

**DEPARTMENT OF LAW
FY15 Increment/Decrement Status**

Governor's Budget Items Approved with Modifications

Item #	Approp/Allocation	Description	Gov Request	Amount Approved	FY15 CC Book Comment	GF Dec?	LFD Questions?	Agency Comments
1	Civil Division / Oil, Gas & Mining	Additional Funding for Oil & Gas Outside Counsel (Non-Gasline)	\$2 million UGF IncM plus \$1.8 million UGF Inc	\$3.8 UGF IncOTI	For several years, the majority of oil & gas funding has been requested as base increments by the Governor and funded as one-time items by the legislature. For FY15, the legislature continued funding non-gasline issues (including Pt. Thomson, FERC, TAPS tariffs, and TAPS property tax matters) as one-time funding.		Have these cases been as active as anticipated this fiscal year? What is the projection of activity for the remainder of FY15?	1) A proposed TAPS tariff FERC decision was issued on February 28, 2014. The parties filed exceptions, and we expect a final decision by the FERC commissioners in early 2015. We anticipate activity picking up once a decision is issued, including a court appeal. 2) Efforts for the SARB and property tax appeals start gearing up in the springtime. We anticipate using substantially all of these funds.
2	Civil Division / Oil, Gas & Mining	Support the State's Natural Gas Pipeline Project to Transport Alaska's Gas to In-state markets and for LNG Export	\$1.5 million UGF IncM	\$1.5 million UGF IncOTI	In line with many other oil and gas appropriations, funding for gasline related costs have mostly been appropriated on a one-time basis. The legislature opted to continue this practice. Recent gasline funding to the Department of Law includes: FY11 - \$2.5 million UGF one-time funding; FY12 - \$2 million UGF one-time funding; FY13 - \$2 million UGF one-time funding; and FY14 - \$1.5 million UGF one-time funding.		Please provide an update on the Gas Pipeline project and associated Dept. of Law expenditures for the first half of FY15.	The gasline activity has been higher than expected. The Department of Natural Resources has agreed to reimburse Law up to \$3.0 million for the additional efforts. Department attorneys and outside counsel are engaged with other AKLNG project participants, including BP, Exxon, ConocoPhillips, TransCanada, and the Alaska Gasline Development Corporation, on commercial, regulatory, fiscal and other issues relating to a large LNG project, under the authority of SB 138.