



November 1, 2016

# Prepared for Winter

US Natural Gas Market Conditions



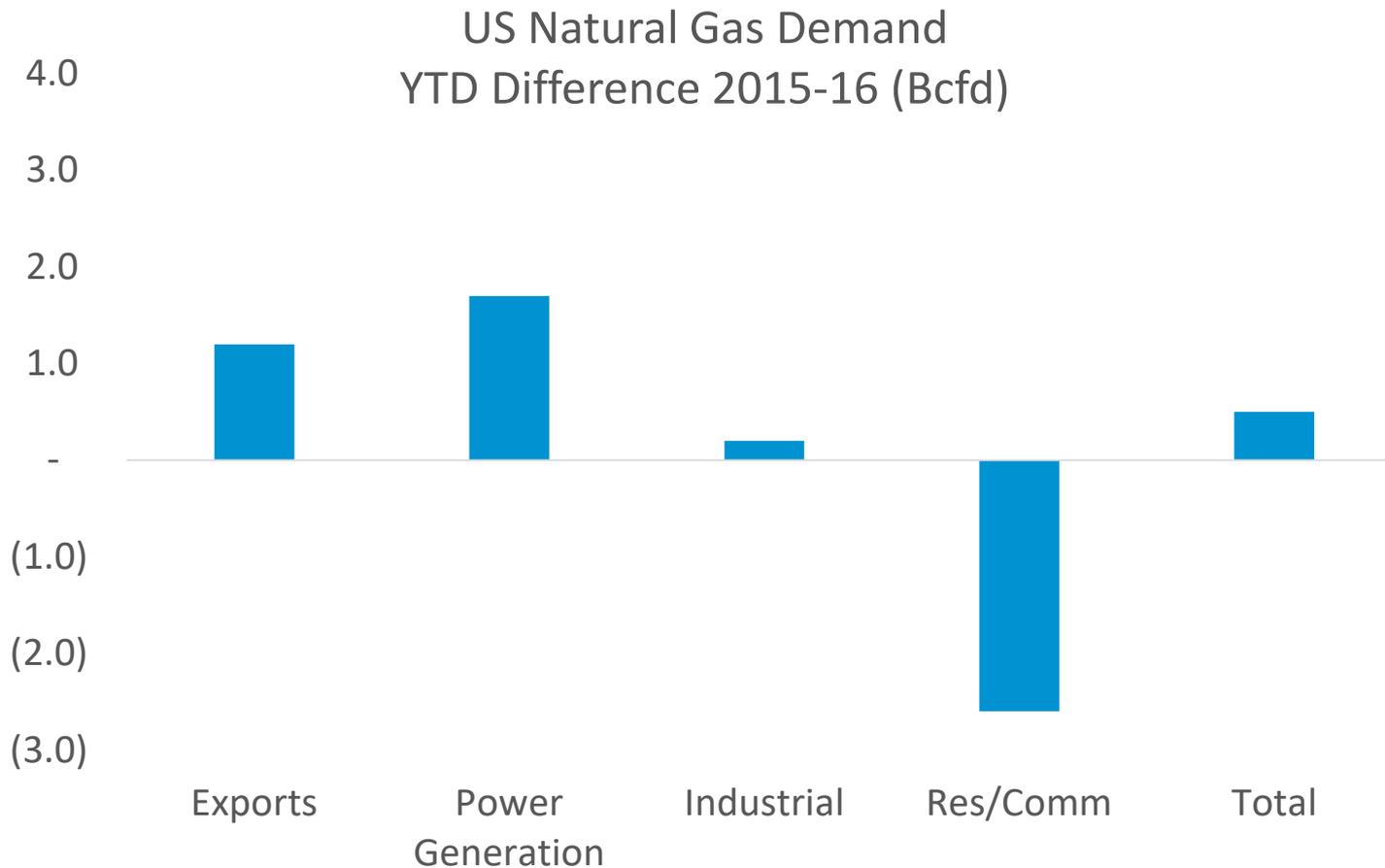
Richard Meyer | Manager, Energy Analysis & Standards

# Natural Gas Records in 2015

- **Domestic Annual Production** – 27.1 Tcf
- **Proved Reserves** – 368 Tcf (dry)
- **Undiscovered Gas Resources** – more than 2,500 Tcf
- **Domestic Natural Gas Consumption** – 27.4 Tcf
- **Natural Gas Consumed for Power Gen** – 9.4 Tcf
- **Working Gas in Underground Storage** – 4,009 Bcf

