



April 14, 2016

Senator Kevin Meyer
Senator Anna MacKinnon
Senator Cathy Giessel

Alaska State Legislature
Alaska State Capitol
Juneau, Alaska 99801

Dear Senators:

Thank you for the opportunity to provide input on the Cook Inlet Recovery Act of 2010. Municipal Light & Power/Municipality of Anchorage (ML&P/MOA) believes the Act provided the incentive needed to generate exploration of new resources in the basin.

New companies have brought new fields on-line such as Cook Inlet Energy, Furie Alaska, and Hilcorp Alaska. Several other companies have identified new prospects that have yet to be developed, such as Blue Crest Energy. These new reserves have alleviated near-term concerns related to gas supplies for South Central utilities.

If the State modifies or eliminates these incentives some of these companies may decide not to develop new reserves or prospects based on the economics.

ML&P/MOA believes the greatest impediment to long-term gas security and reserves is a robust market that does not currently exist. The current market does not have sufficient demand to support some of these new development and exploration companies. The ultimate solution to creating a viable supply is to create long-term demand, such as the Interior Energy Project, Agrium, and a reliable LNG export option.

Again, thank you for this opportunity to comment. Please feel free to contact me at 907-263-5202 with any follow-up questions.

Sincerely,

A handwritten signature in blue ink, appearing to be 'Mark A. Johnston'.

Mark A. Johnston
ML&P General Manager
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