

**Wyoming Pipeline Authority settlement with natural gas pipeline company saves Powder River Basin natural gas producers between \$14 Million and \$134 Million in future pipeline transportation costs thereby increasing future State tax and royalty collections between \$2 Million and \$21 Million.**

On November 27, 2017, the Federal Energy Regulatory Commission (FERC) approved a settlement agreement between Wyoming Interstate Company (WIC), the Wyoming Pipeline Authority (WPA) and several other parties<sup>1</sup>. The settlement addresses the rate charged by WIC for transportation of natural gas from the Powder River Basin to the Cheyenne Hub. WIC is the dominant provider of natural gas transportation service between the Powder River Basin and the Cheyenne Hub. From the Cheyenne Hub, natural gas from the Powder River Basin can reach markets throughout the United States.

The settlement maintains the current rate for transportation and sets a moratorium on future rate increases that extends to January 1, 2021. At the insistence of the WPA, the moratorium in the settlement is seventeen months longer than that first proposed by WIC and initially supported by the FERC Trial Staff.

The range of benefits to the producers and to the State is based on what those rates for transportation could be over the extra seventeen months absent a settlement.

Given the impact of potential rate increases at the expiration of the moratorium, the WPA will be ready to advocate for Wyoming's interests when that next rate case from WIC comes forward.

The WPA greatly appreciates the support of the Office of the Governor to pursue this settlement. Total outside legal expenses associated with this effort were approximately \$10,000.

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<sup>1</sup> FERC Order Docket No. RP17-302 et. al.  
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