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Regulatory Commission of Alaska
701 West Eighth Avenue, Suite 300
Anchorage, Alaska 99501

Subject: Tariff Advice Letter 311-4 Annual Revision to GCA

Dear Commissioners:

The tariff filing described below is transmitted to you for filing in compliance with the Alaska Public Utilities Commission Act and Sections 3 AAC 48.200 – 3 AAC 48.430 of the Alaska Administrative Code:

<u>Tariff Sheet</u> <u>Number</u>	<u>Revision</u>	<u>Cancels Sheet</u> <u>Number</u>	<u>Revision</u>	<u>Schedule or Rule Number</u>
89	30th	89	29th	Determination of Gas Cost Adjustment
221	48th	221	47th	Determination of Gas Cost Adjustment

Introduction and Request for Waiver

ENSTAR Natural Gas Company, a division of SEMCO Energy, Inc. (“ENSTAR”) proposes to revise its gas cost adjustment (“GCA”) effective July 1, 2019 to June 30, 2020 (“GCA Period” or “2019-2020”). This filing is the annual revision of the GCA as provided for in Section 708d(1) of ENSTAR’s tariff. This filing also revises Section 708e on Sheet 89 to reflect the expiration of gas sales agreements (“GSA”).¹

ENSTAR proposes to revise its GCA effective with the first billing cycle of July 2019. Placing this revision into effect will increase ENSTAR’s current GCA by \$0.6067 per Mcf (from \$7.9196 to \$8.5263 per Mcf).² This GCA reflects ENSTAR’s estimated cost of gas for the second six months of 2019 and the first six months of 2020, and is applied to all gas sales customers served under ENSTAR’s Tariff.³ ENSTAR plans to meet its customers’ GCA Period demand using a

¹ Alaska Pipeline Company (“APC”), not ENSTAR, is the party to all of the GSAs. The Commission regulates APC and ENSTAR as a single entity.

² An Mcf is one thousand cubic feet. An MMcf is 1,000 Mcf or 1 million cubic feet. A Bcf is 1,000,000 Mcf or 1 billion cubic feet.

³ ENSTAR had 146,259 gas sales customers as of April 30, 2019.

combination of base supply GSAs, Short Term Supply Contracts, storage withdrawals, and ongoing negotiations for additional gas supply volumes.

ENSTAR requests a waiver of the 3 AAC 52.506(g)(1), (2), (5) and (7) requirements to provide historical supporting information with this GCA tariff filing as that information has already been submitted to the Commission.⁴

Summary of Changes

By the end of January 2019, ENSTAR had fully transitioned away from its lower-priced legacy contracts, the Unocal and APL-4 GSAs.⁵ Additionally, the BUC-1 contract expired in September 2018 after ENSTAR had fulfilled its purchase obligations under that contract. In anticipation of these contracts' imminent expiration, ENSTAR entered into three new agreements that provided for gas deliveries to begin in 2018: the APL-14, Furie and AIX GSAs. ENSTAR plans to purchase 78.4% of the gas necessary to meet its customers' forecasted demand for the 2019-2020 period from only the APL-14 and AIX base supply GSAs.

In January 2019, Furie Operating Alaska LLC ("Furie"), which had been delivering base gas under the Furie GSA, experienced freezing issues on its pipelines. Because it was not able to produce and deliver gas from its wells, Furie declared a "Force Majeure Event" and stopped deliveries of gas under the GSA on January 24, 2019. During the three months since this event occurred, ENSTAR has met customers' needs through additional withdrawals of gas from its storage inventory in Cook Inlet Natural Gas Storage Alaska, LLC ("CINGSA") and short-term gas purchases. Furie has also notified ENSTAR that it will not be able to deliver gas on a firm basis during the remainder of 2019.

The estimated average purchased gas cost per Mcf for System Supply for the GCA Period increased by 93 cents, or 13.2%, than the previous year's average cost. During the 2019-2020 GCA Period, purchases under APL-14 are expected to increase by 38%, or 6.822 Bcf, compared to the same estimated purchases in the prior GCA Period.

The increased cost of purchased gas is partially offset by an overall reduction in storage costs. The cost of Gas Withdrawn from Storage per Mcf is projected to be lower by 65 cents, or 7.0%, compared to the same cost in the prior GCA Period. As ENSTAR continues to cycle out the gas in storage, the cost of withdrawn gas will continue to move closer to the average cost of purchased gas. To estimate CINGSA Storage Reservation and Capacity fees for the 2019-2020 GSA Period, ENSTAR used CINGSA's interim rates⁶ that are currently in effect.

