

INTERIOR GAS UTILITY

QUARTERLY UPDATE - Q2 2022





- Publicly-owned
- Part elected, part appointed board of directors
- Have been operating in Fairbanks, originally as a privately-owned utility, for more than 20 years

The Resources

210

MILES OF NATURAL GAS
MAIN LINES THROUGHOUT
FAIRBANKS AND NORTH
POLE, ALONG WITH 5.25MM
GALLONS OF STORAGE IN
FAIRBANKS AND 150,000
GALLONS IN NORTH POLE

Is there natural gas
on your street?
interiorgas.com/maps



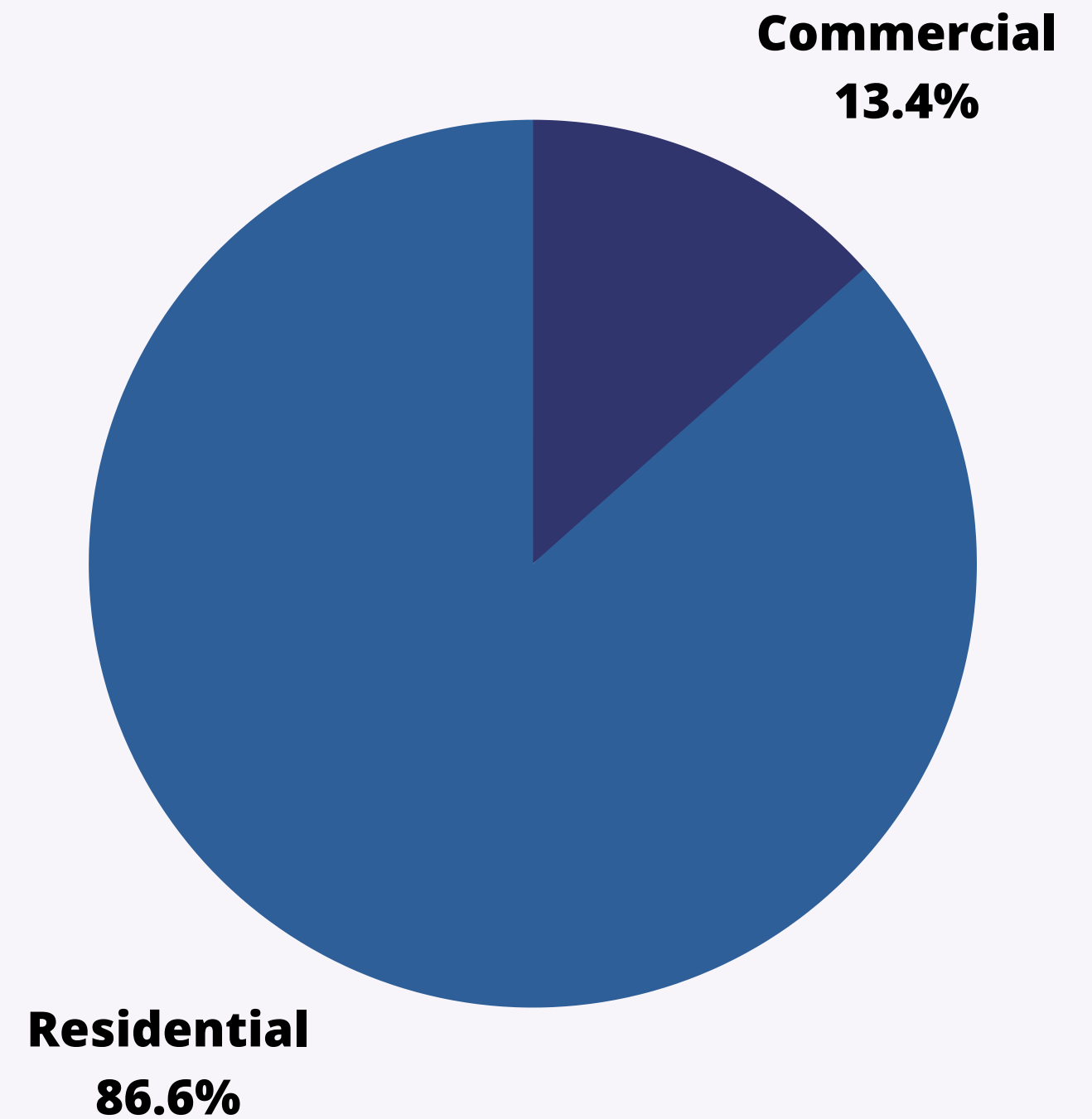
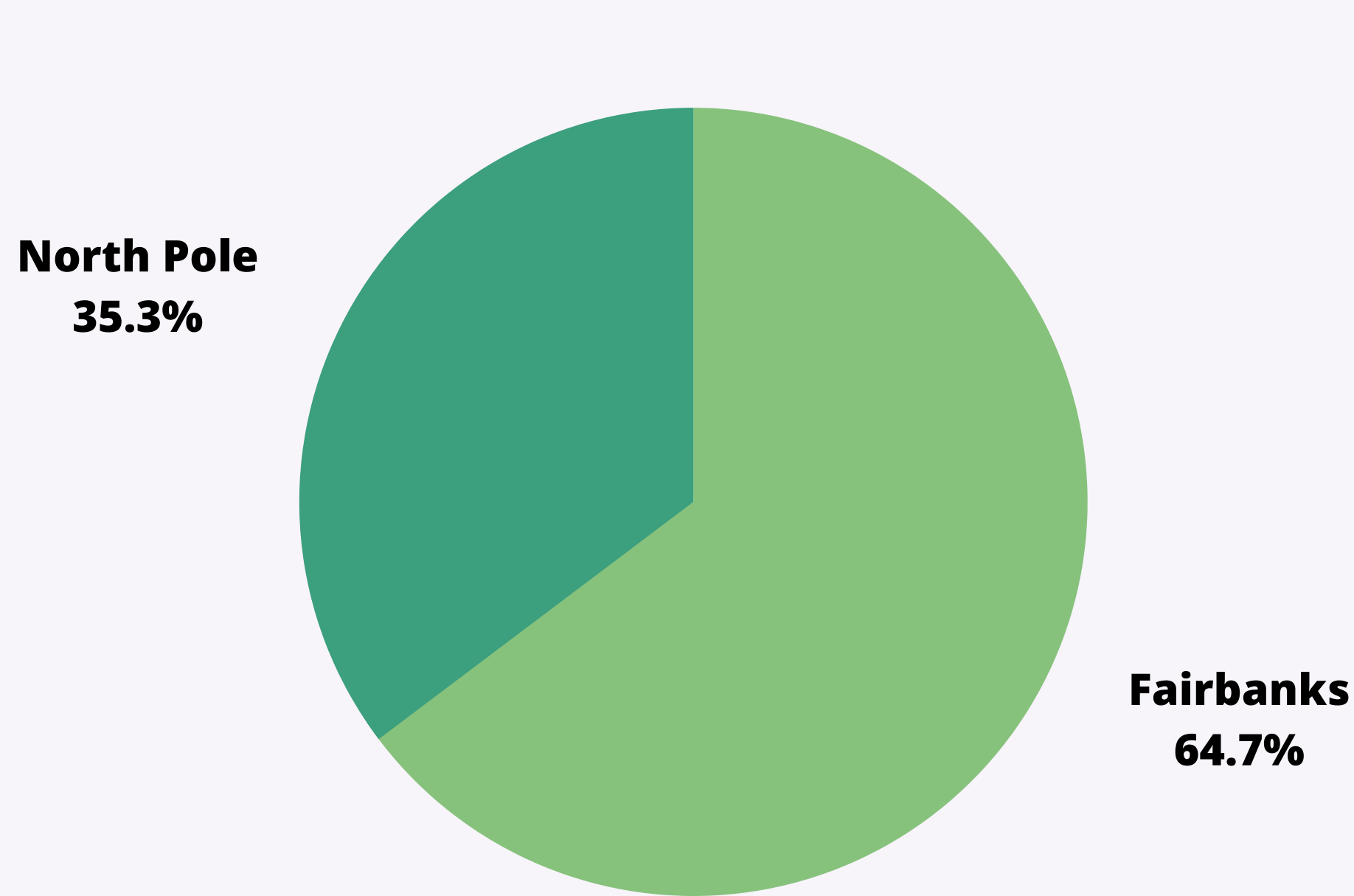
2022 Construction Season Update

