

ENSTAR
RO

Natural Gas Company

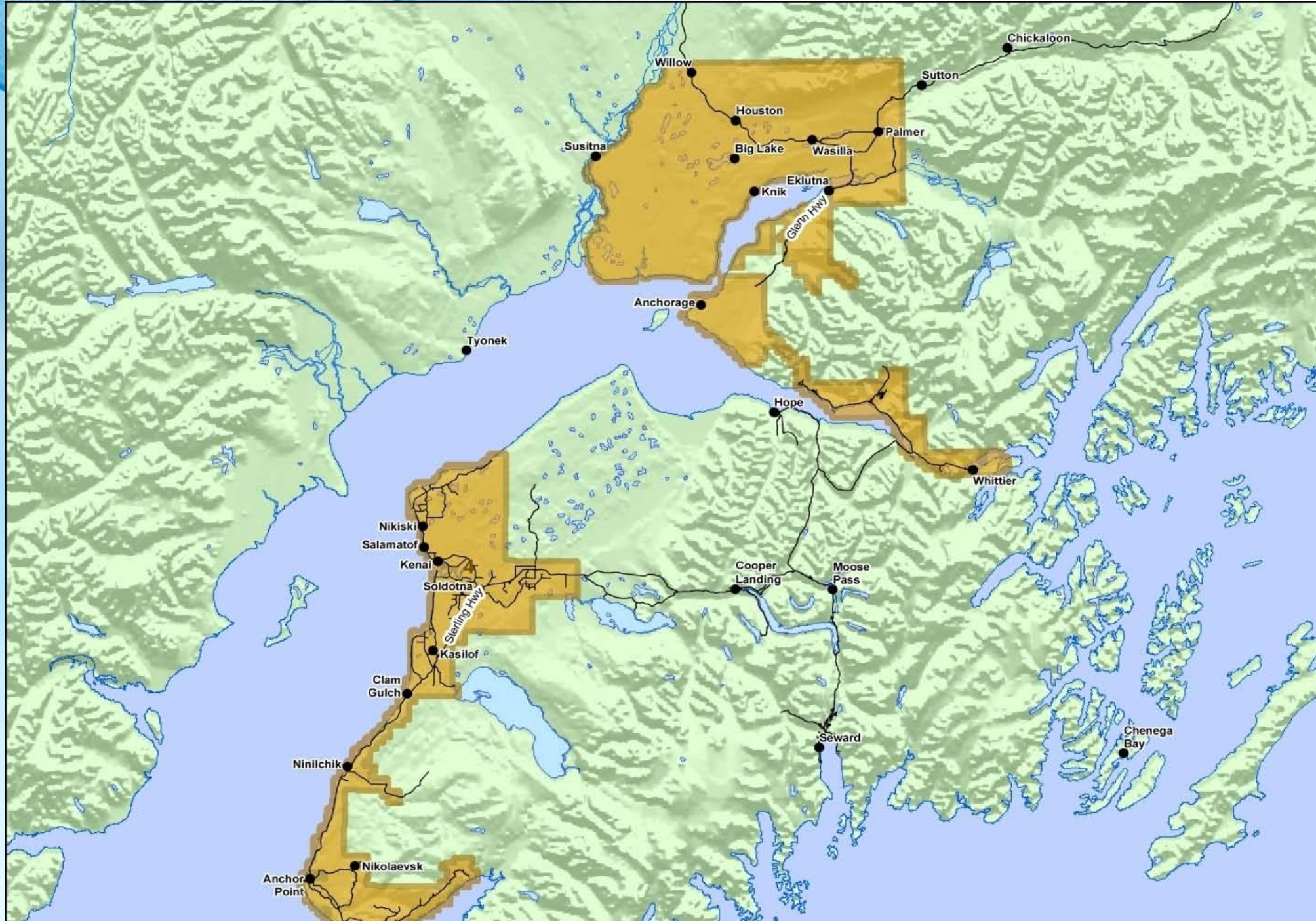
Serving Customers For 50 Years



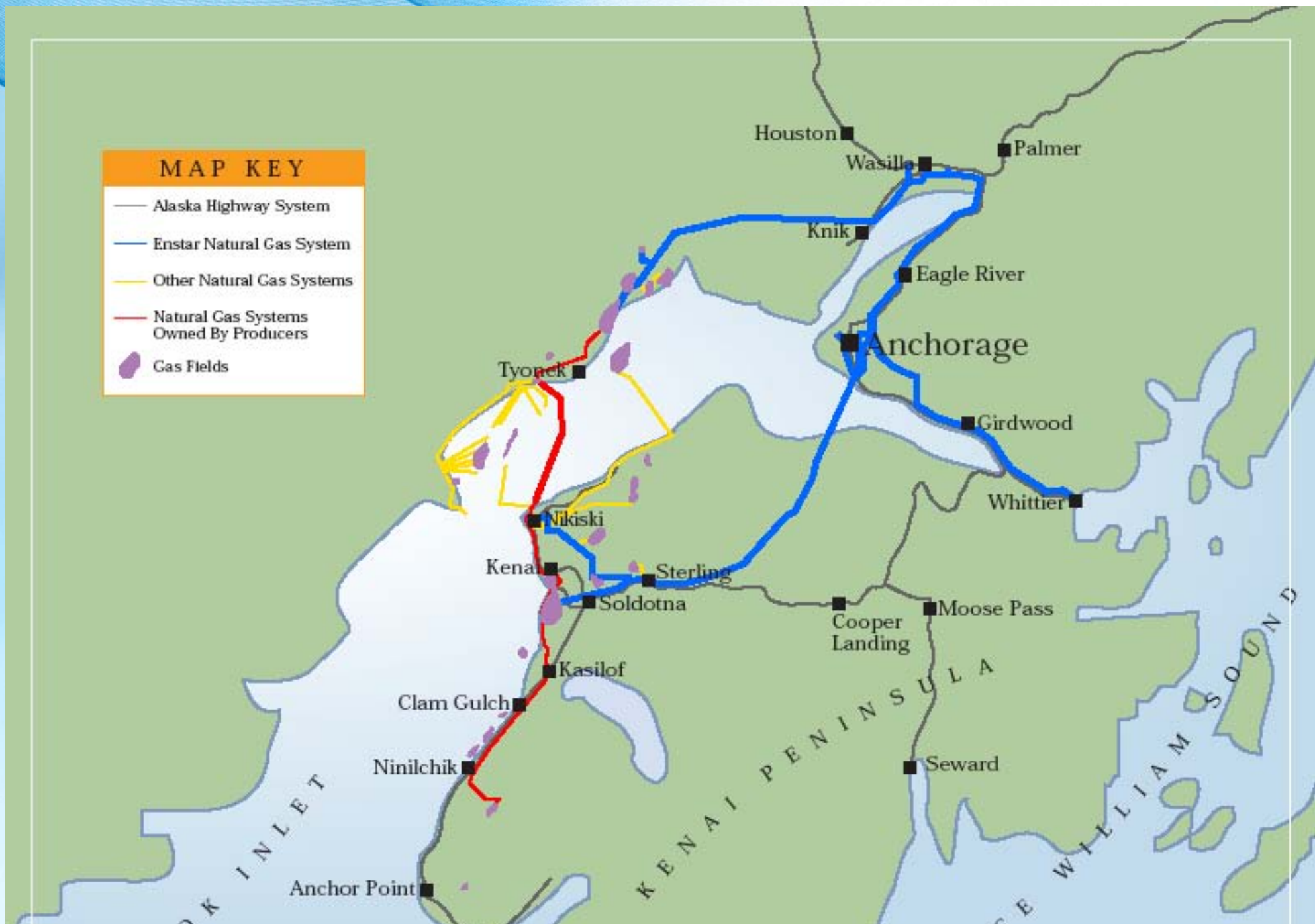
Who We Are – ENSTAR Facts

- Established – 1961
- Number of Meters – 131,000
- Number of Alaskans Served* - 353,700
- Miles of Distribution Main
and Transmission Main – 3,150
- Number of ENSTAR Employees – 180
- New Customers in 2010 – 1,200