The factors discussed above have resulted in an estimated increase to the 2019-2020 GCA

⁴ As required by Section 708g of its tariff, ENSTAR files a report on the status of the Gas Cost Balance Account 15 days after the end of each calendar year quarter which includes the historical supporting information required by 3 AAC 52.506(g).

⁵ The Unocal GSA was based on a trailing Henry Hub pricing mechanism and was \$3.2318/Mcf for the 2018-2019 GCA Period. See TA 306-4. The APL-4 contract was based on a base price multiplied by a price index, and was \$4.0488/Mcf in the 2018-2019 GCA Period. See *id.*

⁶ Interim rates were established in Order U-18-043(2).

rate of \$0.6067 per Mcf. ENSTAR estimates that all gas sale customer categories (G1 through G4) will see an annualized 6.4% increase compared to the 2018-2019 GCA rate. An average G1 customer will see an increase of approximately \$7.38 on an average monthly bill.

Details on the changes in volume and gas cost are provided contract-by-contract below.

Approved Base Supply Contracts

Hilcorp APL-4 Contract

This GSA expired on January 31, 2019 and accordingly, the contract is being removed from tariff sheets 89 and 221.

Hilcorp Alaska (Unocal) Contract

This GSA expired on December 31, 2018 and accordingly, the contract is being removed from tariff sheets 89 and 221.

Buccaneer Alaska BUC-1 Contract

This GSA expired on September 30, 2018 and accordingly, the contract is being removed from tariff sheets 89 and 221.

AIX Energy Contract

The GSA with AIX Energy, LLC provides for annual price and volume changes effective each April 1, with the changes for each year set out in Section 7.1 and 2.1, respectively, of the GSA.

The estimated gas cost under AIX Energy for the GCA Period is calculated as follows:

	<u>Jul 19 - Mar 20</u>	<u>Apr 20 - Jun 20</u>	<u>Total</u>
Volumes (Mcf)	1,028,000	262,000	1,290,000
Price (\$/Mcf)	\$ 6.4400	\$ 6.5400	
Total Cost	\$ 6,620,000	\$ 1,714,000	\$ 8,334,000
Cost of Gas - July 1, 2019 to June 30, 2020 (\$/Mcf)			\$ 6.4602
Estimated Purchases (Mcf) - July 1, 2019 to June 30, 2020			<u>1,290,000</u>
Estimated Cost of Gas - July 1, 2019 to June 30, 2020			<u>\$ 8,334,000</u>

Hilcorp APL-14 Contract

Furie’s inability to meet contractual commitments resulted in a shortage of available firm deliverability for the upcoming 2019-2020 heating season. To help mitigate the shortage, ENSTAR provided Formal Notice to acquire the Needle Peak Call Option under its Hilcorp APL-14 GSA, Section 2.3(c)(3), for Contract Year 2. ENSTAR has also included the Needle Peak Call Option for the remaining months covered in the 2019-2020 GCA filing, April 1-June 30, 2020, as it anticipates needing such gas during the next year to cover peak demand. ENSTAR has included 3,016,248 Mcf of the Daily Call Option and 492,163 Mcf of the Needle Peak Call Option in this GCA filing under the Hilcorp APL-14 contract.

The APL-14 GSA with Hilcorp provides for annual price changes effective each April 1, with the price for each year set out in Section 7.1 of the contract.

The estimated gas cost under APL-14 for the GCA Period is calculated as follows:

	<u>Jul 19 - Mar 20</u>	<u>Apr 20 - Jun 20</u>	<u>Total</u>
Volumes (Mcf)	21,748,000	3,211,000	24,959,000
Average Price (\$/Mcf)	\$ 8.0381	\$ 7.6320	
Total Cost	\$ 174,812,000	\$ 24,507,000	\$ 199,319,000
Weighted Cost (\$/Mcf)			\$ 7.9858
Estimated Transportation Reimbursement			<u>\$ 0.2039</u>
Cost of Gas - July 1, 2019 to June 30, 2020 (\$/Mcf)			\$ 8.1897
Estimated Purchases (Mcf) - July 1, 2019 to June 30, 2020			<u>24,959,000</u>
Estimated Cost of Gas - July 1, 2019 to June 30, 2020			<u>\$ 204,407,000</u>

Hilcorp APL-14 Transportation Reimbursement Calculation

Kenai Beluga Pipeline (“KBPL”) transport charges will be applied to 54.49% of the System Supply volumes purchased from July 2019 through June 2020. The 54.49% is based on the actual contract purchases from Hilcorp that were allocated to System Supply and transported on KBPL for the period of April 2018 through March 2019. ENSTAR is not charged for KBPL Lost And Unaccounted For (“LAUF”) and Fuel per the Hilcorp APL-14 GSA. Based on the current KBPL rates, total estimated transportation costs are \$5,088,000, or \$0.2039 per Mcf, as calculated below.

