

## 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 1999 (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 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 data for 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.

**Second Quarter Highlights:** As illustrated in the chart below, there were dramatic increases in activity compared to the second quarter of 1998.

Canadian Imports	777.5 Bcf	Up 7%
LNG Imports	33.4 Bcf	Up 89%
Mexican Imports	16.0 Bcf	Up 290%
Total Imports	826.9 Bcf	Up 10%
Mexican Exports	16.5 Bcf	Up 15%

See details below for more information.

The Northern Border Pipeline Expansion continued to have a significant impact on natural gas import trade. The average daily throughput for the first 6 months of 1999 increased over 36 percent or by 562 MMcf per day compared to the first 6 months of 1998 (2,102 v. 1,540 MMcf per day). This increased throughput on the Northern Border Pipeline seems to have resulted in reduced gas flows on the PG&E-GT-NW Pipeline where throughput for the first 6 months of 1999 declined by 279 MMcf per day or 12 percent compared to last year's level during the same time period (2,146 v. 2,425 MMcf per day).

One new long-term import contract was activated. In May, Distrigas Corporation (Distrigas) began importing LNG from Trinidad. The LNG originated from the newly operational Atlantic LNG export facility in Point Fortin, Trinidad. Distrigas will market this gas to various customers in the Northeast.

Mexican imports reached a record high since the fall of 1984. For the first 6 months of 1999, Mexican imports totaled 26.1 Bcf, which is over triple the amount imported during the first 6 months of 1998 (7.4 Bcf). Although the import volume is relatively modest, it already has exceeded the annual imports for the past 14 years.

**Second Quarter Data:** **Long-term imports** for the quarter totaled 357.8 Bcf, up from the second quarter of 1998 (350.0 Bcf). **Long-term Canadian imports** totaled 333.9 Bcf, which is just slightly less than the second quarter of 1998 (335.1 Bcf). The average price of this gas was \$2.12 per MMBtu, which is 11 cents or 5 percent higher than the preceding quarter and 6 cents

lower than the second quarter of 1998. Under **LNG long-term imports**, Distrigas imported 6.5 Bcf from Algeria at \$2.18 per MMBtu and 10.65 Bcf from Trinidad at \$1.90 per MMBtu. Duke Energy LNG Sales, Inc. (Duke) imported 6.8 Bcf from Algeria at \$2.00 per MMBtu.

During the second quarter, 83 companies used **short-term authorizations to import** 469.2 Bcf of gas. This volume represents an 18 percent increase compared to the short-term imports of the second quarter of 1998 (398.9 Bcf). Of the total imported this quarter, 443.7 Bcf was **imported from Canada** at an average price of \$1.92 per MMBtu, compared to 392.0 Bcf at \$1.71 per MMBtu in the second quarter of 1998, and 484.5 Bcf at \$1.76 in the previous quarter. **Imports from Mexico** totaled 16.0 Bcf and had an average price of \$2.01 per MMBtu. This compares to 4.1 Bcf at \$2.30 in the second quarter of 1998 and 10.0 Bcf at \$1.71 in the previous quarter. Under **short-term LNG import** contracts, Distrigas imported 1.5 Bcf from Trinidad at \$1.92 per MMBtu. Duke imported 0.8 Bcf from Algeria at \$2.00 per MMBtu and 4.9 Bcf from Qatar at an average price of \$1.71 per MMBtu. CMS Marketing Services and Trading Company imported 2.3 Bcf from Australia at \$2.01 per MMBtu.

Approximately 32 percent of the **short-term Canadian imports** occurred at Eastport, Idaho, at an average price of \$1.82 per MMBtu; 25 percent at Port of Morgan, Montana at \$1.84 per MMBtu; 16 percent at Sumas, Washington, at \$1.83 per MMBtu; 11 percent at Noyes, Minnesota, at \$2.05 per MMBtu; 9 percent at Niagara Falls, New York, at \$2.34 per MMBtu; 4 percent at Waddington, New York, at \$2.24 per MMBtu; and 3 percent at other entry points, at \$2.10 per MMBtu.

In addition, 22 **short-term export** authorizations were used, exporting a total of 23.5 Bcf of gas. Six authorizations were used to export 7.0 Bcf to Canada, at an average price of \$2.06 per MMBtu. Under 16 authorizations, 16.5 Bcf was exported to Mexico at \$2.17 per MMBtu. Finally, 15.1 Bcf of LNG was exported to Japan at \$2.52 per MMBtu (delivered).

**Year to Date Data:** Comparing the first two quarters of 1999 with the first two quarters of 1998, gas imports increased 10 percent, or 161 Bcf (1,710.6 v. 1,549.6 Bcf). Canadian imports increased by 7.5 percent (1,612.1 v. 1,500.1 Bcf); Mexican imports increased 290 percent (26.1 v. 6.7 Bcf); and LNG imports increased 69 percent (72.4 v. 42.8 Bcf). For the same time period, total exports decreased by 4 percent (81.4 v. 85.2 Bcf). Exports to Canada decreased by 35 percent (17.8 v. 27.3 Bcf); exports to Mexico increased by 22 percent (31.8 v. 26.0 Bcf); and LNG exports remained steady (31.8 v. 31.9 Bcf).

The quarterly report and future revisions to the report will reside on our Electronic Bulletin Board at (202) 586-7853 and on the Fossil Energy Web Site at <http://www.fe.doe.gov>. Any questions or comments concerning this report should be sent to Yvonne Caudillo at (202) 586-4587 or by E-mail at [yvonne.caudillo@hq.doe.gov](mailto:yvonne.caudillo@hq.doe.gov).