

ALASKA STATE LEGISLATURE

Senator Bill Wielechowski

Senator Bettye Davis

Senator Hollis French



Representative Pete Petersen

Representative Berta Gardner

Representative Les Gara

Representative Chris Tuck

August 23, 2012

Governor Sean Parnell
State Capitol, Third Floor
Juneau, Alaska 99801

Re: Reinstating the 2008 Agreement Requiring Local Gas Needs be Met as Condition for Supporting Future Export License Applications

Dear Governor Parnell:

Marathon Oil Corporation's recent decision to withdraw the gas it committed to the Kenai storage facility operated by Cook Inlet Gas Storage Alaska (CINGSA) reinforces our position that Alaska can do more to ensure Alaskans have consistent access to affordable Alaskan gas to heat their homes. To that end, we urge you to reinstate the 2008 requirement to meet local needs first as a condition of state support for future Cook Inlet gas export license applications.

We support allowing Cook Inlet producers to export gas because it provides incentive for more year-round production in Cook Inlet which, in turn, increases gas supplies across the board, including for increased local use during the cold winter months. Our concern is that, without a binding commitment from Cook Inlet producers to supply the gas needed to get local utilities through the winter, Alaskans' ability to heat their homes with affordable local gas is contingent on unrelated financial decisions made in Outside boardrooms, leaving Alaskans subject to unpredictable price hikes and shortages.

We have attached our 2010 letter to former Attorney General Sullivan which outlines our concerns and request in more detail. The current export license expires early next year, so we anticipate that you will soon receive requests to offer state support for applications to renew the

export license. We hope you will use this opportunity to garner firm commitments to ensure Alaskans have fair and consistent access to Alaskan gas.

Sincerely,



Senator Bill Wielechowski



Senator Bettye Davis



Senator Hollis French



Representative Pete Petersen



Representative Berta Gardner



Representative Les Gara



Representative Chris Tuck

cc: Attorney General Michael Geraghty
Dan Sullivan, Department of Natural Resources
Bill Barron, Department of Natural Resources
Kevin Banks, Department of Natural Resources