Franchised Service Area



Southcentral Pipeline System

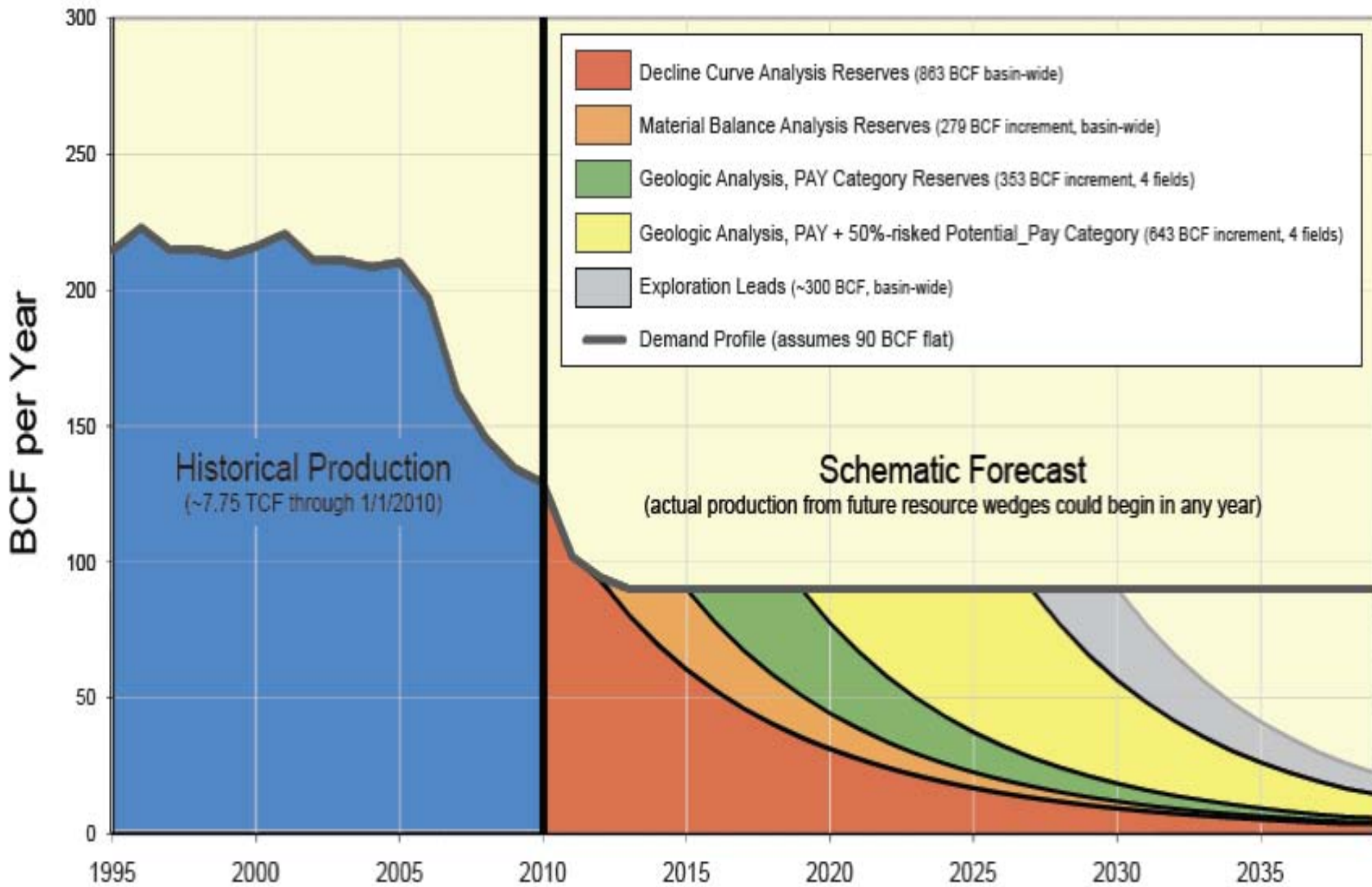


Gas Supply

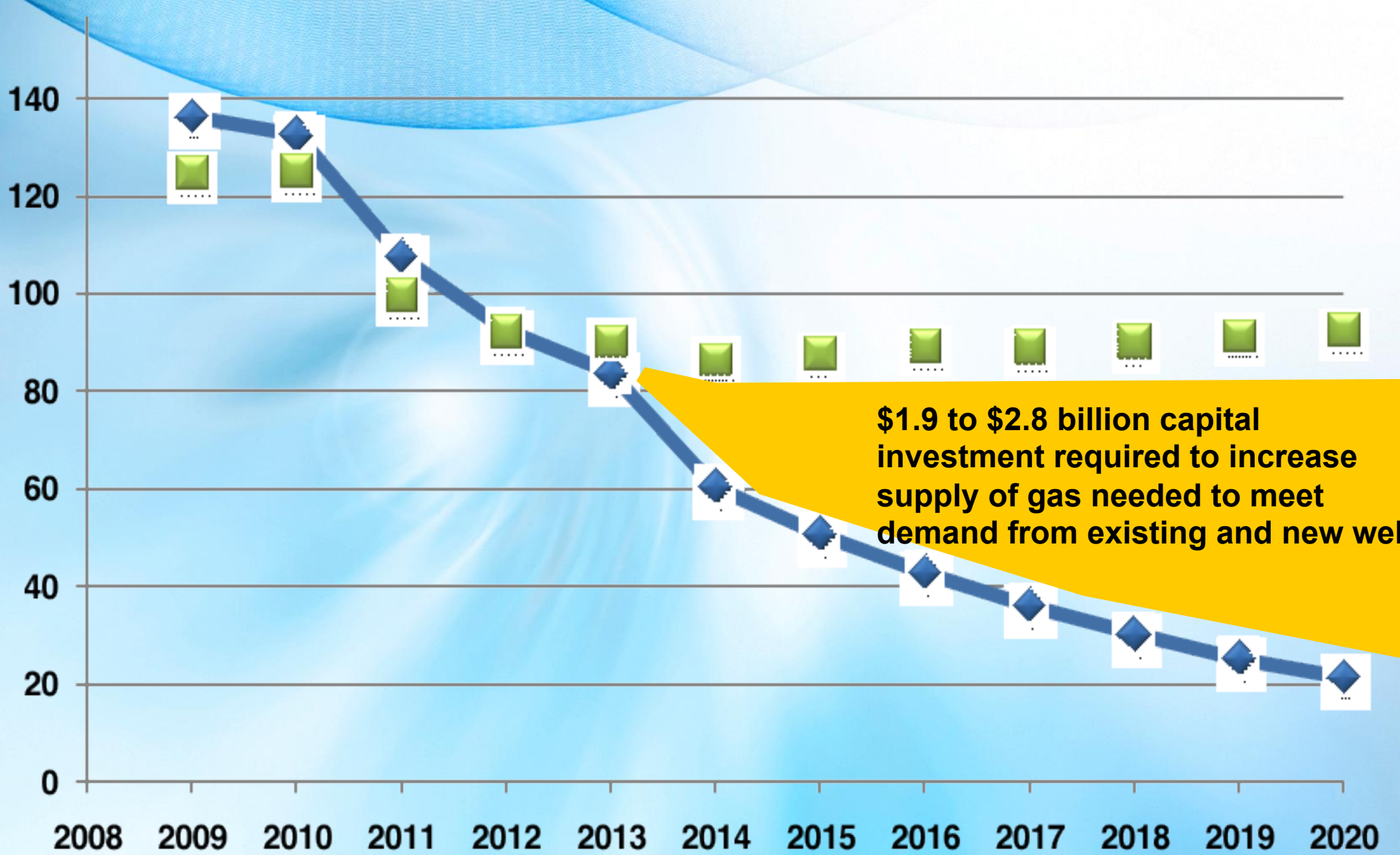
Utility Demand

- **ENSTAR**
 - Cook Inlet gas provides 100% of supply
 - 2010 consumption: 33 Bcf
- **Total Cook Inlet Utility Demand**
 - Transports gas for CEA, ML&P, & FNG
 - Approximately 70 - 80 Bcf

