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March 11, 2026

Representative Ky Holland, Co-Chair
Representative Donna Mears, Co-Chair
House Energy Committee

RE: Letter in Support of House Bill 328, "An Act relating to surcharges for strategic investments by public utilities"

Dear Co-Chairs Holland and Mears, and the House Energy Committee:

ENSTAR writes in support of House Bill 328. As we approach 70 years of service, it is undisputed that we will need to access new sources of gas supply for our customers. The new supply will require natural gas storage facilities adequate to receive and distribute this gas throughout ENSTAR's 3,942-mile system. Moreover, as we continue to rely on aging infrastructure, ENSTAR must make prudent but sizable infrastructure investments to maintain reliable gas supply to our 156,000 customers.

Under the current regulatory framework, ENSTAR is unable to recoup investments needed for system maintenance and integrity until it files for a full rate case. In order to include the costs in the rate case filing, the project must be complete and providing service to customers. The time between a rate case filing and a final order approving rates is generally eighteen months. Practically speaking, this means that ENSTAR must wait approximately two years or more after funds are expended those costs can be included in customer rates.

From a customer perspective, rates tend to spike after a rate case concludes as a result of rates catching up to these backlogged costs. This can come as a surprise, particularly for customers with limited or fixed incomes. By aligning rates with costs more contemporaneously with when the costs are incurred, increases will be more gradual. Importantly, this bill retains important oversight by the Regulatory Commission of Alaska. The process outlined in the bill provides safeguards to confirm that utilities such as ENSTAR continue to make prudent investments and charge just and reasonable rates for its service to customers.

Finally, I want to thank the House Energy Committee for hearing this bill and considering our comments. We urge passage of House Bill 328 and are available to provide any additional information or answer questions as needed.

Sincerely,

A handwritten signature in black ink, appearing to read "John D. Sims".

John D. Sims, President
ENSTAR Natural Gas Company, LLC

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All Our Energy Goes Into Our Customers



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STANDARD FOR EXCELLENCE

March 10, 2026

Representative Ky Holland, Co-Chair
Representative Donna Mears, Co-Chair
House State Affairs Committee

Re: House Bill 328, Public Utilities: Investment Surcharge (version 34-LS1330\I)

Dear Co-Chairs Holland and Mears, and Members of the House State Affairs Committee,

The Plumbers and Steamfitters UA Local 367 writes to express support for House Bill 328, an Act relating to surcharges for strategic investments by public utilities.

UA Local 367 represents skilled plumbers, pipefitters, welders and HVAC technicians across Southcentral Alaska. Our members build, maintain, and repair the critical piping and mechanical systems that support Alaska's energy infrastructure, commercial facilities, and public utilities. Reliable utility infrastructure is essential not only for Alaska's economic growth but also for the health, safety, and well-being of our communities.

House Bill 328 provides an important tool that allows utilities to better align rates with the real costs of building and maintaining the infrastructure necessary to provide reliable service. By allowing utilities to recover certain project costs more gradually, the bill helps moderate sudden rate increases that can occur when projects are completed and incorporated into traditional rate cases. This approach provides greater stability and predictability for both utilities and customers.

Under the current structure, utilities are often unable to recover project costs until a project is completed and placed into service, which can delay critical infrastructure investments. HB 328 helps remove this barrier by providing a mechanism that supports timely infrastructure upgrades and improvements. For Alaska's workforce, including the skilled trades that build and maintain these systems, timely investment helps ensure projects move forward when they are needed most.

Maintaining and modernizing Alaska's utility systems will be critical as our state works to ensure long-term energy reliability and affordability. Policies that support responsible



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infrastructure investment help utilities plan effectively, strengthen essential systems, and provide continued opportunities for Alaska's skilled workforce.

UA Local 367 respectfully urges the Legislature to support House Bill 328. Thank you for your consideration of our comments and for your continued work to support Alaska's infrastructure and workforce.

Sincerely,

Aaron Plikat
UA Local 367 Plumbers & Steamfitters
Anchorage, Alaska



March 10, 2026

Representative Ky Holland, Co-Chair
Representative Donna Mears, Co-Chair
House State Affairs Committee

Re: House Bill 328, Public Utilities: Investment Surcharge (version 34-LS1330\I)

Dear Co-Chairs Holland, and Mears, and members of the House Energy Committee,

The Alaska Chamber (the Chamber) writes to support House Bill 328, an Act relating to surcharges for strategic investments by public utilities

The Alaska Chamber is the state's largest statewide business advocacy organization. Our mission is to promote a healthy business environment in Alaska. The Chamber has more than 700 members and represents businesses of all sizes and industries from across the state, representing 58,000 Alaskan workers and \$4.6 billion in wages.

Reliable and affordable utility infrastructure is essential to Alaska's economic future, and House Bill 328 represents an important step toward ensuring our utility systems can continue to meet the needs of businesses, families, and communities across the state.

HB 328 would allow utility rates to better align with the actual costs of providing service. By allowing utilities to recover certain project costs more gradually, the bill helps moderate customer rates over time and reduce the large rate spikes that currently occur when utilities file for major rate adjustments after projects are completed. This approach provides greater predictability for both utilities and customers.

Under the current system, utilities cannot recover project costs until a project is fully completed, placed into service, and included in a formal rate case, often a process that takes years. This structure can delay necessary infrastructure investments that sustain and improve the reliability of Alaska's energy systems. HB 328 would help remove this barrier and support the timely development of projects that maintain and strengthen critical infrastructure.

Looking ahead, Alaska's ability to attract investment, grow our economy, and support thriving communities depends on reliable energy and utility systems. HB 328 helps ensure that utilities can responsibly invest in the infrastructure necessary to deliver these services while maintaining more stable and predictable rates for customers.

We urge legislators to fully support HB 328. Thank you for your consideration of the Chamber's comments on this resolution.

Sincerely,

A handwritten signature in black ink that reads 'Kati Capozzi'.

Kati Capozzi
President and CEO



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