

“Parting the Waters Within a Confluence of Issues”

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Wendell F. Holland, Esq.

Summary

- ▶ EPA Principles
 - ▶ NARUC
 - ▶ Shale generally
 - ▶ Aqua
 - ▶ Court action
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EPA – "Principles for an Energy Water Future"

- ▶ Six principles the Agency believes will serve to guide us toward a more sustainable energy and water future.

EPA Six Principles

- ▶ **Efficiency in the use of energy and water should form the foundation of how we develop, distribute, recover, and use energy and water.**
 - ▶ **The exploration, production, transmission and use of energy should have the smallest impact on water resources as possible, in terms of water quality and water quantity.**
 - ▶ **The pumping, treating, distribution, use, collection, reuse and ultimate disposal of water should have the smallest impact on energy resources as possible.**
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EPA Six Principles

- ▶ **Wastewater treatment facilities, which treat human and animal waste, should be viewed as renewable resource recovery facilities that produce clean water, recover energy and generate nutrients.**
 - ▶ **The water and energy sectors – governments, utilities, manufacturers, and consumers – should move toward integrated energy and water management from source, production and generation to end user.**
 - ▶ **Maximize comprehensive, societal benefits.**
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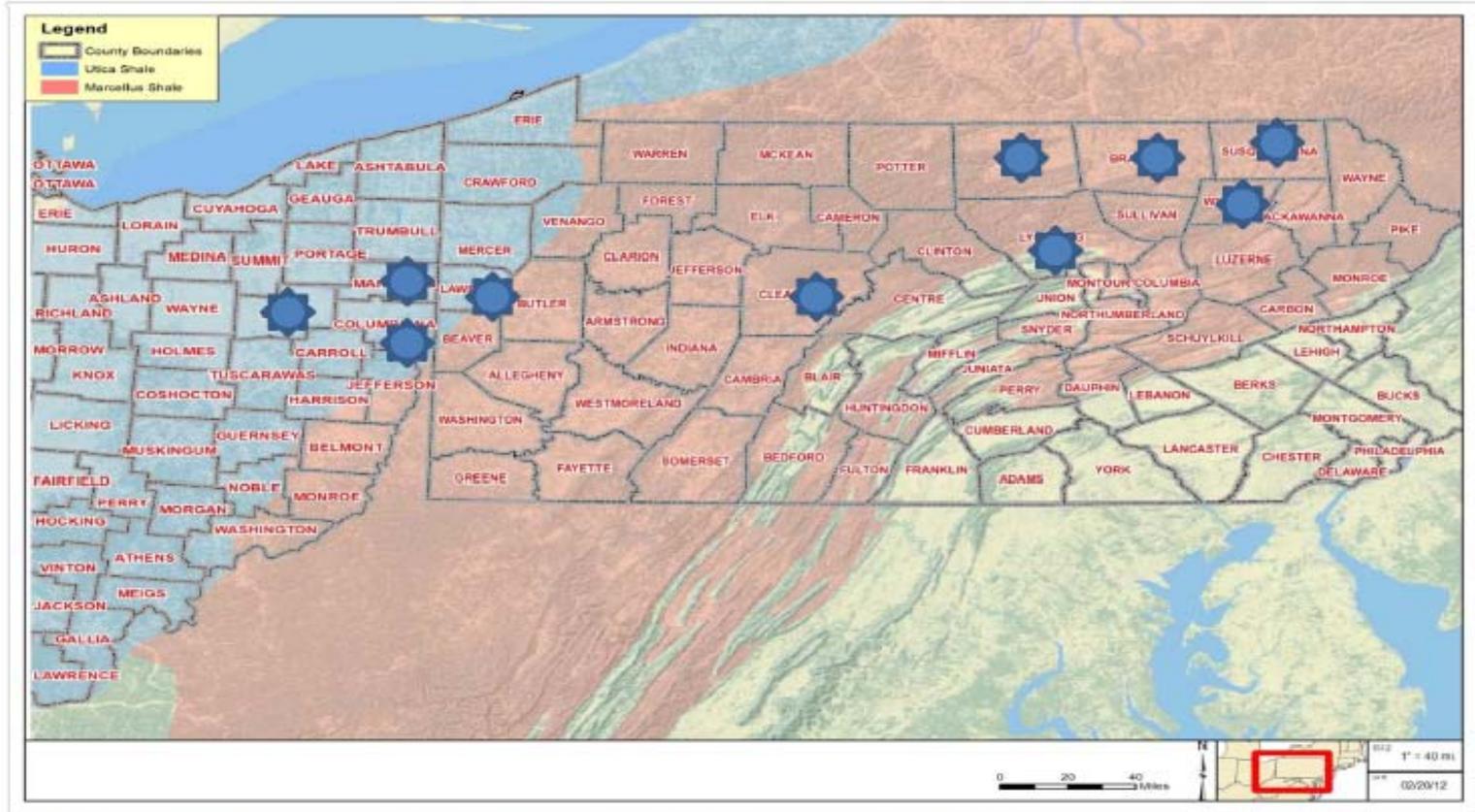
NARUC

- ▶ Resolution Supporting U.S. Department of Energy's Energy Efficiency Standards (Feb. 2009)
 - Delays create \$28 billion loss
 - Standards for seven products: including, residential water heaters, refrigerators and freezers, residential central air conditioners and residential clothes washers make up about 70% of the estimated total savings
- ▶ Joint Resolution Supporting a LIHEAP-Equivalent to Assist Low-Income Drinking Water Utility Ratepayers (March 2004)

Marcellus Shale is one of the largest natural gas fields in the U.S.

