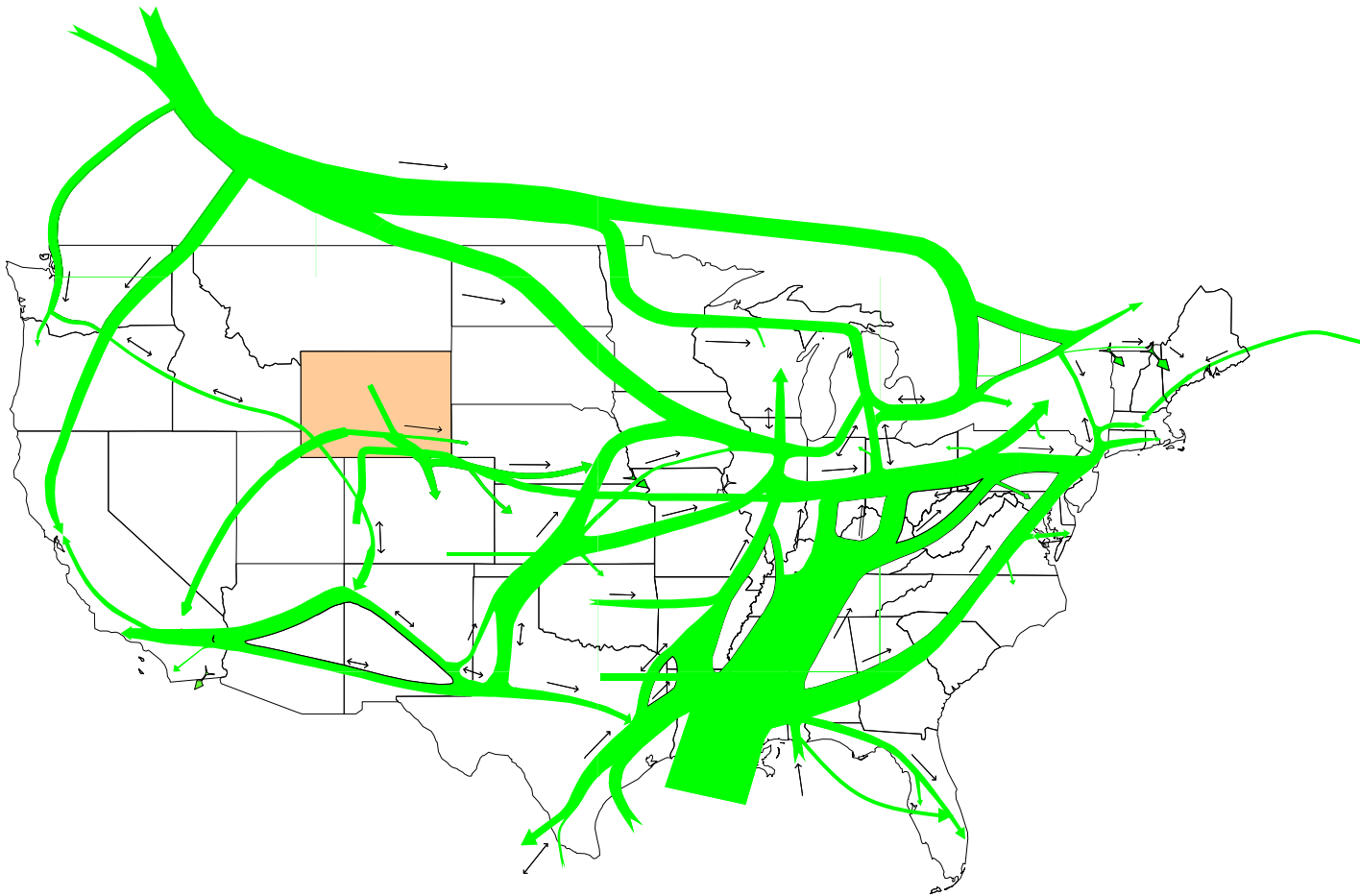
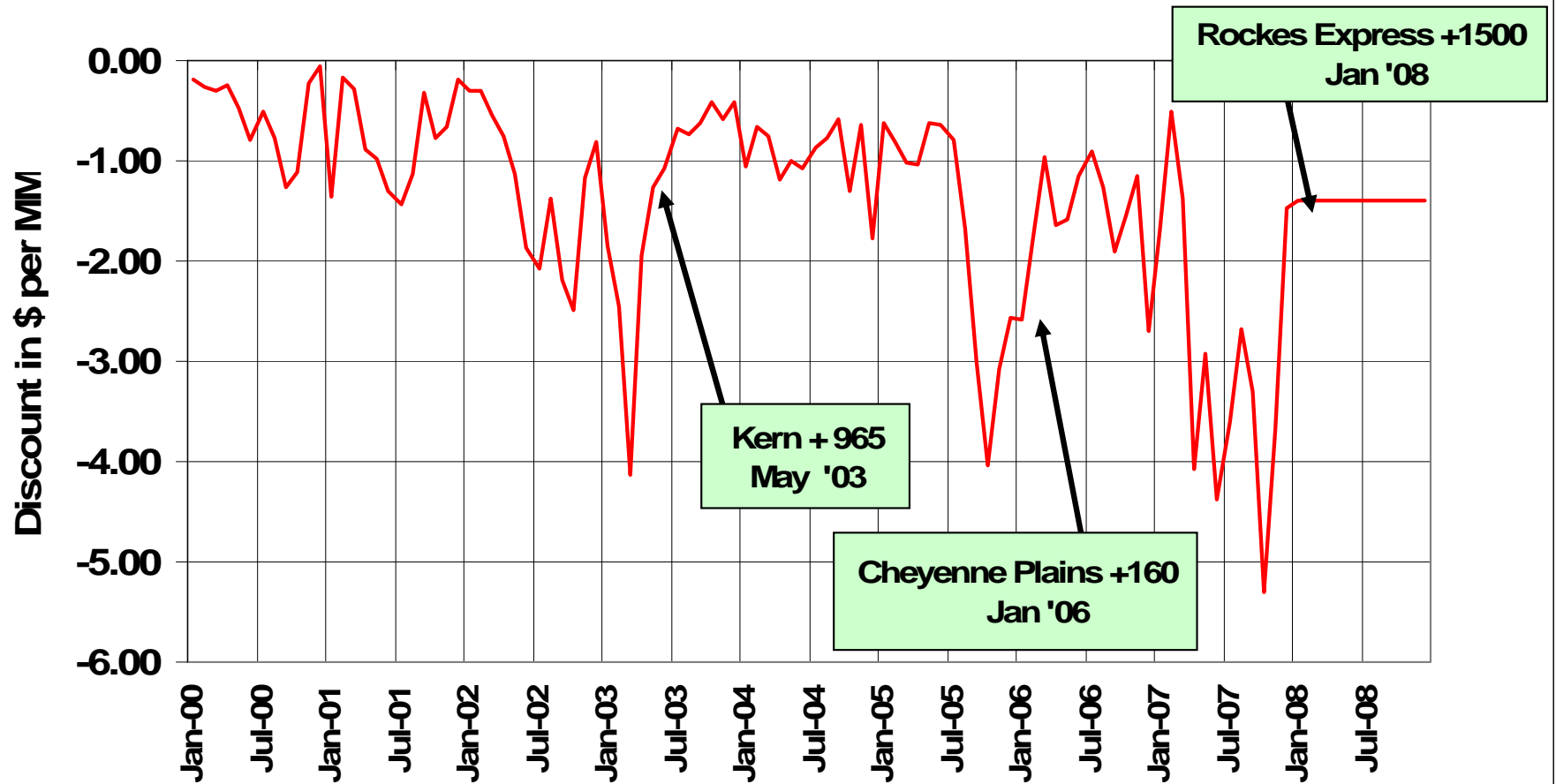


Proposed Incentive Program to Spur Gas Pipeline Construction From Wyoming to Higher Priced Markets



Width of arrows denote relative amount of pipeline capacity

Impact of Major Export Capacity Additions on the Price Discount Suffered by Wyoming Natural Gas



How would incentive work?

- Incentive designed to encourage commitment – hence deadline of Fall '09
- Amount of incentive tied to gas price with a cap
- Incentive applies for first three years of contract
- Incentive is paid to the shipper not the pipeline

How would incentive work?

- Pipeline must actually be built and put in service for incentive to apply
- Payment would be based on 6% of gas price in Wyoming (subject to 30 cent cap) and quantity of pipeline capacity commitment
- Incentive would represent 10 -15 % of contract cost
- Program requires an appropriation for funding

Benefits and Cost

	Increase in \$ from Fed Royalties	Increase in \$ from State Royalties	Increase in \$ from Severance Tax	Increase in \$ from Ad Valorem Tax	Total
State Benefit	179	50	231	46	506
County Benefit				209	209
State Cost			(164)		(164)
Net State Benefit	179	50	67	46	342
County Benefit				209	209