



January 5, 2015

Chris Brown
Vice President & Alaska Regional Manager
MWH Americas, Inc.
1835 South Bragaw Street
Anchorage, Alaska 99508

Re: Interior Energy Project

Dear Chris:

By a separate letter, AIDEA has notified MWH and Northern Lights Energy, LLC that AIDEA has, in accordance with its terms, terminated the North Slope LNG Concession Agreement dated as of September 19, 2104. I wanted, however, to respond both to your thoughtful letter of December 30, 2014, and to your email of January 2, 2014, that had asked that the Concession Agreement be kept in place “until there is a plan to replace the current approach to bring gas to the Interior.”

AIDEA is fully committed to the goal of bringing affordable energy to the Interior and appreciates the effort that MWH put into making the North Slope LNG plant a reality. As your December 30 letter chronicles, MWH achieved a great deal during 2014. On behalf of the AIDEA Board and management, please extend our most sincere thanks to the entire MWH team for all of their hard work.

The termination of the Concession Agreement, however, does not mean that AIDEA is abandoning the effort to bring natural gas to the Interior. Instead, as you posited in your January 2 email, the Authority is committed to pursuing a reliable source of gas for the Interior at reasonable cost and is looking at all options, which includes those not available as long as the Concession Agreement was in place.

As you noted in your December 30, 2014 letter, the success of the project was dependent on the Fairbanks utilities and community supporting it. AIDEA further agrees with MWH’s view that there should be a plan to replace the Concession Agreement that will have the support of the community and utilities. In that regard, MWH’s knowledge and experience gained in working on the North Slope LNG plant, with the trucking component, and with each of Interior utilities, could be valuable in evaluating alternatives that could be utilized to bring competitively priced energy to consumers in the Interior.

I would appreciate it if you could advise me of your willingness and availability to participate in discussions regarding possible next steps at your convenience.

Sincerely,

Ted Leonard
Executive Director