

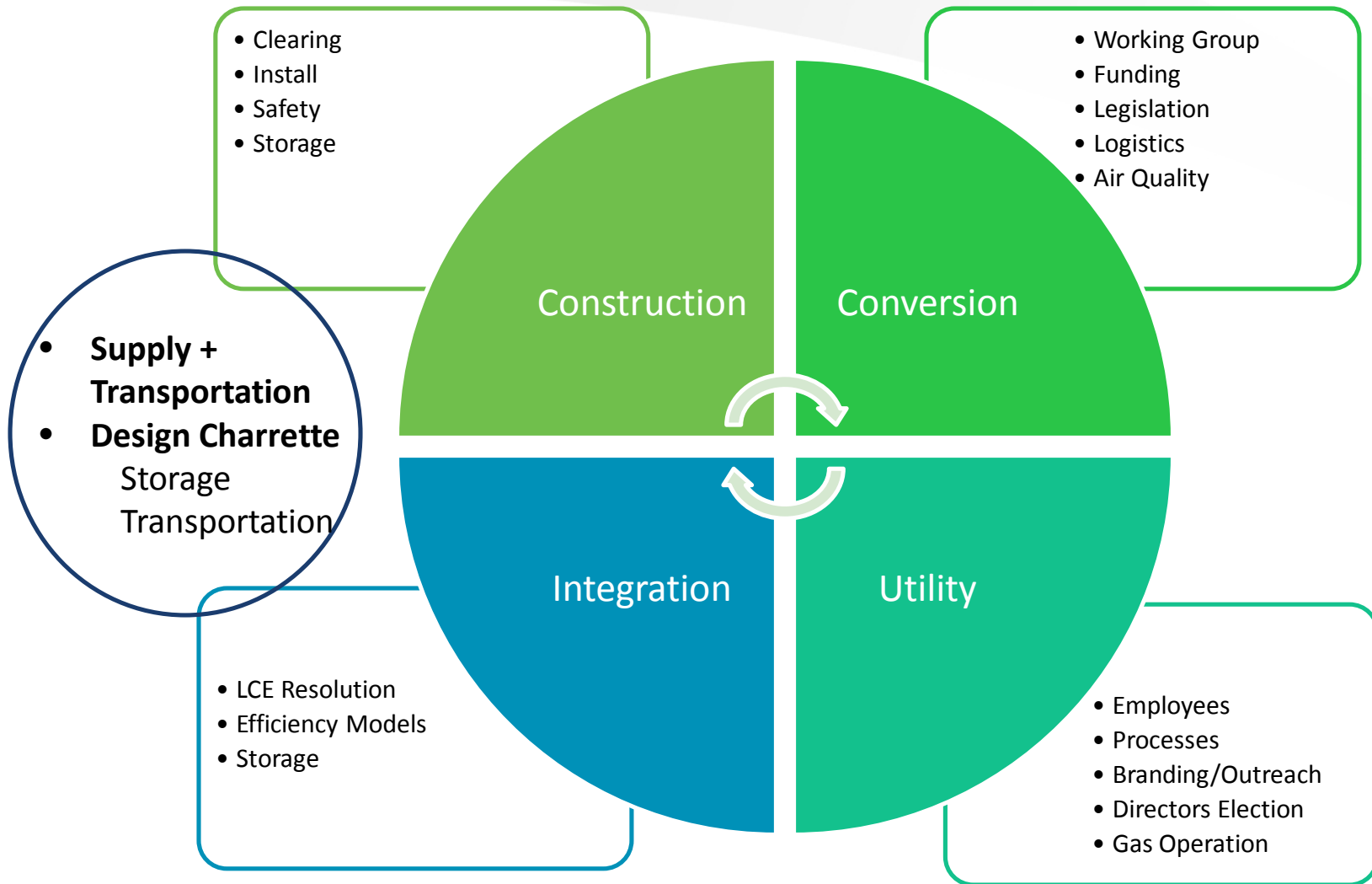


# IGU Update

