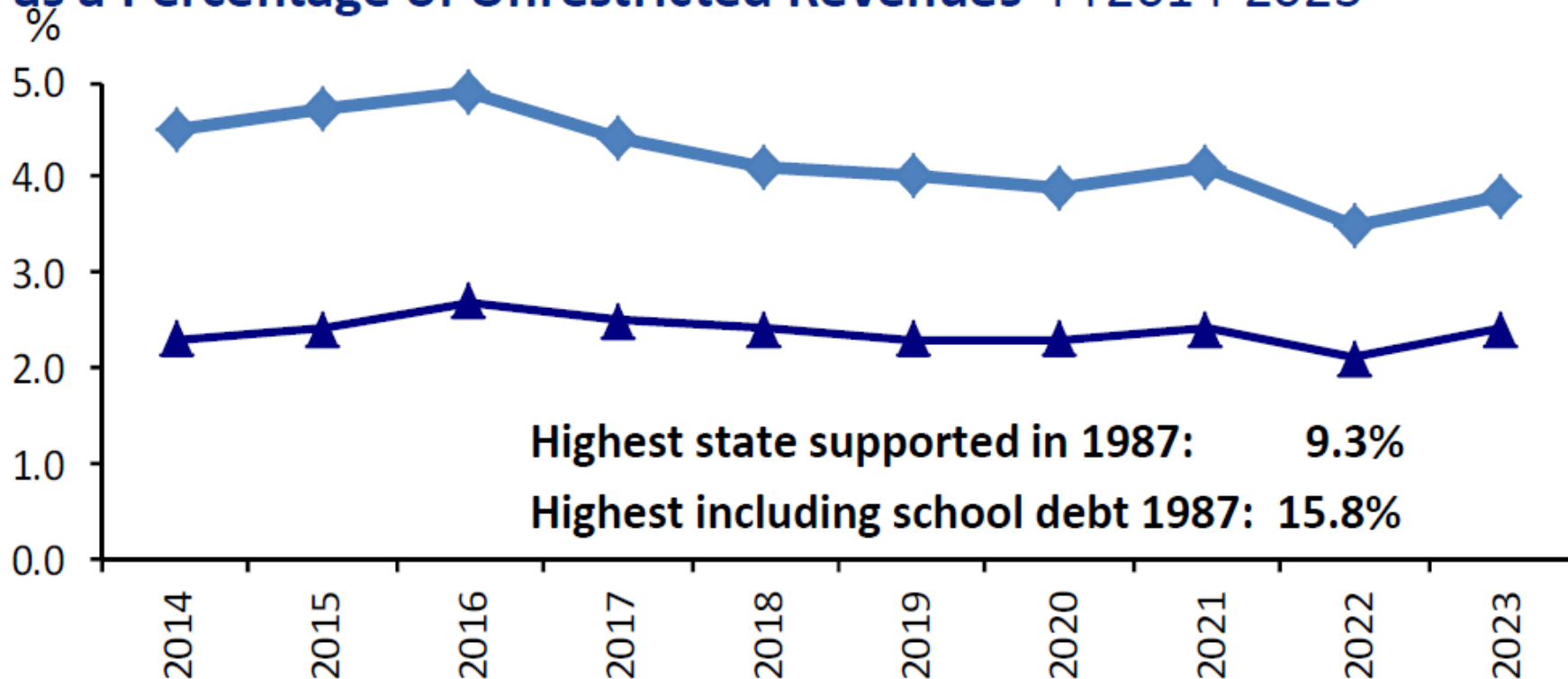
Debt capacity: Historically, debt service has been low relative to revenue

Historical Total State Debt Service (G.O. and State Supported) as a Percentage of Unrestricted Revenues¹



Debt capacity: Projected debt service

Projected State Debt Service (G.O. Plus State Supported compared to G.O., State Supported, & School Debt Reimbursement) as a Percentage of Unrestricted Revenues¹ FY2014-2023



Financial Management and Debt Metrics

The State has a long track record of conservative debt practices

- G.O. bonds carry pledge of full faith, credit and resources of the State
 - State policy limits debt service to less than 8% of General Fund unrestricted revenue
 - Debt service as a percentage of unrestricted General Fund revenues has remained low for 15 years
 - 10-year average 1.5%; FY2013 was 1.7% (3.3% including school debt reimbursements)
- Use of executive power to control expenses
- Historical Preference for utilizing pay-as-you-go funding versus debt
- Current and Future borrowing:
 - 2012 G.O. Authorization for State transportation projects (up to \$453 million)
 - Issued \$149.6 million Bond Anticipation Note in March 2013
 - Anticipate issuing up to \$230 million Bond Anticipation Note in March 2014 and \$35 million Certificate of Participation in April 2014
- State financial support has been discussed for a number of strategic capital initiatives

CAN THE STATE GO IT ALONE?

