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Your Touchstone Energy® Cooperative 

March 14, 2014

Dear House Resources Committee Members:

Golden Valley Electric Association (GVEA) supports the passage of House Bill 367, the Diesel Fuel Storage Tax Credit for Public Utilities, because the legislation will allow public utilities to utilize up to a 50 percent tax credit to assist in financing diesel fuel storage facilities in both urban and rural Alaska.

In light of the ongoing uncertainty for the future of the Flint Hills Refinery in North Pole, it is imperative for GVEA to have a way to store diesel fuel in the future.

House Bill 367 will allow for a partnership between public utilities and the State of Alaska. The bill establishes clear criteria for a public utility to apply for this credit, while ensuring the public utility provides its own resources up to 50 percent of the costs, ensuring oversight from the Department of Revenue and protecting the public's interests.

GVEA's mission is to provide its nearly 35,000 member-owners with quality electric service, quality customer service and innovative energy solutions at fair and reasonable prices. The cooperative serves nearly 100,000 Interior residents and operates and maintains 3,166 miles of transmission and distribution lines and 34 substations.

GVEA's system is interconnected with Fort Wainwright, Eielson AFB, Fort Greely, the University of Alaska-Fairbanks and all electric utilities in the Alaska Railbelt which extends from Homer to Fairbanks.

House Bill 367 creates a mechanism for public utilities like GVEA to build diesel fuel storage facilities while attempting to hold energy rates stable for our members.

Thank you for allowing GVEA the opportunity to comment in support of HB 367 and we look forward to the bill moving through the process.

Sincerely,

Cory R. Borgeson
President and CEO