

ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY

RESOLUTION NO. G17-07

**RESOLUTION OF THE ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY REGARDING THE FY2018 BUDGET
FOR PENTEX ALASKA NATURAL GAS COMPANY, LLC AND
INTERIM RATES FOR FAIRBANKS NATURAL GAS, LLC**

WHEREAS, the Alaska Industrial Development and Export Authority (the “Authority”) is the sole and managing member of Pentex Alaska Natural Gas Company, LLC (“Pentex”), a Delaware limited liability company;

WHEREAS, Pentex owns the following operating subsidiaries: (1) Fairbanks Natural Gas, LLC (“FNG”), which is a natural gas utility for Fairbanks, Alaska; (2) Titan Alaska LNG, LLC (“Titan”), which operates a liquefied natural gas (“LNG”) plant that supplies LNG to FNG; and (3) Arctic Energy Transportation, LLC (“AET”), which operates LNG fueling stations;

WHEREAS, as the managing member of Pentex, the Authority needs to approve a budget for Pentex and its operating subsidiaries for fiscal year 2018 (“FY2018”);

WHEREAS, Pentex management has developed a proposed FY2018 budget for Pentex and its subsidiaries;

WHEREAS, under the rate-setting procedure adopted for Pentex and its subsidiaries, the Board, acting as the managing member of Pentex, may establish temporary interim rates for FNG pending completion of the full rate-setting process; and

WHEREAS, the Board desires to set interim rates for FNG for FY2018, or until the full rate setting procedure is completed and other rates are established;

NOW, THEREFORE, BE IT RESOLVED BY THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AS FOLLOWS:

Section 1. The Authority, acting as the managing member of Pentex, approves the proposed FY2018 budget for Pentex and its subsidiaries submitted to the Board.

Section 2. The Authority, acting as the managing member of Pentex, approves the interim rates for FNG as stated on the rate sheet attached to this Resolution, which rates shall remain in effect until the full rate-setting procedure is completed and other rates are established. Pentex management and the Authority staff are authorized and directed to solicit public comment on the interim rates and to take all other actions necessary to present proposed permanent rates to the Board at a subsequent meeting.


Section 3. The Executive Director is authorized to sign any documents and to take all other actions necessary or expedient in carrying out the purposes of this Resolution.

Dated at Anchorage, Alaska, this 29th day of June 2017.





Chair



Secretary

FNG Rate Sheet – 2018 Fiscal Year

The following rate changes will be implemented on a temporary basis effective August 01, 2017.

Rates will not become permanent until further AIDEA Board action is taken.

<u>Volumetric Charges</u>					
# of Cust.	Customer Class	FY 2017 Rate	FY 2018 Rate	% Change	
460	Residential	\$ 20.20	\$ 20.81	3.0%	
661	Small Commercial	\$ 20.16	\$ 20.76	3.0%	
31	Large Commercial	\$ 20.10	\$ 20.70	3.0%	
18	Interruptible - Small	\$ 20.03	\$ 20.03	0.0%	
15	Interruptible - Large	\$ 16.50	\$ 16.50	0.0%	
1	Interruptible - Hospital	\$ 16.50	\$ 16.50	0.0%	
1	UAF	\$ 16.50	\$ 16.50	0.0%	
1187	Totals	\$ 19.98	\$ 20.51	3.0%	

<u>Customer Charge</u>					
# of	Customer Class	FY 2017 Rate	FY 2018 Rate	Change	
460	Residential	\$ 9.20	\$ 12.00	\$2.80	
661	Small Commercial	\$ 17.25	\$ 22.00	\$4.75	
31	Large Commercial	\$ 57.50	\$ 72.00	14.50	
18	Interruptible - Small	\$ 57.50	\$ 72.00	\$14.50	
15	Interruptible - Large	\$ 57.50	\$ 72.00	\$14.50	
1	Interruptible - Hospital	\$ 500.00	\$ 500.00	\$0	
1	UAF	\$ 500.00	\$ 500.00	\$0	