

How can I be more efficient?

As consumers, each of us should use energy wisely. Snug, well-insulated structures will retain heat and reduce the amount of gas needed to fuel furnaces and boilers. If you are buying a major new appliance like a refrigerator, look for one that has earned an ENERGY STAR rating. Gas and electric utilities can provide information to help you better understand your energy bill and how to take steps to control it through conservation and energy efficiency. The U.S. Department of Energy, the Alaska Housing Finance Corporation and the website www.akenergyefficiency.org are other great resources for information.

How can I help in an emergency?

If the gas delivery system is going to come under extra stress, it is likely going to be during a prolonged cold snap. In addition to the steps you're already taking to use energy wisely, you may be asked to further reduce your use of natural gas and electricity to help take pressure off the gas delivery system. Relatively small steps can make a big difference in the amount of gas that's needed during a few critical hours.

How will I know if you need my help?

If it's necessary to call for customer action, an announcement will be made through the media by local government officials. Announcements will outline the situation, spell out specific actions customers are being asked to take, and provide some idea of the length of the problem.

How will outages be handled ... and will I lose gas service?

Electric utilities can do something that gas utilities generally can't: interrupt service to selected customers for short periods of time and then restore it. Therefore, no scheduled service outages are planned for ENSTAR customers. Planned power outages would be a last resort, necessary only if the combination of system operations and customer actions fails to solve the problem. If it

In the event of gas system problems, emergency managers might use a chart like this to advise customers

| CONDITION | MEANING | Customer Action |
|-----------|---------------|---|
| Green | System Stable | <ul style="list-style-type: none"> • Use energy wisely • Be conservation minded • Your utilities can provide energy-saving tips |
| Yellow | Caution | <ul style="list-style-type: none"> • Set thermostat to 65 degrees in living areas, and 40 degrees 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 | <ul style="list-style-type: none"> • 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 • Use the microwave for cooking |

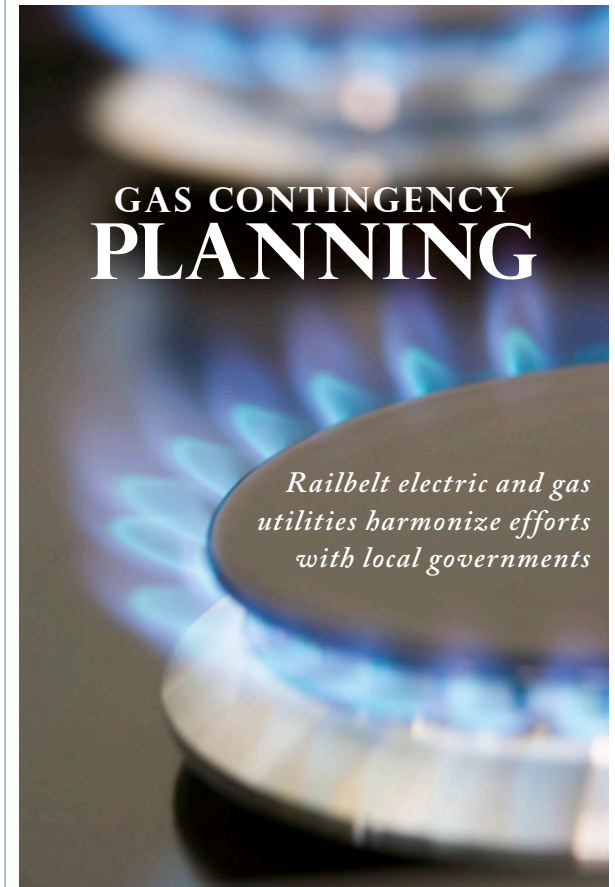
becomes necessary to interrupt service to electric customers, outages are planned to be 20-30 minutes long and rotated among customers, with consideration for critical facilities.

How can I learn more?

Check the websites of your municipal or borough government, electric utility or ENSTAR for additional information.



positiveENERGY



GAS CONTINGENCY PLANNING

Railbelt electric and gas utilities harmonize efforts with local governments

Organizations throughout the Railbelt are ready 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 ENSTAR, the electric utilities in the Railbelt, the Municipality of Anchorage, and the Kenai Peninsula and Mat-Su boroughs have been working together on a collective approach to the situation.

WINTER 2011-2012



Southcentral depends upon gas

Natural gas is the primary fuel for heating and electric power generation in the Railbelt south of the Alaska Range. Most homes and businesses in Southcentral depend upon natural gas for heating, and the area's electric utilities annually produce about 85-90 percent of their kilowatt-hours with gas-fired generation (the balance comes from hydropower).

