

## SUMMARY

The Office of Natural Gas & Petroleum Import & Export Activities prepares quarterly reports showing natural gas import and export activity. Companies are required, as a condition of their authorizations, to file quarterly reports. This report is for the second quarter of 2006 (April through June).

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 5 most recent 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 data for gas imported on a short-term/spot market basis.

Attachment D shows the gas exported on a short-term/spot market basis to Canada and Mexico.

**Second Quarter Highlights:** Changes in activity compared to the second quarter of 2005 (Bcf).

Canadian Imports	871.4	up 3.6%
LNG Imports	187.8	up 19.9%
Mexican Imports	0.2	down 33.3%
<b>Total Imports</b>	<b>1,059.4</b>	up 6.2%
Canadian Exports	59.9	down 21.3%
Mexican Exports	96.7	up 20.7%
LNG Exports (Japan)	16.7	up 27.5%
<b>Total Exports</b>	<b>173.3</b>	up 2.4%

Puerto Rican Imports	5.8	down 10.8%
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The Puerto Rican imports are shown in the table above, on the following page, and in Attachment B-1. These imports are not reflected in any of the totals found on this page, as the summaries are only for trade pertaining to the continental U.S.

During the second quarter, 5 importers of LNG (BG LNG Services, LLC.; BP Energy Company; Distrigas Corporation; Shell NA LNG, LLC; and Statoil Natural Gas, LLC) brought in 67 cargoes from 4 countries (Algeria, Egypt, Nigeria, and Trinidad), totaling 187.8 Bcf. This compares to 56 cargoes and 156.6 Bcf in the second quarter of 2005, and 40 cargoes and 111.4 Bcf last quarter.

**Second Quarter Data:** Natural gas imports under all long-term contracts totaled 160.0 Bcf, compared to 161.3 Bcf in the second quarter 2005. Long-term Canadian imports decreased nearly 30 percent (78.9 v. 109.5 Bcf). The average price of this gas was \$6.51 per MMBtu, compared to \$6.55 in the second quarter of 2005 and \$7.84 last quarter. Long-term LNG imports increased 56.4 percent compared to the second quarter 2005 (81.0 v. 51.8 Bcf). Under long-term contracts, Distrigas imported 25.7

Bcf from Trinidad at an average price of \$6.13 per MMBtu. BG LNG imported 40.2 Bcf from Trinidad at \$6.22 per MMBtu and 15.1 Bcf from Nigeria at \$6.14 per MMBtu.

During the second quarter, 106 companies used **short-term authorizations to import** 899.4 Bcf, which is 7.5 percent more than the second quarter of 2005 (836.3 Bcf). Of this total, 792.5 Bcf was **imported from Canada** at \$6.11 per MMBtu, compared to 731.2 Bcf at \$6.48 in the second quarter 2005, and 855.7 Bcf at \$8.20 in the previous quarter. **Imports from Mexico** totaled 0.2 Bcf at \$5.59 per MMBtu, compared to 0.3 Bcf at \$6.32 in the second quarter of 2005 and 2.5 Bcf at \$7.07 in the previous quarter. **Short-term LNG imports** totaled 106.7 Bcf for the quarter, compared to 104.8 Bcf in the second quarter of 2005 and 64.3 Bcf last quarter. See the table on the following page for more details.

Short-term imports from Canada by point of entry:

Point of Entry	% of Imports	Wt. Avg. \$
Port of Morgan, MT	20	\$5.91
Sherwood, ND	19	\$6.03
Eastport, ID	17	\$5.58
Noyes, MN	11	\$6.09
Niagara Falls, NY	10	\$6.91
Waddington, NY	9	\$6.80
Sumas, WA	7	\$5.50
Calais, ME	3	\$7.49
Grand Island, NY	2	\$6.92
Other	2	\$6.22

In addition, 28 **short-term export** authorizations were used, exporting a total of 173.3 Bcf. Fifteen companies exported 59.9 Bcf to Canada at an average price of \$6.57 per MMBtu; 13 companies exported 96.7 Bcf to Mexico at \$6.25. Finally, 16.7 Bcf of **LNG was exported to Japan** at \$6.60 (delivered).

**Year to Date Data:** Comparing the second quarter of 2006 with the second quarter of 2005, total gas imports decreased 1.8 percent (2,114.2 v. 2,153.1 Bcf) and total gas exports decreased 20.1 percent (357.1 v. 447.1 Bcf). Canadian imports decreased 1.4 percent (1,812.3 v. 1,838.8 Bcf); and LNG imports decreased 4.7 percent (299.2 v. 313.8 Bcf). Imports from Mexico increased 350 percent (2.7 v. 0.6 Bcf). Exports to Canada decreased 34.4 percent (162.0 v. 247.1 Bcf) and exports to Mexico decreased 4.9 percent (161.8 v. 170.2 Bcf). LNG exports to Japan increased 12 percent (33.4 v. 29.8 Bcf).

Please note that the data in this Report is subject to revision. Revisions occur when companies file late or corrected data after the Report has been published. The Quarterly Report is available on the Fossil Energy Web Site at <http://www.fe.doe.gov> (click on Natural Gas Regulation). Any questions or comments about this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at [yvonne.caudillo@hq.doe.gov](mailto:yvonne.caudillo@hq.doe.gov).

**SHORT-TERM LNG IMPORTS 2nd QUARTER 2006**

<b>IMPORTER</b>	<b>COUNTRY OF ORIGIN</b>	<b>VOLUME (Bcf)</b>	<b>WEIGHTED AVG. PRICE (\$/MMBtu)</b>
BG LNG	Egypt	47.7	\$6.32
BP ENERGY	Trinidad	15.0	\$6.77
DISTRIGAS	Trinidad	18.4	\$7.50
SHELL	Trinidad	2.9	\$6.80
STATOIL	Algeria	5.6	\$6.29
STATOIL	Trinidad	17.1	\$6.26
<b>TOTAL</b>		<b>106.7</b>	<b>\$6.59</b>