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To: Laura Pierre <Laura.Pierre@akleg.gov>

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Subject: Sen Finance Committee Follow-up

Laura,

In follow-up to Senator Bishop's question this afternoon regarding the rationale behind the AGDC Board establishing an Asset Holding Company subsidiary.

AS 31.25.120 grants the corporation authority to create subsidiaries to carry out the powers and duties of the corporation. Notably, unless otherwise provided by the corporation, the debts, liabilities and obligations of a subsidiary corporation created under this section are not the debts, liabilities, or obligations of the corporation.

At their September 23rd board meeting, the AGDC board directed the corporation to form an asset holding subsidiary. In the event the Legislature supports the Governor's proposal to transfer TransCanada's AKLNG interests to AGDC, it may be advantageous for the corporation to hold those assets in a separate LLC. The board is seeking maximum optionality to structure corporate assets in the most advantageous legal manner. The board requested management to file the paperwork necessary to create the legal entity, but hasn't given any further direction with regard to how the subsidiary is to be used.

Attached are the Articles of Incorporation that were filed with the Division of Corporations, Business and Professional Licensing. We have not received our Certificate of Incorporation or Entity Number at this time.

Please let me know if we can be of further assistance to the committee.

Miles

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