



300 W. Fourth St.
Craig, CO 81625

November 4, 2016

The Honorable Norman C. Bay
Chairman
Federal Energy Regulatory Commission
888 First Street, NE
Washington, DC 20426

Re: City of Craig Council support for the Jordan Cove Energy Project and Pacific Connector Gas Pipeline rehearing

Dear Chairman Bay,

The Federal Energy Regulatory Commission (FERC) issued decisions on March 11, 2016 not to approve the ***Jordan Cove Energy Project*** and ***Pacific Connector Gas Pipeline*** as contained in *Docket No. CP13-483-001* and *Docket No. CP13-492-001*. A primary consideration in rendering those decisions indicated that there was a lack of a defined market for Rockies and Canadian based LNG. Contrary to this FERC inference the project quickly announced not only two customers, but likely two of the largest and most credit worthy customers in the world in JERA and ITOCHU. Please accept this letter on behalf of the Craig City Council as demonstrating support for both projects and request that FERC grant the request for a rehearing filed by Jordan Cove Energy project and Pacific Connector Pipeline in earnest. Furthermore, the Council requests that the FERC provide the City of Craig information about why there are continued delays in approval, even when the applicant has responded to FERC's concerns.

Since that FERC denial in March, 2016, a striking development has occurred that should be considered by FERC in a rehearing that further addresses your primary concern. Specifically, Jera Co., Inc., one of two massive customers and the world's largest purchaser of LNG by volume, has committed to you in writing not only committing to the project but asking for rehearing and project approval noting that Jordan Cove project's LNG is a ***"critical element of Japan's energy mix"*** and that the ***"West coast of North America has the potential to play an important role in global energy security."***

In addition to these recent substantial customer/purchaser commitments, the United States Department of the interior's Geologic Survey released a report in June, 2016 that now estimates

that the Piceance Basin contains 66 trillion cubic feet of shale natural gas, 74 million barrels of shale oil and 45 million barrels of natural gas liquids that are undiscovered and technically recoverable resources in the Mancos Shale. This resource was once believed to only be 1.6 trillion cubic feet as recently as 2003.) This would conservatively place this basin as the second largest producible shale basin in North America. (The USGS map below provides the area of the study and highlights Garfield County in the center of the basin.

Moffat County has been subject to historic volatility in coal and natural gas prices that affect our economy. Jordan Cove LNG would benefit Colorado by creating long-term, secure and predictable demand for Rockies natural gas production.

As you are aware, Jordan Cove LNG recently garnered support from the Denver Post while maintaining robust levels of bi-partisan support in the State of Colorado at all levels of government including County Commissioners, the Colorado State House of Representatives and Senate, Governor John Hickenlooper, and United States Senators and Representatives in the United States Congress. Most notably, the Republican controlled Colorado Senate recently endorsed the Jordan Cove project which included 9 (nine) Democrats in the endorsement. In addition to this support, members of the Colorado Associated Governments of Northwest Colorado (AGNC) recently visited Coos Bay to tour the site as well as begin building a solid trade relationship between local Oregon and Colorado communities in the spirit of trade relationships and were well-received. Lastly, several Japanese energy customers recently visited the Piceance Basin in Colorado to further express their desire for the project and their commitment to the area that would supply LNG.

With all of these recent and significant developments now in place since the FERC decision, we urge you to grant a rehearing so that this project may obtain its approvals and become a reality. We encourage you to reconsider this decision post haste due to the fact that it is being proposed in a highly competitive global market where it is in direct competition with efforts underway in Canada to supply and export LNG to the same markets. As you are aware, these types of projects require massive investment and long term planning where regulatory expediency can make an enormous impact on the outcome of a successful project.

We thank you for accepting this letter of support for the ***Jordan Cove Energy Project*** and ***Pacific Connector Gas Pipeline*** and ask that your team provide our council information about why delays in approval continue despite the fact that indeed the project has demonstrated clear demand for our nation's energy products.

Best Wishes,

Mayor Ray Beck