

ALASKA POWER & TELEPHONE COMPANY

PORT TOWNSEND, WA 98368 (360) 385-1733 – (800) 982-0136 FAX (360) 385-5177

March 27, 2012

To whom it may concern:

Alaska Power and Telephone (AP&T) is pleased to write this letter in support of SB 153, sponsored by Senator Joe Thomas and its House companion HB 289, sponsored by Representative Steve Thompson.

AP&T is a privately-owned utility operating 23 power plants in primarily rural communities in Alaska. We have worked hard to incorporate renewable energy resources into our generation mix whenever possible. Several of our communities are served by small hydro projects, and we have also been involved in pilot projects involving local biomass and hydrokinetic turbines.

Unfortunately, fuels like diesel will always be needed in rural Alaska. However, we believe that LNG is a new concept that will lower the cost for electrical generation by providing a cost effective alternative to oil. Unfortunately, the infrastructure for LNG does not yet exist. These bills will provide an incentive to get this LNG infrastructure in place and as a result save our customers and the State PCE program significant sums of money by advancing the concept of LNG usage in rural Alaska.

Robert S. Grimm

President and CEO of

Alaska Power & Telephone Co.