

# Outlook for Natural Gas Markets

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# Topics to be Covered

- Recent trends in prices
- The outlook for demand and supply
  - LNG
- Uncertainties
  - Climate change legislation

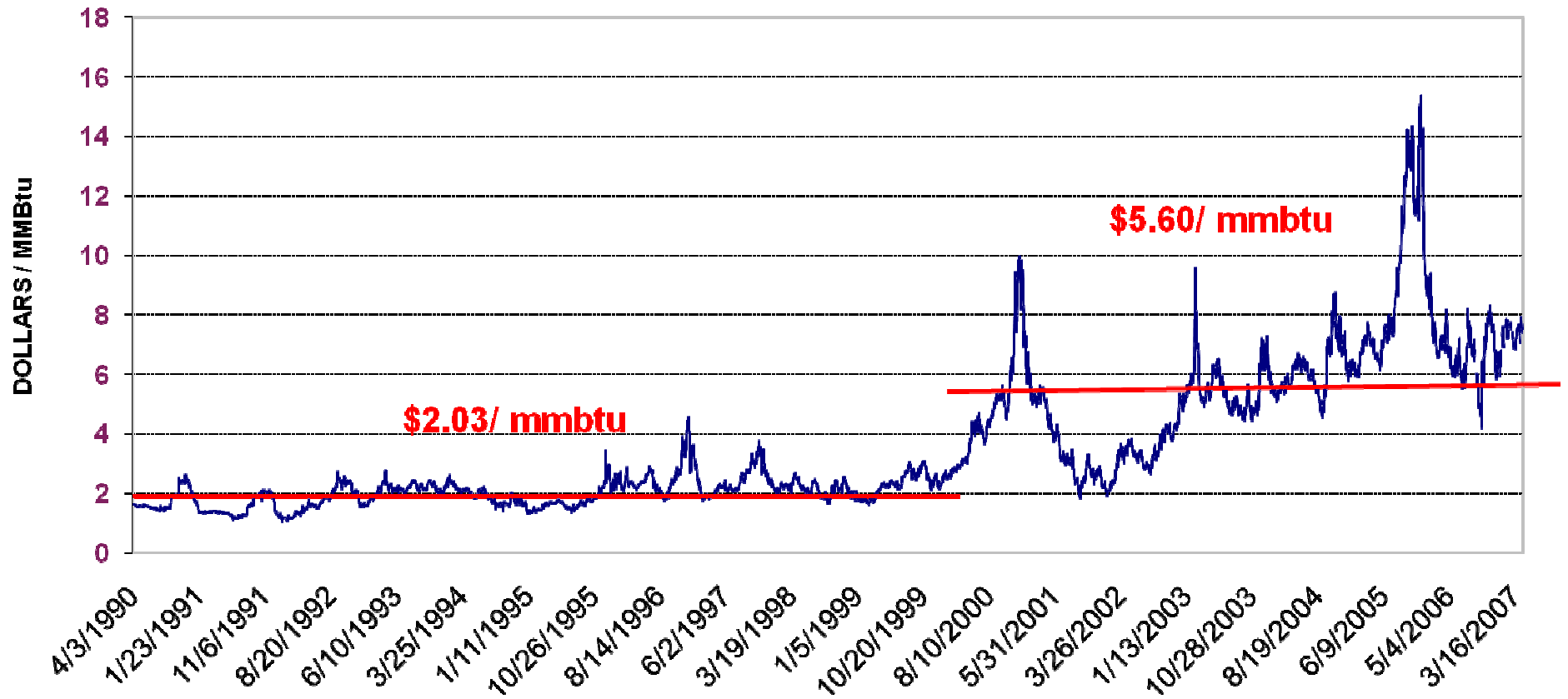


# American Gas Association

- National trade association representing natural gas delivery companies
  - 200 members
  - deliver natural gas to 64 million customers
  - advocate for local natural gas distribution companies



