

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 2011 (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 2011, comparisons of 2011 with 2010, and analyses of long-term trends.

Fourth Quarter Highlights

Imports totaled 846.2 Bcf and exports totaled 371.5 Bcf, resulting in net imports of 474.7 Bcf. As usual, most of the imports came from Canada, comprising 91.4 percent of the total. Imports from Mexico made up less than one percent and LNG imports made up 8.5 percent of the total. As illustrated in the following tables, imports were up slightly compared to last quarter. This was due to a 0.1 percent increase in pipeline imports and a 1.0 percent increase in LNG imports. Imports were down 9.6 percent compared to the fourth quarter of 2010. This was due to a 7.9 percent decrease in pipeline imports and a 24.1 percent decrease in LNG imports. Overall, import prices were down by 11.2 percent compared to last quarter. Import prices were down 13.2 percent from last quarter for Canadian natural gas, down about 8.4 percent for Mexican supplies, and up 4.4 percent for LNG imports. Overall import prices for the quarter were down 8.8 percent compared to the fourth quarter of 2010, although LNG prices were up 20.6 percent.

Exports totaled 371.5 Bcf this quarter, increasing by 5.7 percent compared to last quarter. This increase was due to a 12.4 percent increase in exports to Canada and despite 3.3 percent decrease in Mexican exports and a 10.8 percent decrease in LNG exports. Exports were up 3.8 percent compared to the fourth quarter of 2010. This quarter, the majority of exports went to Canada, making up 63.1 percent of the total. Exports to Mexico comprised 33.4 percent, domestic LNG exports comprised 0.5 percent, and LNG re-exports comprised 2.9 percent of total exports during the fourth quarter of 2011.

LNG imports increased 1.0 percent compared to last quarter but decreased 24.1 percent compared to the fourth quarter of 2010. There were 25 LNG import cargos, compared to 24 cargos last quarter and 33 cargos in the fourth quarter of 2010. LNG import prices were up by over 4 percent compared to last quarter and up by over 20 percent compared to the fourth quarter of 2010. LNG exports of domestic supplies from Kenai, Alaska were down by almost 50 percent from last quarter and by more than 72 percent compared to the fourth quarter of 2010. Prices for these exports to Japan were up by 30.9 percent compared to last quarter and up 46.6 percent compared to the fourth quarter of 2010. LNG re-exports of previously imported gas increased by 3.2 percent compared to last quarter but were down 56.9 percent compared to the fourth quarter of 2010. Prices of these re-exports increased, up 5.0 percent from last quarter and up 73.3 percent from the fourth quarter of 2010.

Annual Highlights

Imports totaled 3,541.4 Bcf in 2011 which was 7.2 percent less than the 2010 total (3,814.3 Bcf). Canadian and Mexican imports decreased by 4.9 percent and 91.1 percent, respectively. LNG imports decreased by 19 percent compared to 2010. The average price of imports decreased 6.2 percent compared to 2010 (\$4.41 in 2010 vs. \$4.13 in 2011). Specifically, Canadian import prices decreased by 8.3 percent, Mexican import prices decreased by 24.7 percent, but LNG import prices increased by 13 percent.

Exports totaled 1,507.1 Bcf in 2011. This is a 32.2 percent increase over 2010 total exports (1,140.1 Bcf). This increase was mostly due to large increases in Canadian and Mexican exports, and LNG re-exports. Prices were down for Canadian and Mexican exports but were up for both domestic LNG exports and LNG re-exports.

The number of LNG import cargos fell from 157 full cargos plus one partial cargo in 2010 to 116 full cargos in 2011. The total LNG import volume was down from 431 Bcf in 2010 to 348.9 Bcf in 2011, representing a 19 percent decrease. The average price of imported LNG increased 13.0 percent, going from \$4.62 in 2010 to \$5.23 in 2011.

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.