ROBERT ADLEY
STATE SENATOR
DISTRICT 36
611 Jessie Jones Drive
Benton, LA 71006
(318) 965-1755
(800) 878-8005
Fax: (318) 965-1757
adleyr@legis.state.la.us



COMMITTEES

Revenue and Fiscal Affairs
Vice Chairman
Transportation, Highways
and Public Works
Joint Capital Outlay
Chairman
Energy Council
Executive Committee
Consumer Affairs

June 22, 2011

Mr. John A. Anderson Office of Fossil Energy US Department of Energy (FE-34) Office of Natural Gas Regulatory Activities Forrestal Building, Room 3F-042, FE-50 1000 Independence Avenue, SW Washington DC 20585



RE: FE Docket No. 11-59-LNG, Lake Charles Exports, LLC

Application for Long-Term Authorization to Export Liquefied Natural Gas

Dear Mr. Anderson:

I support the application of Lake Charles Exports, LLC (LCE) for authorization to export LNG from Southern Union Company's (SUG) Lake Charles terminal to both free trade and non-free trade agreement countries. Lake Charles Export, LLC is a jointly owned subsidiary of BG Group plc (BG Group) and SUG.

BG Group and SUG have been longstanding key members of the business community in Louisiana. A BG Group subsidiary has held all capacity rights at Lake Charles since 2001, and together BG Group and SUG have regularly invested in the Lake Charles community and terminal. Further, BG Group has significantly invested in shale gas exploration and production in Louisiana, providing additional jobs and economic investment within the state.

This project will provide a much needed boost to Louisiana's local and regional economy through resource development, an enhanced tax base, direct and indirect job creation and increased economic activity. Permanent jobs at the facility will be created and these jobs will *directly benefit* Louisiana's economy. It will also benefit the regional economy by creating additional employment opportunities from increased markets for shale gas. I understand that each train should result in:

- manufacturing and supply of the required equipment and material (\$600 million), most of which will be sourced from the US;
- construction and construction management jobs with wages of approximately \$260 million;
 and,
- engineering work with wages of approximately \$100 million.

The advent of shale gas in the United States has added dramatically to the US natural gas reserves, which are now estimated to be about 2,252 trillion cubic feet. The 2011 Annual Energy Outlook produced by the US Energy Information Administration (EIA) stated that shale gas

Mr. John A. Anderson June 22, 2011 Page Two

production has grown at an average annual rate of 48 percent between 2006 and 2010. (See http://www.eia.gov/forecasts/aeo/pdf/0383(2011).pdf) The EIA further predicts that developing shale plays in the US will continue increasing the reserves available and estimates the technically recoverable natural gas resource base at nearly double the EIA's 2005 estimate. Allowing exports of LNG will provide additional markets for the abundant natural gas produced in Louisiana, as well as the rest of the country.

I believe that this project is consistent with the public interest by creating local and regional jobs and providing additional markets for Louisiana and US shale gas. Therefore, I encourage you to expeditiously approve LCE's application for authorization to export LNG from Lake Charles.

Very truly yours,

Robert Adley Senate District 36

RA:jj