

State of Alaska FY2009 Governor's Operating Budget

Department of Natural Resources Gas Pipeline Office Component Budget Summary

Component: Gas Pipeline Office

Contribution to Department's Mission

To encourage the development of pipelines to transport gas to markets, making a significant contribution to the economy of the State and to the general welfare of Alaskans.

Core Services

This component is used to report the financial data for the multi-year operating appropriations associated with the Gas Pipeline.

The Gas Pipeline Office (GPO) works within the State Pipeline Coordinator's Office (SPCO) to provide right-of-way leases for certain gas pipelines on State lands. The GPO budget for FY07 was funded primarily through General Funds originally appropriated in the 2004 Operating Budget with a term year through 2009. These funds were allocated to process specific rights-of-way. Statutory Designated Program Receipts from TransCanada Pipelines were also expended in FY06/07, however, these funds were limited to processing the right-of-way application for a gas line from Prudhoe Bay to the Canadian border.

Major Activities to Advance Strategies

- Process gas pipeline right-of-way applications to facilitate commercialization of North Slope gas in a manner consistent with the state's interests.
- Coordinate and, when possible streamline permitting/monitoring for state and federal agencies pre-construction and construction activities.
- Coordinate between DOTPF right-of-way applications and gas line right-of-way applications to maximize efficiencies.
- Work with ANGDA, other state corporations/organizations and municipal interest groups to maximize the state's interest in use and distribution of gas.

FY2009 Resources Allocated to Achieve Results

FY2009 Component Budget: \$0	Personnel:	
	Full time	0
	Part time	0
	Total	0

Key Component Challenges

Existing funds from multi-year appropriations were rolled over to FY08 in order to conclude the tasks identified in the Stranded Gas Act. In all likelihood funds approved in prior years will be fully expended in FY08. But to the extent existing funds are not fully committed in FY08 those funds will be assigned to this component in FY09, which will be its final year as the appropriations terminate by the end of FY2009. Certain expenditures may be reimbursable to the state (Law, Revenue and DNR) by the applicants under the Stranded Gas Development Act or the Right-of-Way Leasing Act. To the extent certain expenditures are reimbursed by the applicants to the state, a portion of those reimbursements will be returned to this component.

Significant Changes in Results to be Delivered in FY2009

The Office anticipates work on the Alaska Natural Gas Development Authority's right-of-way lease for a gas line from Glennallen to Palmer and right-of-way lease applications from Point Thomson to Prudhoe Bay. These activities were temporarily suspended until after December 2007 and the announcement of the AGIA gas pipeline applicants.

Major Component Accomplishments in 2007

The Gas Pipeline Office activities focused on processing the Alaska Natural Gas Development Authority's right-of-way lease application for a gas line from Glennallen to Palmer. The Office also began processing the Eastern North Slope right-of-way lease applications for a gas line and an oil line from Point Thomson to Prudhoe Bay.

Statutory and Regulatory Authority

AS 27.19	Mining Reclamation
AS 38.05	Alaska Land Act
AS 38.35	Right-of-Way Leasing Act
AS 46.15	Alaska Water Use Act
AS 46.40	Alaska Coastal Zone Management Program
6 AAC 50	Alaska Coastal Zone Management Program
11 AAC 51	Public Easements
11 AAC 53	Records, Survey, Platting
11 AAC 71	Timber and Material Sites
11 AAC 80	Pipeline Rights-of-Way
11 AAC 96	Miscellaneous Land Use
11 AAC 97	Mining Reclamation

Contact Information

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**Gas Pipeline Office
Component Financial Summary**

All dollars shown in thousands

	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Non-Formula Program:			
Component Expenditures:			
71000 Personal Services	105.9	165.4	0.0
72000 Travel	9.0	20.0	0.0
73000 Services	2,945.4	5,631.1	0.0
74000 Commodities	42.8	15.0	0.0
75000 Capital Outlay	0.0	0.0	0.0
77000 Grants, Benefits	0.0	0.0	0.0
78000 Miscellaneous	0.0	0.0	0.0
Expenditure Totals	3,103.1	5,831.5	0.0
Funding Sources:			
1004 General Fund Receipts	2,612.7	5,258.0	0.0
1061 Capital Improvement Project Receipts	0.0	573.5	0.0
1105 Alaska Permanent Fund Corporation Receipts	490.4	0.0	0.0
Funding Totals	3,103.1	5,831.5	0.0

Estimated Revenue Collections

Description	Master Revenue Account	FY2007 Actuals	FY2008 Management Plan	FY2009 Governor
Unrestricted Revenues				
None.		0.0	0.0	0.0
Unrestricted Total		0.0	0.0	0.0
Restricted Revenues				
Capital Improvement Project Receipts	51200	0.0	573.5	0.0
Permanent Fund Earnings Reserve Account	51373	490.4	0.0	0.0
Restricted Total		490.4	573.5	0.0
Total Estimated Revenues		490.4	573.5	0.0

**Summary of Component Budget Changes
From FY2008 Management Plan to FY2009 Governor**

All dollars shown in thousands

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
FY2008 Management Plan	5,258.0	0.0	573.5	5,831.5
Adjustments which will continue current level of service:				
-Gasline Risk Analysis Multi-year appropriation Sec24(o) CH159 SLA2004 SB283 lapse date 06/30/09	-108.2	0.0	0.0	-108.2
-Gasline Right-of-Way and Application Multi-year approp Sec24(p) CH159 SLA2004 SB283 lapse date 06/30/09	-2,308.1	0.0	0.0	-2,308.1
-Bullen Pt. Rd. ROW Multi-year approp Sec7(d)(1), CH6, SLA2005, P11 L9 lapse date 06/30/08	-633.1	0.0	0.0	-633.1
-Gasline Risk Analysis Royalty Issues Multi-yr approp Sec20(c)(1), CH3, FSSLA2005, P107 L2 lapse 06/30/08	-1,331.6	0.0	0.0	-1,331.6
-Gasline Corridor Geo Hazards Res Eval Multi-yr approp Sec20(c)(2), CH3, FSSLA2005, P107 L3 lapse 06/30/08	-54.8	0.0	0.0	-54.8
-Bullen Pt. Rd. ROW Multi-year approp Sec20(d)(1), CH3, FSSLA2005, P107, L10 lapse date 06/30/08	-800.0	0.0	0.0	-800.0
-Transfer Funding to Commissioner's Office to Support ongoing Gas Pipeline Activities	-22.8	0.0	0.0	-22.8
-FY 09 Bargaining Unit Contract Terms: General Government Unit	0.6	0.0	10.9	11.5
Proposed budget decreases:				
-Eliminate CIP Authorization	0.0	0.0	-584.4	-584.4
FY2009 Governor	0.0	0.0	0.0	0.0

Gas Pipeline Office Personal Services Information					
Authorized Positions			Personal Services Costs		
	<u>FY2008</u> <u>Management</u> <u>Plan</u>	<u>FY2009</u> <u>Governor</u>			
			Annual Salaries		0
Full-time	2	0	Premium Pay		0
Part-time	0	0	Annual Benefits		0
Nonpermanent	0	0	<i>Less 0.00% Vacancy Factor</i>		(0)
			Lump Sum Premium Pay		0
Totals	2	0	Total Personal Services		0

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
No personal services.					
Totals	0	0	0	0	0