

Enstar chief leaves post; Semco exec to take over - TONY IZZO: A permanent replacement for man who led company 51/2 years is sought.

September 9, 2006 | Anchorage Daily News (AK)

Author/Byline: RICHARD RICHTMYER Anchorage Daily News Staff | Page: D1 | Section: Money

394 Words | Readability: Lexile: 1370, grade level(s): >12

Tony Izzo has resigned from Enstar Natural Gas Co. after leading company as its chief executive for the past 51/2 years.

Izzo, 46, announced his resignation to Enstar employees last week. He said he'll hand over the reins of Southcentral Alaska's largest natural gas utility next Friday to Tom East, an executive of Port Huron, Mich.-based Semco Energy, which is Enstar's parent company.

Izzo, who joined Enstar in 1999 as vice president of engineering and operations, was named president in 2001.

Though he's stepping down as president, Izzo said he has agreed to stick around as a consultant while the company seeks a permanent replacement through the first three months of next year.

Izzo, who lives in Anchorage with his wife and two daughters, said he has laid down roots in Alaska and plans to seek a job where he can continue working in the state's energy industry.

During his tenure as Enstar's boss, Izzo said, he spent a lot of time negotiating with Cook Inlet producer Marathon Oil Corp. on a deal to secure a long-term supply of gas. That contract is subject to approval by the Regulatory Commission of Alaska, which is still reviewing it.

"I've closed that chapter, and now I want to move on to focus on bigger issues, on the huge gas-supply issues we have over the long term," Izzo said. "As CEO, I had to focus on all aspects of managing the business, and in some ways I felt limited in terms of my ability to do that."

The gas supply issues he mentioned concern the Cook Inlet region's shrinking quantity of known natural gas reserves. This has helped cause local natural gas prices to rise in recent years and led some to warn of a severe shortage in the coming decade. Others counter that as prices rise, more gas will be found, or that gas piped from the North Slope might take care of any shortage.

Izzo said he hasn't lined up a new job yet but is looking at possible opportunities in the private sector as well as state government.

Enstar is Southcentral's dominant natural gas distributor, serving 125,000 customers in Anchorage and the Mat-Su and on the Kenai Peninsula.

In documents filed with state regulators, Enstar said it made an operating profit of \$17.4 million on \$154.6 million in revenue last year.

Daily News reporter Richard Richtmyer can be reached at richtmyer@adn.com or 257-4344.

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