Cook Inlet Annual Supply



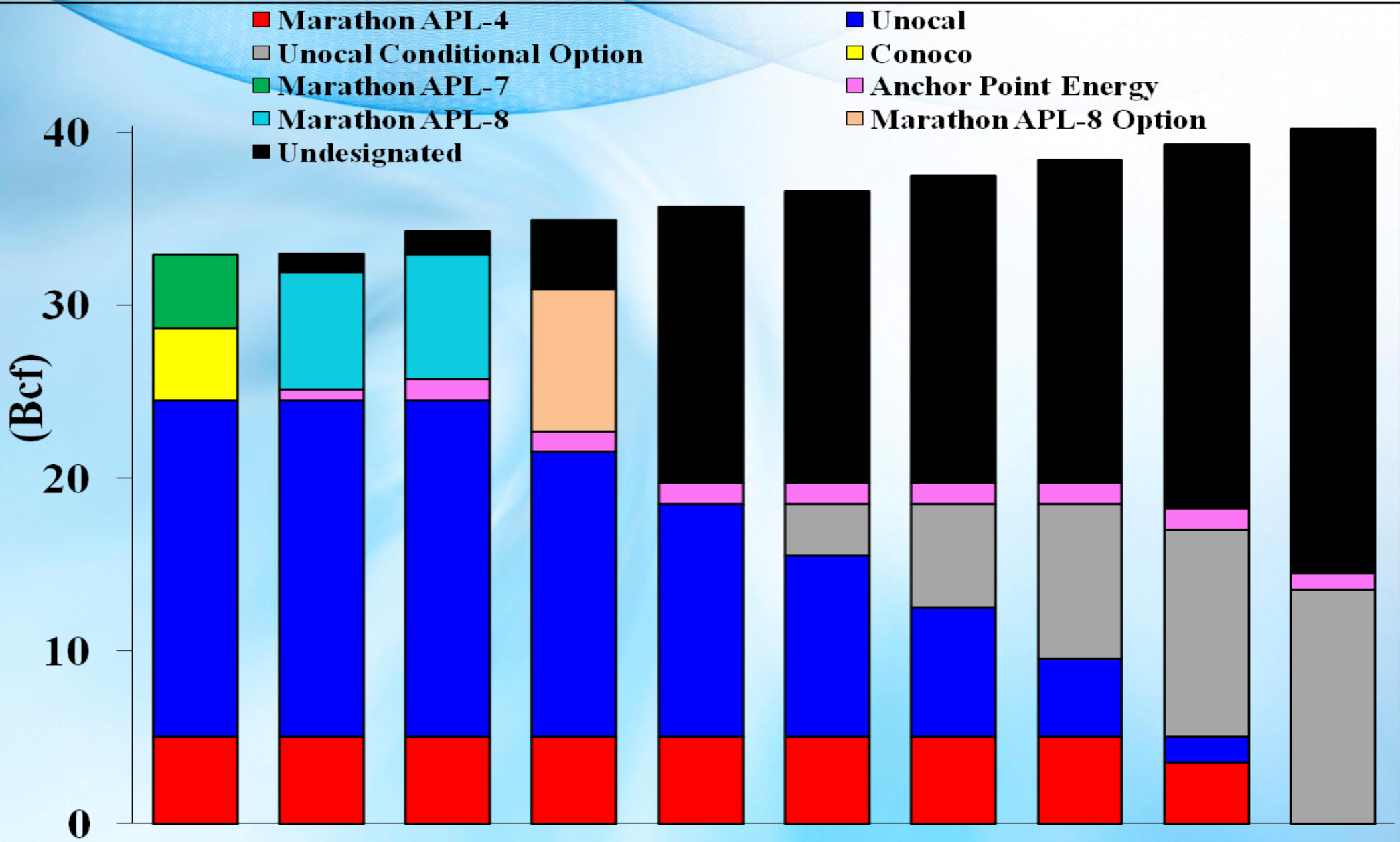
Required Capital Investment 2010 - 2020



The Challenge

- PRA study concludes that significant development & investment activity is required
- Both PRA & DNR studies conclude from decline curves that there will be annual gas supply problems by 2013 if no new wells are drilled

ENSTAR Gas Supply Forecast



Looking Forward

“Energy Watch” Campaign