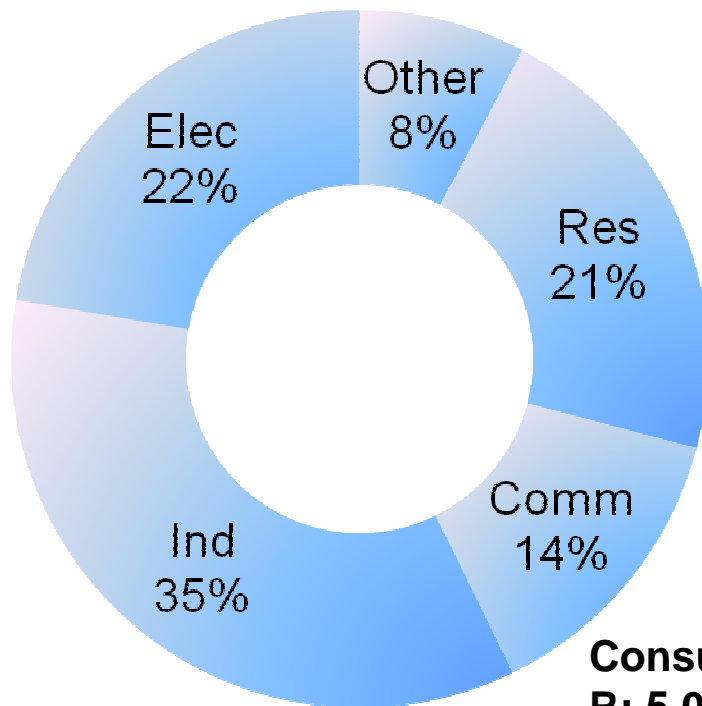
# NATURAL GAS PRICES



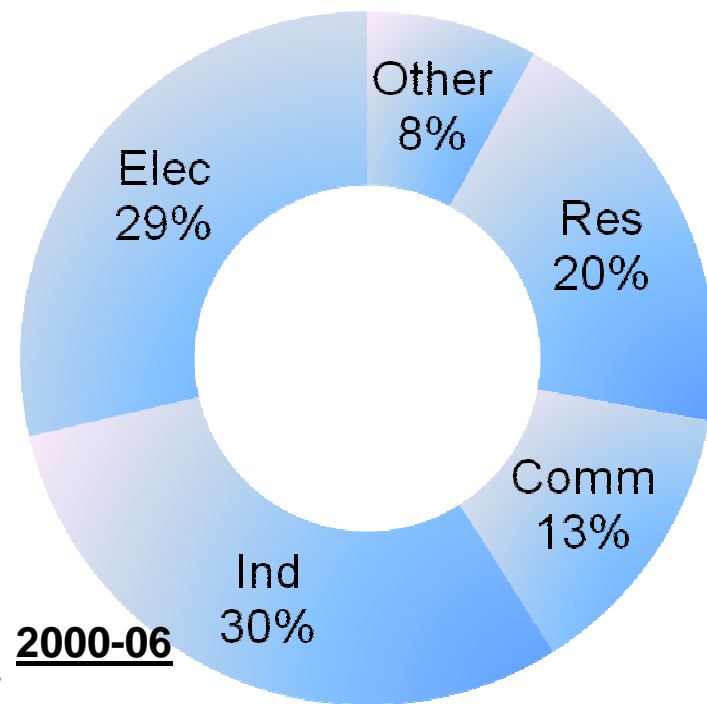
Source: NYMEX

