



330 Wendell Avenue, Suite E, Fairbanks, AK 99701

January 22, 2018

Senator Pete Kelly
State Capitol Room 111
Juneau, AK 99801

Sir,

I am writing you to express my support of Senate Bill 125. If passed, this bill would extend the allowable time for the Alaska Industrial Development and Energy Authority (AIDEA) to issue bonds for the Interior Energy Project (IEP) to June 30, 2023. The IEP has been a huge undertaking and, because of hard work and a supportive community, has made slow and steady progress.

Gas distribution lines have been extended to the majority of the City of Fairbanks, expanding the number of available users from about 1,000 to 5,000. A significant portion of the North Pole community now also has gas distribution lines, adding 1,500 more customers. Construction has started on a Liquefied Natural Gas (LNG) storage facility in South Fairbanks that, when finished, will allow the existing LNG plant to provide additional gas to a few hundred customers. Recently, an agreement between AIDEA and Fairbanks' Interior Gas Utility (IGU) was signed and IGU is ready to take control of the combined community gas utility starting in the spring of this year.

To continue moving forward, and begin producing the gas to reach those 5,500 available users, IGU will need to sell the AIDEA Interior Energy Bonds. The extension of bonding authority until June of 2023 is critical to the goals of the Interior Energy Project. Bringing affordable natural gas to Interior Alaska and providing a clean burning fuel to help improve Fairbanks' air quality.

We appreciate your support of the IEP and the support of your colleges in the legislature. Thank you for the opportunity to express our support for this very critical project.

Respectfully,

Jim Dodson
President & CEO
Fairbanks Economic Development Corporation



Fairbanks North Star Borough

Mayor's Office

907 Terminal Street, PO Box 71267, Fairbanks, Alaska 99701 (907)459-1300 FAX (907)459-1102

****TRANSMITTED VIA ELECTRONIC MAIL****

January 22, 2018

The Honorable Pete Kelly
State Senate
Alaska State Capitol
Juneau, Alaska 99801-1182

RE: Support for SB125

Senator Kelly:

I write this letter today in support of Senate Bill 125, an act relating to the financing and issuance of bonds for a liquefied natural gas production system and natural gas distribution system. Thank you as well for your personal support in moving this important piece of legislation forward.

SB125 will extend the time and authority for the Alaska Industrial Development and Export Authority (AIDEA) to issue bonds out to 2023. As you know, our air quality needs significant improvement and Interior residents need access to cheaper and more reliable forms of energy; critical for the health, safety and economic well-being of our community. SB125 will enable the good work of the Interior Energy Project and the Interior Gas Utility to continue build out of natural gas infrastructure and soon, the first natural gas service beyond the city limits of Fairbanks.

Sincerely,

A handwritten signature in black ink that reads "Karl Kassel".

Karl Kassel, Mayor



January 23, 2018

Senator Pete Kelly
State Capitol Room 111
Juneau, AK 99801

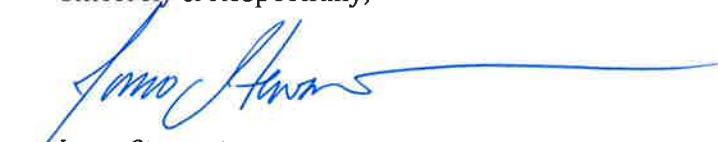
Dear Senator Kelly,

On behalf of the Interior Gas Utility (IGU), please accept this letter expressing support for Senate Bill 125 and extension of the Alaska Industrial Development and Energy Authority's (AIDEA) authorization for bond issuance in support of the Interior Energy Project (IEP) to June 30, 2023. This extension will ensure the totality of the funding tools authorized by the State in 2013 remain available to support development of critical components of the project (expanded liquefaction and distribution infrastructure) and maintains the viability of other invested and deployed state funds.

Should they remain available, the bonds authorized in 2013 in SB 23 will, in the immediate- to short-term, serve as completion funding for expanded liquefaction capacity in the Cook Inlet region and, in the longer-term, financing for expansion of the local natural gas distribution system beyond core-Fairbanks and North Pole into the more environmentally challenged and economically challenging areas of the community. These investments in increased LNG production and natural gas distribution capacity are critical to achieving an optimized total natural gas system (proper balance between liquefaction capacity, LNG storage & regasification capacity, and gas distribution & delivery capacity) and necessary to securing, for interest-bearing return, the SETS funds used in 2014/15 for the above reference infill and build-out of Fairbanks and North Pole distribution systems, and currently being deployed to construct the 5.2 million gallon LNG storage facility in Fairbanks.

The Interior Gas Utility and Fairbanks community greatly appreciate the past efforts of yourself and your colleagues in support of the Interior Energy Project and this current effort to ensure its previously-authorized funding package remains fully available. Therefore, I hope you will add myself and IGU to the list of individuals and organizations supporting SB 125 and advocating for its speedy passage.

Sincerely & Respectfully,



A handwritten signature in blue ink, appearing to read "Jomo Stewart".

