

# **State of Alaska FY2011 Governor's Operating Budget**

## **Department of Revenue Gas Authority Operations RDU/Component Budget Summary**

## RDU/Component: Gas Authority Operations

*(There is only one component in this RDU. To reduce duplicate information, we did not print a separate RDU section.)*

### Contribution to Department's Mission

To finance, design, construct, maintain and/or own all or part of a pipeline system to transport North Slope gas to market and maximize the benefits to Alaska and Alaskans.

### Key Component Challenges

- On July 7, 2008, Governor Palin directed the Alaska Natural Gas Development Authority (ANGDA) to examine the possibility of a public/private partnership with ENSTAR and to extend the proposed in-state gas pipeline to Fairbanks. ANGDA currently proposes a natural gas pipeline project from Beluga to Fairbanks (B2F) to bring Cook Inlet natural gas to North Pole/Fairbanks, Alaska in order to provide short term energy relief for residents.
- ANGDA must combine the best of government and business to achieve the maximum benefit of in-state natural gas for Alaska and Alaskans in the face of significant market and project uncertainties and with the availability of minimal resources.
- ANGDA must maintain flexibility in its work and plans because of:
  - Evolving contractual relationship of state and producer sponsor group;
  - Complexities and magnitude of firm financial commitments of Alaska utilities during an "open season;"
  - Project timing delays and compression distinct from RCA approval timelines; and
  - Technological and logistical developments affecting North Slope energy delivery to rural Alaska.

### Significant Changes in Results to be Delivered in FY2011

- Organize and lead utility and RCA through binding open season.
- Develop a comprehensive evaluation of the gas spur pipeline project management, cost, and schedule to allow for a "go" – "no go" decision.
- Complete Environmental Impact Statement process and obtain right-of-way permits for the Beluga to Fairbanks (B2F) pipeline.
- Refine Cook Inlet natural gas spur line alignment and logistical impact on state highways. Further advance the permitting issues; technical and field studies; facility designs and technical engineering for pipeline segments including Delta Junction to Glennallen, Glennallen to Palmer, and Palmer to Beluga Gas Fields. Determine and design potential terminal points at Yukon River, Tok, Glennallen, Point MacKenzie, and Matanuska-Susitna Borough.
- Continue In-State Propane Distribution Planning with ANGDA leading the technical planning and public awareness of energy potentials for all Alaska. Collaborate with private industry (native and non-native) for spurring their involvement in entrepreneurial opportunities and ownership of facilities and businesses related therein.

### Major Component Accomplishments in 2009

- Alaska Natural Gas Development Authority completed the Wetlands Delineation from Beluga to North Pole. This is the basic requirement to the United States Army Corps of Engineers 404/10 application and basis for the Environmental Impact Statement process.
- Initiated B2F Environmental Impact Statement process required prior to receiving permits and right of ways for the gas line.

- Filed a Right of Way (ROW) application with the BLM for the B2F Pipeline.
- ANGDA completed other work and reports in FY2009 aiding in the advancement of pipeline project for transporting natural gas to market:
  - Yukon Kuskokwim Propane Demonstration Project;
  - B2F Wetlands Delineation;
  - Environmental Baseline Data Collection;
  - Public Private Partnership Feasibility Study;
  - Field Reconnaissance and Public Outreach;
  - Propane Opportunities Conference;
  - Special Gas Pipeline Engineering Study;
  - North Slope Propane Interconnection;
  - 360 degree video of B2F alignment;
  - Permitting Strategy & Coordination;
  - Evaluation of TAPS Co-Use Studies & Approach with TAPS Owners & Alyeska Pipeline Service Company;
  - Independent Financial Audit;
  - Report to the People III; and
  - B2F Logistics.
- ANGDA contractual work underway as of FY2009 year-end includes:
  - B2F Permitting Coordination;
    - Permitting Coordinator
    - Federal Liaison
  - B2F Environmental Impact Statement;
  - B2F BLM ROW Permitting;
  - Pipeline Alignment Engineering;
  - North Slope Propane Extraction Project
    - Economic Studies
    - Development estimates;
  - Gas Supply Coordination;
  - Public outreach;
  - Propane Supply and Coordination;
  - Petrochemical Industry Trade Mission (Value-Added Industries);
  - Cultural Research of Ahtna land along B2F;
  - Enterprise Coordinator;
  - Rural Energy and Mining Liaison;
  - Glennallen Gas Well Determination;
  - Glennallen Site Delineation; and
  - Alternative Route Analysis.
- During FY2009, ANGDA participated in state legislative committee hearings and public comments related to gas pipeline jurisdiction, laws, regulations, and contracts.
- ANGDA participated in leadership roles at local, state, national and international oil and gas industry seminars, conferences, symposiums, and forums related to the development of Alaska natural gas, and its in-state and export potential(s).

