

CLERK'S OFFICE

**APPROVED**

Date: 8-11-09

**ANCHORAGE, ALASKA**

AR No. 2009-195

Submitted by: Chair of the Assembly at the  
Request of the Mayor  
Prepared by: Municipal Light & Power  
For reading: August 11, 2009

**A RESOLUTION AUTHORIZING MUNICIPAL LIGHT & POWER TO  
NEGOTIATE AND ACQUIRE, BY PURCHASE, EXCHANGE OR OTHER  
TRANSFER AGREEMENTS, NATURAL GAS TO MEET ITS SHORT-TERM  
REQUIREMENTS NOTWITHSTANDING TITLE 7.**

**WHEREAS**, Municipal Light & Power (ML&P) meets its natural gas requirements for electric power generation from its reserves in the Beluga River Unit (BRU) gas field; and

**WHEREAS**, gas curtailments, interruptions (e.g. planned or un-planned field maintenance, gas transportation system interruptions) or emergencies (such as a gas compressor trip or loss of production from wells) may occur at the BRU; and

**WHEREAS**, it is imperative to the health, safety and welfare of the Municipality for ML&P to have other gas supply arrangements in place to meet its generation needs, particularly during periods of peak seasonal demand when Cook Inlet gas availability and deliverability is severely strained; and

**WHEREAS**, declining BRU field production, coupled with existing contractual gas supply requirements, indicate that ML&P's share of production from the field may be insufficient to meet its full gas requirement on some heavy peak use days; and

**WHEREAS**, the terms and conditions precedent to acquiring short-term gas supplies to accommodate short notice gas supply requirements are dictated by Cook Inlet market and supply conditions; and

**WHEREAS**, ML&P has been unsuccessful in securing an alternate supply of natural gas through the normal competitive procedures under Title 7; and

**WHEREAS**, it is in the best interests of the Municipality and the public for ML&P to maintain continuous access to an uninterrupted flow of natural gas for its electric generating turbines at the most favorable terms: now, therefore,

**THE ANCHORAGE ASSEMBLY RESOLVES:**

**Section 1.** Notwithstanding the competitive requirements of Title 7, ML&P is authorized to negotiate and acquire, by purchase, exchange or other transfer agreements, natural gas from producers on terms and conditions that the Municipality deems to be most favorable to it and ML&P customers.

**Section 2.** Any agreement entered into pursuant to Section 1 resulting in cumulative payments to any single producer exceeding \$500,000 in any fiscal year shall be reported to the Assembly within 30 days in an informational memorandum; PROVIDED proprietary information which a producer reasonably requires to be kept confidential shall be omitted from such reporting.

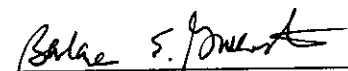
**Section 3.** The term of any such agreement shall not extend beyond three (3) years from passage and approval of this resolution.

**Section 4.** This resolution shall be effective immediately upon passage and approval by the Assembly.

PASSED AND APPROVED by the Anchorage Assembly this 14<sup>th</sup> day of August, 2009.

  
Chair of the Assembly

ATTEST:

  
Municipal Clerk

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**Director Name:** James M. Posey

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**Mayor Review?:** No

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