

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 third quarter of 2004 (July through 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 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.

Third Quarter Highlights: Changes in activity compared to the third quarter of 2003. (Volumes in Bcf.)

Canadian Imports	904.7	up 6.4%
LNG Imports	191.6	up 19.3%
Mexican Imports	-0-	same
Total Imports	1,096.3	up 8.4%
Canadian Exports	53.4	up 15.3%
Mexican Exports	114.0	up 27.2%
Japanese Exports	18.6	up 8.1%
Total Exports	186.0	up 21.5%

Puerto Rican Imports	7.3	up 12.3%
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The Puerto Rican imports are shown in the tables above and on the next 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 first 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 72 cargoes from 7 countries (Algeria, Australia, Malaysia, Nigeria, Oman, Qatar and Trinidad), totaling 191.6 Bcf. This compares to 60 cargoes and 160.6 Bcf in the third quarter of 2003, and 61 cargoes and 156.4 Bcf last quarter. A full review of the LNG imports through the third quarter of 2004 is shown on pages following this summary.

Third Quarter Data: Natural gas imports under all long-term contracts totaled 195.3 Bcf, compared to 177.4 Bcf in the third quarter 2003. Long-term Canadian imports decreased 15.7 percent (137.2 v. 162.8 Bcf). The average price of this gas was \$5.38 per MMBtu, compared to \$4.67 in the third quarter of 2003 and \$5.44 last quarter. Long-term LNG imports increased 298.0 percent compared to the third quarter 2003 (58.1 v. 14.6 Bcf). Under long-term

contracts, Distrigas imported 28.2 Bcf from Trinidad at an average price of \$4.95 per MMBtu, and BG LNG imported 29.9 Bcf from Trinidad at \$5.71 per MMBtu.

During the third quarter, 89 companies used **short-term authorizations to import** 901.0 Bcf, which is an 8.0 percent increase over the third quarter of 2003 (833.9 Bcf). Of this total, 767.4 Bcf was **imported from Canada** at an average price of \$5.34 per MMBtu, compared to 687.9 Bcf at \$4.70 in the third quarter 2003, and 725.7 Bcf at \$5.54 in the previous quarter. There have been no **imports from Mexico** since the first quarter of 2002. **Short-term LNG imports** totaled 133.6 Bcf for the quarter, compared to 146.0 Bcf in the third quarter of 2003 and 108.6 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	24	\$5.23
Eastport, ID	23	\$5.08
Sherwood, ND	18	\$5.43
Noyes, MN	9	\$5.38
Niagara Falls, NY	8	\$5.93
Sumas, WA	8	\$5.10
Waddington, NY	4	\$5.84
Calais, ME	3	\$5.61
Other	3	\$5.69

In addition, 25 **short-term export** authorizations were used, exporting a total of 167.4 Bcf of gas. Fourteen companies exported 53.4 Bcf to Canada at an average price of \$6.01 per MMBtu. Eleven companies exported 114.0 Bcf to Mexico at \$5.63. Finally, 18.6 Bcf of **LNG was exported to Japan** at \$5.04 (delivered).

Year to Date Data: Comparing the first 9 months of 2004 with the first 9 months of 2003, total gas imports increased 7.1 percent (3,194.4 v. 2,982.8 Bcf) and total gas exports increased 19.4 percent (559.8 v. 469.0 Bcf). Canadian imports increased about 2.8 percent (2,694.9 v. 2,620.6 Bcf); and LNG imports increased 37.9 percent (499.5 v. 362.2 Bcf). Exports to Canada increased 22.2 percent (220.9 v. 180.7 Bcf) and exports to Mexico increased 21.4 percent (293.2 v. 241.5 Bcf). LNG exports to Japan decreased by 2.4 percent (45.7 v. 46.8 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. Revisions to past quarters are reflected in the Report for the quarter during which the revisions are filed. The Quarterly Report is available on the Fossil Energy Web Site at <http://www.fe.doe.gov> (click on Natural Gas Regulation).

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