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November 18, 2005

Office of Electricity Delivery and Energy Reliability
Room 8H-033
U.S. Department of Energy
1000 Independence Avenue, S.W.
Washington, DC 20585

**RE: COMMENTS FOR WEST-WIDE ENERGY CORRIDOR
PROGRAMMATIC ENVIRONMENTAL IMPACT STATEMENT**

Dear Office of Electricity Delivery and Energy Reliability:

The Wyoming Natural Gas Pipeline Authority (WPA) is pleased to submit comments regarding the West-wide Energy Corridor Programmatic Environmental Impact Statement (EIS) development process.

The historical natural gas producing regions, the Gulf Coast and Mid-continent, have become unreliable sources for natural gas supplies to the nation considering their susceptibility to natural disasters and the continued steady decline in production. The following facts support this statement:

- As of November 7, 2005, 4.57 Bcfd (46% of normal) of Gulf of Mexico production remained shut-in as a result of hurricanes Katrina and Rita¹.
- Mid-continent, West Texas/Permian, and Gulf Coast regions production is steadily declining².
- North American natural gas demand is expected to grow 1.5% annually through 2025³.
- U.S. natural gas production declines from existing reserves have gradually become steeper, with 2005 base decline rates at 30% compared to 19% ten years ago⁴.

¹ *Platts Gas Daily*, November 7, 2005

² Bobby S. Shackouls, *Balancing Natural Gas Policy, Fueling the Demands of a Growing Economy, Volume II, Integrated Report*, National Petroleum Council, September 2003, page 28

³ *Annual Energy Outlook, With Projections to 2025*, February 2005, Energy Information Administration, page 4

⁴ *U.S. Natural Gas Production History*, 2005, HIS Energy, EOG Resources Inc.,
http://www.eogresources.com/investors/stats/USdecline_05.ppt#1306,1,Slide 1

Although an arterial matrix of pipeline capacity moves natural gas from these historical producing regions to the upper Midwest and Northeast marketplaces (major market demand), the current pipeline capacity from the *increasing producing regions* that could supply that arterial matrix is insufficient resulting in higher demand costs. At a time when natural gas prices have reached historic highs nationwide⁵, it is prudent that policy regarding the nation's energy infrastructure be revisited. **The WPA is supportive of an Energy Corridor that assists Wyoming in developing and transporting its natural gas resources to demand regions of the country in the most economically efficient manner - benefiting both producer and consumer.**

The Rocky Mountain Region and more specifically the State of Wyoming is increasing its natural gas production (see Figure 1). The major areas contributing to Wyoming's natural gas production are Sublette, Fremont, Sweetwater, and Campbell Counties with the State as a whole producing upwards of 4.5 Bcfd or 1.6 Tcf per year. Production continues to grow. Figure 2 depicts Wyoming's May, 2005 saleable natural gas production by county along with the respective pipelines that transport this natural gas (please note that the pipeline location information is from a limited database)⁶. Wyoming currently has approximately 6 Bcfd of designed pipeline export capacity – more than 80% of this volume is scheduled or committed daily as result of Wyoming and adjacent state production. **An energy corridor that enhances existing rights of way, improves timelines, expedites the permitting process, and eases federal restrictions on proposed energy projects would be supported by the WPA.**

It is in the best interests of this nation that an energy corridor that includes Wyoming as a major supplier and transporter of natural gas be considered. The WPA has promoted and supported infrastructure development in the past and continues to do so via its recent Memorandum of Understanding with Kinder Morgan Energy Partners, L.P. and Sempra Pipelines and Storage in the development of the 'Rockies Express Pipeline' - a 42 inch diameter pipe starting in Wyoming and transporting upwards of 2 Bcfd natural gas as far as Ohio (see Figure 3). Supporting the KM/Sempra project as part of the West-wide Energy Corridor would be a successful step in meeting the nation's desire for access to long lived, growing, less expensive natural gas.

As part of the WPA's mission and to assist the Office of Electricity Delivery and Energy Reliability, the WPA has two requests:

⁵ Henry Hub on 9/23/05, closed at \$15.215 per MMBtu. In the last 60 days, prices have been reaching historic highs at all gas trading hubs nationwide.

⁶ NPMS(2001) is the National Pipeline Mapping System database for 2001 and is no longer available to the general public. WSGS(2005) is the Wyoming State Geological Survey database for 2005 and is a published map compiled from digitized hard copy maps distributed by pipeline companies at conferences. In some instances, the data provided was in electronic format but rare.

- 1) Grant *Cooperator Status* to the WPA during the development process of the West-wide Energy Corridor Programmatic EIS as per 43CFR Part 1508.4⁷. The WPA by state statute is a body politic and corporate operating as an instrumentality of the State of Wyoming to promote the development and transportation of natural gas and associated resources. The WPA has both jurisdiction by state law⁸ and special expertise unparalleled to any other State agency representing the State of Wyoming under the proposed scope in developing an EIS.
- 2) Support unconditional access to the Federal Pipeline and Hazardous Materials Safety Administration's (FPHMSA) National Pipeline Mapping System (NPMS) electronic database. Under current FPHMSA internal policy, not law, the NPMS database is not available to the WPA without formal federal authorization. Having access to this database is critical to the success of the WPA and development of the West-wide Energy Corridor Programmatic EIS. Restricted access to the database is currently affecting the mission of the WPA but more importantly will adversely affect the final outcome of the proposed EIS resulting in additional long term negative impacts to the consumer – consider the recent failed attempts of federal congressional leadership to increase the appropriations for the Low Income Home Energy Assistance Program⁹.