## **Statutory and Regulatory Authority**

AS 41.41 Alaska Natural Gas Development Authority

**Contact Information**

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**Gas Authority Operations  
Component Financial Summary**

*All dollars shown in thousands*

	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>Non-Formula Program:</b>			
<b>Component Expenditures:</b>			
71000 Personal Services	394.1	250.7	255.8
72000 Travel	97.6	10.0	10.0
73000 Services	26.2	47.4	47.4
74000 Commodities	16.0	4.0	4.0
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
<b>Expenditure Totals</b>	<b>533.9</b>	<b>312.1</b>	<b>317.2</b>
<b>Funding Sources:</b>			
1004 General Fund Receipts	305.2	312.1	317.2
1061 Capital Improvement Project Receipts	228.7	0.0	0.0
<b>Funding Totals</b>	<b>533.9</b>	<b>312.1</b>	<b>317.2</b>

**Estimated Revenue Collections**

Description	Master Revenue Account	FY2009 Actuals	FY2010 Conference Committee	FY2010 Authorized	FY2010 Authorized	FY2011 Governor
<b>Unrestricted Revenues</b>						
None.		0.0	0.0	0.0	0.0	0.0
<b>Unrestricted Total</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Restricted Revenues</b>						
Capital Improvement Project Receipts	51200	228.7	0.0	0.0	0.0	0.0
<b>Restricted Total</b>		<b>228.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>
<b>Total Estimated Revenues</b>		<b>228.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>

**Summary of Component Budget Changes  
From FY2010 Management Plan to FY2011 Governor**

*All dollars shown in thousands*

	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total Funds</u>
<b>FY2010 Management Plan</b>	<b>312.1</b>	<b>0.0</b>	<b>0.0</b>	<b>312.1</b>
<b>Adjustments which will continue current level of service:</b>				
-FY2011 Health Insurance Cost Increase Non-Covered Employees	5.1	0.0	0.0	5.1
<b>FY2011 Governor</b>	<b>317.2</b>	<b>0.0</b>	<b>0.0</b>	<b>317.2</b>

Gas Authority Operations Personal Services Information				
Authorized Positions			Personal Services Costs	
	FY2010 Management Plan	FY2011 Governor		
Full-time	4	4	Annual Salaries	289,535
Part-time	0	0	Premium Pay	0
Nonpermanent	0	0	Annual Benefits	145,572
			<i>Less 41.21% Vacancy Factor</i>	(179,307)
			Lump Sum Premium Pay	0
<b>Totals</b>	<b>4</b>	<b>4</b>	<b>Total Personal Services</b>	<b>255,800</b>

Position Classification Summary					
Job Class Title	Anchorage	Fairbanks	Juneau	Others	Total
Administrative Assistant	1	0	0	0	1
Administrative Officer	1	0	0	0	1
Ceo AK Nat Gas Dev Auth	1	0	0	0	1
Publications Specialist II	1	0	0	0	1
<b>Totals</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

