

The Law Office of Vincent Trivelli, PLLC

178 Chancery Row

Morgantown, West Virginia 26505

Phone (304) 291-5223 • Toll Free 1-866-266-5948

Fax (304) 291-2240 • E-mail: vmtriv@westco.net

RECEIVED

By Docket Room at 3:28 pm, Feb 06, 2012

February 6, 2012
(via electronic mail)

Mr. John A. Anderson
U. S. Department of Energy
Office of Natural Gas Regulatory Activities
Office of Fossil Energy
Forrestal Building, Room 3E-042
1000 Independence Avenue SW
Washington, DC 20585

Re: Dominion Cove Point LNG, LP
FE Docket No. 11-128-LNG

Dear Mr. Anderson:

I am writing on behalf of the West Virginia State Building and Construction Trades Council, AFL-CIO and its division the Affiliated Construction Trades Foundation ("Council") regarding the above-detailed Application. The Council is a labor organization that represents approximately 20,000 construction workers throughout the State of West Virginia and contiguous counties of surrounding states. Many of the Council's members are employed in the construction of natural gas related facilities including but not limited to pipelines, compressor stations, power generating facilities and facilities similar to the facilities required to be constructed if the instant Application is approved.

As you are aware, Dominion Cove Point LNG, LP, a subsidiary of Dominion Resources, has applied to the U.S. Department of Energy (DOE) seeking approval to export liquefied natural gas (LNG) for a 25-year period to countries where the U.S. does not prohibit trade but also does not have a free trade agreement.

We are very concerned about this application for several reasons and believe that there are many questions that should be asked prior to DOE making a decision. Simply stated, the Applicant proposes to take a portion of a key natural resource from the State of West Virginia and surrounding states and export that resource to non-free trade agreement countries for the betterment of the Applicant, resulting in higher domestic costs without detailing tangible benefits to be realized through export at the source of the resource, particularly when compared to potential domestic processing and use.¹ The harnessing of natural gas from the Marcellus and Utica Shale plays is critical to the economic future of West Virginia and must be protected.

¹ Navigant Consulting, Inc., *North American Gas System Model to 2040*, Table 7, p. 20, September 19, 2011, <http://www.fe.doe.gov/programs/gasregulation/11-128-LNG.pdf>



What Dominion is seeking may not be consistent with U.S. public interest. Our research indicates that if Dominion was granted approval, the U.S. economy could suffer due to:

- increased consumer costs for natural gas;
- fewer jobs being created;
- continued environmental problems; and most importantly,
- the postponement of U.S. energy security.

Simply put, the U.S. cannot risk allowing Dominion the ability to export up to the equivalent of one billion cubic feet of natural gas per day.

At present, U.S. consumers and businesses have access to affordable natural gas. Is it really in the country's best interest to potentially jeopardize these prices by allowing an increasing amount of exports? Your own Energy Information Administration just recently released findings that state, under certain conditions, wellhead prices could increase by as much as 54 percent.²

A cost increase for natural gas has a direct correlation to potential job creation in the U.S. One example we'd like to highlight is the resurgence in ethylene (which is produced from ethane, a byproduct of natural gas) manufacturing and production. A January 2012 report published by the Brookings Energy Security Initiative finds that American chemical producers now have a global competitive advantage in ethylene production because of low-cost natural gas.³

Because of this, companies are reinvesting in U.S. plants. One current example is Royal Dutch Shell. Other companies are also considering building ethane crackers in West Virginia and/or Pennsylvania and Dow Chemical is increasing its ethane cracking capabilities in Louisiana. These new and expanded facilities will translate into jobs for U.S. workers. The Brookings study cites an analysis by the American Chemistry Council, that states with a 25 percent increase in U.S. ethane supply, the country could see 17,000 new jobs in the industry being created.⁴

Moreover, a December 2011 report by PricewaterhouseCoopers, conducted in association with the National Association of Manufacturers, states that under the right scenario of gas recovery, there could be approximately one million new manufacturing jobs being created.⁵

² U.S. Energy Information Administration, *Effect of Increased Natural Gas Exports on Domestic Energy Markets*, p. 9, http://www.eia.gov/analysis/requests/fe/pdf/fe_lng.pdf

³ Brookings Energy Security Initiative, *Evaluating the Prospects for Increased Exports of Liquefied Natural Gas from the United States*, p. 18, http://www.brookings.edu/~media/Files/rc/papers/2012/01_natural_gas_ebinger/01_natural_gas_ebinger.pdf

⁴ Ibid, p. 18

⁵ National Association of Manufacturing, *Shale Gas: A Renaissance in US Manufacturing?*, p. 10, <http://www.nam.org/~media/B3EC7031FC554B7D9329A55E3B6CA9D4.ashx>

In terms of the environment, the Federal Government should be playing a very proactive role to incentivize industries to use natural gas as a primary fuel source. Allowing companies like Dominion Cove Point to export LNG to foreign markets would send the wrong signal and would lead to increased production of greenhouse gases.

A perfect use for natural gas would be in the transportation sector. Making this switch, the country would see 90 percent fewer emissions than from traditional gasoline or diesel vehicles. Furthermore, emissions such as CO and NOX, which lead to the production of greenhouses gases, would be reduced. Another potential benefit if natural gas was used by the long-haul trucking industry – as opposed to diesel fuel – is that if a spill occurred, the LNG would evaporate and disperse quite fast without leaving a residue.⁶ But if we'll ever see this transformation take place in the U.S., governmental incentives will be necessary.

Finally, let us address the issue of American energy security. At a time when the country is attempting to break free of our dependence on foreign oil, we find it very troubling that our government would even consider allowing energy companies to export our natural resources, especially to countries where Congress has not approved a free trade agreement.