# Natural Gas Consumption

**2000**



**2006**



**Consumption: 2000-06**

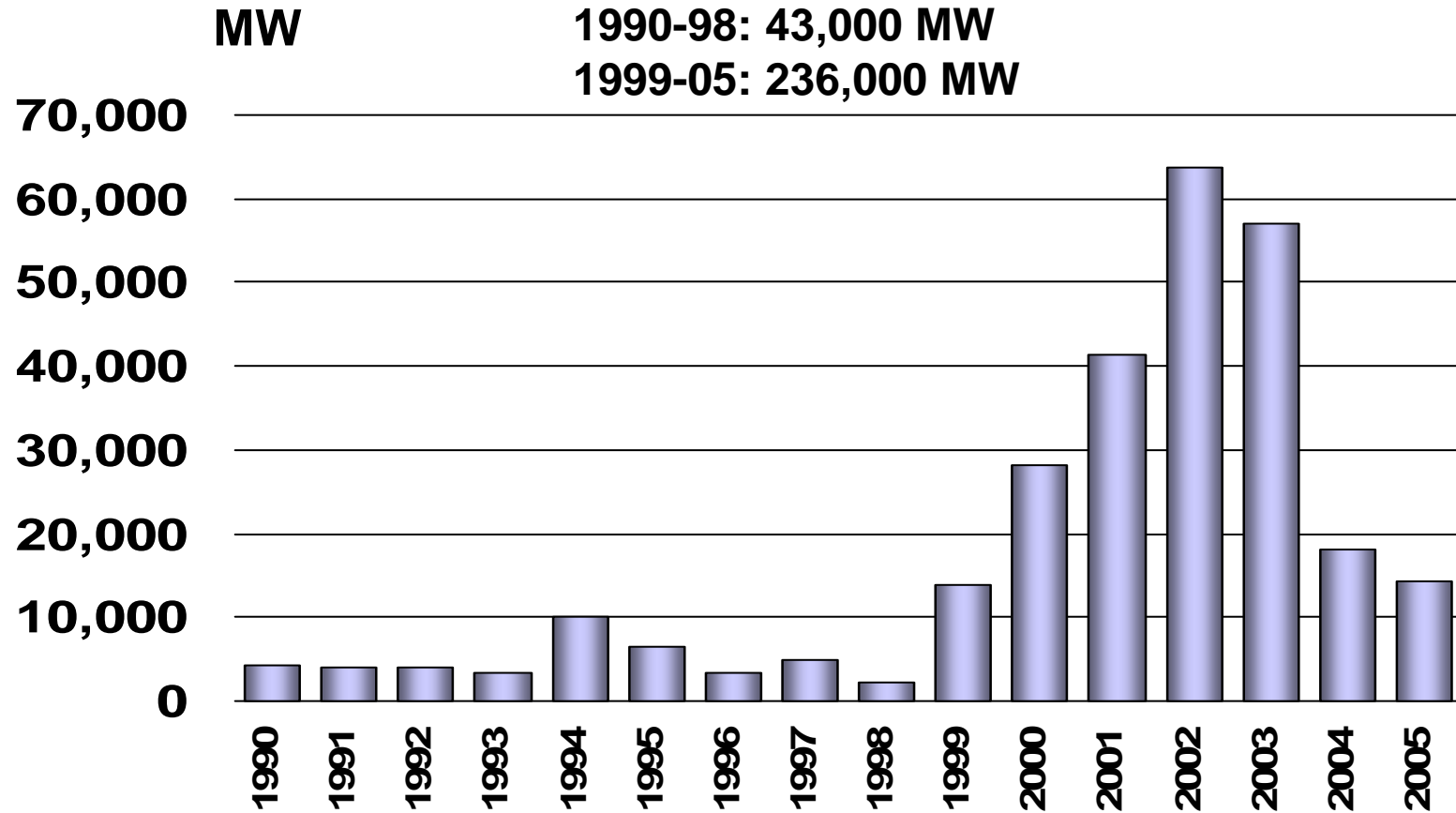