**Component Detail All Funds**  
Department of Revenue

**Component:** Gas Authority Operations (2708)  
**RDU:** Alaska Natural Gas Development Authority (495)

	<b>FY2009 Actuals</b>	<b>FY2010 Conference Committee</b>	<b>FY2010 Authorized</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>	<b>FY2010 Management Plan vs FY2011 Governor</b>	
71000 Personal Services	394.1	250.7	250.7	250.7	255.8	5.1	2.0%
72000 Travel	97.6	10.0	10.0	10.0	10.0	0.0	0.0%
73000 Services	26.2	47.4	47.4	47.4	47.4	0.0	0.0%
74000 Commodities	16.0	4.0	4.0	4.0	4.0	0.0	0.0%
75000 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
77000 Grants, Benefits	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
78000 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0%
<b>Totals</b>	<b>533.9</b>	<b>312.1</b>	<b>312.1</b>	<b>312.1</b>	<b>317.2</b>	<b>5.1</b>	<b>1.6%</b>
<b>Fund Sources:</b>							
1004 Gen Fund	305.2	312.1	312.1	312.1	317.2	5.1	1.6%
1061 CIP Rcpts	228.7	0.0	0.0	0.0	0.0	0.0	0.0%
<b>General Funds</b>	<b>305.2</b>	<b>312.1</b>	<b>312.1</b>	<b>312.1</b>	<b>317.2</b>	<b>5.1</b>	<b>1.6%</b>
<b>Federal Funds</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Other Funds</b>	<b>228.7</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0%</b>
<b>Positions:</b>							
Permanent Full Time	4	4	4	4	4	0	0.0%
Permanent Part Time	0	0	0	0	0	0	0.0%
Non Permanent	0	0	0	0	0	0	0.0%



**Change Record Detail - Multiple Scenarios With Descriptions**  
**Department of Revenue**

**Component:** Gas Authority Operations (2708)  
**RDU:** Alaska Natural Gas Development Authority (495)

Scenario/Change Record Title	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		NP
										PFT	PPT	
***** Changes From FY2010 Conference Committee To FY2010 Authorized *****												
<b>FY2010 Conference Committee</b>												
ConfCom		312.1	250.7	10.0	47.4	4.0	0.0	0.0	0.0	4	0	0
1004 Gen Fund		312.1										
<b>Subtotal</b>		<b>312.1</b>	<b>250.7</b>	<b>10.0</b>	<b>47.4</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4</b>	<b>0</b>	<b>0</b>
***** Changes From FY2010 Authorized To FY2010 Management Plan *****												
<b>Subtotal</b>		<b>312.1</b>	<b>250.7</b>	<b>10.0</b>	<b>47.4</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4</b>	<b>0</b>	<b>0</b>
***** Changes From FY2010 Management Plan To FY2011 Governor *****												
<b>FY2011 Health Insurance Cost Increase Non-Covered Employees</b>												
SalAdj		5.1	5.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		5.1										
Costs associated with Health Insurance Increases: \$5.1												
<b>Totals</b>		<b>317.2</b>	<b>255.8</b>	<b>10.0</b>	<b>47.4</b>	<b>4.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>4</b>	<b>0</b>	<b>0</b>

**Personal Services Expenditure Detail**  
**Department of Revenue**

**Scenario:** FY2011 Governor (7749)  
**Component:** Gas Authority Operations (2708)  
**RDU:** Alaska Natural Gas Development Authority (495)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Month	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	GF Amount
04-558X	Ceo AK Nat Gas Dev Auth	FT	A	XE	Anchorage	AA	28F	12.0		136,044	0	0	55,967	192,011	192,011
04-X002	Administrative Officer	FT	A	XE	Anchorage	AA	20B / C	12.0		65,322	0	0	34,521	99,843	99,843
04-X012	Publications Specialist II	FT	A	XE	Anchorage	AA	16B / C	12.0		49,697	0	0	29,386	79,083	79,083
04-X019	Administrative Assistant	FT	A	XE	Anchorage	AA	13A	12.0		38,472	0	0	25,698	64,170	64,170
													<b>Total Salary Costs:</b>	289,535	
													<b>Total COLA:</b>	0	
													<b>Total Premium Pay:</b>	0	
													<b>Total Benefits:</b>	145,572	
													<b>Total Pre-Vacancy:</b>	435,107	
													<b>Minus Vacancy Adjustment of 41.21%:</b>	(179,307)	
													<b>Total Post-Vacancy:</b>	255,800	
													<b>Plus Lump Sum Premium Pay:</b>	0	
													<b>Personal Services Line 100:</b>	255,800	
<b>Total Component Months:</b>		48.0													

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1004 General Fund Receipts	435,107	255,800	100.00%
<b>Total PCN Funding:</b>	<b>435,107</b>	<b>255,800</b>	<b>100.00%</b>

Note: If a position is split, an asterisk (\*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (\*\*) will appear in this column. [No valid job title] appearing in the Job Class Title indicates that the PCN has an invalid class code or invalid range for the class code effective date of this scenario.

