

## SUMMARY

The Office of Oil and Gas Global Security and Supply, Office of Natural Gas Regulatory Activities prepares quarterly reports showing natural gas import and export activity. Companies are required, as a condition of their authorizations, to file monthly reports. This Natural Gas Import and Export Report is for the fourth quarter of 2010 (October through December).

Sections 1 and 2 contain quarterly and annual summary charts and tables. Section 3 contains detailed transactions of all imports and exports. The data in Section 3 is separated by long-term imports, long-term exports, short-term imports, and short-term exports. There is a table of contents for your convenience. This quarterly report includes additional graphics providing annual summaries for 2010, comparisons of 2010 with 2009, and analyses of long-term trends.

### Fourth Quarter Highlights

Imports totaled 938.6 Bcf and exports totaled 354.3 Bcf, resulting in net imports of 584.3 Bcf. As usual, most of the imports came from Canada, comprising more than 89 percent of the total. Imports from Mexico made up less than one percent and LNG imports made up over 10 percent of the total. As illustrated in the following tables, imports were up slightly compared to last quarter. This was due primarily to a 9.2 percent increase in LNG imports and despite a 21.6 percent drop in imports from Mexico. Imports were up slightly compared to the fourth quarter of 2009. This was mostly due to a small increase in Canadian imports. Just this 1 percent increase in the large volume of these imports offset a 20.9 percent drop in Mexican imports and a 4.6 percent drop in LNG imports. Overall, there was just a slight increase in import prices from last quarter. Import prices were about the same as last quarter for Canadian natural gas, down about 16 percent for Mexican supplies, and up 4.5 percent for LNG imports. Overall import prices for the quarter were down 9.6 percent compared to the fourth quarter of 2009, although LNG prices were up 15 percent.

Exports totaled 354.3 Bcf this quarter, increasing by 42 percent compared to last quarter. This increase was due to a 54.3 percent increase in exports to Canada, a 4.8 percent increase in Mexican shipments, and a huge (162.3 percent) increase in LNG exports, driven by the relatively recent phenomenon of LNG re-exports. Exports were up over 21 percent compared to the fourth quarter of 2009. This quarter, the majority of exports went to Canada, making up over 64 percent of the total. Exports to Mexico comprised over 26 percent and LNG exports comprised over 9 percent (again, due to LNG re-exports) of total exports during the fourth quarter of 2010.

LNG imports increased 9.2 percent compared to last quarter but decreased 4.6 percent compared to the fourth quarter of 2009. The number of LNG import cargos was the same as last quarter (33 cargos), but decreased compared to the fourth quarter 2009 number (36 full cargos and 1 partial cargo). LNG import prices were up by over 4 percent compared to last quarter and up by 15 percent compared to the fourth quarter of 2009. LNG exports of domestic supplies from Kenai, Alaska were down over 25 percent from last quarter and more than 7 percent compared to the fourth quarter of 2009. Prices for these exports to Japan were down by 6.1 percent compared to last quarter but up 7.7 percent compared to the fourth quarter of 2009. LNG re-exports of previously imported gas greatly increased this quarter, up 800.5 percent compared to last quarter and up 829.1 percent compared to the fourth quarter of 2009. Prices of these re-exports also increased, up 8.4 percent from last quarter and up 20.5 percent from the fourth quarter of 2009.

### Annual Highlights

Imports totaled 3,819.5 Bcf in 2010 which was about the same as in 2009 (3,820.6 Bcf). Canadian and Mexican imports showed slight increases while LNG imports decreased. The average price of imports increased almost 8 percent compared to 2009 (\$4.09 in 2009 vs. \$4.41 in 2010). Prices increased in all three import categories.

Exports totaled 1,136.5 Bcf in 2010. This is a 5.8 percent increase from 2009 total exports (1,074.4 Bcf). This increase was mostly due to the large increase in LNG re-exports (2.7 Bcf in 2009 vs 34.5 Bcf in 2010). Export prices were up across the board.

The number of LNG cargos fell from 163 full cargos plus one partial cargo in 2009 to 157 full cargos and one partial cargo in 2010. The total LNG import volume was down from 452 Bcf in 2009 to 431 Bcf in 2010, a 4.6 percent decrease. The average price of imported LNG increased 6 percent, going from \$4.36 in 2009 to \$4.62 in 2010.

Please refer to the following tables and graphics for more data comparisons and details.

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). We welcome questions or comments about this Report. They 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).