

For reading: December 16, 2008

CLERK'S OFFICE  
**AMENDED AND APPROVED**  
Date: 12-16-08

**ANCHORAGE, ALASKA**  
**AR NO. 2008-324**

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY URGING STATE OFFICIALS TO ACT AS QUICKLY AS POSSIBLE TO ENSURE THAT ANCHORAGE AND ALL OF SOUTHCENTRAL ALASKA HAS SUFFICIENT NATURAL GAS RESOURCES TO SUPPORT CURRENT NEEDS AND NEW ECONOMIC DEVELOPMENT.

WHEREAS, the era of low-priced, abundant supplies of natural gas in Southcentral is coming to an end; and

WHEREAS, complex negotiations regarding long-term gas delivery are underway; and

WHEREAS, Southcentral Alaska will face shortages of natural gas during peak demand this winter; and

WHEREAS, more than 400 Southcentral businesses, religious institutions, government agencies, and non-profits have been notified by one commercial gas marketer that they will no longer be provided gas after December 1, 2008, and

WHEREAS, ENSTAR Natural Gas Company has indicated that they will not provide these customers with gas after December 31, 2008, unless ENSTAR has sufficient supplies under contract to serve their current customers first, and

WHEREAS, ENSTAR has negotiated and filed its gas supply contracts with the Regulatory Commission of Alaska, in compliance ENSTAR's tariff; and

WHEREAS, the Regulatory Commission of Alaska has rejected a gas supply contract in 2006 and ordered pricing changes to gas supply contracts submitted in 2008, and

WHEREAS, ENSTAR has informed the Regulatory Commission of Alaska that the gas producers will not sell gas under the pricing caps set by the Regulatory Commission of Alaska; and

WHEREAS, ENSTAR has negotiated a two-year supply of natural gas with a two local producers at a cost less than the weighted average cost of natural gas for all its gas supply contracts and submitted that plan to the Regulatory Commission of Alaska; and

WHEREAS, peak demand shortages pose a critical problem to the health, safety and economic viability and demands immediate attention in order to secure a reliable natural gas source for the Southcentral region in 2009;

NOW, THEREFORE, the Anchorage Municipal Assembly resolves that:

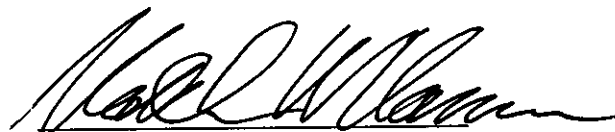
Section 1.: Regulatory Commission of Alaska as well as all parties to the 2008 ENSTAR Natural Gas Company gas supply contracts are urged to resolve this matter by January 1, 2009 and without interruption of service to any gas consumer.

1        Section 2.: Governor Palin and the Alaska State Legislature are requested to work  
2 effectively together to ensure that an adequate natural gas supply is available to the  
3 Southcentral region in 2009 and beyond.

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5        Section 3.: The Municipality of Anchorage is committed to educating the public about the  
6 imminent nature of this potential crisis and to working with Governor Palin and the State  
7 Legislature and our partner Southcentral communities to establish effective short and long-term  
8 energy solutions.

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10       Section 4.: This resolution shall become effective immediately upon passage and  
11 approval by the Anchorage Municipal Assembly.

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13 PASSED AND Approved by the Anchorage Municipal Assembly this 16<sup>th</sup> day of December  
14 2008.

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Chair of the Assembly

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26 Municipal Clerk