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Local facility plays key role in addressing energy crisis

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It's not in the headlines every day. Nor will you hear it in any of the presidential candidate's stump speeches. But the fact is the United States is in the middle of an energy crisis. No, it's not one like the 1970s where long lines stretched from gas pumps across the country. And it's not even like the energy crunch we felt after Hurricanes Katrina and Rita devastated lives here in Louisiana and in Mississippi and disrupted critical gas and oil supply lines, straining supplies and driving up prices.

This crisis began more than 30 years ago, when the Federal government started creating new regulations that made it more difficult to build pipelines, oil refineries, LNG import terminals, and other essential parts of our energy infrastructure. The last oil refinery built in the U.S. was in 1976! Since that time, domestic oil consumption has nearly doubled while production has been cut in half. The Federal government also passed rules that prohibited U.S. citizens from taking advantage of our country's vast reserves of oil and gas off our coastlines on the outer continental shelf, while countries like Cuba and China can drill for oil and natural gas 50 miles off the coast of Florida.

This lack of investment and foresight has come at a great cost to Americans. Oil has reached \$100 barrel. Natural gas is up to five times the price it was just 6 years ago. Gasoline has exceeded \$3.00 a gallon. The end result is that our country has become far too reliant on fuel from volatile and unstable regions of the world.

But right here, straddling Iberia and Vermilion parishes, is the Jefferson Island Storage & Hub (JISH) at Lake Peigneur, which is already playing a key role in reversing this dangerous course we've been on for more than 30 years.

Natural gas storage, particularly in salt domes like those found under Lake Peigneur, is a critical component of our nation's energy strategy. JISH plays a particularly important role with its connection to the Henry Hub, the nation's pricing point for natural gas. JISH helps stabilize supply and demand feeding the local Louisiana market, as well as the national market. Salt dome storage is the safest means of storing natural gas according the U.S. Department of Energy and the two storage caverns at JISH have been operating safely since 1994. We have proposed adding two more storage caverns nearly a mile below Lake Peigneur.

With the recent trend towards natural gas fired electric generation increasing demand for natural gas dramatically, facilities like JISH play an essential role in keeping natural gas flowing, even when supply lines are disrupted like they were after Hurricanes Katrina and

Rita. That's why natural gas storage facilities are being developed all across the Gulf Coast region. There are 60 in operation today with dozens more under development.

(Remainder of article not printed in Abbeville paper)

JISH is one of the largest taxpayers in Vermilion and Iberia parishes and an active member of the community. We plan to stay involved here. Last year, we produced the Iberia Parish/Vermilion Parish Emergency Guide that was distributed free to more than 44,000 residents.

The JISH facility and its proposed expansion supports the continuing critical investment the oil and gas industry makes to the local community and economy. The local and state economic benefits from the proposed expansion at JISH, including creating new jobs, are estimated to be in excess of \$30 million over a 20 year period.

Unfortunately, not everyone supports expanding our operations here. You may have heard about or read reports of bubbling or foaming at Lake Peigneur. Some suggest that this should prevent JISH from adding any new storage caverns.

However, the US Geological Survey, the Louisiana Department of Natural Resources, the Louisiana Department of Environmental Quality, independent testing companies and our own company have performed extensive testing and analysis and have found no connection between the reported foaming and bubbling and our gas storage operations. In fact, all of the tests continue to indicate the bubbles are likely naturally occurring events.

Therefore, we firmly believe this facility and the proposed expansion is not only safe, but good for the local community and its economy and plays an essential part of the much needed investment in our national and regional energy infrastructure.