

North Slope Gas Commercialization Office AKLNG Project Budget

House Finance Subcommittee

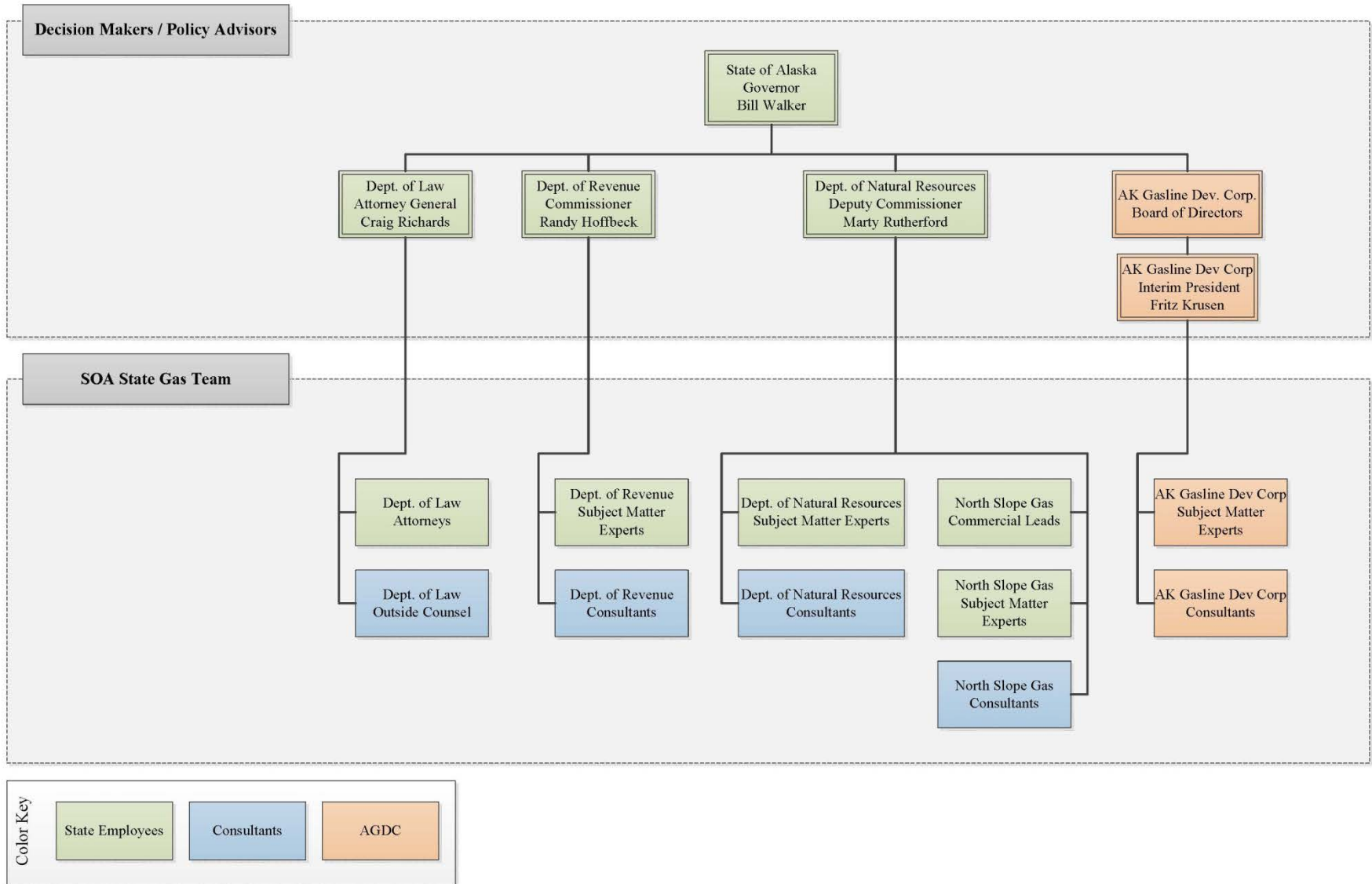
Presented by:

