

FISCAL NOTE

STATE OF ALASKA
2014 LEGISLATIVE SESSION

Bill Version SB 138
 Fiscal Note Number 2
 (S) Publish Date 1/24/14

Identifier (file name) DCCED-AGDC-AKNG-1-21-14 Dept. Affected Commerce, Community and Economic Development
 Title Commercial Production of North Slope Natural Gas Appropriation Alaska Gasline Development corp.
 Allocation New
 Sponsor Rules by request of the Governor
 Requester Governor OMB Component Number _____

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				
			FY16	FY17	FY18	FY19	FY20
OPERATING EXPENDITURES	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Personal Services	410.0		410.0	410.0			
Travel	432.0		432.0				
Services	2,960.0		2,960.0				
Commodities							
Capital Outlay							
Grants, Benefits							
Miscellaneous							
TOTAL OPERATING	3,802.0	0.0	3,802.0	410.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

	FY15	FY15	FY16	FY17	FY18	FY19	FY20
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Prgm (DGF)							
1007 I/A Rcpts (Other)							
1178 temp code (UGF)	3,802.0		3,802.0	410.0			
	3,802.0	0.0	3,802.0	410.0	0.0	0.0	0.0

POSITIONS

	FY15	FY15	FY16	FY17	FY18	FY19	FY20
Full-time	1		1	1			
Part-time							
Temporary							

CHANGE IN REVENUES

FY15	FY15	FY16	FY17	FY18	FY19	FY20

Estimated SUPPLEMENTAL (FY14) operating costs 700.0 (separate supplemental appropriation required)
 (discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY15) costs _____ (separate capital appropriation required)
 (discuss reasons and fund source(s) in analysis section) **FY 14 Capital Request is \$83.7 million**

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 If yes, by what date are the regulations to be adopted, amended, or repealed? _____ Discuss details in analysis section.

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

N/A, initial version of bill.

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 Date/Time 1/20/14 5:35 PM
 Date 1/20/2014

FISCAL NOTE ANALYSIS #2

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BILL NO. SB 138

Analysis

This bill would authorize the Alaska Gasline Development Corporation (AGDC) to participate in advancing a large-diameter natural gas pipeline project (AKLNG) in addition to the in-state natural gas pipeline project described in AS 31.25.005 (1), commonly known as the Alaska Stand Alone Pipeline (ASAP). In its current form, the bill does the following:

Authorizes AGDC to develop, finance, construct and operate facilities for natural gas liquefaction and treatment associated with a large-diameter natural gas pipeline (AKLNG) project.

Establishes a new subsidiary corporation within AGDC for the purpose of advancing the corporation's AKLNG efforts. Identifies the composition of the board of directors for the new subsidiary corporation and addresses other administrative issues related to that board.

Establishes a new Large-Diameter Natural Gas Pipeline Project Fund to fund the AGDC's involvement in AKLNG project.

Restricts funds appropriated to the In-State Natural Gas Pipeline Fund (1229) solely for work associated with the ASAP project, and restricts funds appropriated to the new Large-Diameter Natural Gas Pipeline Project Fund to work associated with the large-diameter, AKLNG project.

Operating Costs:

The operating costs associated with AGDC's involvement with the AKLNG project are estimated to be \$700.0 for FY 14, \$3,802.0 for each of the first two years (FY15 & FY16) and \$410.0 for FY17, for a total of \$8,714.0. AGDC would draw these funds from the new Large-Diameter Natural Gas Pipeline Project Fund. Operating costs consist of personal services, travel and contractual services associated with negotiating multiple commercial contracts relative to the state's participation in the AKLNG project. The one position shown is for a senior executive level employee with an oil & gas commercial background that will act as the Corporation's chief negotiator for the commercial and legal agreements relating to the AKLNG Project.

Capital Costs:

The capital costs associated with AGDC's involvement in the pre-feed phase of the AKLNG project are estimated to be \$75.0 million. The project would begin immediately and those funds would begin to be drawn upon passage of enabling legislation in FY 14. AGDC would draw these funds out of the new Large-Diameter Natural Gas Pipeline Project Fund.