Organizations throughout the Railbelt are making plans to deal with a potential natural gas shortfall this winter. While it's not considered likely, all agree that it is important to be prepared. Nobody wants to be caught unprepared on a cold, dark winter evening. That's why the electric utilities in the Railbelt, ENSTAR, and local governments have been working together on a collective approach to the situation.

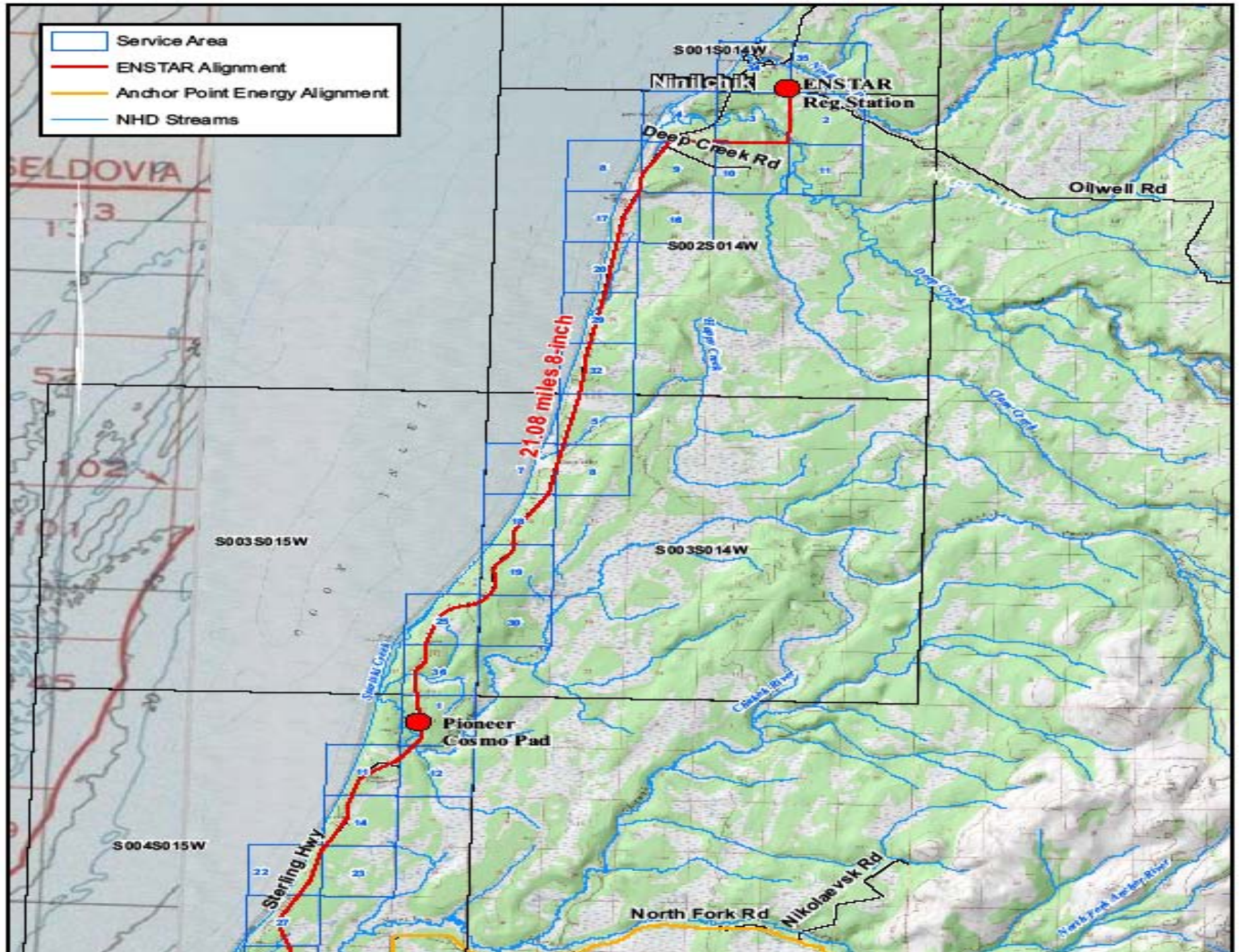
YOU CAN HELP IN A NATURAL GAS EMERGENCY. HERE'S HOW.