Marty Rutherford, Deputy Commissioner
Alaska Department of Natural Resources

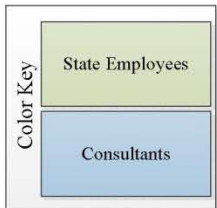
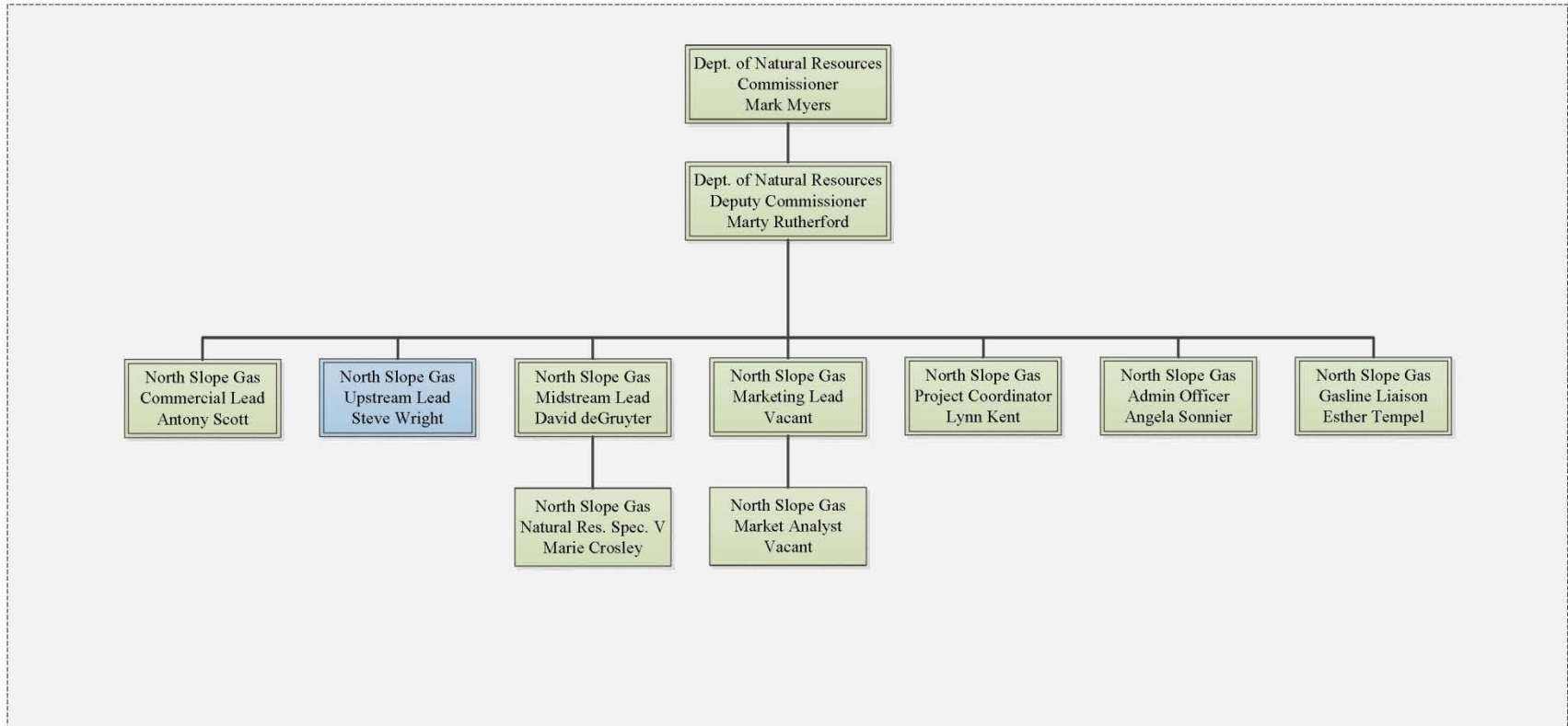
February 11, 2016



STATE GAS TEAM



FY2016 NORTH SLOPE GAS (NSG) OFFICE



NORTH SLOPE GAS (NSG) OFFICE

PCN	Position	Status	Salary + Benefits
10-X019	Marketing Lead	Vacant	\$1,440.0
10-#141	Market Analyst	Vacant	\$285.0
10-?099	Upstream Lead	Vacant – currently using contractor, Steve Wright	\$365.3
10-0435	Administrative Officer	Angela Sonnier-Laden	\$105.2
10-X021	Commercial Lead	Antony Scott	\$282.4
10-X018	Midstream Lead	David deGruyter	\$204.7
10-T069	Gasline Liaison, LTNP	Esther Tempel	\$138.2
10-X020	Project Coordinator	Lynn Kent	\$217.7
10-4253	Natural Resource Specialist V	Marie Crosley	\$172.9

NSG FY2017 BUDGET

Support for Continuing Negotiations

- State gas team will continue negotiations at current levels into FY2017

Advancing Marketing Objectives

- State gas team ramps up marketing efforts to move marketing objectives forward beginning FY2017

NSG FY2017 BUDGET REQUEST

	FY2016 OTI	FY2017 Request	FY2017 Governor's Request	DNR Proposed Reductions	FY2017 Revised Request
Personal Services	1,769.7	9,378.3	11,148.0	(5,691.3)	5,456.7
Travel	102.0	398.0	500.0	(300.0)	200.0
Contractual Services	7,115.0	16,885.0	24,000.0	(3,000.0)	21,000.0
Commodities	-	85.1	85.1	(60.0)	25.1
	8,986.7	26,746.4	35,733.1	(9,051.3)	26,681.8
Positions	7	14	21	-10	11

NSG FY2017 PROPOSED REDUCTIONS

Reduce personal services request by 10 positions

- Marketing agreements are not advancing at the pace initially anticipated
- Scaling back organization at this time to go along with a more focused approach to advance marketing agreements
- Depending on joint venture structures, may need additional personnel in the future

Reduce RSA to Dept. of Law for revised marketing approach

NSG FY2017 PERSONAL SERVICES

PCN	Position	Status	Salary + Benefits
10-#130	Senior Marketing Negotiator	New position request	\$1,200.0
10-#133	Market Analyst	New position request	\$285.0
10-#134	Marketing Negotiator	New position request	\$960.0

NSG FY2017 SERVICES

Services	Amount
RSA to Law for continued legal support for commercial agreements negotiation and drafting - estimated spend rate of \$1,000.0/month	\$12,000.0
RSA to Law for legal support for marketing negotiation and drafting of joint venture marketing agreements with Producers - estimated spend rate of \$250.0/month	\$3,000.0
TOTAL	\$15,000.0

DNR Contractual/Services	Amount
Continued commercial expertise and support	\$600.0
Continued analysis and modeling support	\$2,100.0
Engineering expertise for marine, facilities, etc.	\$480.0
Other professional services for expertise and support as required	\$2,470.0
Other services required for operational efficiency, phones, space, etc.	\$350.0
TOTAL	\$6,000.0

THANK YOU

Contact information:

Marty Rutherford
Deputy Commissioner
Department of Natural Resources
907-269-8431

