

**QUARTERLY FOCUS: 2001 YEAR IN REVIEW****Table 1**

<b>C YEAR AT A GLANCE C</b>		
<b><u>TOTAL IMPORTS</u></b>		
<b><u>COUNTRY OF ORIGIN</u></b>	<b><u>BCF</u></b>	<b><u>WEIGHTED AVG. PRICE (\$/MMBtu)</u></b>
Canada	3762.6	\$4.36
Mexico	10.3	\$5.00
Algeria	64.9	\$3.32 **
Australia	2.4	\$3.29 *
Nigeria	38.0	\$5.00 **
Oman	12.1	\$4.74 *
Qatar	22.8	\$3.88 **
Trinidad and Tobago	98.0	\$3.94 **
<b>TOTAL</b>	<b>4011.1</b>	
<b><u>TOTAL EXPORTS</u></b>		
<b><u>COUNTRY OF DESTINATION</u></b>	<b><u>BCF</u></b>	<b><u>WEIGHTED AVG. PRICE (\$/MMBtu)</u></b>
Japan	65.8	\$4.35 ***
Canada	157.5	\$3.98
Mexico	140.4	\$4.34
<b>TOTAL</b>	<b>363.7</b>	
* Landed price.		
** Includes both Landed and Tailgate prices.		
*** Delivered price.		

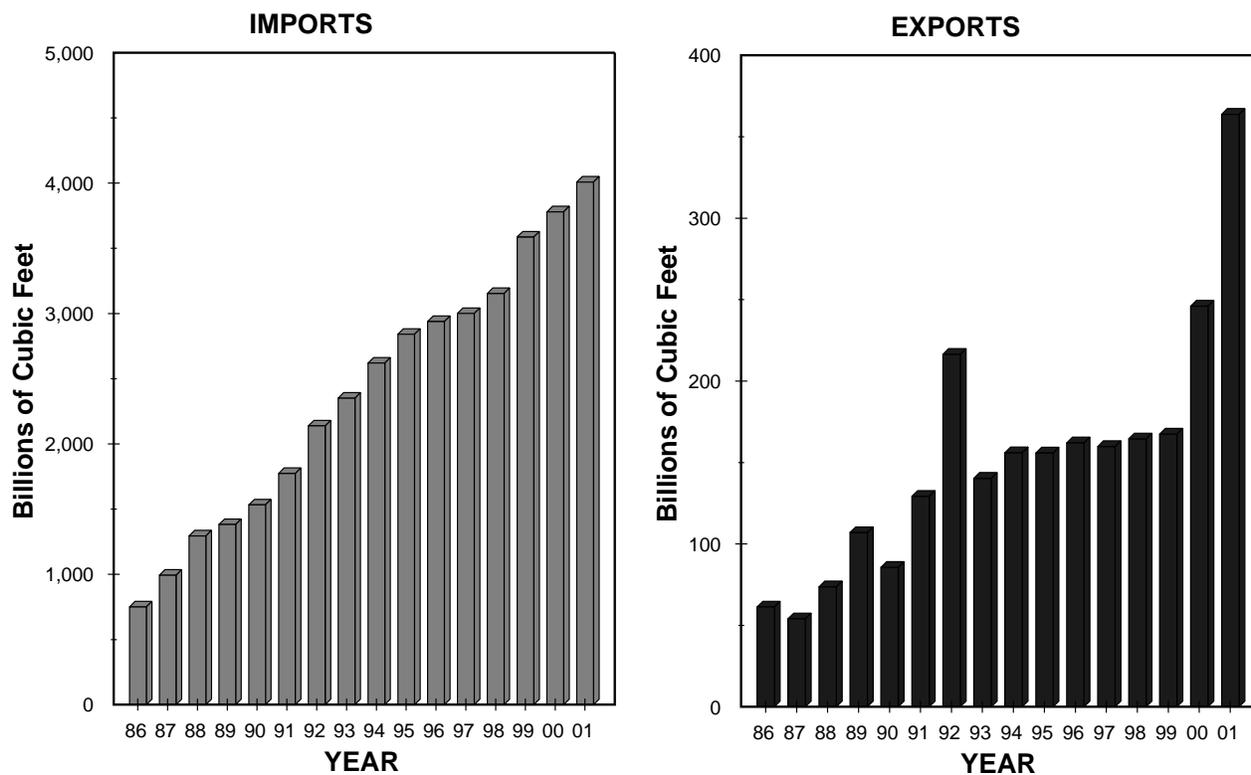
! **Table 1** shows the volumes and prices of natural gas imports by country of origin, and natural gas exports by country of destination for 2001. The weighted average price for imports is the per unit price (MMBtu) at the point of entry into the United States. The price shown for exports is at the point of exit, with the exception of sales to Japan; the price of exports to Japan is shown as a delivered price.

! Natural gas imports, for the fourteenth consecutive year, reached an historic high in 2001. The United States imported 4,011.1 Bcf and exported 363.7 Bcf of natural gas, resulting in **net** imports of 3,647.4 Bcf for the year. This represents an increase of 111.3 Bcf, or 3.1 percent over the net import 2000 level (3,536.1 Bcf).

