



**NEWS  
RELEASE**

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**ENSTAR NATURAL GAS COMPANY FILES INTERIM AND REFUNDABLE BASE  
RATE INCREASE WITH THE REGULATORY COMMISSION OF ALASKA**

**ANCHORAGE, ALASKA, February 17, 2010**– In October 2008, the Regulatory Commission of Alaska (“RCA”) ordered ENSTAR Natural Gas Company (“ENSTAR”) to file a base rate case. On June 1, 2009 ENSTAR filed for its first base rate increase since 1984. Today, ENSTAR filed for approval to collect part of its proposed new rates on an interim and refundable basis, effective April 2, 2010. Base rates cover the costs of serving customers, including investments in gas distribution equipment and other business expenses incurred to deliver natural gas to 130,000 homes and businesses in Anchorage and surrounding communities. This increase represents approximately one percent to the average residential customer monthly bill. “The new base rates proposed will be the first change in base rates for customers in twenty-five years,” said Colleen Starring, ENSTAR Natural Gas President. “ENSTAR has taken a very conservative approach to this base rate increase which covers the costs associated with the daily operations of the business. Like all businesses ENSTAR has experienced a decline in customer growth and a marked increase in the costs associated with maintaining the system and daily operations.” The proposed increase does not include an increase in the cost of natural gas, which saw a reduction of approximately 16% this year. The natural gas used by customers is purchased by ENSTAR from Cook Inlet producers. ENSTAR does not control the cost of natural gas nor does ENSTAR earn a profit on the natural gas costs paid by customers.

“Today ENSTAR is serving almost twice the number of homes and businesses in South-central Alaska as it did in 1984. The modest base rate increase ENSTAR has proposed is necessary to give ENSTAR a reasonable opportunity to recoup its costs of providing service, including the cost of capital needed for investments to provide service to customers,” added

Starring. Since 2001, ENSTAR has invested over \$108 million in its gas distribution and transmission system.

To view the actual filing, please visit ENSTAR's website under the section *Rates and Regulatory* and see *Current RCA Filings*.

**About ENSTAR and Continental Energy Systems LLC**

ENSTAR Natural Gas Company serves over 130,000 customers in Anchorage, Mat-Su and Kenai Peninsula. It is owned by Continental Energy Systems LLC. Through various subsidiaries and divisions, Continental serves almost one million natural gas customers in Alaska, Michigan and New Mexico. A Continental utility also distributes electricity to residential and commercial customers in 28 counties in Texas.

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