



March 12, 2019

The Honorable Steve Thompson  
Alaska State House of Representatives  
120 4<sup>th</sup> Street, Rm. 3  
Juneau, AK 99801

Re: Support for HB87 – Liquefied Natural Gas Storage Tax Credit

Dear Representative Thompson,

The Interior Alaska Natural Gas Utility (IGU) is a municipal utility under the Fairbanks North Star Borough (FNSB). It operates independently of the FNSB and is governed by a seven-member board of directors. The IGU has an important mission to provide low cost, clean burning, natural gas to the most people in the Fairbanks North Star Borough as possible, as soon as possible. As a public utility, the IGU is focused on bringing both economic and environmental relief to the residents of the Interior to keep our community vibrant.

IGU currently has two LNG storage projects underway in the Fairbanks and North Pole areas that are critical to increasing the security of supply and providing capacity to serve a greater number of new customers. In December 2017, IGU initiated construction of a 5.25 million-gallon LNG storage tank in South Fairbanks. Work on this project is progressing on schedule and has a target completion date of fall 2019. Construction of a smaller LNG storage and regas facility located in North Pole will commence in summer 2019, and also has a target completion date of fall 2019.

The state's LNG storage tax credits are vital in helping to bring down the cost of providing natural gas to Interior residents as all money from tax credits will be passed along to rate payers. Expansion of natural gas service in the FNSB is also a priority for the State of Alaska to help alleviate the poor air quality and assist with the FNSB compliance related to the fine particulate matter (PM<sub>2.5</sub>) nonattainment area designation.

IGU strongly supports HB87 and extending the sunset on the LNG storage facility tax credits to ensure the Interior's rate payers benefit should completion of these projects take longer than anticipated.

Sincerely,

A handwritten signature in black ink, appearing to read "Pamela Throop", with a long horizontal line extending to the right.

Pamela Throop  
Chair