Total Hilcorp Contract Volumes (Mcf) Charged to System Supply April 2018-March 2019	20,798,185
APL-14 System Supply Volumes (Mcf) Charged KBPL Transportation April 2018-March 2019	11,333,865
Percentage Applied for KBPL Transport (11,333,865/20,798,185)	<u>54.49%</u>
Estimated APL-14 System Supply Volumes (Mcf) Purchased July 2019-June 2020	24,959,000
Multiplied by KBPL Transport Percentage Above	<u>54.49%</u>
Total Estimated System Supply Volumes (Mcf) Charged KBPL Transportation	13,601,000
KBPL Rate of \$0.3706 per Mcf plus RCC at 0.947% (\$0.3706 * 1.00947)	\$ 0.3741
Total Estimated APL-14 Transport Cost on KBPL July 2019-June 2020	<u>\$ 5,088,000</u>
Total Estimated KBPL Transport Cost per Mcf (\$5,088,000/24,959,000)	<u>\$ 0.2039</u>

Furie Operating Alaska Contract

In a letter dated January 23, 2019, ENSTAR received notice from Furie purporting to declare a “Force Majeure Event” under Section 11.1(b) of the GSA approved by the RCA in TA 282-4 and as amended in TA 296-4. Furie has been unable to meet certain contractual requirements due to production challenges as asserted in their declared Force Majeure Event. On February 11, 2019, ENSTAR issued a formal Default Notice to Furie under the terms of the GSA. ENSTAR continues to investigate the validity of the Force Majeure Event and will continue to notify the RCA of any new material developments. On April 25, 2019, Furie notified ENSTAR that its Force Majeure event had concluded. While ENSTAR is in the process of renegotiation of the current contract, the gas cost under Furie Operating Alaska for the GCA Period is currently estimated at zero.

Current Average Cost of System Base Gas Supply

ENSTAR’s calculation of its 2019-2020 GCA “Current Average Cost of System Base Gas Supply” as shown on the proposed 48th Revision of Sheet 221 (Line (1)(e) is summarized below:

Total 2019-2020 Cost of Approved Base Gas Supply Contracts	\$212,741,000
Total 2019-2020 Estimated Purchases (Mcf)	<u>26,249,000</u>
2019-2020 Current Average Cost of System Base Gas Supply	<u>\$8.1047</u>

Additional Gas Supply Contracts

Short Term Supply Contracts

ENSTAR entered into an Interruptible GSA with BlueCrest Alaska Operating LLC (“BlueCrest”) effective May 1, 2019. ENSTAR included 316,885 Mcf in its 2019-2020 GCA filing from the BlueCrest Interruptible contract under Short Term Supply Contracts.

The BlueCrest agreement allows ENSTAR to purchase gas at prices below Current Average Cost of System Base Gas Supply. The volume and costs are allocated between system supply and storage using the same methodology as used for all of ENSTAR’s other contracts.

The estimated gas cost under the Short Term Supply Contracts for the GCA Period is calculated as follows:

	<u>BlueCrest</u> <u>Interruptible</u>	<u>Total Jul 19 -</u> <u>Jun 20</u>
Volumes (Mcf)	317,000	317,000
Price (\$/Mcf)	\$ 6.7000	
Total Cost	\$ 2,124,000	\$ 2,124,000
Cost of Gas - July 1, 2019 to June 30, 2020 (\$/Mcf)		\$ 6.7000
Estimated Purchases (Mcf) - July 1, 2019 to June 30, 2020		<u>317,000</u>
Estimated Cost of Gas - July 1, 2019 to June 30, 2020		<u>\$ 2,124,000</u>

Undetermined Supply

ENSTAR expects to purchase 78.4% of the gas necessary to meet its customers’ GCA Period demand under its base supply GSAs, 0.9% from its Short Term Supply Contracts and 8.6% from its storage withdrawals. The remaining 12.1% is Undetermined Supply as ENSTAR continues to negotiate for additional gas supply volumes. Line (2)(b) of the proposed 48th Revision of Sheet 221 (Section 2301 Determination of Gas Cost Adjustment) lists estimated purchases of 4,041,000 Mcf in 2019-2020 under “Undetermined Supply” at a total estimated cost of \$28,523,000 as explained below. ENSTAR plans to utilize the following gas supply sources to close this gap.