If a gas delivery problem develops, emergency managers might issue an alert using this Energy Watch chart.

Energy Disruption Customer Action Plan		
CONDITION	MEANING	CUSTOMER ACTION
Green	Stable	Use energy wisely; be conservation minded Your utilities can provide tips on saving energy
Yellow	Caution	Set thermostat to 65 degrees in living areas, and 40 in the garage Lower water heater setting to "warm" or "vacation" Minimize usage of natural gas range Postpone doing laundry and dishes Turn off unnecessary lights and electronics
Red	Alert	Set thermostat at 60 degrees in living areas (55 if away) Turn water heater gas valve to "pilot" Do not use natural gas fireplaces, decorative heaters or gas grills Consolidate household activities into as few rooms as possible

EVERY LITTLE BIT COUNTS. TOGETHER WE CAN MAKE A DIFFERENCE.

Anchor Point Pipeline

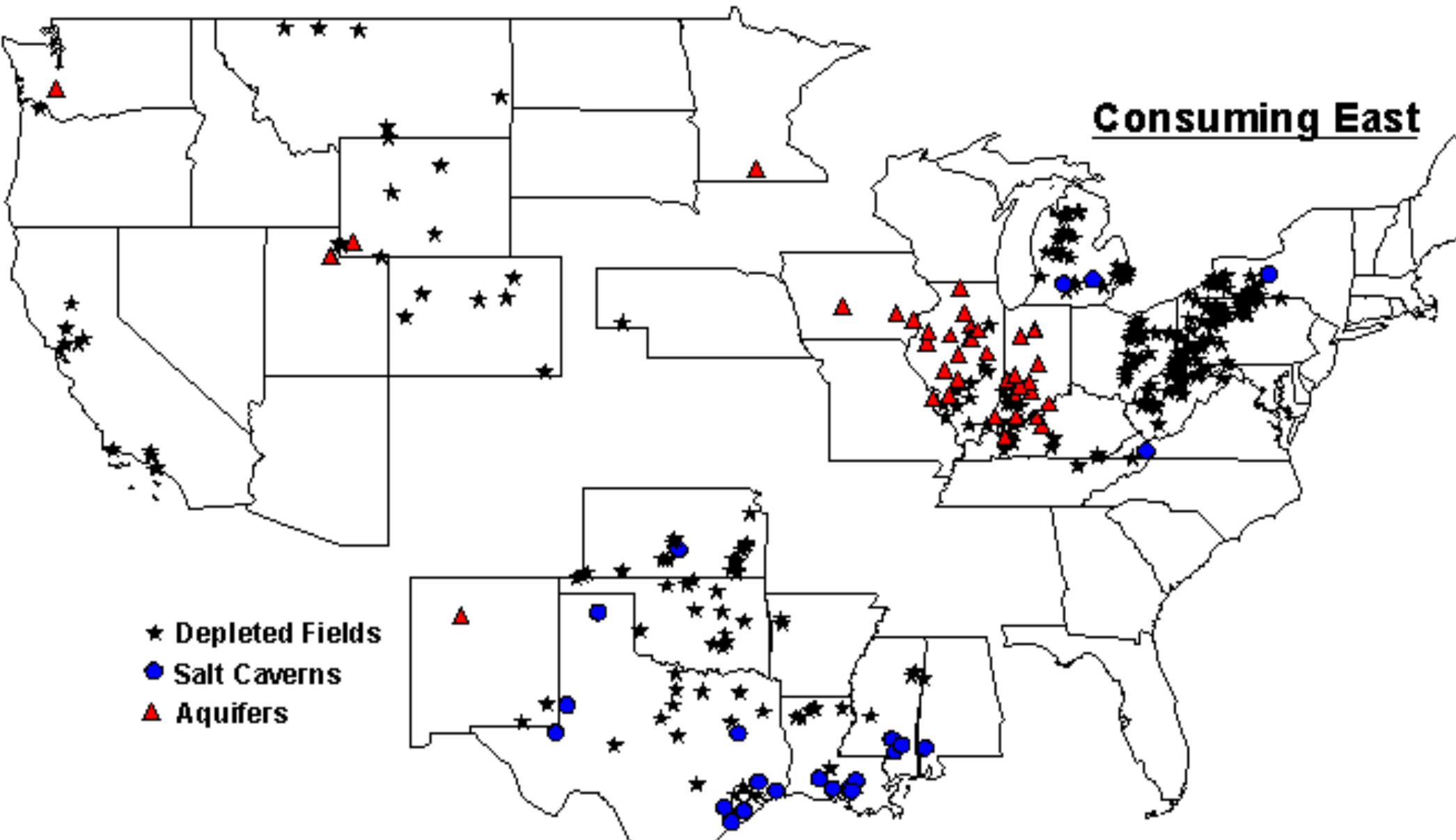


Storage Service

Current Storage Facilities

Consuming West

Consuming East



- ★ Depleted Fields
- Salt Caverns
- ▲ Aquifers

CINGSA

Natural Gas
Natural Gas



SEMCO ENERGY



- **70/30 Joint Venture**

- **CINGSA will provide storage service to:**

- ENSTAR

- Chugach Electric