**Line Item Detail**  
**Department of Revenue**  
**Travel**

**Component:** Gas Authority Operations (2708)  
**RDU:** Alaska Natural Gas Development Authority (495)

<b>Line Number</b>	<b>Line Name</b>		<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
72000	Travel		97.6	10.0	10.0
<b>Expenditure Account</b>	<b>Servicing Agency</b>	<b>Explanation</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
<b>72000 Travel Detail Totals</b>			<b>97.6</b>	<b>10.0</b>	<b>10.0</b>
72100	Instate Travel	Instate airfare, surface transportation, lodging, meals & incidentals	58.7	7.3	7.3
72400	Out Of State Travel	Out of state transportation, lodging, meals and incidentals for seminars, ANGDA outside business	38.9	2.7	2.7

**Line Item Detail**  
**Department of Revenue**  
**Services**

**Component:** Gas Authority Operations (2708)  
**RDU:** Alaska Natural Gas Development Authority (495)

Line Number	Line Name			FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
73000	Services			26.2	47.4	47.4
Expenditure Account	Servicing Agency	Explanation		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>73000 Services Detail Totals</b>				<b>26.2</b>	<b>47.4</b>	<b>47.4</b>
73025		Education Services	Training, conferences, memberships, and employee tuition	3.6	1.0	1.0
73075		Legal & Judicial Svc	Transcription services	1.0	0.0	0.0
73150		Information Technlgy	IT consulting, software licensing, and software maintenance	0.8	0.7	0.7
73156		Telecommunication	Cellular services provided by non-state vendor	4.1	1.0	1.0
73225		Delivery Services	Delivery and courier services	0.2	0.5	0.5
73450		Advertising & Promos	Advertising	0.0	0.5	0.5
73650		Struc/Infstruct/Land	Repairs, maintenance, rentals and/or leases of space, structures or infrastructure	1.2	1.2	1.2
73675		Equipment/Machinery	Repair, maintenance, rental and/or lease of equipment or machinery	0.1	0.5	0.5
73753		Program Mgmt/Consult	Consulting services related to gas line right of way and permits	0.9	0.0	0.0
73756		Print/Copy/Graphics	Printing, publications	10.3	2.6	2.6
73805	Admin	IT-Non-Telecommnctns	Computer services provided by ETS	1.0	0.9	0.9
73806	Admin	IT-Telecommunication	Telecommunications services provided by ETS	0.0	1.8	1.8
73809	Admin	Mail	Centralized mail services provided by DOA	0.1	0.1	0.1
73810	Admin	Human Resources	Human resource and payroll services provided by the Division of Personnel	0.0	3.1	3.1
73814	Admin	Insurance	Risk Management	0.1	0.1	0.1
73815	Admin	Financial	Division of Finance AKSAS/AKPAY	0.0	0.1	0.1
73818	Admin	Training (Services-IA Svcs)	Training provided by state agencies	0.6	0.2	0.2
73819	Admin	Commission Sales (IA Svcs)	Fees associated with the State Travel Office	2.2	0.8	0.8

**Line Item Detail**  
**Department of Revenue**  
**Services**

**Component:** Gas Authority Operations (2708)

**RDU:** Alaska Natural Gas Development Authority (495)

Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>73000 Services Detail Totals</b>			<b>26.2</b>	<b>47.4</b>	<b>47.4</b>
73979	Mgmt/Consulting (IA Svcs)	Revenue-CO Support services provided by the Commissioner's Office	0.0	4.3	4.3
73979	Mgmt/Consulting (IA Svcs)	Revenue-ASD Services provided by the Administrative Services Division including IT, fiscal, budget, contract management, procurement, and legislative support	0.0	28.0	28.0

**Line Item Detail**  
**Department of Revenue**  
**Commodities**

**Component:** Gas Authority Operations (2708)  
**RDU:** Alaska Natural Gas Development Authority (495)

Line Number	Line Name		FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
74000	Commodities		16.0	4.0	4.0
Expenditure Account	Servicing Agency	Explanation	FY2009 Actuals	FY2010 Management Plan	FY2011 Governor
<b>74000 Commodities Detail Totals</b>			<b>16.0</b>	<b>4.0</b>	<b>4.0</b>
74222	Books And Educational	Books and educational supplies	1.0	0.5	0.5
74226	Equipment & Furniture	Office equipment and furniture	1.0	0.5	0.5
74229	Business Supplies	Office supplies	2.5	2.0	2.0
74233	Info Technology Equip	Desktop computers, printers, and IT equipment less than \$5,000 per item	4.9	1.0	1.0
74236	Subscriptions	Subscriptions	1.5	0.0	0.0
74480	Household & Instit.	Institutional supplies	4.4	0.0	0.0
74650	Repair/Maintenance (Commodities)	Repair/maintenance supplies	0.7	0.0	0.0