While Furie is not able to supply gas on a firm basis due to limited gas production, ENSTAR and Furie negotiated and commenced deliveries under an interruptible agreement effective April 25, 2019 (“Interruptible GSA”). This allows ENSTAR to purchase gas on an interruptible basis from Furie on a go-forward basis. While the price for these projected volumes was negotiated at \$6.30 per Mcf, the gas volumes are an estimate provided by Furie based on available production. ENSTAR has included 245,355 Mcf of gas volumes from the Furie Interruptible GSA in this GCA filing under Undetermined Supply.

ENSTAR is also in the process of finalizing a firm gas supply agreement with a local producer. If both parties decide to move forward, ENSTAR estimates that it will purchase 1,995,562 Mcf of gas volumes from the producer during the 2019-2020 GCA Period.

The remainder of the Undetermined Supply includes gas volumes of 1,800,000 Mcf, which is representative of ongoing gas supply negotiations. ENSTAR is using the annual average price of its firm system supply gas commitments under the APL-14 and AIX GSAs along with the interruptible commitments under BlueCrest short-term supply during the GCA Period to estimate

the cost of the remaining 1,800,000 Mcf included in Undetermined Supply. The estimated pricing of these volumes is calculated as follows:

<u>Undetermined Supply Price Calculation</u>	<u>System Supply</u> Volumes (Mcf)	<u>System Supply</u> Cost	<u>Average Price/</u> <u>Mcf -</u> <u>Undetermined</u>
Hilcorp APL-14*	21,450,532	\$ 169,185,840	\$ 7.8873
AIX Energy	1,290,254	\$ 8,335,337	\$ 6.4602
BlueCrest Interruptible	316,885	\$ 2,123,135	\$ 6.7000
Totals	23,057,671	\$ 179,644,312	\$ 7.7911

*Excludes APL-14 Call and Needle Peak gas.

The estimated cost of the Undetermined Supply for the GCA Period is as follows:

	<u>Furie Interruptible</u> <u>GSA</u>	<u>Potential Firm</u> <u>GSA</u>	<u>Undetermined</u>	<u>Total Jul 19 -</u> <u>Jun 20</u>
Volumes (Mcf)	245,000	1,996,000	1,800,000	4,041,000
Price (\$/Mcf)	\$ 6.3000	\$ 6.4911	\$ 7.7911	
Total Cost	\$ 1,546,000	\$ 12,953,000	\$ 14,024,000	\$ 28,523,000
Cost of Gas - July 1, 2019 to June 30, 2020 (\$/Mcf)				\$ 7.0585
Estimated Purchases (Mcf) - July 1, 2019 to June 30, 2020				<u>4,041,000</u>
Estimated Cost of Gas - July 1, 2019 to June 30, 2020				<u>\$ 28,523,000</u>

ENSTAR's current gas supply forecast for the 2019-2020 period is provided below.

ENSTAR’s Updated 2019-2020 Gas Supply Forecast

<u>Volumes (Bcf)</u>	<u>2nd Half of 2019</u>	<u>1st Half of 2020</u>	<u>Total</u>
AIX Energy	0.669	0.621	1.290
Hilcorp APL-14 Firm	9.578	11.873	21.451
Hilcorp APL-14 Call Option	1.757	1.259	3.016
Hilcorp APL-14 Needle Peak Option	0.250	0.242	0.492
BlueCrest Interruptible (Short Term Supply Contract)	0.317	-	0.317
Furie Interruptible (Undetermined Supply)	0.245	-	0.245
Potential Firm GSA (Undetermined Supply)	-	1.996	1.996
Undetermined (Undetermined Supply)	1.800	-	1.800
Gas Withdrawn From Storage	0.754	2.120	2.874
Total Volume	15.370	18.111	33.481

Gas Withdrawn From Storage

The estimated cost of gas withdrawn from storage has decreased by \$0.65 per Mcf over the previous year (from \$9.3246 per Mcf to \$8.6698 per Mcf). ENSTAR calculates the cost of withdrawn gas using an average unit cost method, calculated at the end of each month prior to the month the gas is withdrawn from storage,⁷ plus withdrawal fees.

