

## Notice of Proposed Fairbanks Natural Gas Utility Rate Decrease

Public Comment Period January 4, 2016 to February 4, 2016

The Alaska Industrial Development and Export Authority (“AIDEA”) gives notice that Fairbanks Natural Gas (“FNG”) has submitted a rate proposal for AIDEA’s approval that would keep the rates that AIDEA approved on an interim basis on December 17, 2015 in effect as new permanent rates, effective March 31, 2016. The table below summarizes FNG’s proposed rates by customer class and shows the rate decrease that FNG proposes for each class:

Customer Class	2015 Rate	2016 Rate	% Change
Residential	\$23.35	\$20.20	-13.5%
Small Commercial	\$22.91	\$20.16	-12.0%
Large Commercial	\$22.66	\$20.10	-11.3%
Interruptible – Small	\$20.39	\$20.03	-1.8%
<b>AVERAGE</b>	<b>\$22.47</b>	<b>\$20.13</b>	<b>-10.4%</b>

AIDEA will set permanent rates based on FNG’s proposal at its Board meeting on March 3, 2016. At that Board meeting, it may approve rates or classifications that vary from those that FNG has proposed.

FNG submitted a Report to AIDEA that showed its costs budgeted for 2016 and rates necessary to recover those costs. Consumers may access that Report and FNG’s recommendation on the Interior Energy Project website at <http://www.interiorenergyproject.com> or from a link on AIDEA’s website at <http://www.aidea.org>

AIDEA acquired controlling interest in FNG in October of 2015 as part of the Interior Energy Project, an effort to find solutions to high energy costs and poor air quality in Fairbanks and the Interior. It plans to transition FNG to local ownership in 2016. AIDEA has already acted to reduce FNG’s rates on an interim basis. Through this proposal, it will review keeping those reduced rates in effect over the transition to local ownership.

Consumers may submit written comments to AIDEA on FNG’s proposal by email to [fngrates@aidea.org](mailto:fngrates@aidea.org) no later than 5:00 p.m. on Thu. February 4, 2016, or by mail to:

FNG Rates c/o Kirk Warren  
AIDEA  
813 West Northern Lights Blvd  
Anchorage, AK 99503-2407

Oral or written comments may also be submitted at a public hearing to be held from 5:00 to 7:30 p.m. on Thursday, January 21, 2016, at the Westmark Fairbanks Hotel, Gold Room, 813 Noble Street, Fairbanks, Alaska.

The public is invited to attend. The State of Alaska (AIDEA) complies with Title II of the Americans with Disabilities Act of 1990. Persons requiring special modifications to participate in the public hearing should contact Sherrie M. Siverson at 907-771-3008 no later than Tuesday, January 12, 2016, to make arrangements.