

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 2012 (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 organized by the categories long-term imports, long-term exports, short-term imports, and short-term exports. There is a table of contents for your convenience. This year-end quarterly report includes additional graphics providing annual summaries for 2012, comparisons of 2012 with 2011, and analyses of long-term trends.

Fourth Quarter Highlights

Imports totaled 755.7 Bcf and exports totaled 440.9 Bcf, resulting in net imports of 314.8 Bcf. As usual, most of the imports came from Canada, comprising 94.5 percent of the total. Imports from Mexico made up an extremely small fraction of imports and LNG imports constituted 5.5 percent of the total. As illustrated in the following tables, imports were down compared to the third quarter. This was due to a 10.1 percent decrease in pipeline imports and a 9.8 percent decrease in LNG imports. Imports were down 10.9 percent compared to the fourth quarter of 2011. This was due to an 8.1 percent decrease in pipeline imports and a 42.1 percent decrease in LNG imports. Overall, import prices were up by 34.0 percent compared to the third quarter. This was the result of a 34.5 percent increase for Canadian natural gas, a 29.3 percent increase for the very small volume of Mexican supplies, and a 28.1 percent increase for LNG imports compared to the third quarter. Overall import prices for the fourth quarter were down 1.8 percent compared to the fourth quarter of 2011 due to a decrease of 23.2 percent for Mexican supplies, a decrease of 10.7 percent for LNG imports, and a slight increase of 0.9 percent for Canadian natural gas.

During the fourth quarter, the majority of exports went to Canada, making up 61.0 percent of the total. Exports to Mexico comprised 36.8 percent, domestic LNG exports comprised 0.4 percent, and LNG re-exports comprised 1.9 percent of total exports. Exports increased by 11.6 percent compared to the third quarter. This increase was due to a 22.9 percent increase in exports to Canada and a 304.4% increase in LNG exports, entirely attributable to re-exports of gas previously imported from foreign sources. Exports were up 18.7 percent compared to the fourth quarter of 2011.

LNG imports decreased 9.8 percent compared to the third quarter and decreased 42.1 percent compared to the fourth quarter of 2011. There were 14 LNG import cargos, compared to 17 cargos in the third quarter and 25 cargos in the fourth quarter of 2011. LNG import prices were up by 28.1 percent compared to the third quarter but down by 10.7 percent compared to the fourth quarter of 2011. LNG exports of domestic supplies from Kenai, Alaska were down by 29.6 percent from the third quarter and by 11.2 percent compared to the fourth quarter of 2011. Prices for these exports to Japan were down by 13.5 percent compared to the third quarter and down by 24.6 percent compared to the fourth quarter of 2011. LNG re-exports of previously imported gas were up from last quarter which had no re-export cargos but were down 25.5 percent compared to the fourth quarter of 2011. Prices of these re-exports decreased 13.4 percent from the fourth quarter of 2011.

Annual Highlights

Imports totaled 3,221.0 Bcf in 2012, which was 9.2 percent less than the 2011 total (3,547.2 Bcf). Canadian and Mexican imports decreased by 4.7 percent and 88.3 percent respectively, with imports from Mexico falling to almost zero. LNG imports decreased by 49.9 percent compared to 2011. The average price of imports decreased 32.1 percent compared to 2011 (\$4.13 in 2011 vs. \$2.81 in 2012). All import prices fell: Canadian import prices decreased by 31.8 percent, Mexican import prices decreased by 46.5 percent (on a very small volume in 2012), and LNG import prices decreased by 23.2 percent.

Exports totaled 1,618.9 Bcf in 2012. This is a 7.5 percent increase over 2011 total exports (1,505.6 Bcf). This increase was due to increases in Canadian and Mexican exports, and despite a drop in both domestic LNG 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 116 full cargos in 2011 to 64 full cargos plus one partial cargo in 2012. The total LNG import volume was down from 348.9 Bcf in 2011 to 174.6 Bcf in 2012. The average price of imported LNG decreased from \$5.23 in 2011 to \$4.01 in 2012.

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 can be emailed to us at ngreports@hq.doe.gov.