

Homer Electric Association, Inc.

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March 11, 2015

Representative Benjamin Nageak State Capitol, Room 126 Juneau, AK 99801-1182

Dear Representative Nageak:

RE: Agrium Facility Re-start

Homer Electric Association (HEA) would like to recognize efforts to re-start the Kenai Agrium facility by supporting HB 100, currently being considered in the Alaska Legislature. The bill, if approved, would establish a tax abatement that the Kenai Agrium facility would qualify for once the plant was re-furbished and operating.

The following objectives are potential benefits of re-starting the Kenai Agrium facility:

- <u>Jobs</u> With oil and gas prices low, it is only a matter of time before job losses mount in the oilfield. It is important to mention that Agrium's "economic reach" goes well beyond Kenai and into many communities throughout the State.
- <u>Business</u> It is not just about hiring people to work at the Kenai Agrium facility, it is also about the overall economic impact. There are a large number of indirect jobs generated by a business like the Kenai Agrium facility.
- Cook Inlet Just a few years ago we were looking at importing natural gas to energize the Railbelt. New exploration and production have saved us from that, but now it is time to establish a steady market for producers. Absent a gas buyer like Agrium giving explorers a reason to invest, the Railbelt is going to wind up in the same situation it was in a few years ago.

Should you have any questions or require additional information, please feel free to contact me at (907) 283-2312 or email to bjanorschke@homerelectric.com.

Sincerely,

Bradley P. Janorschke General Manager

cc: Steve Wendt, Agrium U.S. Inc. Facility Manager