

Dominion Sees Opportunity in Natural Gas Exports

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RICHMOND, Va. (AP) — Dominion Resources Inc. says it sees an economic opportunity in the Mid-Atlantic region after a study from the Department of Energy on exporting natural gas.

The study, commissioned to help guide officials as they decide whether to approve 15 liquefied natural gas export applications now under review by the department, says exporting natural gas would benefit the U.S. economy even if it led to higher domestic prices for the fuel. The report's findings could push the department to approve some or all of the applications.

Richmond-based Dominion and other companies are hoping to export U.S. natural gas because it is at least half the price of natural gas in Europe and Asia.

Consumer advocates and manufacturers that use natural gas as a raw material or fuel source have opposed exports. They fear exports will drive up prices for residents and increase manufacturing costs. Environmental groups oppose exports because it could lead to increased drilling and because it takes an enormous amount of energy to chill natural gas into a liquid to prepare it for export.

Dominion says it anticipates many local, state and national economic benefits if its Cove Point facility in southern Maryland on the Chesapeake Bay is approved to export up to 1 billion cubic feet of liquefied natural gas per year.

The company acquired Cove Point in 2002 and began receiving ships in summer 2003. Dominion finished an expansion project in 2009 that increased the facility's storage and production capacity by nearly 80 percent. It has a storage capacity of 14.6 billion cubic feet and a daily send-out capacity of 1.8 billion cubic feet, according to the company's website.

"Dominion Cove Point is the logical, cost-effective and environmentally-efficient site to use to export domestic natural gas," CEO Thomas F. Farrell II said in a statement.

The energy company said an average of 750 construction workers would be employed during three-plus years of construction, with between 2,700 and 3,400 jobs associated with the project at the peak of construction. And Dominion said the benefits to the natural gas and other industries would support another 14,600 jobs once exports begin.

The company also said the project would directly and indirectly contribute about \$1 billion in additional federal, state and local government revenues annually, as well as a significant increase in local property taxes. On an environmental side,

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Dominion said by adding onto an existing facility, the Cove Point project would have less environmental impact than other projects proposed for undeveloped sites elsewhere.

The 15 projects in front of the Energy Department for review seek to export a total of 24 billion cubic feet of natural gas per day. That would represent an increase of 34 percent over this year's average U.S. natural gas consumption of 70 billion cubic feet per day. After a 45-day initial comment period on the study and a 30-day reply comment period, the department said it will review the 15 applications on a case by case basis.

Dominion Resources is one of the nation's largest producers and transporters of energy and has the nation's largest natural gas storage system. It serves retail customers in 15 states.

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