



City of Homer

www.cityofhomer-ak.gov

Office of the Mayor

491 East Pioneer Avenue
Homer, Alaska 99603

mayor@ci.homer.ak.us

(p) 907-235-3130

(f) 907-235-3143

Memorandum 19-022

TO: HOMER CITY COUNCIL
FROM: MAYOR CASTNER
DATE: FEBRUARY 6, 2019
SUBJECT: APPROVAL TO SPEND

At the January 28th City Council meeting under comments of the Mayor I disclosed an issue that I discovered only days earlier regarding the \$1 per MCF Tariff Southern Peninsula Natural Gas rate payers have been paying on their Enstar bill as part of a Contribution in Aid of Construction to help fund bringing natural gas to Homer. The issues will perhaps be more sharply defined following Enstar's visit Monday evening.

In any event, there are many inconsistencies and questions regarding the reporting and terms and conditions of this arrangement that need expert attention and advice. The City of Homer has brought this issue to the attention of our law firm, Birch Horton Bittner and Cherot for legal advice. They have, within their firm, expertise in the technical workings of the regulatory agency. Understanding the issue is complicated and has the potential to be time consuming.

The purpose of this memo is to inform the public that the City is taking this very seriously and to obtain the approval of the Council to spend budgeted attorney dollars investigating on behalf of Southern Peninsula Rate Payers under our existing contract.

I have also met with Mayor Overway from Kachemak City, and they are willing to help with costs should the need arise.

Recommendation

Recommend approval