- **Goal: 600 new service lines**
- **Approved for construction applications: 600**
- **Waitlisted customers: 75**

2022 Construction Season Update (continued)

Installed in 2022 (as of September 2):

Total Installations - 462



FNSB Oil To Gas Conversion Program



ARPA Funds: \$1MM+\$1.3MM

The FNSB Assembly added \$1MM to the Oil to Gas Conversion Program out of the ARPA funds at the beginning of 2022. An additional \$1.3MM from the same funding source was added in August, 2022.

Targeted Airshed Grant

The Borough was awarded the grant and \$3.2MM of it will go toward grants to residents and businesses. The funds have to go through different departments at the state and local level. The Air Quality office expects to be able to approve applicants in October. Applications are currently being accepted and waitlisted.

State of Alaska Capital Funding

The State of Alaska allocated \$1.25MM from the capital budget to the program. The Air Quality office anticipates being able to make funding available to residents from this fund in conjunction with the Targeted Airshed Grant.

Conversion Financing

What?

IGU asked local lenders to come up with loan programs that could help customers cover the expenses of an oil to natural gas conversion.

Who?

Three local lenders jumped on that opportunity: MAC Federal Credit Union, Northrim Bank, and Mt. McKinley Bank.

How?

All programs that were developed use home equity to secure the loans. They have varying terms and qualifiers, but are all designed with natural gas conversions in mind.





Other updates



HB 307

HB 307 is a bill designed to extend AIDEA's authorization to finance and issue bonds targeting the Interior Energy Project (IEP). It was signed by the governor on July 8, 2022.



Cook Inlet Gas

In April, Hilcorp opened a conversation about the gas supply in the Cook Inlet. They notified utilities that they should not rely on Hilcorp for natural gas supply past their existing contracts. IGU has a contract until 2032 and is actively working on options beyond that timeline.



Heating Oil Prices

Delivered heating oil is 68% more expensive than natural gas as of 8/31/2022.

KNOW WHAT'S BELOW...

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BEFORE YOU DIG



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