- ▶ The Marcellus Shale is a geologic formation that lies 5,000 – 7,000 feet below most of Pennsylvania and stretches north and west of the Allegheny Front, which is roughly the western edge of the Appalachian Mountains. It continues north into New York, west into Ohio and south into West Virginia and contains one of the largest deposits of natural gas in the world.
- ▶ In 2005, a drilling company confirmed that a well drilled in 2003 in Washington County, Pennsylvania used a relatively new drilling technique — "hydraulic fracturing,") — to cost-effectively produce commercially significant quantities of natural gas from the Marcellus Shale formation.

Marcellus and Utica Shale - Areas of Interest



Susquehanna
Wyoming

Lycoming
Tioga

Bradford
Lawrence

Clearfield
Mahoning, OH

Stark, OH
Columbia, OH

AQUA

Marcellus News

- *Southwestern raises CAPEX, production guidance for 2012:*

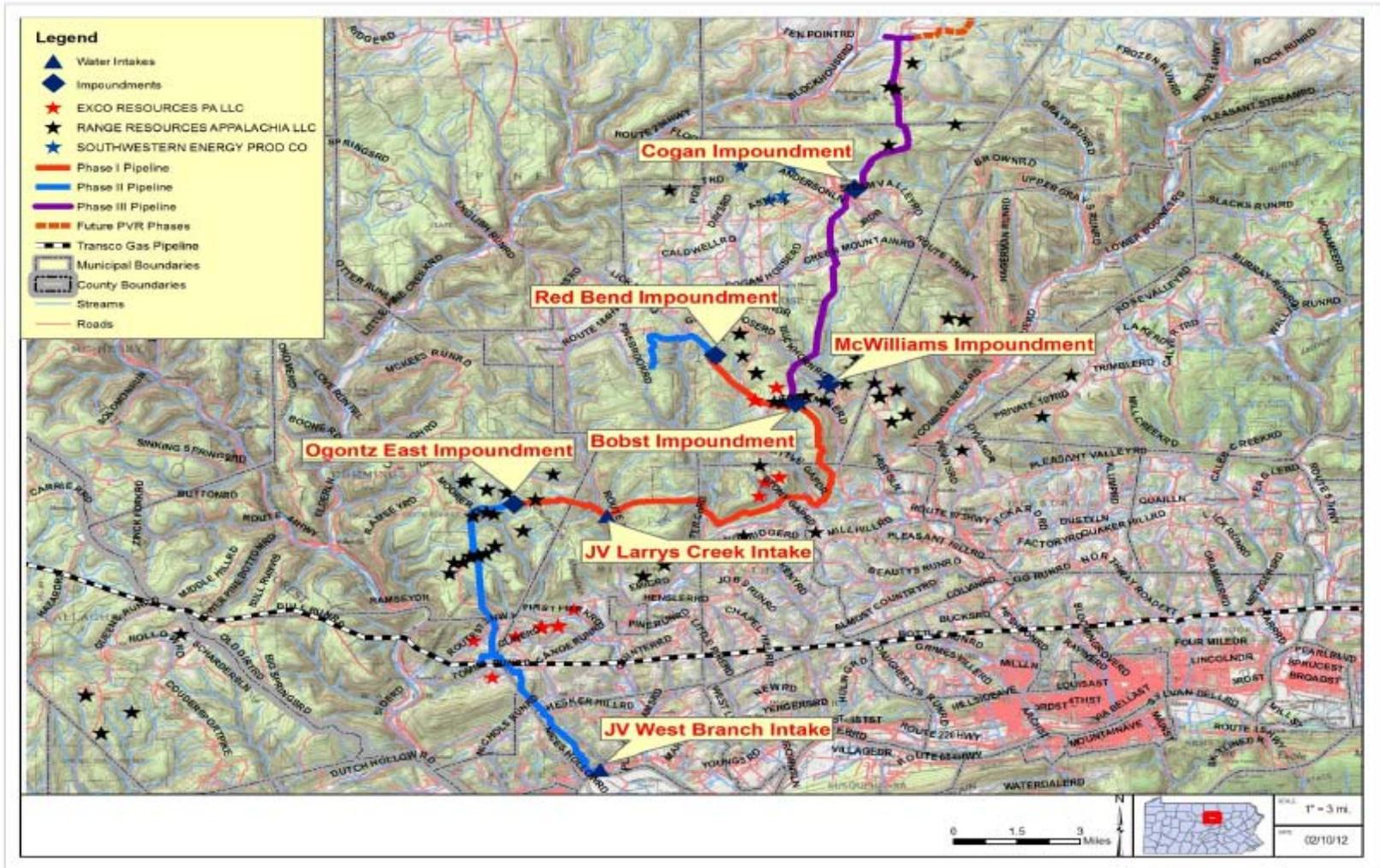
Southwestern Energy Co is nearly doubling its 2012 CAPEX in Pennsylvania's Marcellus Shale play, although its largest producing region remains the Fayetteville Shale, the company reports. The CAPEX increase is attributed to an 83% increase in capital targeting the company's Marcellus Shale assets, to \$530m, from \$290m one year ago.

Gas Business Briefing January 2012

Aqua's efforts

- ▶ Providing water resources in an environmentally sensitive manner
 - ▶ Truck traffic reduced
 - ▶ Jobs created
 - ▶ Works closely with regulators
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Aqua PVR Water Services \$94M, 53 Mile Project



Aqua PVR Water pipeline will improve traffic conditions and have a positive impact on infrastructure and the environment



Aqua PVR Water Line will replace Larry's Creek Truck Loading Station



Construction at Larry's Creek



Heavy Duty Pumps at Larry's Creek



Shale – Recent Court action

- ▶ PA PUC
- ▶ Commonwealth Court

Conclusion