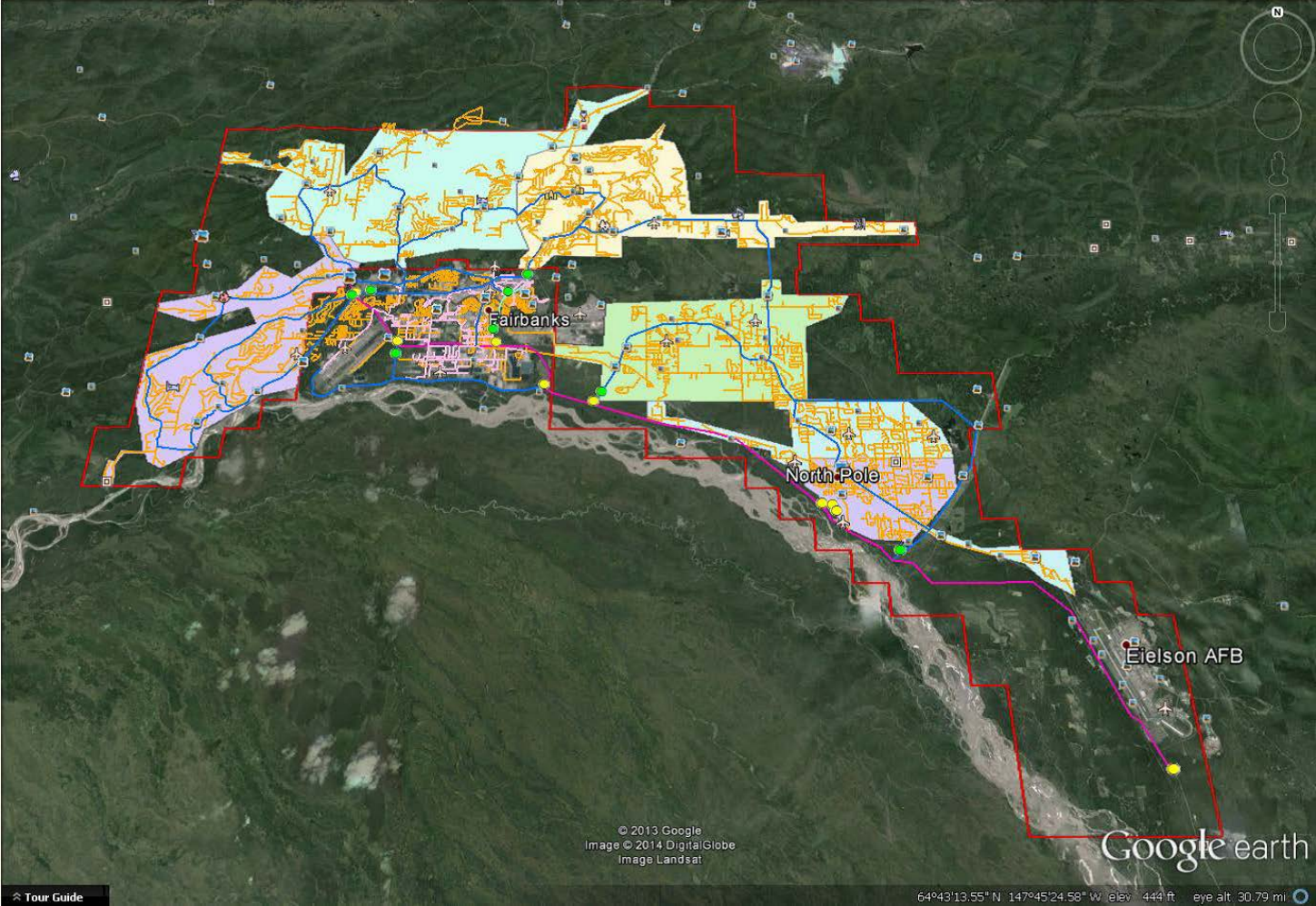
Midnight Sun Chapter, ASSE  
September 3, 2015