ENSTAR estimates the cost of Gas Withdrawn From Storage for the GCA Period as follows:

Estimated Cost of Gas – Withdrawals July 1, 2019 – June 30, 2020 (\$/Mcf)	\$ 8.6698
Estimated Gas Withdrawn from Storage (Mcf) July 1, 2019 – June 30, 2020	<u>2,874,000</u>
Estimated Cost of Withdrawn Gas July 1, 2019 – June 30, 2020	<u>\$24,917,000</u>

Storage Reservation and Capacity Fees

The storage reservation and capacity fees have been calculated using the current rates in CINGSA’s tariff.⁸ The total fees have been reduced by the estimated annual tax credit as set out in CINGSA’s Tariff Section 35.6(2)(a).

The estimated storage reservation and capacity fees for the GCA Period are calculated as follows:

⁷ Cost of Gas Withdrawn from Storage calculated based on ENSTAR’s tariff section 708c(1)(c).

⁸ CINGSA’s current rates were approved on an interim basis pending the RCA review and approval of the final rates proposed in U-18-043.

	<u>Reservation</u>	<u>Capacity</u>	
	<u>Fees</u>	<u>Fees</u>	<u>Total</u>
ENSTAR's FSS Agreement Quantities (Mcf)	102,900	8,775,000	
Average Fees per Mcf July 2019-June 2020	\$ 6.7131	\$ 0.0872	
Reservation and Capacity Fees per Month	\$ 690,778	\$ 765,180	\$ 1,455,958
Months per Year			12
Annual Reservation and Capacity Fees			\$ 17,472,000
RCC (1+0.583%)			100.5830%
Total Reservation, Capacity and RCC Fees per Year			\$ 17,574,000
Less Annual Tax Credit (calculated below)*			\$ 1,204,000
Total Storage Reservation and Capacity Fees			<u>\$ 16,370,000</u>
Maximum Storage Quantity (MSQ) per all filed FSS Agreements (Mcf)			11,000,000
ENSTAR's MSQ per FSS Agreement (Mcf)			8,775,000
ENSTAR's % of MSQ Total (8,775,000/11,000,000)			79.77%
Annual Tax Credit per CINGSA Tariff Section 35.6			\$ 1,500,000
ENSTAR's Portion of Annual Tax Credit			\$ 1,196,591
RCC (1+0.583%)			100.5830%
Estimated Annual Tax Credit Due ENSTAR*			<u>\$ 1,204,000</u>

Transportation Fees

Tariff Section 2301 (Sheet 221), "Determination of Gas Cost Adjustment", identifies the costs of the transportation of system gas supply when ENSTAR ships on other pipeline systems.⁹ Most of ENSTAR's gas supply contracts entered into after 2009 require ENSTAR to pay for the transportation of purchased gas on most, if not all, of the upstream pipelines.¹⁰ All volumes shipped on KBPL are under the current postage stamp rate of \$0.3706 per Mcf plus the current RCC percentage of 0.947%. The CINGSA Lateral is a 4.16 mile lateral line from the CINGSA storage facility to interconnect with APC's existing Kenai to Anchorage pipeline that delivers gas withdrawn from CINGSA directly to APC; therefore, withdrawn gas is not generally subject to the KBPL rate. This provides gas transportation savings of approximately \$1,075,191 for 2019-2020 (based on current KBPL rates). All storage withdrawals have been removed from the transportation volumes subject to the KBPL rate. KBPL transport charges will be applied to 70.71% of the system supply volumes purchased from July 2019 through June 2020 excluding volumes purchased under Hilcorp APL-14. The 70.71% is based on the total contract purchases allocated to system supply and charged transportation during the period April 2018 through March

⁹ In those cases where ENSTAR is required to reimburse the Seller of the Gas for transportation costs, such as the reimbursement under the Hilcorp APL-14 contract for gas delivered from KBPL, the reimbursed transportation costs are included in the overall estimated cost of purchased gas for that contract.

¹⁰ Currently, APC will be the shipper on KBPL of gas purchased under the AIX Energy, Short Term Supply and Undetermined Supply contracts when the gas is delivered by the Seller to APC at a delivery point on KBPL as defined in the contract, thus making APC responsible for the KBPL LAUF/Fuel retention as gas in kind.

