

SUMMARY

The 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 quarterly reports. This report is for the second quarter of 2004 (April through June).

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.

First Quarter Highlights: Changes in activity compared to the second quarter of 2003.

Canadian Imports	837.5	up 1.4 %
LNG Imports	156.4	up 23.7%
Mexican Imports	-0-	same
Total Imports	993.9	up 4.4%
Canadian Exports	63.2	up 14.1%
Mexican Exports	87.2	up 9.8%
Japanese Exports	11.3	down 12.4%
Total Exports	161.7	up 9.5%

Puerto Rican Imports	4.9	down 28%
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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 second quarter, 5 importers of LNG (BG LNG Services, LLC; BP Energy Co.; Distrigas Corp.; Shell NA LNG, LLC; and Statoil Natural Gas, LLC) brought in 61 cargoes from 7 countries (Algeria, Australia, Malaysia, Nigeria, Oman, Qatar and Trinidad), totaling 156.4 Bcf. This compares to 51 cargoes and 126.4 Bcf in the second quarter of 2003, and 56 cargoes and 151.4 Bcf last quarter.

Second Quarter Data: Comparing second quarter 2004 to second quarter 2003 data, **natural gas imports under all long-term contracts** decreased, totaling 166.2 Bcf, compared to 179.7 Bcf in the second quarter of 2003. **Long-term Canadian imports** decreased 27.6 percent (118.3 v. 163.4 Bcf). The average price of this gas was \$5.50 per MMBtu, which is \$0.02 or 0.4 percent higher than the preceding quarter and \$0.70 or 14.6 percent higher than the second quarter of 2003. **Long-term LNG imports** increased 192 percent compared to the second quarter 2003 (47.9 v. 16.4 Bcf). Distrigas imported 22.4 Bcf from Trinidad at an average price of \$4.99 per MMBtu. BG imported 25.4 Bcf from Trinidad at \$6.00 per MMBtu.

During the second quarter, 89 companies used **short-term authorizations to import** 827.7 Bcf, which is a 7.1 percent increase over the second quarter of 2003 (772.7 Bcf). Of this total, 719.2 Bcf was **imported from Canada** at an average price of \$5.54 per MMBtu, compared to 662.7 Bcf at \$5.18 in the second quarter of 2003, and 811.8 Bcf at \$5.51 in the previous quarter. There were no **imports from Mexico** in the second quarter of 2004 (and none in the second quarter of 2003 or last quarter, as well). **Short-term LNG imports** totaled 108.6 Bcf for the quarter, compared to 113.2 Bcf last quarter and 110.0 Bcf in the second quarter of 2003. 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	\$5.45
Eastport, ID	19	\$5.11
Sherwood, ND	18	\$5.72
Noyes, MN	10	\$5.43
Sumas, WA	10	\$5.05
Niagara Falls, NY	9	\$6.36
Waddington, NY	3	\$6.35
Calais, ME	2	\$6.07
Grand Island, NY	2	\$6.25
Other	3	\$5.77

In addition, 26 **short-term export** authorizations were used to export 150.4 Bcf. Fifteen companies exported 63.2 Bcf to Canada at an average price of \$6.03 per MMBtu; 11 companies exported 87.2 Bcf to Mexico at \$6.08, and 11.3 Bcf of LNG was exported to Japan at \$4.75 (delivered).

Year to Date Data: Comparing the first 6 months of 2004 with the first 6 months of 2003, total gas imports increased 6 percent (2,082.0 v. 1,964.5 Bcf) and total gas exports increased 16 percent (364.9 v. 314.3 Bcf). Canadian imports increased by 11.2 Bcf or 0.6 percent (1,774.2 v. 1,763.0 Bcf); Mexican imports remained at zero; and LNG imports increased 53 percent (307.8 v. 201.5 Bcf). Exports to Canada increased 24.4 percent (167.5 v. 134.7 Bcf) and exports to Mexico increased 13.6 percent (170.4 v. 150.0 Bcf). LNG exports to Japan decreased 8.8 percent (27.0 v. 29.6 Bcf).

Please note that the data in this Quarterly 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 in 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). Any questions or comments about this report should be directed to Yvonne Caudillo at (202) 586-4587 or by E-mail at yvonne.caudillo@hq.doe.gov.