! In 2001, natural gas exports increased by 116.3 Bcf, or 47 percent from the 2000 level (363.7 v. 247.4 Bcf). Exports to Mexico increased 33 percent and exports to Canada rose over 106 percent. Exports to Japan remained constant.

## Natural Gas Import and Export Activity 1986 - 2001

Figure 1



! **Figure 1** shows natural gas import and export activity over the past 16 years (1986-2001).

! From 1986 to 2001, gross imports have grown by almost 435 percent (750 Bcf v. 4,011 Bcf). Additionally, **net** imports (imports minus exports) as a percentage of total domestic gas demand was an estimated 16.9 percent in 2001. Compared to last year’s percentage of 15.7 percent, the higher estimated increase in 2001 most likely is due to a drop in domestic demand of approximately 4 percent and an increase in **net** imports of over 3 percent.

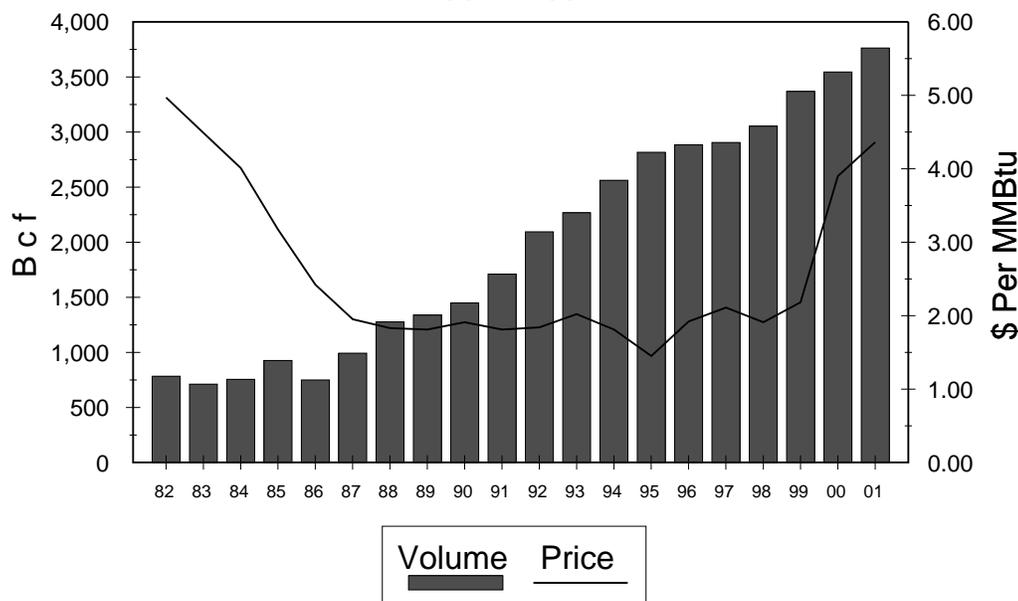
! Total gross imports into the U.S. increased by 227.6 Bcf, or 6 percent over last year’s level (4,011 Bcf v. 3,784 Bcf in 2000). The year’s gain in import volumes was a result of a 6.1 percent growth in Canadian supplies and a 5.4 percent increase in imports of LNG. The growth in Canadian supplies was due, in part, to a surge of activity on the Alliance Pipeline, which began operation on December 1, 2000.

! Total exports this year reached 363.7 Bcf, a record high. During 2001, about 43 percent of the volumes (157.5 Bcf) were exported to Canada, 39 percent of the volumes (140.4 Bcf) were exported to Mexico, and 18 percent (65.8 Bcf) of the gas exports were shipped to Japan. The significant increase in exports to Canada can be attributed to the volumes exported on the Vector Pipeline, which became operational in December 2000.