2019 in which ENSTAR was the shipper of the gas. Total estimated system supply volumes to be shipped directly by ENSTAR on KBPL for the GCA Period are 3,993,705 Mcf less KBPL LAUF and Fuel volumes of 19,570 Mcf, resulting in an estimated \$1,487,000 in transportation charges as shown below.

Calculated Transportation Volumes for APC as Shipper on KBPL

Total Contract Volumes (Mcf) Charged to System Supply April 2018-March 2019 (APC as Shipper)	6,050,398
System Supply Volumes (Mcf) Received on KBPL April 2018-March 2019	4,278,197
Percentage Applied for KBPL Transport (4,278,197/6,050,398)	<u>70.71%</u>
Estimated System Supply Volumes (Mcf) Purchased July 2019-June 2020	5,648,056
Multiplied by KBPL Transport Percentage Above	70.71%
Total Estimated System Supply Volumes (Mcf) Transported on KBPL before LAUF and Fuel	<u><u>3,993,705</u></u>

The KBPL transportation costs, along with LAUF and Fuel, are broken out by contract as follows:

	Estimated KBPL Transport Volumes for System Supply (Mcf)	Combined KBPL LAUF/Fuel % ^A	Total KBPL LAUF/Fuel Volumes (Mcf) ^B	Estimated Volumes Delivered from KBPL (Mcf) ^C	Current KBPL Tariff Rate Plus RCC ^D	Estimated Transportation Cost ^E
GSA						
AIX Energy	912,331	0.4900%	4,471	907,860	\$ 0.3741	\$ 340,000
BlueCrest Interruptible (Short Term Supply)	224,067	0.4900%	1,098	222,969	\$ 0.3741	\$ 83,000
Furie Interruptible (Undetermined Supply)	173,489	0.4900%	850	172,639	\$ 0.3741	\$ 65,000
Potential Firm GSA (Undetermined Supply)	1,411,049	0.4900%	6,915	1,404,134	\$ 0.3741	\$ 525,000
Undetermined (Undetermined Supply)	1,272,769	0.4900%	6,236	1,266,533	\$ 0.3741	\$ 474,000
Total	3,993,705		19,570	3,974,135		\$ 1,487,000

^A Current KBPL LAUF rate 0.33% plus current KBPL Fuel rate 0.16%.
^B Estimated KBPL Transport Volumes for System Supply (Mcf) multiplied by the current Combined KBPL LAUF/Fuel rates.
^C Estimated KBPL Transport Volumes for System Supply (Mcf) less Total KBPL LAUF/Fuel Volumes (Mcf).
^D Current KBPL Tariff Rate of \$0.3706 multiplied by 1 plus the current KBPL RCC rate of 0.947%.
^E Estimated Volumes Delivered from KBPL (Mcf) multiplied by the Current KBPL Tariff Rate Plus RCC.

Gas Cost Balance Account

ENSTAR's tariff (Section 708d) provides that the actual quarter-end balance of the GCBA for the quarter ending three months preceding the effective date will be used in the determination of the gas cost adjustment. On March 31, 2019, the GCBA reflected an over-collection of \$2,568,907.¹¹

Customer Notification

¹¹ The supporting documentation for the activity in the GCBA for the quarter ended March 31, 2019 was filed on April 4, 2019 and supplemental documentation was filed on May 1, 2019.

ENSTAR's June bill insert will discuss the dollar amount of the gas cost presented in TA 311-4. ENSTAR will print a message on all of its July bills for gas sales service reflecting the \$0.06067 per CCF gas cost from this TA 311-4. In addition, ENSTAR's website (www.enstarnaturalgas.com) will be updated with information concerning the change in gas cost, as well as an electronic reproduction of this tariff advice letter.

Pursuant to Order No. U-75-68(10) and its tariff, ENSTAR is allowed to place the new gas cost adjustment in effect immediately, pending subsequent Commission review. However, ENSTAR is filing this change now to allow the Commission and its Staff time to review the filing prior to its implementation date, July 1, 2019. The new GCA will be applied to all bills beginning with the first billing cycle in July 2019.

As noted above, ENSTAR requests a waiver of the 3 AAC 52.506(g)(1), (2), (5) and (7) requirement to submit historical supporting information with this GCA tariff filing as the information has already been provided.

Sincerely,

ENSTAR Natural Gas Company



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Enclosures:

2019-2020 GCA Worksheet
BlueCrest Interruptible GSA, including executed Transaction Confirmation
Furie Interruptible GSA
Revised Tariff Sheets