**R: 5.0 - 4.4 Tcf**

**C: 3.2 - 2.9 Tcf**

**I: 8.1 - 6.6 Tcf**

**E: 5.2 - 6.3 Tcf**

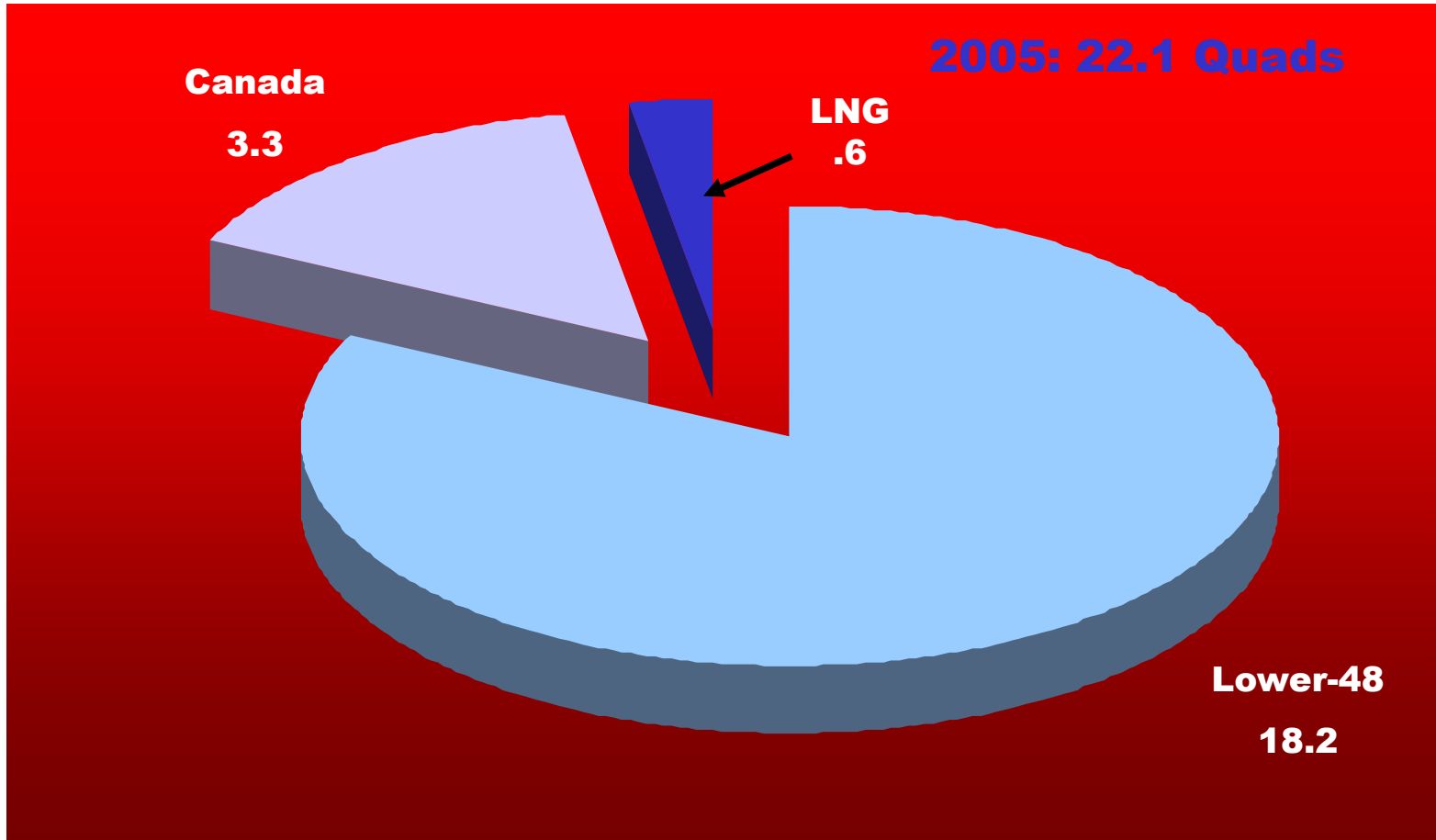