- STATE'S DEBT CAPACITY



- **Financing the State's share of the AKLNG Project on the State's balance sheet – key issues:**
 - At what cost of debt?
 - Debt servicing as what % of general fund unrestricted revenue?

Scenario 1 (lower interest)

- SOA Debt at 4.6%
- Debt Service limited to 3% of GFUR

Scenario 2

- SOA Debt at 4.9%
- Debt Service limited to 5% of GFUR

Scenario 3 (higher interest)

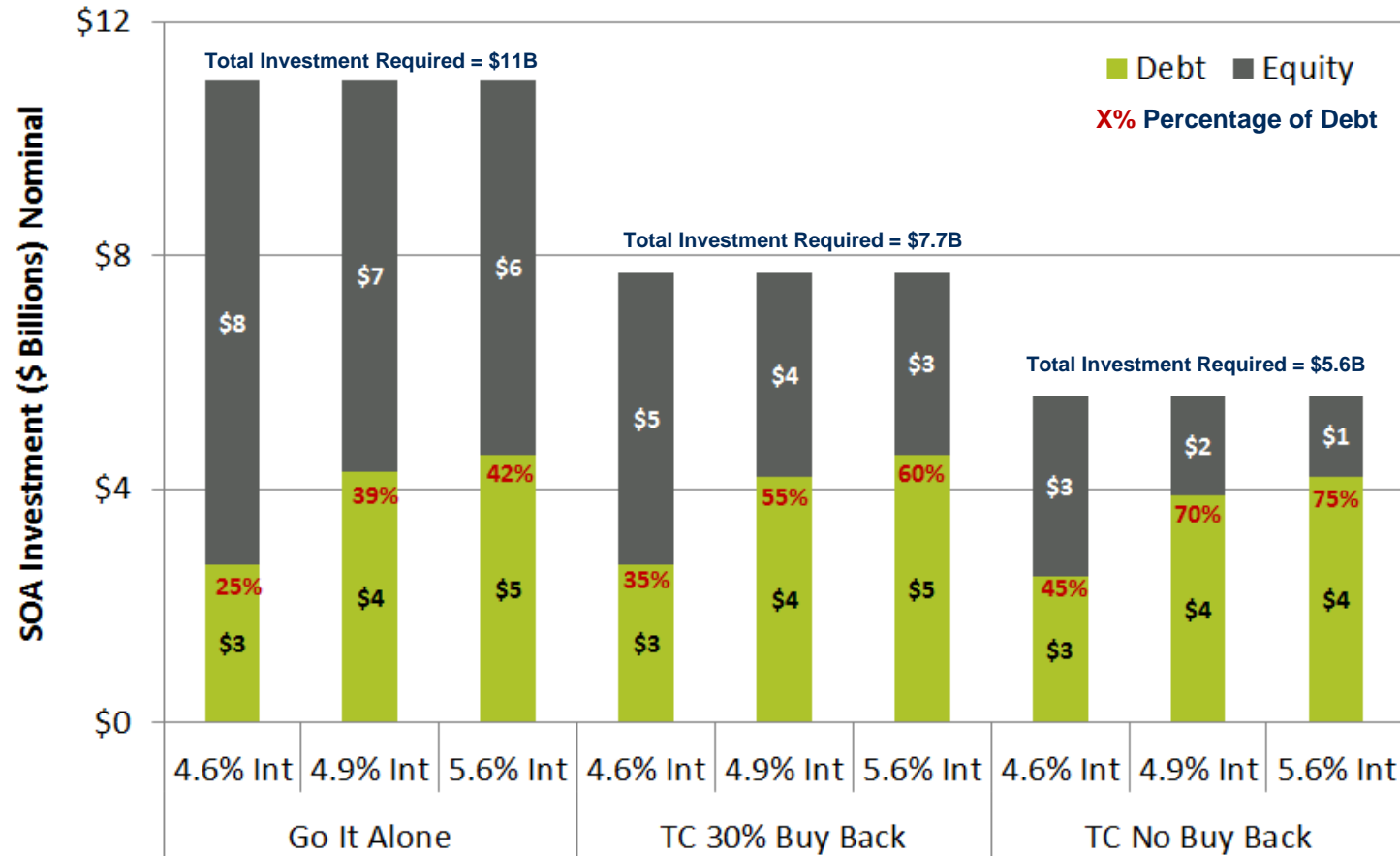
- SOA Debt at 5.6%
- Debt Service limited to 6% of GFUR

- **High-level, indicative assumptions based on input from Department of Revenue**
- **Based on market conditions as of February 20, 2014**

CAN THE STATE GO IT ALONE?

