

Critical Industry Questions:

- What are the economic implications of our current energy situation?
- How do we get from where we are today, to where we want to be in the future?

Perception of the Industry

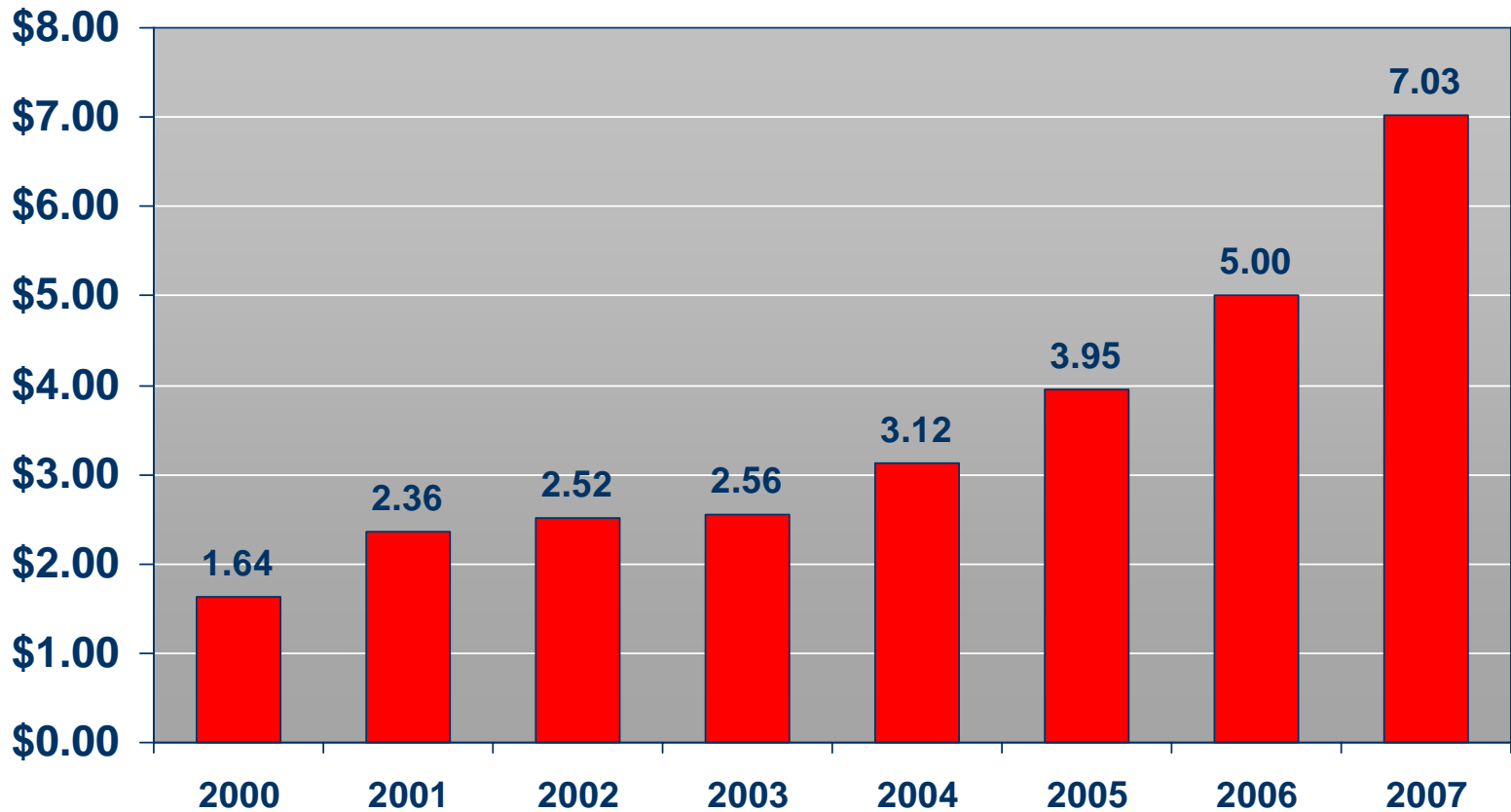
- Utilities don't work well together
- Lack of coordinated planning for energy infrastructure
- Lack of a State or Regional Energy Plans
- Future of fuel is uncertain
- Future of reliability is uncertain
- Customers believe they are captive and a low priority
 - “We are being punished by an Energy System that is broken”

Solutions include.....

- A State fiscal plan to bridge the gap between diminishing oil revenue and new gas revenue.
 - Using Alaska's energy resources to meet the direct need of Alaskans must be a priority action.
- A comprehensive energy policy in Alaska with appropriate party empowered to develop it.
 - Alaska's energy needs are not dealt with at a high enough level in state government.
 - Example: regulatory guidance to implement conservation programs without eroding utility bottom line.
- Current energy issues and the future of our State economy are linked.
 - Cook Inlet natural gas deliverability has fallen below what is necessary to maintain the future of the Railbelt economy.

Cost of Natural Gas per MCF (MMbtu)

Southcentral Alaska Consumer



Source: Regulatory Commission of Alaska