# Gas Power Plant Additions



Sources: EIA&SN&L



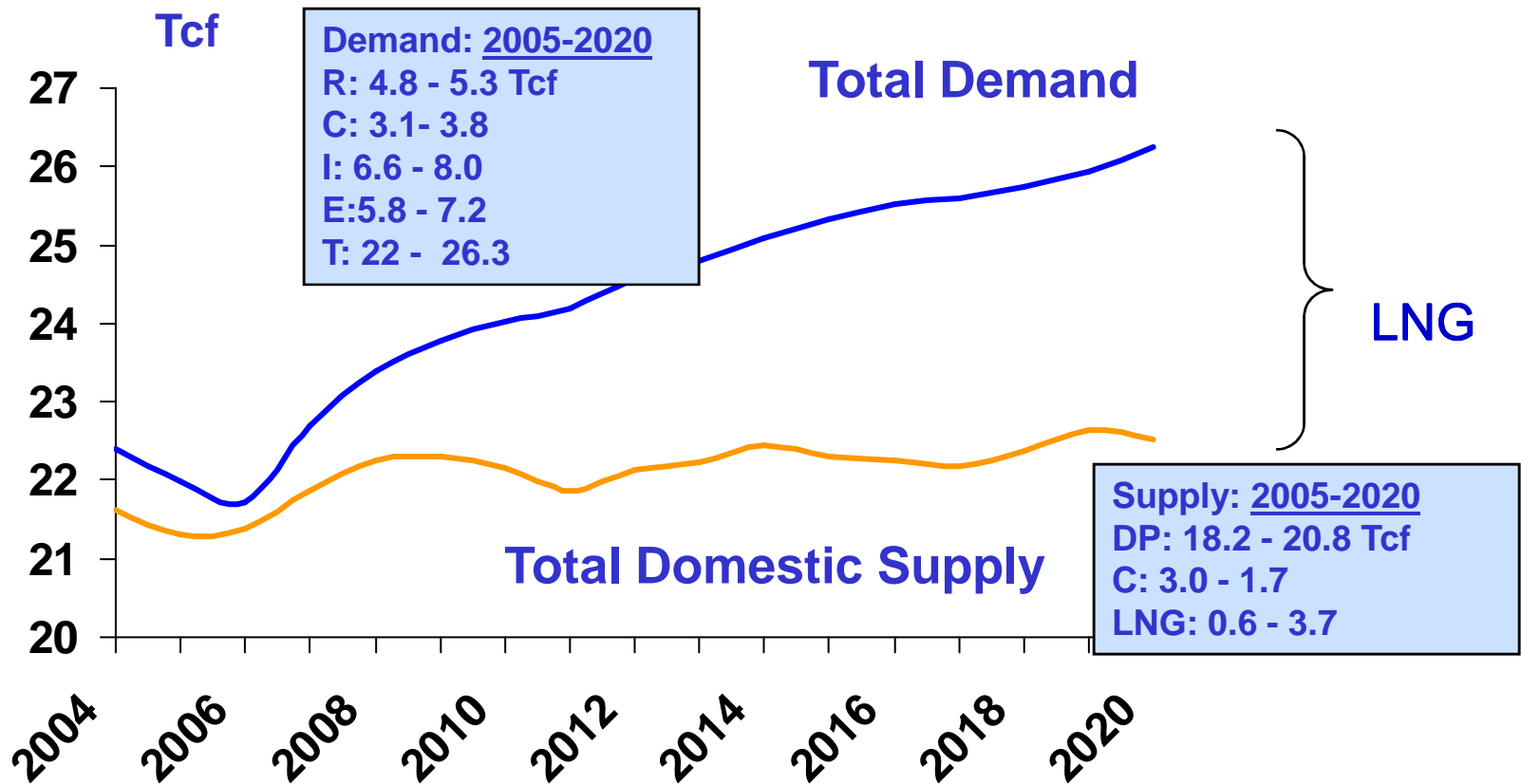
# SOURCES OF CURRENT US NATURAL GAS SUPPLY