# Components of the Interior Gas Utility



# 6 Phases of the IGU Project





# Construction Cost Phase 1

Materials	Construction
\$1,300,000	\$16,800,000*

\* Actual Construction Contracts

# Pipe Stats – 2015 Phase 1 Construction

Pipe Size	Contract	Install	Trenched	Bored
2"	311,913	289,661	153,946	135,715
4"	35,285	24,058	16,100	7,958
8"	36,612	32,084	21,330	10,754
Total	383,810	90%	55%	45%

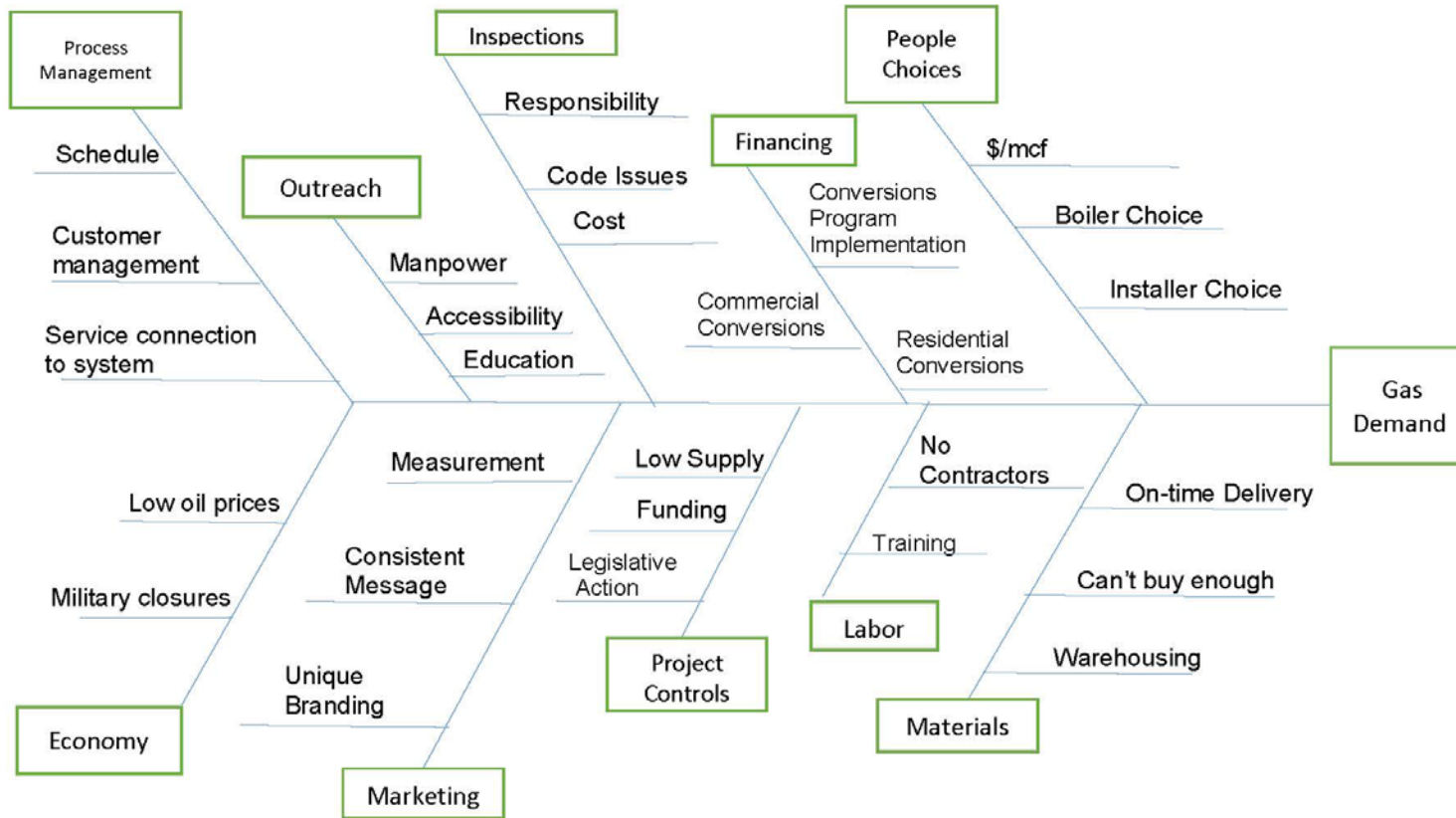
Updated Monday, August 24, 2015

# Labor

# Workers	~ 80
Local Hire	~60%
Safety	60,000 hours = no LTI*

\*Lost Time Incident

# Conversions



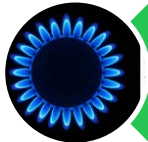
# Baseline Assumptions



Community Solution



Dependent on Gas Supply



