5810 Thane Road
Juneau, AK 99801
Dec. 16, 2020

Matthew Reece
Project Manager, Juneau Ranger District
8510 Mendenhall Loop Road
Juneau, AK 99801

Re: Kensington Mine-Draft SEIS, Proposed Action-
Plan of Operations Amendment (POA 1)

Dear Mr. Reece:

I recommend that the Forest Service select POA 1 for the expansion of the Kensington Mine's tailings disposal. This option will provide an additional ten years to the Mine's operating life. Without a tailings disposal expansion option, the Mine will be forced to shut down within the next several years. This will result in adverse economic impacts for the City and Borough of Juneau (CBJ) and its electric system and electric rate payers.

As background I am now am retired, but for the years 1970-2002 and 2007-2014 I was affiliated with Alaska Electric Light and Power Company (AELP) either in a senior management position or as a member of the Board of Directors. This letter represents my personal view, not that of AELP.

The Kensington Mine payroll is currently 386 full time employees, of which approximately two-thirds or 257 reside in Alaska. It has an annual payroll of $55 million and is the second largest private sector payroll in the CBJ and as one of its largest property owners pays property taxes of $1.4 million annually. Sales taxes paid indirectly to the CBJ account for $900,000. Most of the $16 million annually spent by the Kensington on venders supporting mine operations and capital projects are in the CBJ.

The point is that the Kensington Mine is a very important component of the CBJ economy and were it to close a significant economic contraction would occur. Mining primary employment would be lost, people would migrate elsewhere, the secondary mining support industry would be adversely impacted as would retail sales, school enrollment and other government services. Residential, commercial and government electric sales would also fall off.

AELP is fortunate to have an electric system which normally satisfies its annual energy requirement from nearby hydroelectric sources. The costs for running these hydroelectric sources are mostly fixed - the debt service on these investments. Debt service is a fixed cost. Less energy sales means the revenue per unit of energy goes up and, allowing for regulatory delays, all CBJ electric customers will pay higher electric rates. Consequently, Personal Disposable Income within the CBJ will go down and the cost of staying in business will go up.

In summary, should the Kensington Mine not be allowed expand its tailings facility, it will be forced to shut down. The resulting CBJ economic contraction will cause electric sales to also drop and electric rates for all customer classes will go up. To avoid this, I recommend adopting the POA 1 option.

Sincerely,

Bill Corbus

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