SUMMARY

The Office of Fuels Programs prepares quarterly reports summarizing the data provided by companies authorized to import or export natural gas. Companies are required, as a condition of their authorizations, to file quarterly reports with the OFP. This report is for the second quarter of 1996 (April - 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 five most recent reporting 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 information pertaining to gas imported on a short-term or spot market basis.

Attachment D shows the gas exported on a short-term or spot market basis to Canada and Mexico.

Quarter Highlights - Canada: Natural gas imports from Canada totaled 704 Bcf for the quarter, down from 729 Bcf in the previous quarter. Exports to Canada also decreased compared to the first quarter (12.2 v. 22.3 Bcf). Four new long-term Canadian import contracts were activated, totaling 20.7 MMcf/day or 7.6 Bcf annually. Nearly half of the new long-term import volumes (10 MMcf/day) will be marketed to customers in the Northeast, including a refinery in Westville, New Jersey. About a third of the volumes (6.3 MMcf/day) will be sold to an LDC in Minnesota. The remaining volumes will serve a cogeneration facility in New York (0.9 MMcf/day) and an LDC in Pennsylvania (2 MMcf/day).

Quarter Highlights - Mexico: Exports to and imports from Mexico increased compared with the previous quarter. Mexican imports totaled 6.2 Bcf, which is the largest quarterly volume since the resumption of Mexican imports in December of 1993. Mexican imports during the first six months of this year already have exceeded 1995's total by 43 percent (9.6 v. 6.7 Bcf). A sharp increase in exports to Mexico is expected in the third quarter because of a July 26 explosion of Mexico's largest gas processing plant at Chiapas.

During the first six months of 1996, data indicate gas imports increased compared to the first six months of 1995 (1,457.7 v. 1,417 Bcf). Canadian imports increased 2 percent (1,433.4 v. 1,406.4 Bcf); Mexican imports increased dramatically by over 3,000 percent (9.6 v. 0.3 Bcf); and Algerian imports increased 43 percent (14.7 v. 10.3 Bcf). During the same time period, total exports decreased by 2 percent (80.2 v. 81.7 Bcf). Exports to Canada increased over 155 percent (34.5 v. 13.5 Bcf) and exports to Mexico decreased 64 percent (13.8 v. 38.5 Bcf). Exports to Japan increased 7 percent (31.9 Bcf v. 29.7 Bcf).

Long-term Canadian imports for the quarter totaled 345.8 Bcf, representing a 4 percent increase over the second quarter of 1995. The average price of these supplies was $2.09/MMBtu, which was 7 cents or 3 percent lower than the preceding quarter. Distrigas Corporation imported 5.2 Bcf of LNG at $2.34/MMBtu under a long-term contract. PanEnergy LNG Sales, Inc. (PanEnergy) had no long-term imports of LNG.

During the second quarter, 97 companies imported 364.5 Bcf of natural gas under short-term arrangements which is an 8 percent increase compared with the second quarter of 1995. Of this total, 358.3 Bcf was imported from Canada and 6.2 Bcf was imported from Mexico. PanEnergy imported 2 Bcf of LNG from Algeria under short-term arrangements. Mexican gas was imported at an average price of $2.15/MMBtu.

The average price of Canadian imports under short-term arrangements was $1.37/MMBtu, compared with $1.73/MMBtu during the preceding quarter. Approximately 42 percent of the short-term sales were made at Eastport, Idaho, at an average price of $0.91/MMBtu; 19 percent at Sumas, Washington, at $0.94/MMBtu; 16 percent at Port of Morgan, Montana, at $1.72/MMBtu; 12 percent at Noyes, Minnesota, at $2.15/MMBtu; 5 percent at Niagara Falls, New York, at $2.62/MMBtu; 2 percent at Waddington, New York, at $2.42/MMBtu; and 4 percent at various other entry points, at $2.06/MMBtu.

A total of 19.5 Bcf was exported by 24 companies under short-term arrangements. Of this total, seven companies exported 12.2 Bcf of gas to Canada, at an average price of $2.69/MMBtu. Eighteen companies exported 7.3 Bcf to Mexico at an at an average price of $1.93/MMBtu.

This quarter's feature report covers recently completed and planned pipeline projects affecting gas trade with Canada. Any questions or comments on this specific quarterly focus should be directed to Thomas Dukes at (202) 586-9590. OFP invites ideas from the public on future topics dealing with North American natural gas import/export trade. Such suggestions should be left on OFP's electronic bulletin board.

The quarterly report and any future revisions will be resident on OFP's Electronic Bulletin Board at (202) 586-7853. All general queries concerning this report should be made to Yvonne Caudillo at (202) 586-4587 or by E-mail at Yvonne.Caudillo@HQ.DOE.gov.