**UNITED STATES - CANADA TRADE**

**CANADIAN NATURAL GAS IMPORTS  
VOLUMES AND PRICES  
1982 - 2001**

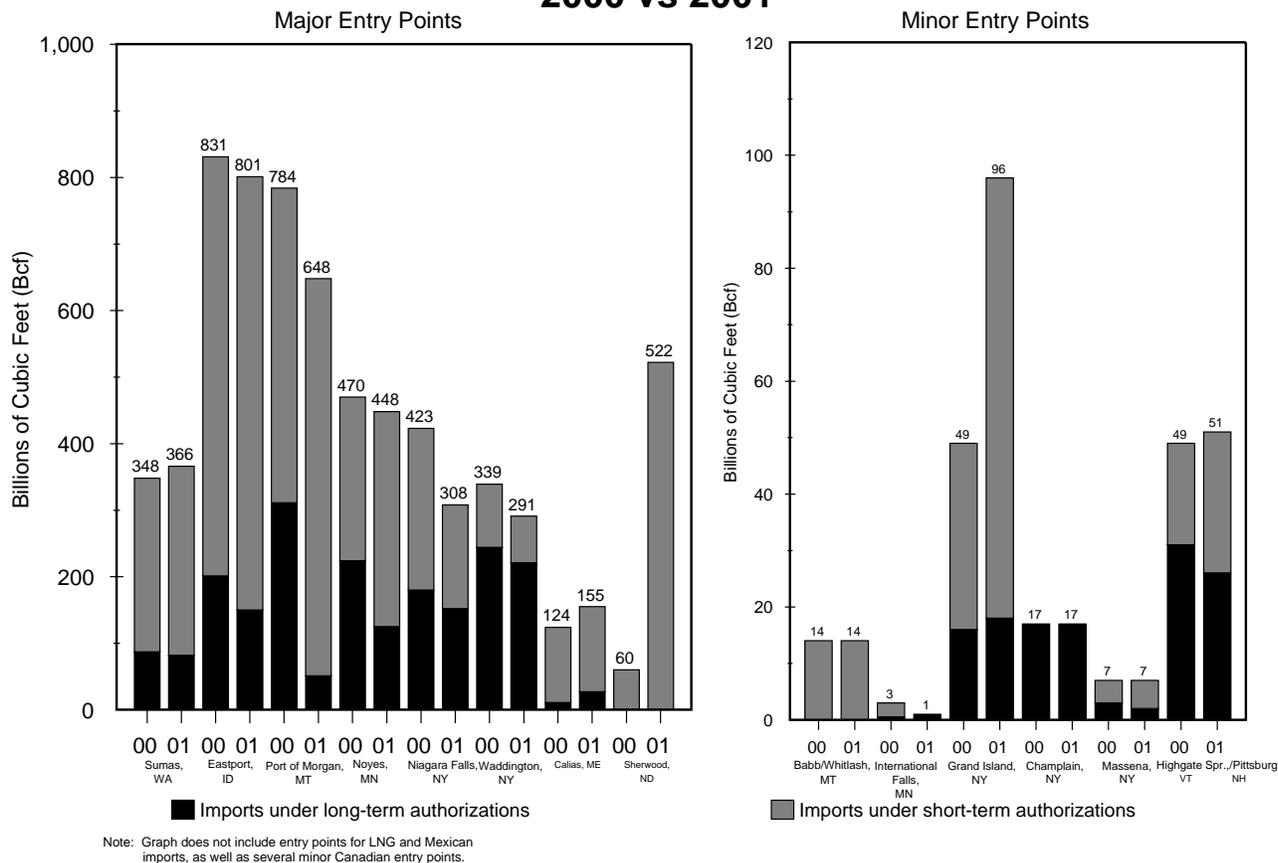
Figure 2



- ! **Figure 2** shows the volume and price trend for Canadian natural gas imports during the past 20 years.
- ! Canadian natural gas imports in 2001 grew by 216.7 Bcf, establishing a new record at 3,763 Bcf. The rate of growth from the 2000 level was 6.1 percent. The average international border price for Canadian gas supplies in 2001 was \$4.36 per MMBtu. This price was approximately 12 percent higher than last year's average price of \$3.90 per MMBtu and is the highest since 1983 (EIA/DOE-0130 (August 2001), *Natural Gas Monthly*, Table SR7, page xxv).
- ! The record prices for gas supplies during 2001 have resulted in significant increases in revenues for Canadian gas producers. In 2001, it is estimated that Canadian gas revenues reached \$16.3 billion; this compares with estimated 2000 revenues of \$13.8 billion.
- ! The average price of gas imported from Canada in 2001 was \$4.31 per MMBtu under long-term contracts (supply contracts longer than 2 years) and \$4.37 per MMBtu under short-term contracts (supply contracts of 2 years or less).
- ! Although the average price was high, it is worth noting that prices declined steadily throughout 2001. For example, the average price for Canadian imports was \$9.46 in January 2001, but had dropped to \$2.63 by December 2001.
- ! During 2001, Canada's share of the natural gas import market in the United States was 93.8 percent. LNG imports from Algeria, Australia, Nigeria, Oman, Qatar, and Trinidad and Tobago represented about 5.9 percent of the import market, and Mexico's share equaled about 0.3 percent.

## Canadian Natural Gas Imports By Point of Entry 2000 vs 2001

Figure 3



! **Figure 3** compares natural gas imports from Canada by point of entry for 2000 and 2001 and distinguishes between imports made under short-term and long-term import authorizations.

