

FISCAL NOTE

STATE OF ALASKA
2006 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: HB 2003
 (H) Publish Date: 5/31/06

Revision Date/Time (Note if correction): _____ Dept. Affected: Revenue
 Title Alaska Natural Gas Pipeline Corporation RDU Alaska Natural Gas Pipeline Corporati
 Component Gas Pipeline
 Sponsor Rules Committee
 Requester Governor Component No. 2840

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Personal Services	2,170.2	2,257.0	2,347.3	2,441.2	2,538.8	2,640.4
Travel	175.0	178.5	182.1	185.7	189.4	193.2
Contractual	218.0	222.4	226.8	231.3	236.0	240.7
Supplies	110.0	60.0	61.2	62.4	63.7	64.9
Equipment	147.0	36.3	37.0	37.8	38.5	39.3
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	2,820.2	2,754.2	2,854.4	2,958.4	3,066.4	3,178.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
Bond Proceeds						
AK Pipe Corp Receipts	2,820.2	2,754.2	2,854.4	2,958.4	3,066.4	3,178.5
TOTAL	2,820.2	2,754.2	2,854.4	2,958.4	3,066.4	3,178.5

Estimate of any current year (FY2006) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2007 budget proposal:

POSITIONS

Full-time	17	17	17	17	17	17
Part-time	5	5	5	5	5	5
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill creates a new public corporation in the Department of Revenue, the Alaska Natural Gas Pipeline Corporation (AK Pipe) which will finance, own and manage the state's interest in the Alaska North Slope natural gas pipeline project. This fiscal note shows the operating cost of the corporation. The cost of the state's equity ownership of the project will be financed through direct capital appropriations from the state and by revenue bonds issued by ANGPC. The funding source for AK Pipe is assumed to be from cash reserves fund and it's earnings, and any other receipts of the corporation.

Prepared by: Jerry Burnett Phone 465-2312
 Division Administrative Services Date/Time 5/9/06 12:00 AM
 Approved Steve Porter Date 5/9/2006
 Agency Department of Revenue

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ANALYSIS CONTINUATION

The five part time employees shown in the fiscal note are the public members of the board of directors who will be compensated \$400 per day for board meetings. We estimate that they will meet at least two days per month on average and that most meetings will be held in Anchorage.

The seventeen fulltime employees consist of the following exempt employees: Alaska Natural Gas Manager, Gas Pipeline Coordinator, Petroleum Engineer, Civil Engineer, Financial Analyst, Regulations Administrator, Commercial Analyst, Local Government Specialist, Economist, Analyst/Programmer, Accountant, Project Coordinator, Administrative Manager, Labor Economist, Executive Secretary, Accounting Tech and Administrative Clerk. Personal services costs are incremented by 4% per year.

Office space, supplies and equipment needs are based on locating the corporation staff in the Atwood Building. We assume that the corporation will utilize the state's network, accounting and payroll systems and thus we have allocated costs for core services.