

## LNGStudy

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**From:** 田中 浩介 [tanakak@fepec.or.jp]  
**Sent:** Thursday, January 24, 2013 1:30 AM  
**To:** LNGStudy  
**Subject:** Comments on the 2012 LNG Export Study  
**Attachments:** FEPC's comments on the 2012 LNG Export Study.pdf

Dear Sir or Madam,

Please find attached the support comments from the Federation of Electric Power Companies of Japan regarding the 2012 LNG Export Study.  
Your consideration would be greatly appreciated.

Yours faithfully,

Kosuke Tanaka  
Manager, General Planning  
The Federation of Electric Power Companies of Japan

THE FEDERATION OF ELECTRIC POWER COMPANIES

KEIDANREN KAIKAN  
1-3-2, OTE-MACHI, CHIYODA-KU,  
TOKYO, JAPAN

January 24, 2013

U.S. Department of Energy (FE-34)  
Office of Natural Gas Regulatory Activities  
Office of Fossil Energy  
Forrestal Building, Room 3E-042  
1000 Independence Avenue SW  
Washington, DC 20585

**Re: Comments on the 2012 LNG Export Study**

Dear Sir or Madam,

The Federation of Electric Power Companies of Japan (FEPC) was founded in 1952 for the purpose of contributing to the greater welfare of the Japanese people and the development of the Japanese economy by measures for the sound growth of Japan's electric power industry. The FEPC is operated by the 10 public electricity utilities in Japan.

The total import of LNG in fiscal year 2011 by those FEPC members that own LNG thermal power plants amounted to approximately 55.5 million tons.

The FEPC is aware of the recent report titled "Macroeconomic Impacts of LNG Exports from the United States" by NERA Economic Consulting, and we are very appreciative of the conclusion it reached that the export of LNG has economic advantages for the United States, and in particular that the scenario for export without constraints show greater advantages for the United States economy than other scenarios.

Considering the vast quantities of shale gas and other such unconventional gas reserves in the United States, the patterns of producer behavior in response to rising prices, and the competition among LNG-supplying countries, we are in agreement with the 2012 LNG Export Study regarding the impact of LNG exports on the price of domestic natural gas in the United States. That is, we consider the likelihood of large price increases to be limited.

Furthermore, our view is that LNG exports from the United States do not have advantages only for the country's economy. Such exports would also serve the national interests of the United States. Given the context of anticipated increases in energy demand from the developing countries, long-term stable exports of LNG by the United States would contribute to the stability of world energy supply and demand and, by extension, to the stability of the world economy, as well. From the perspective of LNG importers, to be supplied LNG from the United States, which possesses abundant reserves of natural gas and enjoys a stable business environment, would be significant not simply in terms of the diversification of sources for procurement of LNG, but also in terms of assuring a stable supply of energy.

It is also our view that the free export of LNG from the United States could potentially globalize the presently divided natural gas market, which is split three ways into North American, European, and Asian markets, and combine them in a larger-scale market that has greater flexibility. If the world's natural gas markets are unified and expanded in scale, then we can also expect new business opportunities to emerge for both users and suppliers alike.

In light of the results reported in the 2012 LNG Export Study, we look forward to a prompt and positive decision by the United States Department of Energy regarding permissions for LNG exports to non-FTA countries.

Yours faithfully,

Handwritten signature in Japanese characters: 木村 滋 (Kimura Shigeru).

Shigeru Kimura

Vice Chairman

The Federation of Electric Power Companies of Japan