Cook Inlet gas helped the region prosper

For more than 40 years, natural gas from the Cook Inlet Basin has helped fuel the economy of Southcentral Alaska. For decades, the gas supply was plentiful. Builders installed gas heating systems and appliances, electric utilities converted to natural gas as their primary fuel, and industries developed to convert gas into fertilizer and liquefy it for export. The completion of the Anchorage-Fairbanks intertie in the mid-80s allowed Interior Alaskans to share this benefit by enabling sales of electricity produced with inexpensive gas-fired power to flow north, offsetting more expensive oil-fired generation.

Existing gas fields are aging

In recent years, proven reserves of natural gas from the Cook Inlet Basin have been declining. So far there has been sufficient gas to meet the demands of gas and electric utility customers. As the Cook Inlet gas fields age, both reserves and pressures decline, and it becomes harder for gas producers to provide gas at times of peak demand. When Cook Inlet gas fields were first developed, they had enough field pressure to meet the real-time needs of customers. Today, producers and ENSTAR have compressors on the pipeline system to help maintain enough pressure to move gas from wells and fields. When a compressor trips off-line, it presents the possibility that the gas transmission system may not be able to supply gas at the rate customers are demanding it.

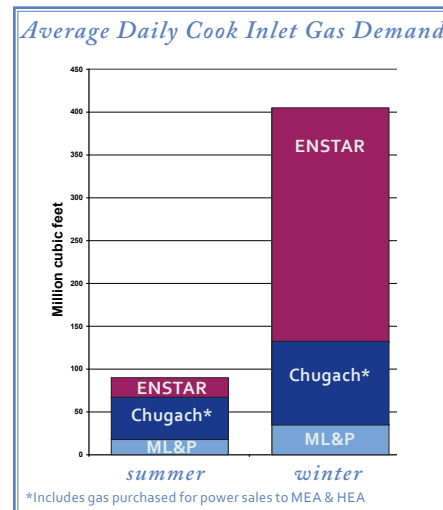
The situation is improving

Several activities are underway that may improve both the gas supply and deliverability situations in the Cook Inlet area. The pipeline that carries gas under Cook Inlet is being modified to allow gas to flow in either direction. An underground gas storage facility to serve utility needs is being constructed. A few new wells have been drilled, adding some additional sources of sup-

ply. New, efficient power plants that will use less gas are under construction in Anchorage and on the Kenai Peninsula. Following recent legislative incentives, companies are buying leases and exploring for both oil and gas in the Cook Inlet area. Utilities are prudently studying liquefied natural gas (LNG) import options to meet a portion of their needs. And a 2011 U.S.G.S. assessment concluded that up to 19 trillion cubic feet of natural gas remains to be found in the Cook Inlet area. Many of these actions will improve the gas situation in the mid- to long-term, but we still need to get through the winter of 2011-2012.

Supply versus deliverability

Gas supply and the ability to deliver gas are critical. Supply is the gas available to meet the needs of a customer. Deliverability is the process of getting the gas supply to a customer when and where they need it. ENSTAR, Chugach Electric Association and Municipal Light & Power all have contracts for natural gas to meet most or all of their needs in the winter of 2011-2012. It is important that the delivery system be able to provide gas at the point in time that utilities – and their customers – need it.



Cooperation is key

Gas producers, the LNG export facility, ENSTAR and Railbelt electric utilities have worked together many times over the years to ensure that there is enough gas for heating and power produc-

tion. There are many tools that may be available to deal with a temporary gas deliverability issue.

Step 1: Utility system operations

Depending on the situation, system operators have actions they can take.

- Deliveries can be diverted from the LNG export plant,
- Hydropower production could be increased,
- Southcentral electric utilities could stop making power sales to the Interior, and
- Southcentral electric utilities could buy power produced with liquid fuels.

These are just a few of the options system operators have historically used.

Step 2: Consumer actions

If these steps are not enough, customers may be asked to reduce their demand on the gas and electric systems. While most customers are practicing conservation and energy efficiency on a daily basis, there is usually more that can be done for short periods of time during an emergency. Simple actions that are helpful:



- Lowering the thermostat, turning down the setting on the hot water heater,
- Postponing doing laundry and dish washing, and
- Turning off unused lights and electronics.

Step 3: Interruptions are a last resort

Power outages are a last resort that could be used to deal with a gas delivery problem. This would entail electric utilities intentionally cutting power to some customers for short periods of time before re-energizing them and rolling the outage to other customers. This option would only be necessary if the many different actions available through system operations and voluntary customer actions were unable to sufficiently reduce the demand on the gas delivery system.