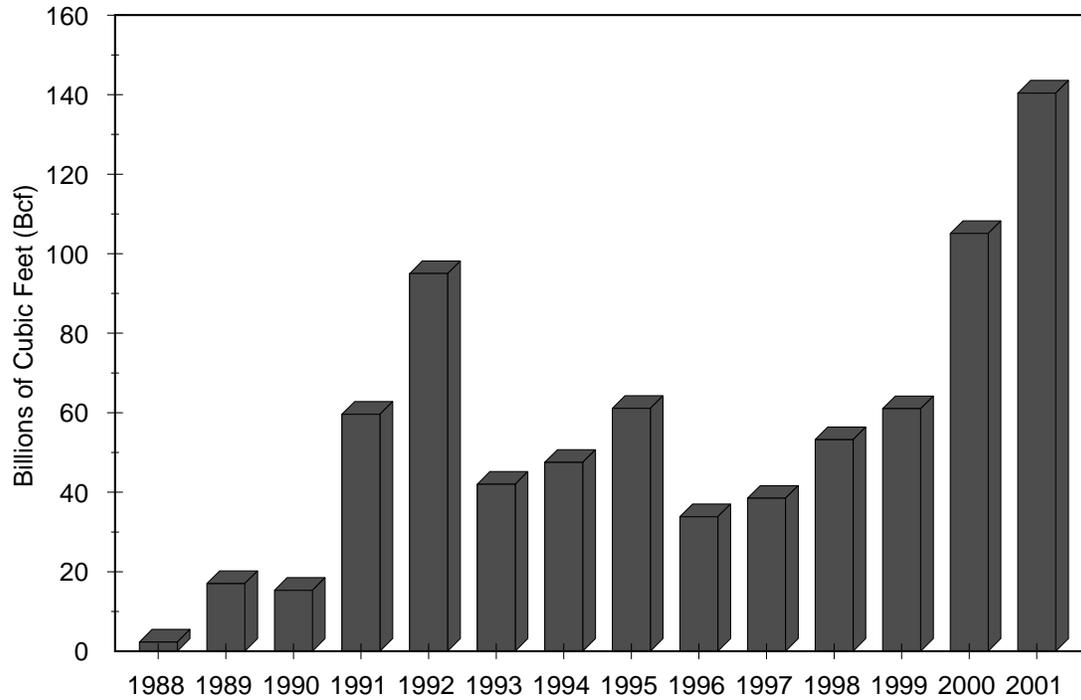
! **Figure 3** shows varied activity at the major import points this year. During 2001, the international border point of Sherwood, North Dakota, showed the largest increase in volumes. The Alliance Pipeline, which began operation in late 2000, transported 522 Bcf at Sherwood this year. Small increases in activity were also seen at Sumas, Washington (up 5 percent) and Calais, Maine (up 25 percent). Import levels at all other major entry points fell this year: Eastport, Idaho (down 3.6 percent); Port of Morgan, Montana (down 17.3 percent); Noyes, Minnesota, (down 4.7 percent); and Waddington, New York (down 14.1 percent).

! Most natural gas imports at the minor entry points on the U.S.- Canada international border remained steady in 2001 compared to the previous year. However, Canadian imports entering the U.S. at Grand Island, New York, increased by over 100 percent. This was due to an increase in spot sales to the mid-Atlantic region (primarily New York State).

**UNITED STATES - MEXICO TRADE**

**Natural Gas Exports To Mexico  
(1988 - 2001)**

Figure 4



**Natural Gas Exports to Mexico by Point of Exit  
(Bcf)**

	'88	'89	'90	'91	'92	'93	'94	'95	'96	'97	'98	'99	'00	'01
Alamo, TX	-	-	-	-	-	-	-	-	-	-	-	-	11.3	17.0
Calexico, CA	-	-	-	-	-	-	-	-	-	.3	2.1	3.7	3.9	1.7
Clint, TX	-	-	-	-	-	-	-	-	-	.1	30.9	42.4	45.5	36.5
Douglas, AZ	1.9	1.5	1.7	1.5	1.7	1.4	1.6	2.5	3.4	3.9	4.1	4.0	8.8	8.0
Eagle Pass, TX	.4	.5	.3	.7	.6	5.1	1.0	.7	.9	1.3	1.5	2.0	2.1	1.9
El Paso, TX	-	-	-	.8	16.4	9.3	11.3	14.6	13.4	17.8	7.4	6.1	7.5	6.8
Hidalgo, TX	-	15.0	13.3	56.6	53.7	7.8	11.0	11.5	7.6	12.0	6.0	2.8	12.6	1.4
McAllen, TX	-	-	-	-	-	-	-	-	-	-	-	-	4.3	45.5
Otay Mesa, CA	-	-	-	-	-	-	-	-	-	-	-	-	9.1	21.3
Penitas, TX	-	-	-	-	22.6	18.4	22.6	32.0	8.5	3.0	1.2	-	-	-
<b>Total Exports</b>	<b>2.3</b>	<b>17.0</b>	<b>15.3</b>	<b>59.6</b>	<b>95.0</b>	<b>42.0</b>	<b>47.5</b>	<b>61.3</b>	<b>33.8</b>	<b>38.5</b>	<b>53.2</b>	<b>61.3</b>	<b>105.5</b>	<b>140.4</b>
<b>Total Exporters</b>	<b>2</b>	<b>2</b>	<b>6</b>	<b>23</b>	<b>22</b>	<b>18</b>	<b>17</b>	<b>21</b>	<b>29</b>	<b>25</b>	<b>25</b>	<b>21</b>	<b>14</b>	<b>13</b>