Natural gas for conversions



Conversions limited by seasons

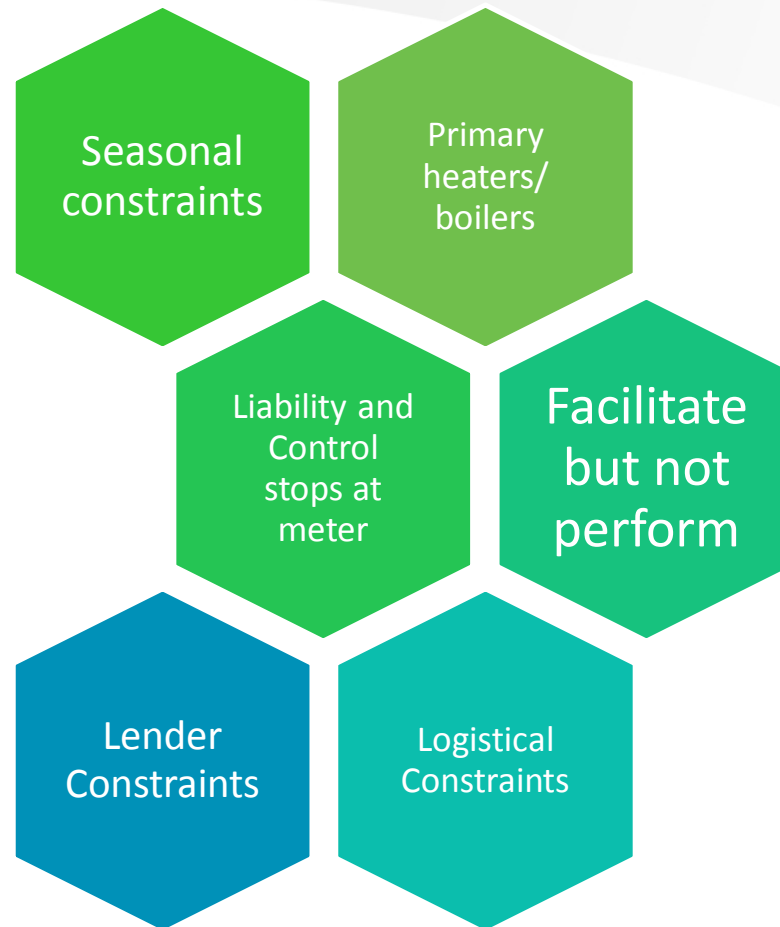


1/3 self pay, 1/3 burner change-outs, 1/3 loans



IGU can negotiate attractive sub-prime loan

# Utility Constraints



# Defining the Lending Program

## How will it work?



# Utility

## Employees and Processes

- General Manager
- Administrative Assistant
- VISTA Volunteer
- 2 MWH Staff
- Developing systems for an operating utility
- Policies/Procedures

## Branding and Outreach

- Participating in community events
- Becoming recognized and known in the community
- Defining a reputation for being community-based

## Directors Election

- 2<sup>nd</sup> Municipal Election
- 2 board seats up
- Oct. 6 – VOTE!

