

Emily E. Kraffjack



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U.S. Department of Energy (FE-34),
Office of Natural Gas Regulatory Activities
Office of Fossil Energy
P.O. Box 44375
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RE: DEPARTMENT OF ENERGY [FE Docket No. 12-77-LNG]

To Whom It May Concern:

As a citizen of the United States most interested in our country being energy independent rather than dependent in light of the new energy resources available, is the frank reason I write. Our country has many shale gas plays that have the potential to strengthen our economy, whether it is through the return of manufacturing or new uses for these shale gas resources.

BACKGROUND

Oregon LNG states that the Oregon LNG Export Project (Project) is proposed to export primarily Canadian-sourced natural gas imported into the United States and to a lesser extent supplies of natural gas that may be domestically produced.

Obviously those involved with exporting Canadian-sourced natural gas through the Oregon are favorable to this project. I'm just not certain that providing this outlet at this time is a good move for the lesser extent supplies of domestically produced natural gas. This is a new resource available to us within our own country and we need to find ways to harness it. The United States is a very much driven energy economy and there will certainly be an abundant demand for this resource given reasonable time. Our country needs to be focused on having an energy policy

especially given three plus decades of really needing one and not having one. We've become dependent upon our enemies for our energy resources. This is not right, this makes no sense. Now, we have the chance through homegrown natural gas resources to have an effective policy. The Department of Energy needs to do all in its purview to see that such a policy finally becomes a reality.

We should not be sacrificing our country's energy independence for the sale of home grown natural gas to non-FTA agreement countries. This resource is a declining exploitable resource, and so it behooves us to make the best decisions concerning when, where and how it is used *now*.

CURRENT APPLICATION

... for a period of 25 years ... Oregon LNG requests that such long-term authorization provide for export from its LNG terminal to be located in Warrenton, Oregon, in Clatsop County, to any country with which the United States does not have an FTA requiring national treatment for trade in natural gas, which has developed or in the future develops the capacity to import LNG via ocean-going carrier, and with which trade is not prohibited by U.S. law or policy.

I do understand that such an endeavor as an LNG terminal is associated with very high funding costs, and therefore, a reason why the 25 year period is requested.

However, in consideration of the infancy of our shale gas resources and the unknowns associated especially concerning domestically driven uses that may arise within that same period, it seems almost fool-hearty to include our domestic resources within this application. I therefore very strongly urge that the lesser supplies of domestically produced shale gas be omitted from this application. In the near future once the United States has developed associated demand with our new shale gas resource and then should there be export quantities available, then the applicant may consider applying for these authorizations at that appropriate time. The United States needs to be very careful not to give away the candy and the store.

PUBLIC INTEREST CONSIDERATIONS

Oregon LNG states that the North American supply glut has depressed domestic natural gas prices to historic lows (below \$2.00 per MMBtu) not experienced since 1999.

It does not seem reasonable or pertinent to base public interest of exports on 'historic lows' since the discovery of the new shale gas resources has been proving very volatile market prices. As of today, November 5, 2012 is \$3.55 which is higher than a year ago [Henry Hub] and also at the time the application was submitted.

DOE/FE Evaluation

In reviewing this LNG export Application, DOE will consider any issues required by law or policy. To the extent determined to be relevant or appropriate, these issues will include the impact of LNG exports associated with this Application, and the cumulative impact of any other application(s) previously approved, on domestic need for the gas proposed for export, adequacy of domestic natural gas supply, U.S. energy security, and any other issues, including the impact on the U.S. economy (GDP), consumers, and industry, job creation, U.S. balance of trade, international considerations, and whether the arrangement is consistent with DOE's policy of promoting competition in the marketplace by allowing commercial parties to freely negotiate their own trade arrangements.

Parties that may oppose this Application should comment in their responses on these issues, as well as any other issues deemed relevant to the Application.

The issues of adequacy of domestic natural gas supply, U.S. energy security, impact on the U.S. economy [GDP], consumers, industry, and job creation are all contingent upon the United States having an effective energy policy utilizing homegrown natural gas to its fullest availability. The domestic shale gas demand will continue to increase with the many new natural gas power plants that are being proposed and coming online [<http://timesleader.com/stories/Company-plans-2-power-plants-fueled-by-gas,99548>]; personal and fleet vehicles are changing over and new purchases are being made that will utilize natural gas as the primary fuel source [<http://automobiles.honda.com/civic-natural-gas/>]; http://enr.construction.com/economics/quarterly_cost_reports/2012/0326-ford-gm-and-ram-introduce-natural-gas-pickup-trucks.asp <http://stateimpact.npr.org/pennsylvania/2012/10/26/erie-converts-its-bus-fleet-to-natural-gas/>]; our U.S. energy security depends upon us harnessing domestic shale gas resources; consumers are changing over to natural gas for home heating in record numbers [<http://thetimes-tribune.com/news/at-conference-ugi-points-to-increase-in-customers-1.1375764>]; and new industry is already locating close to shale gas areas to take advantage of the proximity to the resource [http://www.cbsnews.com/8301-505244_162-57416888/ocean-spray-breaks-ground-on-pa-bottling-plant/]. The U.S. economy, industry and job creation are all dependent upon our shale gas resources being effectively appropriated here at home within our United States.

Top people in the industry, one, T Boone Pickens has stated in regards to exporting natural gas that this generation would go down as the '*dumbest generation ever*' [<http://www.businessweek.com/articles/2012-08-22/strange-bedfellows-debate-exporting-natural-gas#p1>] and

Friday, November 2, 2012 Washington, D.C. – In response to questions about the impact of trade negotiations on U.S. natural gas exports, U. S. Senator Ron Wyden (D-Ore.) issued the following statement:

"The provision of the Natural Gas Act that grants automatic approval of natural gas exports to countries that share free trade agreements with the U.S. was adopted before newly-accessible shale gas became a strategic asset for the U.S. This policy needs reconsideration," Wyden said. "It could harm the nation's ability to achieve energy independence, combat pollution and preserve the environment, and improve the economic competitiveness of American manufacturers.

[<http://www.wyden.senate.gov/news/press-releases/wyden-us-should-reconsider-rubber-stamping-lng-exports-as-part-of-a-21st-century-energy-policy>].

I ask that you please seriously consider the information I have provided. I thank you for the opportunity to comment and urge that consideration for domestic shale gas from this application be denied.

Sincerely,
Emily E. Krafjack