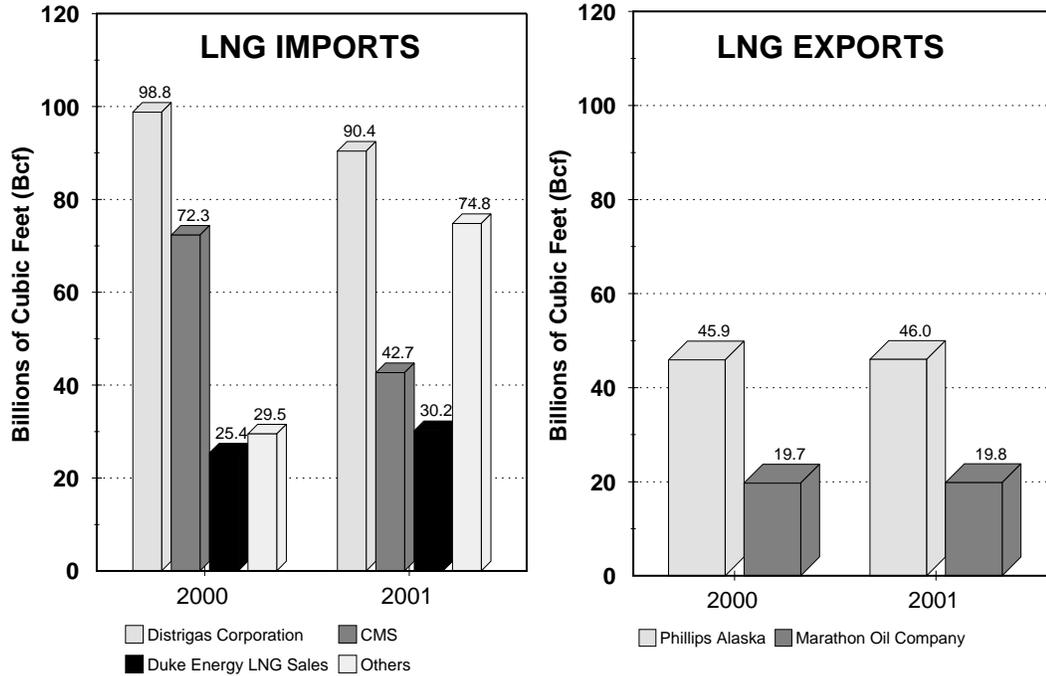
- ! During 2001, 140.4 Bcf of natural gas was exported to Mexico, setting a new record. As shown in **Figure 4**, the gas was exported at nine interconnects along the U.S.-Mexico border. Approximately 34 percent of the year's exports to Mexico occurred at the McAllen, Texas, border point on the Coral-Mexico Pipeline, and 30 percent was exported on the Samalayuca Pipeline, located near Clint, Texas. This year's total exports to Mexico (140.4 Bcf) includes 465.0 MMcf of LNG, which was exported via truck, to Nogales, Sonora, and Baja California, Mexico.
- ! The weighted average price of exports to Mexico in 2001 was \$4.34 per MMBtu, which was 1.6 percent higher than last year's average price of \$4.27 per MMBtu. This year's price was the highest since 1984, when the price was \$4.48 per MMBtu (EIA/DOE-0130 (August 2001), *Natural Gas Monthly*, Table SR9, page xxxii).
- ! During 2001, imports from Mexico decreased 11.2 percent from the 2000 level (10.3 Bcf v. 11.6 Bcf). The average price for Mexican gas supplies was \$5.00 per MMBtu. This price was 7.9 percent lower than last year's price of \$5.43, which was the highest price on record. This year, 71 percent of the volumes were imported on the Texas Eastern Pipeline, in Hidalgo, Texas, and 29 percent were imported on the Tennessee Pipeline, near Alamo, Texas.
- ! **Figure 5** on the following page is a map showing the identity and location of the nine existing natural gas pipelines enabling cross-border trade between the United States and Mexico. The table included with Figure 5 estimates the daily design capacities in MMcf for all of the pipelines and provides their actual average daily throughput from 1992 through 2001. Increases in average daily throughput occurred on the Coral-Mexico and Sempra Energy Pipelines, as both facilities were fully operational for the entire year.
- ! On January 31, 2002, El Paso Natural Gas Company (El Paso) received FERC authorization to increase the maximum daily export capacity on its Samalayuca Lateral pipeline near Clint, Texas, from 208 MMcf to 308 MMcf. The expanded capacity is needed to supply the new Chihuahua II power plant in the city of El Encino (October 2002); for fuel at a new turbine generator (February 2002); and for the new Chihuahua III power plant near the city of Juarez (May 2003). El Paso will expand the capacity by operating the existing 24-inch Samalayuca Lateral pipeline at a higher pressure; installing an additional meter run at the Hueco Compressor Station; and installing 325 feet of 24-inch pipeline within the plant yard of the Hueco Compressor Station.
- ! On March 18, 2002, Tennessee Gas Pipeline Company (Tennessee) filed an application with the FERC for the South Texas Expansion Project. This proposed project would enable Tennessee to deliver an incremental 320,000 Dth per day to four electric power generation plants in northern Mexico. Two of the plants are currently receiving service from Pemex but the Tennessee project will be the only source of gas supply for the other two plants (scheduled to begin operation in April 2004 and April 2005). The project includes nearly 17 miles of pipeline, a new compressor station, and various other facilities. The proposed border crossing facilities consist of 1,000 feet of 30-inch pipeline and will interconnect with Gasoducto del Rio's facilities. Service is scheduled to begin August 1, 2003.