## Gas Operator

- Still under negotiation
- Expected End of the Year Final Contract

# Integration



IGU  
Resolution

LCE



Efficiency  
Models

Storage



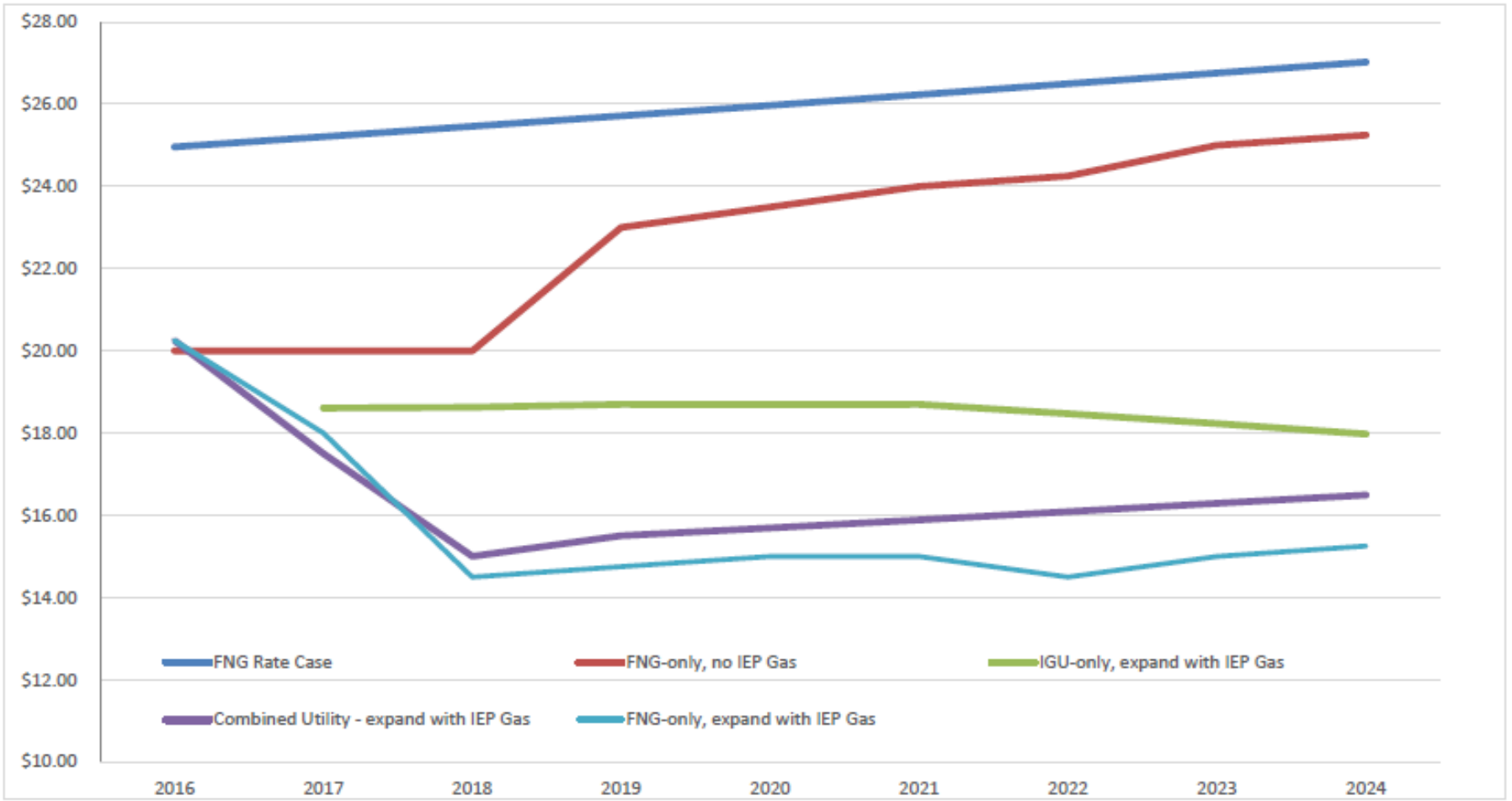
# Phase II & Phase III

- AIDEA  
