

**CITY OF HOMER
HOMER, ALASKA**

City Manager

RESOLUTION 12-017

A RESOLUTION OF THE CITY COUNCIL OF HOMER,
ALASKA, EXPRESSING SUPPORT FOR A ONE DOLLAR
PER MCF TARIFF INCREASE ON THE PRICE OF NATURAL
GAS IN THE AREA SERVED BY THE PROPOSED SOUTH
PENINSULA NATURAL GAS PIPELINE AS A LOCAL
CONTRIBUTION TO THE COST OF CONSTRUCTING THE
LINE.

WHEREAS, Capital funding for a natural gas transmission line from Anchor Point to the
Homer area has been approved by the Legislature but vetoed by the Governor in each of the past
two years; and

WHEREAS, The Governor has stated that he wanted to see a local contribution toward
construction of the transmission line independent of and separate from the local financing for the
distribution system that would also be necessary; and

WHEREAS, It has been determined that a one dollar per mcf tariff increase that was
approved by the Regulatory Commission of Alaska for a different project to bring natural gas to
Homer is still active and could be applied to this project; and

WHEREAS, The proposal on the table for consideration by the Governor is that local gas
consumers would pay a one dollar per mcf increase in the price of natural gas until \$2.5 Million
dollars is raised; projected by Enstar to be approximately 10 years; and

WHEREAS, Enstar Natural Gas Company has expressed support for the concept and is
willing to "upfront" the \$2.5 Million necessary to match the requested funding from the state.


NOW, THEREFORE, BE IT RESOLVED that the Homer City Council hereby expresses
its support for a one dollar per mcf tariff increase on the price of natural gas in the area served by
the proposed South Peninsula Natural Gas Pipeline as a local contribution to the cost of
constructing the line.

PASSED AND ADOPTED BY THE HOMER CITY COUNCIL this 27th day of
February, 2012.

CITY OF HOMER


JAMES C. HORNADAY, MAYOR

ATTEST:


JO JOHNSON, CMC, CITY CLERK

Fiscal Note: N/A