

FILE

UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION

Rockies Express Pipeline, LLC

Docket No. CP07-208-000

06-1142-6A-BW

**COMMENTS ON THE DRAFT ENVIRONMENTAL IMPACT
STATEMENT BY ULTRA RESOURCES, INC.**

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Pursuant to the Commission's Notice of Availability of the Draft Environmental Impact Statement for the Proposed REX East Project, Ultra Resources, Inc. ("Ultra") hereby submits Comments in the above captioned proceeding. In support hereof, Ultra states as follows:

I. BACKGROUND

On April 30, 2007, Rockies Express Pipeline, LLC ("Rockies Express") filed an application pursuant to section 7(c) of the NGA and Part 157 of the Commission's regulations requesting a certificate of public convenience and necessity to construct an additional 638 miles of 42-inch diameter mainline pipeline to provide transportation eastward from the eastern terminus of Rex-West in Audrain, Missouri, to Clarington, Ohio ("REX-East"). On November 23, 2007, FERC staff issued its draft Environmental Impact Statement ("EIS"). On December 19, 2007, a technical conference was held to address construction issues on REX East.

Ultra is a party to this proceeding and an Anchor Shipper on the REX East segment of the Rockies Express Pipeline. Ultra files these Comments in support of the conclusions reached in the staff's draft EIS and at the technical conference held on December 19, 2007.

II. COMMENTS

Ultra supports FERC staff's finding that Rockies Express' mitigation measures in conjunction with staff's mitigation measures would result in REX East having a "mostly limited adverse environmental impact" and that REX East "would be an environmentally acceptable action." *Draft Environmental Impact Statement for the Proposed REX East Project*, Docket No.

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CP07-208, at ES-7 (November 23, 2007). In addition to the mitigation measures proposed by Rockies Express, FERC staff recommended an additional one hundred forty-nine mitigation measures. FERC staff's extensive measures will reduce potential impacts to less than significant levels.

Furthermore, the unavoidable limited environmental impacts of the REX East project are out weighed by the enormous economic and energy benefits REX East will provide. FERC staff's recognition of these benefits is demonstrated by staff's finding that delaying this project "might result in more expensive and less reliable natural gas supplies for the end users and greater reliance on alternative fossil fuels, such as coal or fuel oil, or both." *Id.* The Commission has previously discussed the economic benefits of transporting Rocky Mountain gas to eastern markets in the Commission's approval of the REX West project in *Rockies Express Pipeline, LLC*, 119 FERC ¶ 61,069 (2007).

Ultra applauds the Commission's early issuance of the draft EIS to further the goal of providing affordable Rocky Mountain gas supplies to markets in the east. The draft EIS is evidence that both FERC staff and Rockies Express understand the need to mitigate the environmental impacts of pipeline construction and to balance the need for affordable and reliable transportation of natural gas to eastern markets against any residual unmitigated environmental impacts of the project. Ultra believes that the benefit of delivery of up to an additional 1.8 Bcf of natural gas per day to eastern markets offsets any unmitigated environmental impacts of the project. Consequently, Ultra supports the staff's finding in the draft EIS.

At the technical conference, the problems presented by the co-location of REX East and Panhandle Eastern Pipe Line Co. ("Panhandle") where Panhandle uses dresser couplings were discussed. Both REX East and Panhandle made presentations reflecting a substantive agreement

on the best way to address the peculiar construction issues raised by the dresser couplings on Panhandle. Ultra supports the agreement as presented at the technical conference.

Respectfully submitted,

ULTRA RESOURCES, INC.

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated on the official service list compiled by the Secretary in these proceedings.

Dated at Washington, D.C., this 14th day of January 2008.

Nancilee Holland

Submission Contents

Comments On The Draft Environmental Impact Statement By Ultra Resources, Inc.
Ultra_Comments_DEIS.pdf..... 1-3