

# Natural Gas Pipeline Authority

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## Mission and philosophy

To plan, finance, construct, develop, acquire, maintain, and operate a pipeline system or systems within or without the state of Wyoming to facilitate the production, transportation, distribution and delivery of natural gas and associated natural resources produced in the state.

## Results of outcomes

Legislation was enacted in 2003 that allowed the Wyoming Natural Gas Pipeline Authority (WPA) to obtain a loan from the state to hire staff and open an office. The office was opened August 4, 2003 with one part-time Executive Director and one full time Administrator. The purpose of the WPA is clearly stated in the mission statement and was carried out by several means including; holding monthly informational meetings, engaging an investment banking team to review pipeline financings, working with the State Land Board to develop royalty-in-kind (RIK) criteria, providing information to government leaders, industry and the general public, working with interstate pipelines to increase capacity and develop new markets for Wyoming natural gas.

At the WPA monthly meetings in the past year, eight different pipeline companies announced proposed pipeline projects that would represent nearly four billion cubic feet (4.0 Bcf) per day of pipeline capacity out of the Rocky Mountain region. Two major pipeline projects, the Kern River Pipeline Company expansion and the Williston Basin Interstate Pipeline Grasslands pipeline, were completed in 2003 that added two and a half billion cubic feet per day (2.5 Bcf) additional export pipeline capacity. Four different major natural gas end users made presentations at WPA meetings indicating they were looking for long term natural gas supplies and were willing to enter into contracts with Wyoming producers. Three different entities approached the WPA requesting financing for their proposed pipeline or infrastructure projects. All three projects are currently being reviewed by the WPA's investment banking team.

One goal of the WPA was to insure that Wyoming producers received competitive prices for their product similarly to producers in other parts of the country. Henry Hub, Louisiana, is the national benchmark trading point for the price of natural gas. For fiscal year 2002-2003 the average price of gas at Opal, Wyoming was \$2.97 and the average price at Henry Hub, Louisiana was \$4.76 with the average differential of \$1.79. For fiscal year 2003-2004 the average Opal price was \$4.84 and the average Henry Hub price was \$5.42 with an average price differential of \$.59.

### General information

Bryan Hassler, Executive Director

### Agency contact

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### Year established

Established 1973  
Additional Legislation 2003 & 2004  
2003 Legislation allowed for staff

### Statutory references

W.S. 37-5-101 through 37-5-208

### Authorized personnel

Two contract personnel

### Organizational structure

5 Governor appointed board members, 2 contract staff personnel.

### Clients served

Natural gas producers/shippers, natural gas pipeline companies, natural gas end users, natural gas consumers.

### Budget information.

Loan.....	\$279,500
Actual Expenditures .....	\$195,939

In the past year Wyoming producers received an average of \$1.87 more per unit (mcf) of gas produced which equates to additional revenue for the state. The final revenue numbers are not available at this time.

Also as a result of better prices, there was additional development resulting in a 4.2 percent increase in natural gas sales in 2003-2004 compared to 2002-2003.

## **Strategic plan changes**

- ◆ Reduce the price differential for all Wyoming produced gas to historic levels of \$.50 per mcf or less.
- ◆ Increase the market for and market access to Wyoming produced gas by two billion cubic feet (2 Bcf) per day in the next four years.

# Natural Gas Pipeline Authority organization chart

