SUMMARY

The Office of Natural Gas and Petroleum Import and Export Activities prepares quarterly reports summarizing the data provided by companies authorized to import or export natural gas. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the first quarter of 1999 (January through March).

Attachment A shows the percentage of takes to maximum firm contract levels and the weighted average per unit price for each of the long-term importers during the five most recent reporting quarters.
Attachment B shows volumes and prices of gas purchased by long-term importers and exporters during the past 12 months.
Attachment C shows volume and price information pertaining to gas imported on a short-term or spot market basis.
Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

First Quarter Highlights: Total and Canadian imports reached record-breaking levels this quarter. As illustrated in the chart below, there were dramatic increases in activity compared to the first quarter of 1998.

Canadian Imports	834.5 Bcf	Up 8%
LNG Imports	39.0 Bcf	Up 56%
Mexican Imports	10.0 Bcf	Up 285%
Total Imports	883.6 Bcf	Up 10.4%
Mexican Exports	15.3 Bcf	Up 32%

See details below for more information.

The first phase ("Chicago Project") of the Northern Border Pipeline Expansion became operational on December 22, 1998, increasing Northern Border's pipeline capacity by 700 MMcf per day at Port of Morgan, Montana. During the first quarter, an additional 541 MMcf per day was imported at Port of Morgan, Montana, compared to the first quarter of 1998. This gas will mostly serve markets in northern Illinois. In March, gas imports began at Pittsburg, New Hampshire on the Portland Natural Gas Transmission System (PNGTS). This gas will serve markets in New England. See the Second Quarter 1998 Report for more details on both of these pipeline projects.

Three new long-term Canadian import contracts were activated, totaling 90.1 MMcf per day or 33 Bcf annually. Approximately 67 percent of this gas will be imported at Pittsburg, New Hampshire and go to markets in New England . The remaining 33 percent will be imported at Port of Morgan, Montana and go to markets in Illinois and Iowa. In February, Duke Energy LNG Sales, Inc. (Duke) imported 2.6 Bcf of LNG from Qatar under its short-term import arrangement with Qatar Liquefied Gas Company Limited.

First Quarter Data: Long-term imports for the quarter totaled 382.9 Bcf, which is 2.6 percent higher than the first quarter of 1998 (373.1 Bcf). Long-term Canadian imports totaled 350 Bcf, which is slightly lower than the first quarter of 1998 (350.7 Bcf). The average price of this gas was $2.01 per MMBtu, which was 13 cents or 6 percent less than the preceding quarter ($2.14) and 19 cents or 9 percent less than the first quarter of 1998 ($2.20). Under **LNG long-term import arrangements**, Distrigas Corporation (Distrigas) imported 26.3 Bcf from Algeria at $2.34 per MMBtu. Duke imported 6.5 Bcf from Algeria at $2.00 per MMBtu. Under a **long-term LNG export arrangement**, Marathon Oil Company and Phillips Alaska Natural Gas Corporation exported 16.7 Bcf to Japan at $2.59 per MMBtu (delivered).

During the first quarter, 95 companies used **short-term authorizations to import** 500.7 Bcf of gas. This volume represents a 17 percent increase compared to the short-term imports of the first quarter of 1998 (427.2 Bcf). Of the total imported this quarter, 484.5 Bcf was imported from Canada at an average price of $1.76 per MMBtu (compared to $1.91 last quarter and $1.72 in the first quarter of 1998), and 10 Bcf was imported from Mexico at an average price of $1.71 per MMBtu (compared to $1.70 last quarter and $2.04 in the first quarter of 1998). Under **short-term LNG import contracts**, Distrigas imported 2.6 Bcf from Australia at $3.06 per MMBtu. Duke imported 1.1 Bcf from Algeria at $2.00 per MMBtu and 2.6 Bcf from Qatar at $2.42 per MMBtu.

Approximately 30 percent of the **short-term Canadian imports** occurred at Eastport, ID, at an average price of $1.67 per MMBtu; 24 percent at Port of Morgan, MT, at $1.57 per MMBtu; 19 percent at Sumas, WA, at $1.92 per MMBtu; 13 percent at Noyes, MN, at $1.75 per MMBtu; 8 percent at Niagara Falls, NY, at $2.09 per MMBtu; 3 percent at Waddington, NY, at $2.14 per MMBtu; and 3 percent at various other entry points, at $1.88 per MMBtu.

In addition, 28 **short-term export** authorizations were used, exporting a total of 25.9 Bcf of gas. Nine authorizations were used to export 10.6 Bcf to Canada, at an average price of $1.85 per MMBtu. Under 19 authorizations, 15.3 Bcf was exported to Mexico at an average price of $1.74 per MMBtu.

Year to Date Data: Comparing the first three months of 1999 with the first three months of 1998, gas imports increased 10.4 percent or by 83.3 Bcf (883.6 v. 800.3 Bcf). Canadian imports increased 8 percent (834.5 v. 772.7 Bcf); Mexican imports increased 285 percent (10.0 v. 2.6 Bcf); and LNG imports increased 56 percent (39 v. 25 Bcf). During the same time period, the rate of total exports decreased by 10 percent (42.6 v. 47.5 Bcf). Exports to Canada decreased by 39 percent (10.6 v. 17.3 Bcf) while exports to Mexico increased by 32 percent (15.3 v. 11.6 Bcf) and LNG exports to Japan decreased by 10 percent (16.7 v. 18.6 Bcf).

This quarter's **focus report** is "1998 Natural Gas Import/Export Trade: A Second Look." The quarterly report and any future revisions to the report will be resident on our Electronic Bulletin Board at (202) 586-7853 or on the Fossil Energy Web Site at http://www.fe.doe.gov. Any questions or comments concerning this report should be directed to Yvonne Caudillo at (202)586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.