**LNG TRADE**

**LNG TRADE**  
2000 vs 2001

Figure 6



- ! **Figure 6** compares imports and exports of liquefied natural gas (LNG) for 2000 and 2001.
  
- ! During 2001, 11 companies, led by Distrigas Corporation (Distrigas), CMS Marketing, Services and Trading Company (CMS), and Duke Energy LNG Gas Sales, Inc. (Duke Energy), imported 238.1 Bcf of LNG into the United States. This represents the largest volume of imported LNG since 1979, when 252.6 Bcf of Algerian LNG entered the country (EIA/DOE-0130 (August 2001), *Natural Gas Monthly*, Table SR4, page xvii). As shown in **Figure 6**, total LNG imports in 2001 increased by 12.1 Bcf or 5.4 percent from the 2000 level (238.1 v. 226.0 Bcf). Imports by Distrigas into its Everett, Massachusetts, terminal fell 8.5 percent compared to 2000 (90.4 v. 98.8 Bcf), and imports by Duke Energy into CMS’ Lake Charles, Louisiana, terminal rose by 18.9% (30.2 v. 25.4). CMS Energy, the year’s second largest importer of LNG, imported 42.7 Bcf of supplies into its Lake Charles, Louisiana, terminal. In addition, eight other companies imported 74.8 Bcf of LNG under short-term/spot arrangements at the Lake Charles terminal this year: BP Energy Company, El Paso Merchant Energy - Gas, L.P. (El Paso Merchant), El Paso Global Gas (Cayman) Company (El Paso Global), Enron International Gas Sales Company, Mirant Americas Energy Marketing, Sempra Energy Trading Corporation, and TotalFinaElf Gas & Power, and Tractebel LNG.
  
- ! **Table 2** on the following page shows a detailed listing of 2001 imports of LNG. During 2001, a total of 101 cargoes of LNG were imported into the United States. Distrigas imported a total of 39 cargoes into its Everett, Massachusetts, receiving terminal (down from 45 cargoes in 2000). It purchased 7 cargoes from Algeria under a long-term import authorization and 32 cargoes from Trinidad and Tobago using both long-term and short-term authority.

## 2001 Imports of Liquefied Natural Gas

Table 2

Name of Importer	Country of Origin	Number of Cargoes	Receiving Terminal	Volume (Mcf)	Avg. Price (\$/MMBtu)
BP Energy Co.	Australia	1	Lake Charles, LA	2,393,539	\$3.29
BP Energy Co.	Nigeria	1	Lake Charles, LA	2,359,965	\$2.77
BP Energy Co.	Qatar	2	Lake Charles, LA	3,002,434	\$3.44
CMS Marketing	Algeria	1	Lake Charles, LA	2,523,301	\$4.15*
CMS Marketing	Nigeria	7	Lake Charles, LA	17,535,044	\$5.77*
CMS Marketing	Qatar	8	Lake Charles, LA	19,755,154	\$3.95*
CMS Marketing	Trinidad	2	Lake Charles, LA	2,883,184	\$3.22*
Distrigas Corp.	Algeria	7	Everett, MA	16,375,596	\$4.28
Distrigas Corp.	Trinidad	32	Everett, MA	74,030,319	\$3.98
Duke Energy	Algeria	12	Lake Charles, LA	30,226,164	\$2.47*
El Paso Merchant	Algeria	2	Lake Charles, LA	5,408,529	\$5.90
El Paso Global	Trinidad	1	Elba Island, GA	2,562,697	\$1.83
Enron Int'l Gas	Oman	6	Lake Charles, LA	12,055,434	\$4.74
Enron Int'l Gas	Trinidad	1	Lake Charles, LA	2,584,782	\$5.79
Mirant Americas	Nigeria	5	Lake Charles, LA	12,867,995	\$4.58*
Sempra Energy	Trinidad	2	Lake Charles, LA	2,974,868	\$6.82
TotalFinaElf	Nigeria	2	Lake Charles, LA	5,202,501	\$4.50
Tractebel	Algeria	4	Lake Charles, LA	10,410,910	\$2.74
Tractebel	Trinidad	5	Lake Charles, LA	12,973,349	\$3.25
		<b>101</b>		<b>238,125,765</b>	<b>\$3.97</b>

\* Denotes tailgate price. All other imports are at "landed cost."

