

SUMMARY

The Office of Natural Gas and Petroleum Import and Export Activities (formerly a part of the Office of Fuels Programs) 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 third quarter of 1996 (July - September).

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 calendar 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.

Third Quarter Highlights: The Quarterly Report is now available on the Internet. To access this and last quarter's report, go to the Office of Fossil Energy Home Page (<http://www.fe.doe.gov>) and click on documents. Natural gas imports from Canada totaled 704.7 Bcf for the quarter, slightly up from 704.1 Bcf in the previous quarter. Exports to Canada decreased compared to the second quarter (9.8 v. 12.2 Bcf). Five new long-term Canadian import contracts were activated, totaling 166 MMcf/day or 60.6 Bcf annually. Under four of these new contracts, Chevron Natural Gas Services, Inc.; Hermiston Generating Company (2 contracts); and North Canadian Marketing Company will import 92 MMcf/day or 33.6 Bcf/year to fuel a 474-MW cogeneration facility located near Hermiston, Oregon. Under the fifth new contract, Chevron U.S.A. Inc. will supply 74 MMcf/day or 27 Bcf/year to Natural Gas Clearinghouse which will then market most of the gas in California. This contract replaces a short-term supply contract. See Attachment B for all long-term contract details. Due to a July 26 explosion of Mexico's largest gas processing plant, Mexican exports reached a record-breaking monthly level of 9.2 Bcf in August. Mexican imports decreased during the third quarter. In September, Distrigas Corporation used its short term import authorization to buy LNG for the first time from Abu Dhabi, rather than Algeria.

Third Quarter Data: Long-term Canadian imports for the quarter totaled 352.5 Bcf, representing a slight decrease over the third quarter of 1995 (353.1). The average price of these supplies was \$2.06/MMBtu, which was 3 cents lower than the second quarter.

Distrigas imported 5.3 Bcf of LNG at \$2.53/MMBtu under a long-term contract. PanEnergy LNG Sales, Inc. had no long-term imports of LNG. Marathon Oil Company and Phillips Alaska Natural Gas Corporation exported 18.9 Bcf of LNG.

During the third quarter, 95 companies imported 356.8 Bcf of natural gas under short-term arrangements which is a 7.5 percent increase over the third quarter of 1995. Of this total, 352.2 Bcf was imported from Canada, 2.1 Bcf was imported from Mexico, and 2.5 Bcf of LNG was imported from Abu Dhabi. Mexican gas was imported at an average price of \$2.21/MMBtu.

The average price of Canadian imports under short-term import arrangements remained steady at \$1.35/MMBtu. About 44 percent of this gas was imported at Eastport, Idaho, at an average price of \$0.99/MMBtu; 19 percent at Sumas, Washington, at \$1.06/MMBtu; 14 percent at Port of Morgan, Montana, at \$1.64/MMBtu; 12 percent at Noyes, Minnesota, at \$2.02/MMBtu; 4 percent at Niagara Falls, New York, at \$2.35/MMBtu; 2 percent at Waddington, New York, at \$2.33/MMBtu; and 5 percent at various other entry points, at \$2.19/MMBtu.

A total of 24.4 Bcf was exported by 29 companies under short-term arrangements. Of this total, 7 companies exported 9.8 Bcf of gas to Canada, at an average price of \$2.25/MMBtu. Twenty-two companies exported 14.6 Bcf to Mexico at an average price of \$2.05/MMBtu.

Year to Date Data: Comparing the first nine months of 1996 with the same period of 1995, gas imports increased 3.2 percent or by 68 Bcf (2,172 v. 2,104 Bcf). Canadian imports increased 2.5 percent (2,138 v. 2,086 Bcf); Mexican imports increased by 134 percent (11.7 v. 5.0 Bcf); and LNG imports increased 74 percent (22.5 v. 12.9 Bcf). During the same time period, total exports increased by 1 percent (123.5 v. 122.5 Bcf). Exports to Canada increased 91 percent (44.4 v. 23.2 Bcf) and exports to Mexico decreased 44 percent (28.4 v. 50.9 Bcf). Exports to Japan increased 5 percent (50.8 v. 48.4 Bcf).

This quarter's feature report is a review of 1995 cross-border electricity trade and the use of Canadian gas by the non-utility generation sector. Our office invites ideas from the public on future topics dealing with North American natural gas import/export trade.

The quarterly report and any future revisions will be resident on our Electronic Bulletin Board at (202) 586-7853 or on the Internet at <http://www.doe.fe.gov>. All general queries concerning this report should be made to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.