

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version	HB 287
Fiscal Note Number	1
(H) Publish Date	1/29/14

Identifier (file name) <u>DNR-DOG-1-21-14</u>	Dept. Affected <u>Natural Resources</u>
Title <u>Royalty Oil Sale Contract to Tesoro</u>	Appropriation <u>Oil & Gas</u>
	Allocation <u>Oil & Gas</u>
Sponsor <u>Rules by Request of the Governor</u>	
Requester <u>Governor</u>	OMB Component Number <u>439</u>

Expenditures/Revenues (Thousands of Dollars)

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

	FY15 Appropriation Requested	Included in Governor's FY15 Request	Out-Year Cost Estimates				
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services							
Travel							
Services							
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)							
1002	Federal Receipts						
1003	GF Match						
1004	GF						
1005	GF/Prgm (DGF)						
1007	I/A Rcpts (Other)						
1156	Rcpt Svcs (DGF)						
		0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS							
Full-time							
Part-time							
Temporary							

CHANGE IN REVENUES	***	***	***	***	***	***	***
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Estimated SUPPLEMENTAL (FY14) operating costs 0.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs 0.0 (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No
 If yes, by what date are the regulations to be adopted, amended, or repealed? N/A Discuss details in analysis section.

Why this fiscal note differs from previous version (if initial version, please note as such)

Initial Version

Prepared by	Bill Barron, Director
Division	Division of Oil & Gas
Approved by	Joe Balash, Commissioner
Division	Department of Natural Resources

Phone	907-269-8800
Date/Time	1/7/14 5:00 PM
Date	1/9/2014

FISCAL NOTE ANALYSIS #1

STATE OF ALASKA
2014 LEGISLATIVE SESSION

BILL NO. HB 287

Analysis

This legislation provides legislative approval of an amendment to a contract to sell North Slope royalty oil to Tesoro Refining & Marketing, LLC for use in the Tesoro refinery at Nikiski, Alaska. This amendment will extend deliveries of North Slope royalty oil to Tesoro for an additional year until January 31, 2016. The State of Alaska will deliver royalty oil under the contract, as amended, starting February 1, 2014 through January 31, 2016.

If approved, the sale of royalty in-kind oil through this amendment will have no fiscal impact to operating expenditures and positive indeterminate change in revenues.