! Duke Energy imported a total of 12 cargoes in 2001, up from 10 cargoes in 2000. This year Duke purchased all 12 cargoes from Algeria, using both long-term and short-term authorizations. At the Lake Charles, Louisiana terminal, CMS purchased 18 spot market cargoes from four countries (8 from Qatar, 7 from Nigeria, 2 from Trinidad and Tobago, and 1 from Algeria). Other spot market sales at Lake Charles in 2001 included BP Energy Company (2 cargoes from Qatar, 1 from Australia, and 1 from Nigeria); El Paso Global (1 spot cargo from Trinidad); El Paso Merchant (2 spot cargoes from Algeria); Enron International Gas (6 cargoes from Oman

and 1 from Trinidad); Mirant Americas (5 cargoes from Nigeria); Sempra Energy (2 cargoes from Trinidad); TotalFinaElf (2 cargoes from Nigeria); and Tractebel (5 spot cargoes from Trinidad and 4 from Nigeria).

- ! **Long-term authorizations:** The average landed price of Algerian LNG imported in 2001 by Distrigas was \$4.28 per MMBtu, a 31 percent increase over the 1999 price of \$2.36. The average landed price of LNG imported from Trinidad was \$4.06, up 30 percent from last year. With respect to Duke Energy's purchases of Algerian LNG, the average tailgate price in 2001 was \$2.46 per MMBtu, an decrease of 52 cents from last year's price of \$2.98.
- ! **Short-term authorizations:** The average landed prices paid by BP Energy, Distrigas, El Paso Global, El Paso Merchant, Sempra Energy, TotalFinaElf, and Tractebel were \$3.19, \$3.88, \$1.83, \$5.90, \$6.82, \$4.50, and \$3.02 per MMBtu, respectively. The average tailgate prices paid by CMS, Duke, and Mirant Americas were \$4.66, \$2.51 and \$4.58.
- ! In addition, EcoElectrica, L.P. imported six LNG cargoes totaling 22.3 Bcf from Trinidad and Oman for its gas-fired cogeneration plant in Puerto Rico. The LNG was imported under a long-term authorization and had an average price of \$4.31 per MMBtu.
- ! The momentum for LNG imports continued this year due to record high domestic gas prices and strong demand. **Table 3** on the following page shows the growth and diversity of countries supplying LNG to the U.S. over the past seven years, and shows the growing importance of spot sales to this trade. The growth in LNG this year is directly attributable to spot cargoes from six countries: Algeria, Australia, Nigeria, Oman, Qatar, and Trinidad and Tobago. Spot sales this year accounted for over 64 percent of total LNG imports, up from 51.4 percent in 2000.
- ! The upward trend in LNG demand is expected to continue as U.S. import facilities undergo major changes to position themselves for this growing trade. Over the last three years, all four LNG facilities in this country have seen changes in ownership and many are overseeing facility expansions and enhancements in preparation for increased activity. It is interesting to note that total LNG imports for 2001 (238.1 Bcf) approached the 1979 record of 252.3 Bcf, which was achieved when all four terminals were in operation. Below is a brief review of the year's events at the four U.S. facilities.

**Tractebel LNG North America (Everett, Massachusetts)** – This facility has been in operation since 1971. On September 26, 2001, the Coast Guard closed Boston harbor pending a review of harbor security. On October 16, 2001, the ban was lifted after careful consultation with the Coast Guard and following a thorough examination of various reports. Imports resumed on October 29, 2001. Construction is currently underway to increase the LNG vaporization capacity to over 1 Bcf per day. The upgrade will allow Tractebel to fuel a 1,550 megawatt powerplant currently under construction near the terminal. In 2001, Tractebel's subsidiary, Distrigas Corporation, imported 90.4 Bcf of LNG into the Everett facility. LNG is a major fuel supply for the New England states, providing as much as 25 percent of the daily peak supply in the winter.

Table 3

<b>Spot/Short-Term Sellers of LNG To The United States (Billions of Cubic Feet )</b>							
<b>Country</b>	<b>1995</b>	<b>1996</b>	<b>1997</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>
Algeria	5.1			2.7	10.1	5.7	23.0
United Arab Emirates		4.9	2.4	5.3	2.7	2.7	
Australia			9.7	11.6	11.9	5.9	2.4
Qatar					19.7	46.0	22.8
Trinidad and Tobago					13.2	30.3	55.0
Malaysia					2.6		
Nigeria						12.7	38.0
Oman						10.0	12.0
Indonesia						2.8	
<b>Total Spot Market Cargoes</b>	<b>2</b>	<b>3</b>	<b>5</b>	<b>8</b>	<b>27</b>	<b>56</b>	<b>68</b>
<b>Total LNG Spot Sales</b>	<b>5.1</b>	<b>4.9</b>	<b>12.1</b>	<b>19.6</b>	<b>60.2</b>	<b>116.1</b>	<b>153.2</b>
<b>% of Total LNG Imports</b>	<b>28.5</b>	<b>12.2</b>	<b>15.6</b>	<b>22.8</b>	<b>36.8</b>	<b>51.4</b>	<b>64.3</b>

**CMS Energy (Lake Charles, Louisiana)** – In response to the country’s growing need for natural gas, CMS plans to expand its existing facility to approximately 1.2 Bcf per day of send-out capacity, up from its current send-out capacity of 630 Mcf per day. Part of the expansion will include a second LNG unloading dock, a fourth LNG storage tank and additional LNG pumps and vaporizers. The expansion will maintain CMS’ position as the largest operating LNG terminal in the U.S. and as the country’s leading LNG terminal operator. The expanded facility is expected to be in operation in early 2005. The company is also considering further terminal expansion beyond the 1.2 Bcf per day, and is evaluating the construction of an associated LNG import terminal in the offshore Gulf of Mexico. In 2001, the CMS terminal received a record 61 cargoes, an increase of over 150 percent since 1999.