- Municipal Light & Power



AECOM ENVIRONMENT
1835 S. Bragan Street, Suite 400

Cook Inlet Natural Gas Storage

Cook Inlet Natural Gas Storage Alaska, LLC

- LEGEND:**
- Proposed Underground Storage Boundary
 - Proposed Interconnecting and Gathering Pipeline Routes
 - Proposed Surface Footprint of Well Pad and of Compression/Gas Conditioning Facility
 - Proposed Subsurface Easement Area

CINGSA Schedule

RCA issued certificate January 5, 2011

RCA Order on Rates & Tariffs – January 31, 2011

Permitting & Land Acquisition in process

Initial Injections – planned April 2012

Withdrawals – planned winter 2012/2013

Benefits to Utility Customers

Provides operational peaking flexibility

Enhances system reliability

Provides utility customers with an “Insurance Policy” against supply interruptions

Can adjust quickly from injection to withdrawal

Permanently valuable resource

Short Term – deliverability

Long Term – deliverability and supply

Looking Forward

- **HB#369**
 - In-State Gas Line Development Team
 - ENSTAR Licensing Agreement
 - July 1, 2011
- **LNG Import**
 - Reviewing Cost Comparisons
 - FERC Application Process
 - Decision by Utilities

www.enstarnaturalgas.com