Thank you for considering our request. The WPA appreciates the opportunity to submit these comments. If you have questions, please do not hesitate to contact us.

Sincerely,

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⁷ “. . . a local agency of similar qualifications [Federal agency other than a lead agency which has jurisdiction by law or special expertise] . . . may by agreement with the lead agency become a cooperating agency”.

⁸ W.S. Title 37 Chapter 5

⁹ *LIHEAP Funding Increase Again Fails on Procedural Vote in Senate*, October 20, 2005, <http://www.liheap.org/>

Figure 1

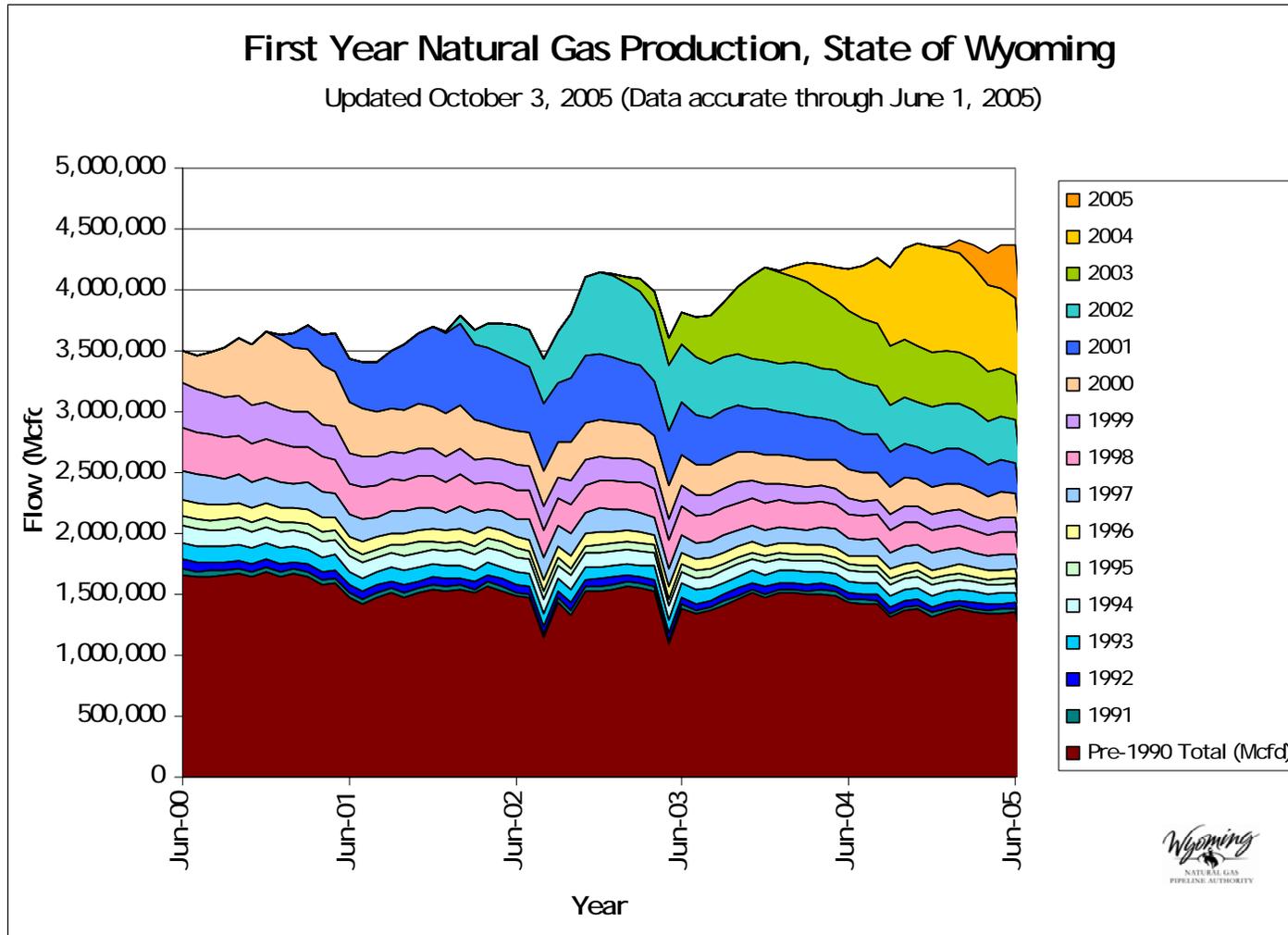


Figure 2