**Elba Island (near Savannah, Georgia)** – On October 2, 2001, the facility received its first shipment of LNG in more than 20 years. The cargo, imported from Trinidad, was diverted from Tractebel North America’s terminal in Everett, Massachusetts, and was used for cooldown. On December 1, 2001, the FERC authorized the facility to begin receiving shipments for commercial use. Currently, an expansion is being planned at the terminal that will increase the facility’s storage volume by approximately 80 percent to 7.3 Bcf, and up the design send-out rate to approximately 800 MMcf per day. On January 3, 2002, after completion of an open season, Shell Gas & Power was awarded the full additional capacity equal to 3.3 Bcf of storage with a design send-out rate of 360 MMcf per day for a 30-year term. The planned in-service date for the expansion, which is still subject to regulatory approvals, is June 2005.

**Cove Point (Lusby, Maryland, near Washington, D.C.)** – This terminal last imported LNG in 1980 and has served as a peakshaving storage facility since 1995. On October 12, 2001, the FERC approved Cove Point Limited Partnership’s application to renovate and reactivate the offshore pier and related facilities and to authorize the construction of a fifth storage tank and other operating equipment. On December 19, 2001, the FERC reaffirmed its decision to reactivate and expand the LNG facility. The decision was granted after a thorough review of safety issues concerning LNG tankers entering the Chesapeake Bay to deliver imported supplies. The reactivation of the existing facilities and the initial import service is scheduled to begin in the third quarter of 2002.

! In addition to changes at the four U.S. LNG import facilities, recent announcements by several companies seem to indicate there will be substantial growth in LNG supplies in the foreseeable future. In particular, several companies are developing new projects designed to serve the fast-growing markets of California and northern Mexico.

S On October 5, 2001, **CMS Energy Corporation and Sempra Energy** announced an agreement to build an LNG receiving terminal to bring supplies to northern Mexico and southern California. The project would be the Pacific coast’s first LNG terminal. The facility would be located about 60 miles from the U.S.-Mexico border, just north of Ensenada, Baja California, Mexico, and would have a send-out capacity of 1 Bcf per day of natural gas. The gas would then flow north through Baja California and the southwestern U.S. via a planned 40-mile pipeline connecting the terminal to existing pipelines in the region. Although still subject to regulatory approval, the commercial start-up date is scheduled to begin in late 2005. In addition, on December 4, 2001, **Sempra Energy and Pacific LNG** (a consortium comprised of Repsol YPF, BG Bolivia Corporation and Pan American Energy LLC) have entered into an agreement to develop Bolivian natural gas for delivery to its planned West coast terminal.

S **El Paso Corporation** (El Paso) has plans for several LNG projects to support the growing demand for LNG. The company has entered into a partnership with **Phillips Petroleum Company** (Phillips) to develop a major project that would deliver Australian LNG to Southern California and Baja California. The plant, which would be built near Darwin, Australia, would use gas supplies from the Greater Sunrise fields in the Timor Sea. In addition, El Paso and Phillips plan to build a new LNG terminal on the West coast that would receive, store and re-gasify the LNG.

- ! **Figure 6** shows the volume of LNG exported by Phillips Alaska Natural Gas Corporation (Phillips) and Marathon Oil Company (Marathon) from Kenai, Alaska, to Japan during 2000 and 2001.
- ! LNG exports to Japan this year increased slightly from the 2000 level (65.8 v. 65.6 Bcf). The weighted average delivered price for these volumes in 2001 was \$4.35 per MMBtu, which represents a 1.9 percent increase over the 2000 price of \$4.27. This year's price was the highest since 1985, when the average annual sales price for LNG delivered to Japan was \$4.81 per Mcf (EIA/DOE-0130 (August 2001), *Natural Gas Monthly*, Table SR9, page xxxii).
- ! LNG volumes totaling 465.0 MMcf were exported to Nogales, Sonora, Mexico, and Baja California, Mexico, via truck, this year.

**Note:** Data used in this report are from company filings made with the Office of Fossil Energy (FE). All 2000/2001 year-to-year comparisons utilize FE data. One should be mindful of the fact that FE data is collected on an equity (sales) basis, rather than on a custody (physical movements) basis, as employed by the Energy Information Administration (EIA) in its reports. As a consequence, the data may have some minor variances.