- STATE'S DEBT CAPACITY @ 20% OWNERSHIP

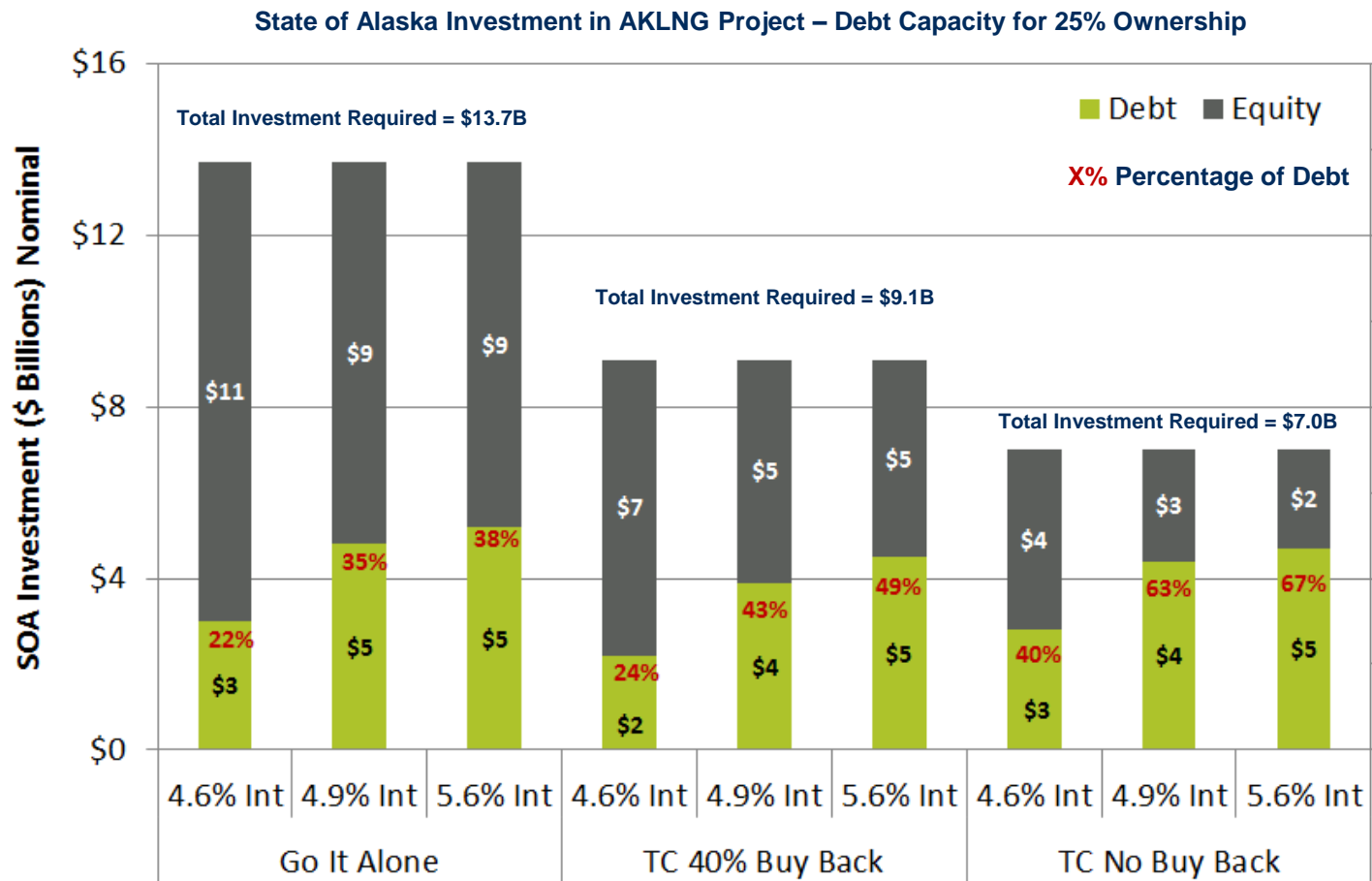
State of Alaska Investment in AKLNG Project – Debt Capacity for 20% Ownership



- High-level, indicative assumptions based on input from Department of Revenue
- Based on market conditions as of February 20, 2014
- Assumes \$55 billion in nominal dollars for total project costs

CAN THE STATE GO IT ALONE?

- STATE'S DEBT CAPACITY @ 25% OWNERSHIP



- High-level, indicative assumptions based on input from Department of Revenue
- Based on market conditions as of February 20, 2014
- Assumes \$55 billion in nominal dollars for total project costs

THANK YOU

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