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Alaska State Legislature House of Representatives



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While in session
State Capitol, Room 118

March12, 2008

State of Alaska Office of the Governor Sarah Palin, Governor P.O. Box 110001 Juneau, AK 99811-0001

Dear Governor Palin,

Nothing is worse than elitism in government.

Today on the second floor hallway I hailed Mr. Kirk Gibson off the elevator to be certain he would be attending himself, or sending someone from the Oil & Gas Division to attend Senator Huggins' Senate Resource hearing. Scheduled today is a proposal by ENSTAR to join with Anadarko and its pending Foothills gas discovery, along with CIRI and ASRC to contemplate building a Railbelt Bullet Line of natural gas from the North Slope to the Cook Inlet.

He informed me that not only was no administration official going to attend the hearing, but considering a bullet line for communities along the Railbelt was inconsistent with the administration's goals.

I asked how providing an energy supply to 100,000 people living in Fairbanks could be inconsistent with <u>any</u> of the objectives of the Palin Administration when we are presently paying \$22.91 p/Mcf for natural gas in the Interior compared to \$8.73 p/Mcf for natural gas in Wasilla and Southcentral Alaska.

Mr. Gibson indicated that a commercial gas sale of North Slope natural gas might damage and disturb the administration's "duty to produce" argument. This is a legal opinion presented by Mr. Spencer Hosey during the 24th Legislative session. Maintaining options for potential future litigation seems a poor prioritization of efforts compared to accessing cheap energy for Alaskans along the Railbelt who are at the breaking point.

I think perhaps Mr. Gibson ought to try taking a job in Fairbanks for \$40,000 a year and try to meet the obligations of rent/home ownership and the accompanying utility bills that are routinely running \$600 to \$1100 per month for home heating oil alone. This utility expense excludes electric bills that are running .15 per kilowatt plus the fuel surcharge on the portion of our kilowatt portfolio that is generated by diesel.

The state should be looking at every form of credible relief available to rescue its citizens from the strangling cost of energy.

In the future, a little more sensitivity to all serious proposals to bring relief to energy-strangled consumers would be greatly appreciated. When serious private sector entities such as ENSTAR, Anadarko, CIRI and ASRC make their way to Juneau to present before a legislative committee, I think government has its own "duty to perform" its function of listening and considering when credible alternatives come before the State of Alaska.

Needless to say, this callous articulation of the administration's posture is clearly not the hallmark of the Palin administration. First, I wanted to bring this situation to your attention so that in the future an opportunity will not be missed. Secondly, can you please explain the administration's policy with regard to the consideration of an in-state bullet line from the North Slope to the Cook Inlet?

Sincerely,

Representative Jay Ramras

cc: Commissioner Tom Irwin

Deputy Commissioner Marty Rutherford

Special Assistant Joe Balash

Senator Charlie Huggins, Senate Resources