Source: Energy Information Administration



# EIA's Demand Supply Outlook

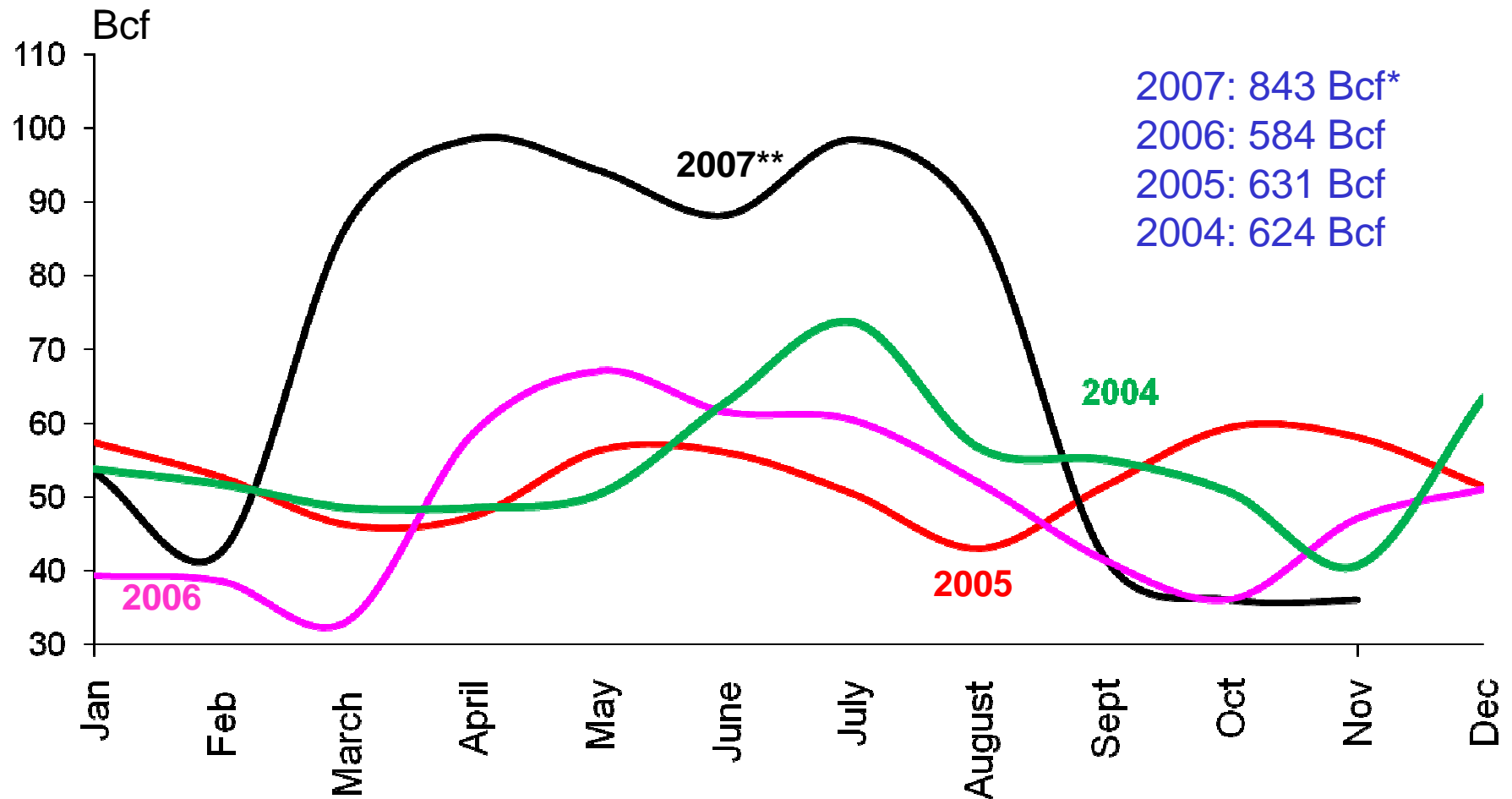


Source: EIA, AEO 2007





# US LNG Imports

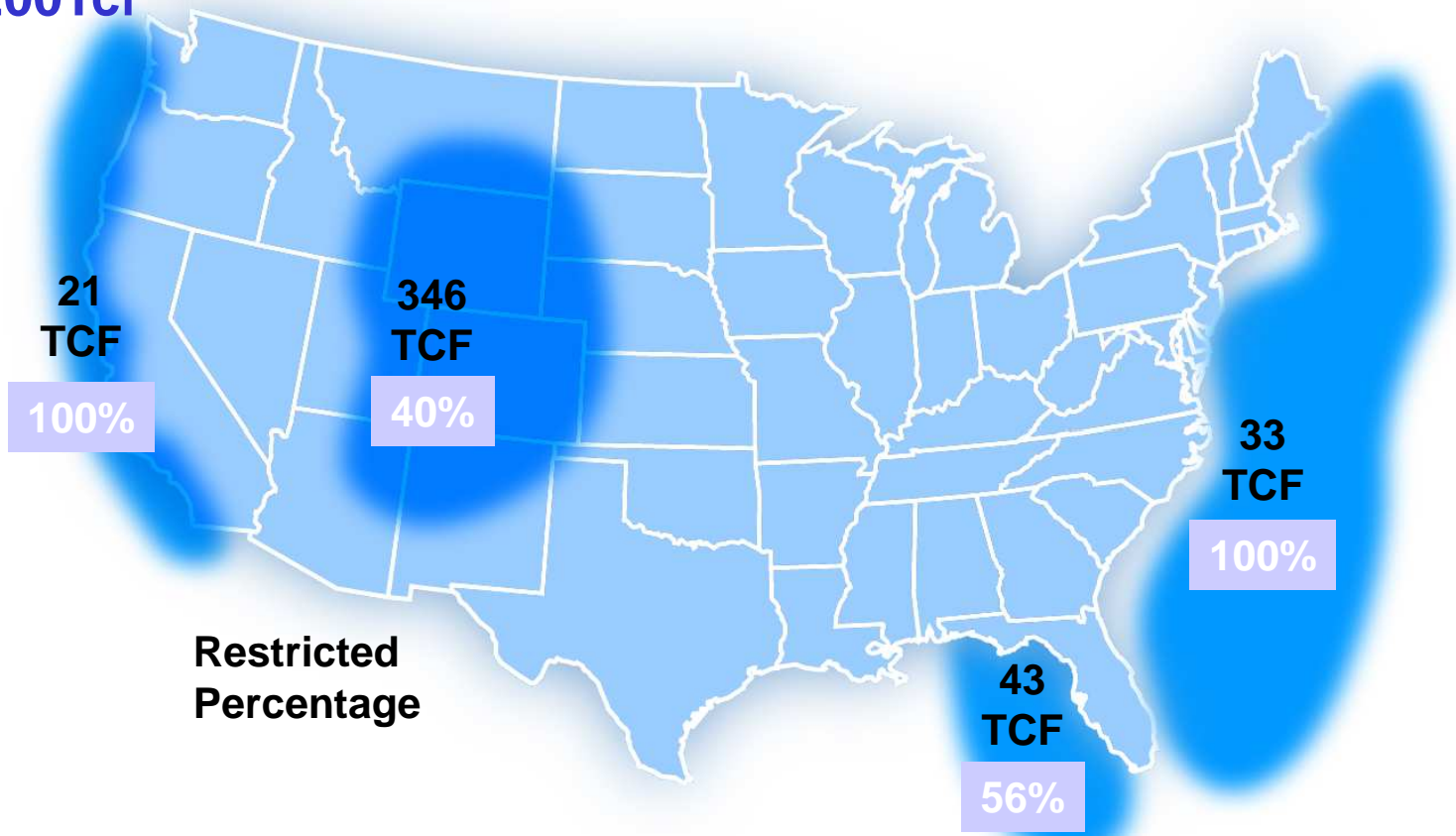


Source: DOE, \*EIA Forecast, \*\*Estimated by Waterborne LNG



# Major Portions of the Gas Resource Base Are Not Accessible

Alaska ~200 Tcf