Funding
- Integration/  
LCE Decisions



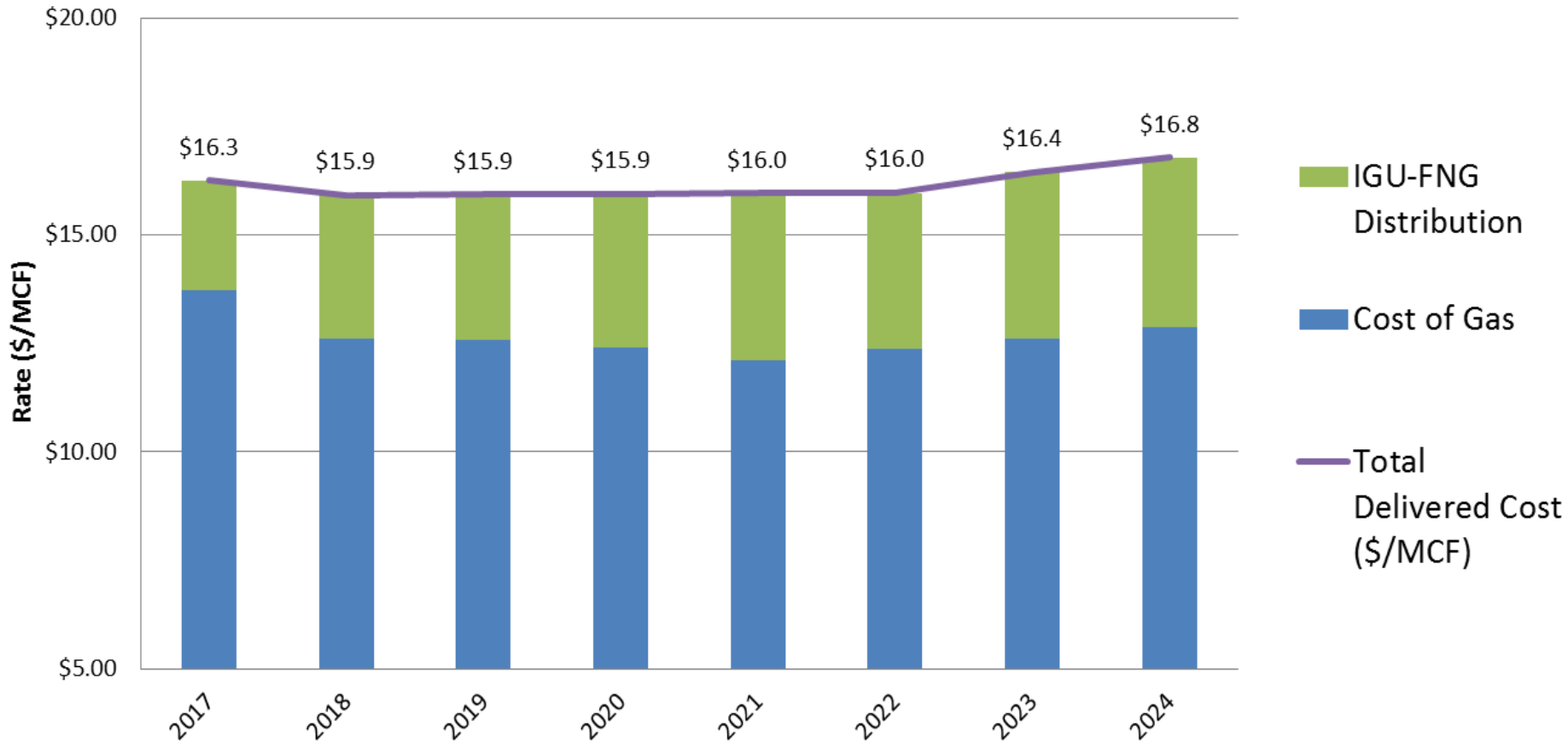
PHOTO: JUSTIN METZ/GETTY

# System Modeled Costs “At the Meter” Under 5 Scenarios



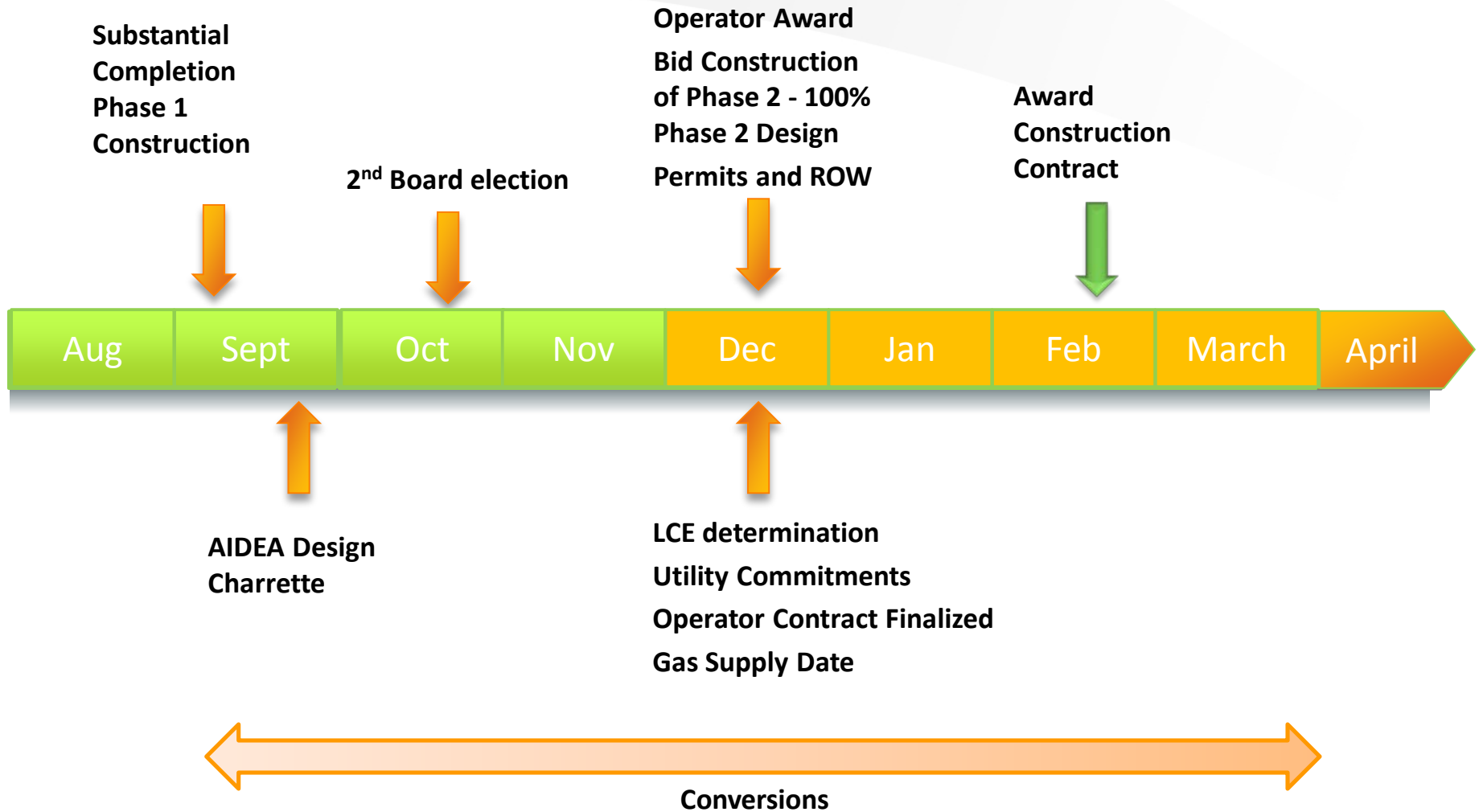
# FNG- IGU Combined Rate Plan

## Combined IGU-FNG Rate Plan 2017-2028



**Assumes: \$11 Gas – FOB Fairbanks, 1% - 40 year SETS Loan , 72% Conversion Rate**

# Activities after August 2015





**INTERIOR GAS UTILITY**

Thank you!