



February 12, 2016

Ms. Kimberly Bose
Federal Energy Regulatory Commission
Office of the Secretary
888 1st Street, NE
Washington, DC 20428

Re: Docket No. *CP15-558*: Comments Regarding PennEast Pipeline Project

Dear Ms. Bose

The need for the expansion of the interstate pipeline system to accommodate fracked shale gas is being increasingly drawn into question – including by the shale gas industry itself.

We have already submitted an expert report documenting the lack of need for PennEast for New Jersey and Pennsylvania – the company's claimed service area. The attached news article further bolsters the facts and expert information on the PennEast docket that the questionable assertion that there is any need to be served by PennEast increasingly erodes with every passing day.

Sincerely,

A handwritten signature in blue ink that reads "Maya K. van Rossum". The signature is fluid and cursive, with a long horizontal line extending to the right.

Maya K. van Rossum
the Delaware Riverkeeper

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Marcellus-Utica could soon be 'overpiped'

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It's a concept rarely, if ever discussed in the Marcellus and Utica Shales region, but was heard uttered by no fewer than two speakers at last week's Seventh Annual Marcellus-Utica Midstream Conference & Exhibition (MUM).

The Pittsburgh program is presented by Hart Energy; **Kallanish Energy** was in attendance.

“What if the Marcellus/Utica region is overpiped?” asked Mark Eisenhower, vice president of Strategic Planning and Development for midstreamer Aspire Energy of Ohio. “I’m not saying it is, but it’s something that must be considered.”

Eisenhower said one has to considered the pullback in production in the Marcellus/Utica due to the price plummet in oil and gas.

“Producers scaling back will mean excess pipeline capacity, and excess pipeline capacity will reduce the basis differential and thus reduce/eliminate the value of new pipeline projects,” according to Eisenhower

(Basis is the difference between the benchmark Henry Hub spot price and the corresponding cash spot price for natural gas in a specified location.)

Earlier in the conference day, Dominion Transmission Senior Vice President Don Raikes told his MUM audience that between the years of 2015 and 2018, 21 billion cubic feet per day of new takeaway capacity from the Marcellus/Utica was planned.

“We believe the Appalachian Basin’s takeaway capacity will be largely overbuilt by the 2016-2017 timeframe,” said Elie G. Atme, vice president, Marketing and Midstream Operations for independent producer Range Resources.

Atme said growth in Northeast Pennsylvania’s Marcellus dry gas play had stopped, and growth in Southwest Pennsylvania, where both Marcellus and Utica drilling is underway, “is slowing.”

Aspire’s Eisenhower also played the “what-if” game concerning liquefied natural gas (LNG) exports. Estimates of 9 Bcf/d of LNG exports are seen by many in the industry as a partial fix for the huge natural gas oversupply the U.S. currently suffers from.

“What if LNG exports don’t happen?” Eisenhower asked. “If that occurs, expect lower gas prices beyond 2018.”

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Yes

No

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