Jody McCaffree,
PO Box 1113
North Bend, OR 97459

September 20, 2013

Andrew Stamp, Hearings Officer
Coos County Planning Department
225 N. Adams St.
Coquille OR 97423

Re: Coos County Pacific Connector Gas Pipeline application file number HBCU-13-02 and
HBCU-13-04

Dear Hearings Officer Stamp:

I would like to request that the record be left open in the above proceedings for not less than two
weeks in order to be able to respond and analyze all the information that the applicant has
recently submitted into these proceedings. The applicant did not supply detailed pipeline
alignment maps for their new proposed pipeline route in with their application. These were only
made available after they filed supplemental documents into the record dated September 16 and
18, 2013. These maps should have been provided in with their application and it is unclear
whether all impacted landowners were notified or even made aware that these maps existed
before this hearing date. There is no way for landowners to be able to tell exactly where this
pipeline route will go on their property without having access to these more detailed maps.
Landowners should have a right to this information ahead of time and be given plenty of time to
be able to analyze it before the record is closed. Coos County landowners impacted by this
project will be impacted in several ways, one being that they are at risk of losing their property
for a pipeline easement that will be of no public benefit to them and two, since the project is
proposing to export American natural gas resources, their energy costs will increase if they use
domestic natural gas or buy products that use natural gas. (See Exhibit A) This would not be in
the public’s best interest nor would it be promoting and protecting the convenience and general
welfare as Coos County ZLDO 1.1.200(12) requires.

In addition to this, today was also a deadline to file open record response comments on another
main component to this project, the South Dunes Power Plant and Gas Conditioning Facility Site
Plan Coos County Land Use Permit - SP-12-02. It is not right that the applicant has decided to
break their project up into many small components in order to obtain permits and equally not
right to make citizens meet two separate comment deadlines occurring on the same day for
essentially the same project.

The proposed pipeline alternative route will cross multiple zoning districts and is proposed to
impact the Coos River, a vital component to the Coos Estuary. Cumulative impacts on the
projects potential impacts on fish and marine habitat need to be addressed and analyzed. I hope
to be able to address these and other issues after being able to thoroughly review the applicant’s
recent submittals.

Sincerely,

[Signature]
Jody McCaffree

Exhibit: 12
Date: 9/20/13
Exhibit A
The future price of natural gas in the US depends greatly on development of LNG exports, the outlook for which remains unclear, says Facts Global Energy (FGE).

In an analysis comparing its projections for LNG exports with a base-case production forecast by the Energy Information Administration’s Annual Energy Outlook (AEO), FGE sees problems.

FGE’s LNG export expectations are much greater than EIA’s: 40 million tonnes/year in 2020 and almost 80 million tpy in 2025, assuming full utilization of capacity, vs. 5.5 million tpy in 2020 and almost 30 million tpy in 2030 in the AEO reference case.

Expected pipeline exports to Mexico plus LNG exports at FGE’s projected rates would absorb all incremental gas production in the AEO reference case.

“Obviously, this is an untenable outcome as there is no room for domestic demand growth,” FGE says. “It implies that Henry Hub prices must rise higher than the AEO reference-case projections both to incentivize domestic gas supply and ensure that domestic demand is adequately served.”

The AEO reference-case price projections are $4.87/MMbtu in 2025 and $5.40/MMbtu in 2030, with domestic consumption growing 0.7%/year during 2010-30.

“Given the large number of variables at play, it is challenging to nail down exactly how high Henry Hub could rise if LNG export capacity materializes as anticipated by FGE and is fully utilized,” FGE says.

The firm notes AEO’s scenario assuming high economic growth and low oil and gas resources shows Henry Hub gas prices rising to $6-7/MMbtu by 2030. But that scenario for economic growth assumes the addition of only about 35 million tpy of LNG equivalent to US consumption in comparison with the reference case.

“Clearly, if LNG exports increase by some 50 million tpy more than projected by the AEO, US gas prices could settle at a higher plateau—perhaps $7-8/MMbtu if domestic demand remains robust,” FGE says.
Exports of LNG May Raise U.S. Prices as Much as 54%, Agency Says
By Katarzyna Klimasinska - Jan 19, 2012

Exporting liquefied natural gas may increase U.S. prices for the fuel as much as 54 percent, the Energy Information Administration said in a report sought by the Energy Department for its review of export permits.

The findings support manufacturers who oppose sales overseas, saying their production costs would rise. Sempra Energy (SRE), owner of the Cameron gas terminal in Louisiana, Freeport LNG in partnership with Macquarie Group Ltd. (MQG), and Dominion Resources Inc. (D) are seeking permits to ship the fuel, as hydraulic fracturing boosts production.

U.S. natural-gas prices, at record lows this month, will increase under all scenarios considered by the agency, which provides research to the Energy Department, even without any shipments to foreign countries.

“Rapid increases in export levels lead to large initial price increases that moderate somewhat in a few years,” the agency said in the report. “Slower increases in export levels lead to more gradual price increases but eventually produce higher average prices during the decade between 2025 and 2035.”

After Cheniere Energy Inc. (LNG) won a U.S. permit in May to ship gas from its Sabine Pass facility in Louisiana, manufacturers using natural gas, led by the Washington-based Industrial Energy Consumers of America, complained that sales to foreign countries may raise prices at home.

LNG exports were criticized by congressional Democrats including Representative Edward Markey of Massachusetts and Senator Ron Wyden of Oregon.

‘Economic Advantage’

In allowing more exports, the U.S. may be “trading away the enormous economic advantage of having large, low-cost domestic natural gas supply,” Wyden said in an e-mailed statement on Jan. 6.

Daily exports of 6 billion cubic feet, phased in over six years, would produce an increase as high as 14 percent in 2022. Boosting exports to 12 billion cubic feet over four years would drive prices up 36 percent in 2018, the report said.

While natural gas exports would spur production, prices at the well would rise 54 percent in 2018 under a more pessimistic estimate by the agency of total gas resources, according to the report.
Price changes for industrial consumers, on a percentage basis, tend to be lower than adjustments at the wellhead, the agency said in the report.

Natural gas futures settled at a 10-year low yesterday, pushed down by low demand as milder weather during mild U.S. weather, and abundant supply from gas extracted from shale formations such as Marcellus in Pennsylvania.

Natural gas for February delivery fell 1.6 cents to $2.472 per million British thermal units on the New York Mercantile Exchange, the lowest settlement since March 2002. Gas futures have tumbled 44 percent from a year ago.

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