**Restricted Revenue Detail**  
**Department of Revenue**

**Component:** Gas Authority Operations (2708)  
**RDU:** Alaska Natural Gas Development Authority (495)

<b>Master Account</b>	<b>Revenue Description</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
51200	Capital Improvement Project Receipts	228.7	0.0	0.0

**Detail Information**

<b>Revenue Amount</b>	<b>Revenue Description</b>	<b>Component</b>	<b>Collocation Code</b>	<b>AKSAS Fund</b>	<b>FY2009 Actuals</b>	<b>FY2010 Management Plan</b>	<b>FY2011 Governor</b>
59041	CIP Receipts from Revenue Unbudgeted RSA with capital project for natural gas development	Gas Authority Operations	04805996	11100	228.7	0.0	0.0

**Inter-Agency Services**  
**Department of Revenue**

**Component:** Gas Authority Operations (2708)  
**RDU:** Alaska Natural Gas Development Authority (495)

Expenditure Account	Service Description	Service Type	Servicing Agency	FY2010		
				FY2009 Actuals	Management Plan	FY2011 Governor
73805	IT-Non-Telecommnctns	Computer services provided by ETS	Inter-dept Admin	1.0	0.9	0.9
<b>73805 IT-Non-Telecommnctns subtotal:</b>				<b>1.0</b>	<b>0.9</b>	<b>0.9</b>
73806	IT-Telecommunication	Telecommunications services provided by ETS	Inter-dept Admin	0.0	1.8	1.8
<b>73806 IT-Telecommunication subtotal:</b>				<b>0.0</b>	<b>1.8</b>	<b>1.8</b>
73809	Mail	Centralized mail services provided by DOA	Inter-dept Admin	0.1	0.1	0.1
<b>73809 Mail subtotal:</b>				<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
73810	Human Resources	Human resource and payroll services provided by the Division of Personnel	Inter-dept Admin	0.0	3.1	3.1
<b>73810 Human Resources subtotal:</b>				<b>0.0</b>	<b>3.1</b>	<b>3.1</b>
73814	Insurance	Risk Management	Inter-dept Admin	0.1	0.1	0.1
<b>73814 Insurance subtotal:</b>				<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
73815	Financial	Division of Finance AKSAS/AKPAY	Inter-dept Admin	0.0	0.1	0.1
<b>73815 Financial subtotal:</b>				<b>0.0</b>	<b>0.1</b>	<b>0.1</b>
73818	Training (Services-IA Svcs)	Training provided by state agencies	Inter-dept Admin	0.6	0.2	0.2
<b>73818 Training (Services-IA Svcs) subtotal:</b>				<b>0.6</b>	<b>0.2</b>	<b>0.2</b>
73819	Commission Sales (IA Svcs)	Fees associated with the State Travel Office	Inter-dept Admin	2.2	0.8	0.8
<b>73819 Commission Sales (IA Svcs) subtotal:</b>				<b>2.2</b>	<b>0.8</b>	<b>0.8</b>
73979	Mgmt/Consulting (IA Svcs)	Support services provided by the Commissioner's Office	Intra-dept Revenue-CO	0.0	4.3	4.3
73979	Mgmt/Consulting (IA Svcs)	Services provided by the Administrative Services Division including IT, fiscal, budget, contract management, procurement, and legislative support	Intra-dept Revenue-ASD	0.0	28.0	28.0
<b>73979 Mgmt/Consulting (IA Svcs) subtotal:</b>				<b>0.0</b>	<b>32.3</b>	<b>32.3</b>
<b>Gas Authority Operations total:</b>				<b>4.0</b>	<b>39.4</b>	<b>39.4</b>
<b>Grand Total:</b>				<b>4.0</b>	<b>39.4</b>	<b>39.4</b>