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Tuesday, April 13, 2010

Chairman Sander M. Levin  
Committee on Ways & Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington D.C. 20515

**RE: Hearing on Energy Tax Incentives Driving the Green Job Economy**

Dear Chairman Levin,

Encana is the second largest natural gas producer in North America, and its U.S. Division, headquartered out of Denver, Colorado, employs more than 1,600 hard-working Americans.

Encana strongly supports the increased use of natural gas in the power generation and transportation sectors because it will create new American jobs, provide a secure and stable energy future for our country and reduce our overall carbon footprint.

During the past decade, the natural gas industry has undergone a renaissance like no other time in our history due to technological innovations that allow producers to safely supply unconventional natural gas. Because of these advances we now have a 100-year supply of natural gas at current production rates. This new, clean, abundant and affordable supply of natural gas has reduced prices to less than \$4.50/mmBTU. Natural gas prices are now competitive with coal in many regions of the country and on an energy equivalent basis, are one-third the price of oil. This makes natural gas a great alternative fuel to gasoline, diesel and ethanol and since there does not appear to be a clear viable alternative for powering large trucks, natural gas provides the most cost-effective way to reduce emissions, reduce costs and create jobs.

Encana supports legislation such as the Natural Gas Act (H.R. 1835), which will increase natural gas use for transportation. Currently, there are over 10 million vehicles worldwide that run on natural gas, but only 125, 000 of those vehicles reside in North America. We are taking a leadership role in promoting increased usage of natural gas vehicles that use this clean-burning resource as an alternative fuel to gasoline.

Affordability is just one of the virtues of using natural gas in place of oil and coal. Imported oil cost the U.S. \$160 billion annually, despite an abundance of domestic natural gas supply readily available to replace gasoline for transportation purposes. Natural gas has proven its value to the economy by generating \$385 billion dollars in 2008. In this same year, natural gas supported the creation of an estimated 2.8 million jobs. We estimate that for every additional billion cubic feet per day (bcf/d) of natural gas supply, 30,000 to 50,000 jobs are created. In addition, incorporating more natural gas will benefit the environment by reducing emissions by 50 percent

from coal-fired power plants and by 25 to 30 percent from gasoline and diesel vehicles. Furthermore, using natural gas will greatly reduce nitrogen oxide and sulphur dioxide emissions by 55 and 73 percent in the power generation sector and by 20 and 30 percent in the transportation sector, significantly improving the quality of our air.

As part of our commitment to improving our environment and energy security, we have taken a leadership role in promoting the expanded use of natural gas. In addition to our extensive community outreach and education efforts, we are piloting natural gas vehicles in our working fleet and for our drilling rigs. Our message is clear: Natural gas is a clean, affordable and domestic alternative to gasoline as a source for transportation, but we need government support to make a significant economic and environmental impact.

We believe in an energy future that progressively improves the environment, creates American jobs and most importantly, provides a secure and stable energy future in which North America is less reliant on unstable, foreign oil. The passing of the Natural Gas Act is an integral aspect of making this future a reality.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Marsh". The signature is fluid and cursive, with a large initial "E" and "M".

Eric Marsh  
Executive Vice-President, Natural Gas Economy  
Encana Corporation

cc.: T. Boone Pickens, Chairman, BP Capital Management.  
Don McClure, Vice-President, Government and Stakeholder Relations, Encana USA