The United States has an opportunity here. The last thing we should do is squander it so another energy company can reap quick profits. If our government authorizes Dominion to export up to one billion cubic feet of natural gas per day, we are moving in the opposite direction. If other applications are factored in to the equation, up to 16 billion cubic feet could be exported out of the country. This equals almost 25% of daily U.S. consumption.

The issues raised above have become increasingly important given the recent actions of this Department. The Department of Energy's 2012 Annual Energy Outlook issued by the EIA estimates a dramatic decrease in the resources of Marcellus Shale. The Outlook reduces the estimate from 410 trillion cubic feet to 141 trillion cubic feet.

The Applicant relies on the 410 trillion cubic feet estimate to support its studies on which it bases the current Application. The importance of this fact can be seen in Navigant's statement that, "The new consensus, which Navigant shares, is that North America gas resources are more than adequate to satisfy domestic demand for the time frame covered by this report, even as demand grows."⁷ This assumption underlies the pending Application⁸ and must be reassessed in light of this Department's recent findings. The Council also urges the Department to fully assess whether the pending Application is in the public interest given the dramatic change in the Department's estimates for the future.

This could be a transformative time for our country. But we will not achieve it without sufficient patience and our Federal Government has to lead the way. We still import more than 60% of the oil our country uses. However, nearly all of the natural gas used in the U.S. is

⁶ Natural Gas – Affordable, Abundant and American, Shannon Kiefhaber, p. 10, http://smartech.gatech.edu/jspui/bitstream/1853/38261/1/ShannonGriffinNatural%20Gas_Affordable.%20Abundant%20and%20American.pdf

⁷ *North American Gas Supply Overview and Outlook to 2040*, p. 2. In fact, Navigant touts the fact that EIA "has not altered its estimate of 'undeveloped' Marcellus reserves, which is 410 trillion cubic feet."

⁸ Application, page 5.

produced domestically. There is no doubt our economy would benefit if the changes outlined in our comments would become a reality.

Allowing Dominion Cove Point to export LNG at this time may not be the right move for the country. If the United States had the time to increase domestic demand it may well mean better results for the U.S. and for Dominion. There simply is no need to rush to judgment on this important issue.

I appreciate the opportunity to comment on this Application. If you have any questions or concerns please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'Vincent Trivelli', with a long horizontal flourish extending to the right.

Vincent Trivelli

Cc: The Honorable John D. Rockefeller, IV
The Honorable Joe Manchin, III

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY


IN THE MATTER OF)
)
DOMINION COVE POINT LNG, LP) FE DOCKET NO. 11-128-LNG

VERIFICATION

STATE OF WEST VIRGINIA


COUNTY OF MONONGALIA TO-WIT:

Pursuant to 10 C.F.R. § 590.103(b), Vincent Trivelli, being first duly sworn, affirms that he is authorized to execute this verification, that he has read the foregoing document, and that all facts stated herein are true and correct to the best of his knowledge, information, and belief.

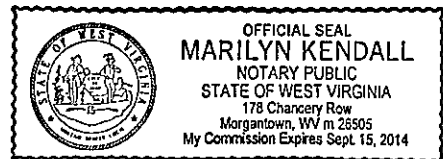


Vincent Trivelli

Subscribed and sworn to before me this 6th day of February, 2012.



Notary Public, West Virginia



My commission Expires: Sept. 15, 2014

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

IN THE MATTER OF

DOMINION COVE POINT LNG, LP

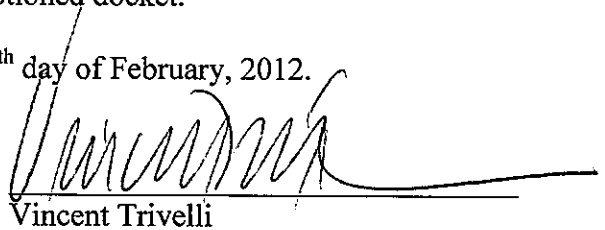
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FE DOCKET NO. 11-128-LNG

CERTIFIED STATEMENT OF AUTHORIZED REPRESENTATIVE

Pursuant to 10 C.F.R. § 590.103(b), I, Vincent Trivelli, hereby certify that I am a duly authorized representative of the West Virginia State Building and Construction Trades Council, AFL-CIO, and that I am authorized to sign and file with the Department of Energy, Office of Fossil Energy, on behalf of the West Virginia State Building and Construction Trades Council, AFL-CIO, the foregoing document in the above-captioned docket.

Dated at Morgantown, West Virginia, this 6th day of February, 2012.



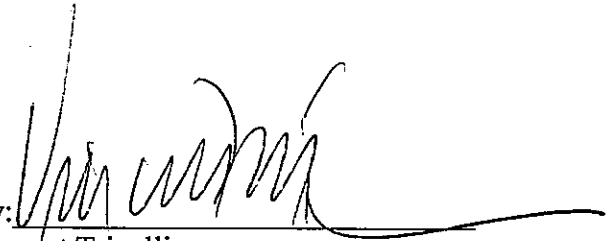
Vincent Trivelli

UNITED STATES OF AMERICA
DEPARTMENT OF ENERGY
OFFICE OF FOSSIL ENERGY

IN THE MATTER OF)
) FE DOCKET NO. 11-128-LNG
DOMINION COVE POINT LNG, LP)

CERTIFICATE OF SERVICE

I hereby certify that I have, this 6th day of February, 2012, served the foregoing document upon the applicant and all parties on the official service list in this docket in accordance with 10 C.F.R. § 590.107.

By: 
Vincent Trivelli
The Law Office of Vincent Trivelli, PLLC
178 Chancery Row
Morgantown, WV 26505
Phone: (340) 291-5223