Jomo Stewart,
General Manager

PO Box 70200
Fairbanks, AK 99707

907 374 4474
interiorgas.com



CITY OF NORTH POLE

"Where the Spirit of Christmas Lives Year Round"

125 Snowman Lane • North Pole, Alaska 99705-7708
E-mail: mayor@northpolealaska.com • Website: www.northpolealaska.com

January 26, 2018

City Hall
907-488-2281
Fax: 907-488-3002

Mayor
907-488-8584

City Clerk
907-488-8583

Police
Department
907-488-6902

Fire
Department
907-488-2232

Utilities
907-488-6111

Director of
City Services
907-488-8593

Finance
907-488-8594

Senator Pete Kelly
State Capitol Room 111
Juneau, AK 99801

Senator Kelly:

Passage of Senate Bill 125 is crucial to the viability of the Interior Energy Project (IEP). Without the extension of bonding authority, the Interior Gas Utility (IGU) will be unable to fulfill its mission to provide utility gas service to the urbanized area of the interior, including the City of North Pole and Fairbanks.

Grants, SETS loans and bonding authority were part of the 'building blocks' presented to the interior as part of the IEP under Governor Parnell and it was emphasized that all components of the plan were needed to bring cheaper gas to the interior. Much work has been done to bring the project this far and we are several short months from accomplishing the project and beginning the expansion phases. Bonding authority is essential to the projects ability to raise the necessary funds to be able to complete the project and expand its reach to as many as possible.

Thank you for your support of the IEP.

Sincerely

Bryce J. Ward
Mayor, City of North Pole, Alaska



January 29, 2018

Senator Pete Kelly
State Capitol Room 111
Juneau, AK 99801

Dear Senator Kelly:

On behalf of our company and affiliated entities, all of which are wholly owned by Jerry Sadler, I am writing to express our support of SB 125 which would extend the time AIDEA can issue bonds for the IEP to June 30, 2023. The IEP has been a large and complex undertaking we need to see through to completion. A successful IEP will help lower energy costs in the long run for residents and businesses and will help address our community's PM 2.5 problem.

We use large quantities of natural gas for our operations. We also provide natural gas to many of our tenants leasing property from us which include well known national retail box stores. We also have large tracts of land for sale or lease in the Bentley Retail Area. All national box stores require natural gas for heating and cooling. Due in large part to the lack of an uninterrupted gas supply, we have not been able to develop any large box stores over 12,000 s.f. since 2008 and no box stores under that size since 2013. National box stores help insure a local supply of affordable essential supplies in addition to providing hundreds of construction and retail jobs. The recent closure of Sam's Club highlighted the importance of large retailers to Interior Alaska.

Construction has started on the critical LNG storage facility. Extension of bonding authority will insure completion of the remaining critical elements of the IEP. Successful implementation of the IPE will insure low cost energy which will benefit every resident of Interior Alaska. We appreciate your support of IEP and the support of your fellow legislators.

Sincerely,



Jon Cook
CFO



P.O. Box 72578 Fairbanks, AK 99707

Introduced by: Mayor Matherly
Finance Committee Review: January 23, 2018
Introduced: January 29, 2018

RESOLUTION NO. 4823

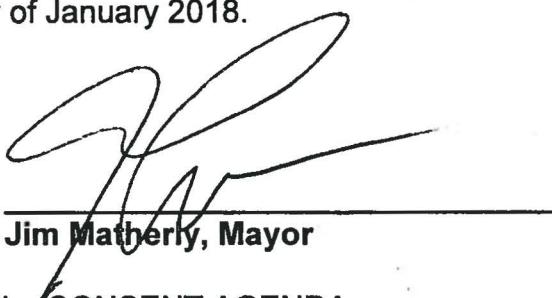
**A RESOLUTION IN SUPPORT OF SENATE BILL 125, AN ACT
RELATING TO THE FINANCING AND ISSUANCE OF BONDS FOR A
LIQUEFIED NATURAL GAS PRODUCTION SYSTEM AND NATURAL
GAS DISTRIBUTION SYSTEM**

WHEREAS, Senate Bill 125 extends the allowable time for the Alaska Industrial Development and Export Authority (AIDEA) to issue bonds for the Interior Energy Project (IEP) to June 30, 2023, an extension of five years; and

WHEREAS, the approved extension of this bonding authority will assist in allowing the Interior Gas Utility (IGU) to become eligible for low-cost, AIDEA-backed bonds and may allow for lower pricing to the meter for natural gas customers throughout the Fairbanks North Star Borough (FNSB).

NOW, THEREFORE, BE IT RESOLVED that the Fairbanks City Council applauds Senators Kelly and Bishop for introducing Senate Bill 125 and urges the Alaska State Legislature to pass the bill into law.

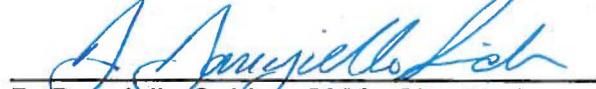
PASSED and APPROVED this 29th day of January 2018.



Jim Matherly, Mayor

AYES: PASSED and APPROVED on the CONSENT AGENDA
NAYS: None
ABSENT: None
APPROVED: January 29, 2018

ATTEST:



D. Danyelle Snider, CMC, City Clerk

APPROVED AS TO FORM:



Paul Ewers, City Attorney