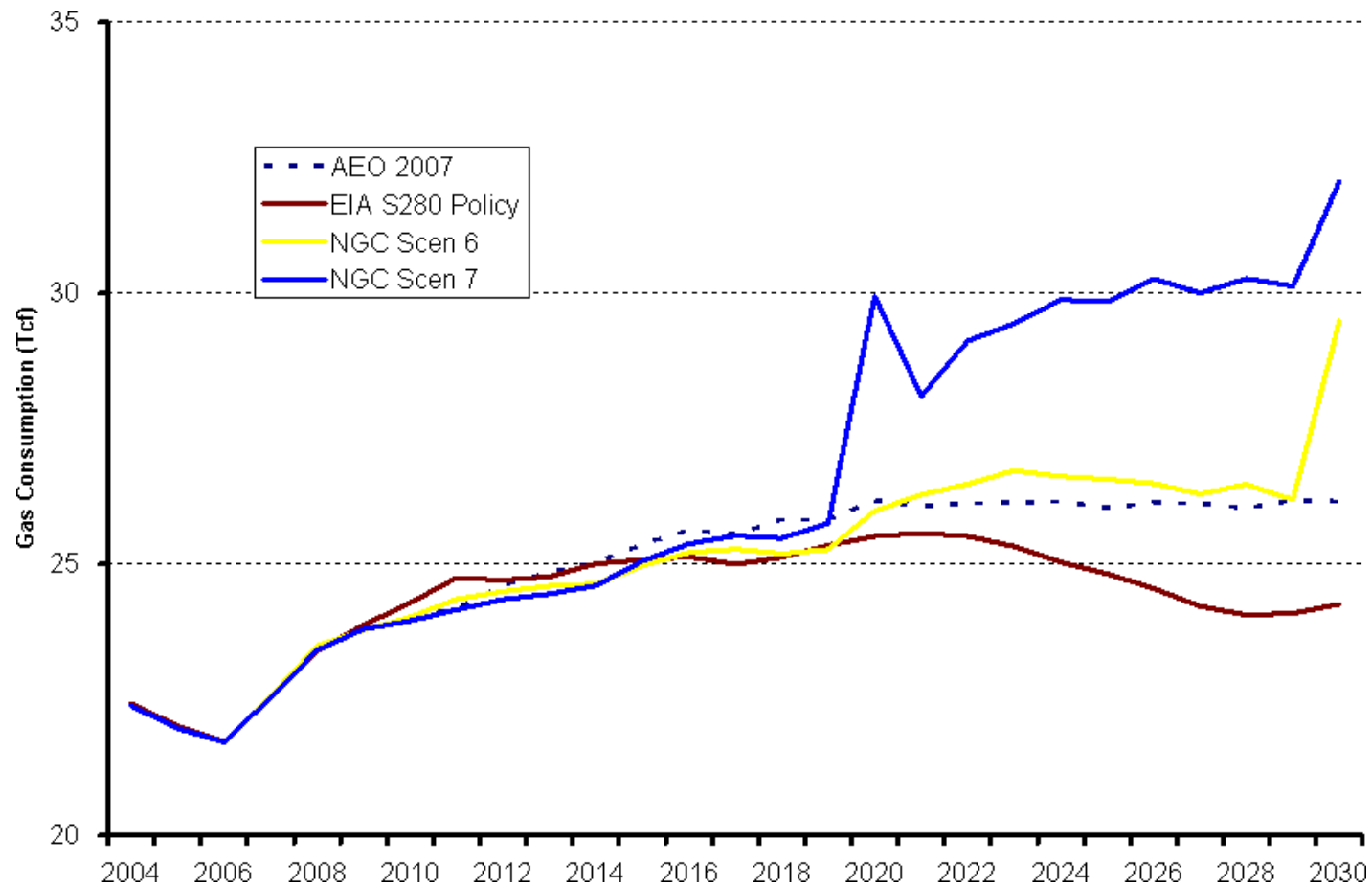
Restricted Percentage

Approximately 29 trillion cubic feet (TCF) of the Rockies gas resources are closed to development and 108 TCF are available with restrictions.



# New Natural Gas Demand if Realistic Climate Change Proposals are Implemented

NEMS Gas Consumption Comparison



# Conclusions

- Natural gas demand is expected to grow
- New natural gas supply will come from LNG but this supply is not guaranteed
- Beyond 2015, the range of uncertainties are large...
  - Climate change policies will alter the energy landscape dramatically



**Thank You!**

