



INTERIOR ENERGY PROJECT FNSB ASSEMBLY QUARTERLY UPDATE - Q3 2019 September 5, 2019



Interior Energy Project PURPOSE AND GOALS

InteriorAlaska

“ . . . to bring low-cost energy to as many residents and businesses of InteriorAlaska as possible, as quickly as possible ... ”

Stabilize the Economy

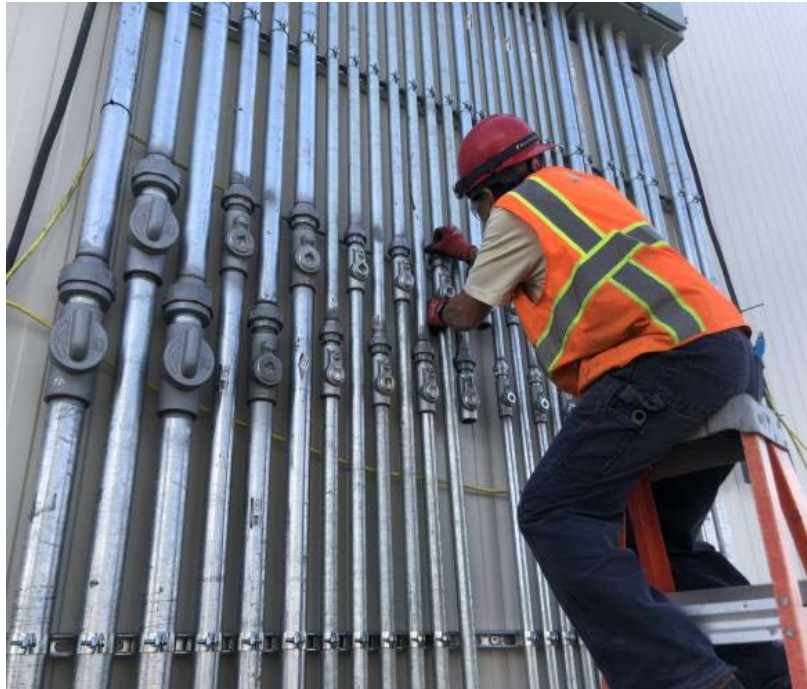
Help Improve AirQuality

LNG Storage and Vaporization Activities

5.25 MM Gallon Storage Project

- Substantial Completion of Tank Reached
- Balance of Plant Phase 4 contract work progressing

Conduit Installation



Motor Control Center



LNG Storage and Vaporization Activities

Transfer Skid – LNG Loading and Offloading



Back-up Generator



LNG Storage and Vaporization Activities

North Pole

- Completed evaluation of a temporary installation to accelerate availability of gas in North Pole, however code compliant options appear cost prohibitive.
- Request for Bids issued for site ground improvements, with bids due September 10, 2019.
- IGU finalizing scope reductions and value engineering for Site Infrastructure, with intent to revise scope and schedule and re-bid work on September 29, 2019 with bid opening on October 31, 2019.

Titan FEED – 65% Design

Braemar Technical Services have been engaged to conduct the Front-End Engineering and Design (FEED) for the expansion (100,000gpd) of the Titan liquefied natural gas (LNG) facility.

- Request for Best and Final offer issued to liquefaction and pretreatment vendors on August 28, 2019.
- Completed study to determine most economic power supply.
- Balance of plant engineering will continue once final vendor selection is made.

New Service Activities

IGU has started installing service lines in advance of the storage project completion. We anticipate approximately 30 – 40 new service lines will be installed this season.

- 23 Residential
- 8 Commercial
- 3 Interruptible

Financing Activities

- \$125MM SETS funds expected to be fully drawn by October 2019.
- AIDEA has agreed to increase the SETS loan by \$10MM to \$135MM on the same beneficial loan terms as the original \$125MM.
- IGU has withdrawn its request to the FNSB to access the \$7.5MM line of credit.
- IGU has completed a credit presentation and site visits with the Fitch rating agency and expects the credit rating will be available by the end of September or early October 2019.
- IGU has selected underwriters and Bond counsel in preparation of bond issuance.

Next Steps: Immediate Term

- Natural Gas Conversion Program Advancement
- Continue implementation of Combined Utility Integration & Transition Plan
- Continue development of Master Schedule
- Additional IGU Policy development and implementation
- Finalize revised North Pole scope, schedule, and re-bid work
- Continue Titan liquefaction FEED work
- Advance Natural Gas feed stock availability and negotiations for future supply
- Advance Public Relations and Marketing

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Call before you dig.**

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Put in a fence?

Install a mailbox?

Build a patio or deck?

Plant trees or shrubbery?

Excavate a new garden area?

Install or maintain a septic system?

Install a well?



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Call before you dig.**

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QUESTIONS



INTERIOR GAS UTILITY