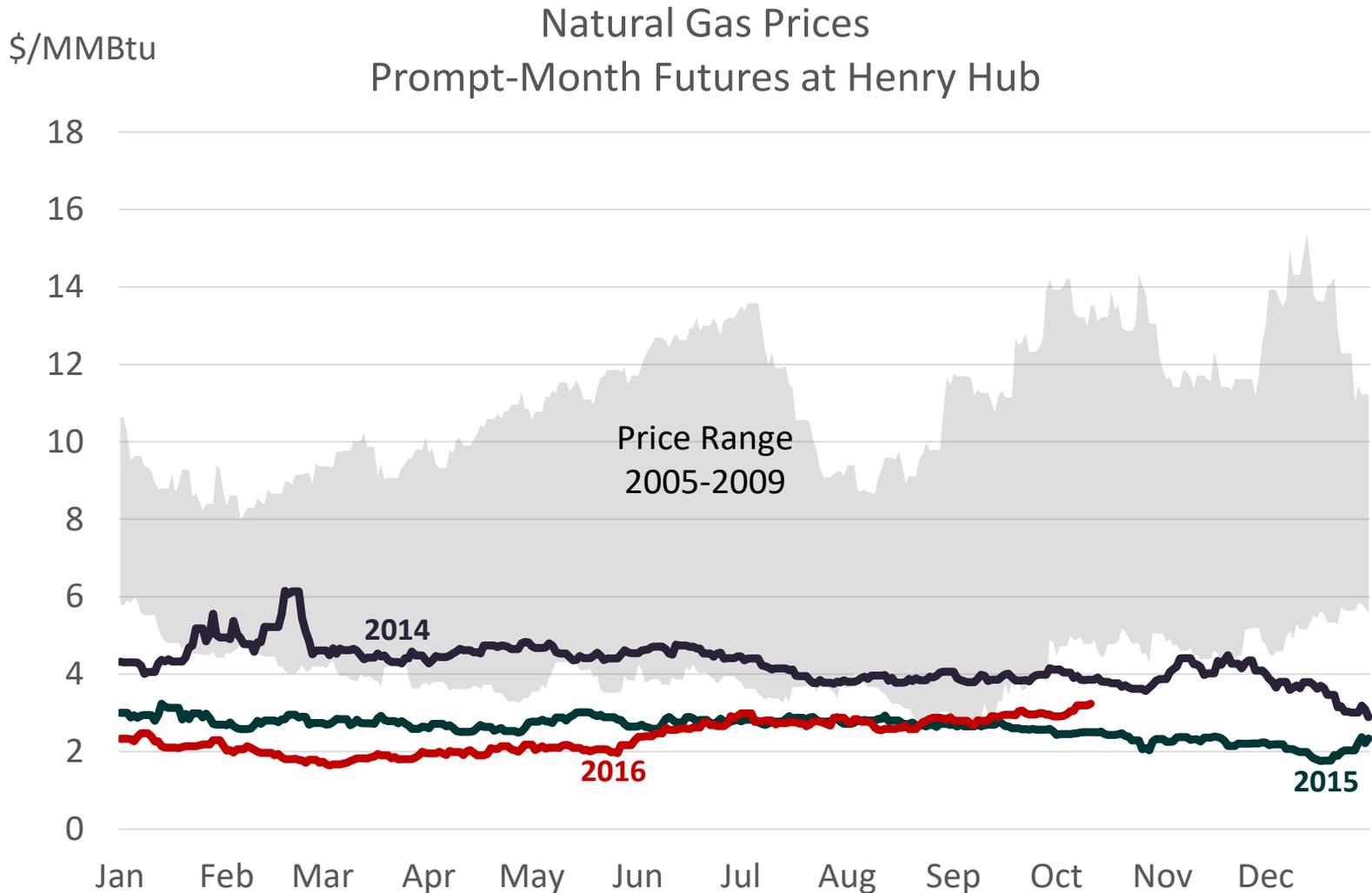
Sources: Bentek Energy, Energy Information Administration, Potential Gas Committee

# US demand of natural gas down slightly for the year after mild winter. Strong exports & power generation keeping levels strong



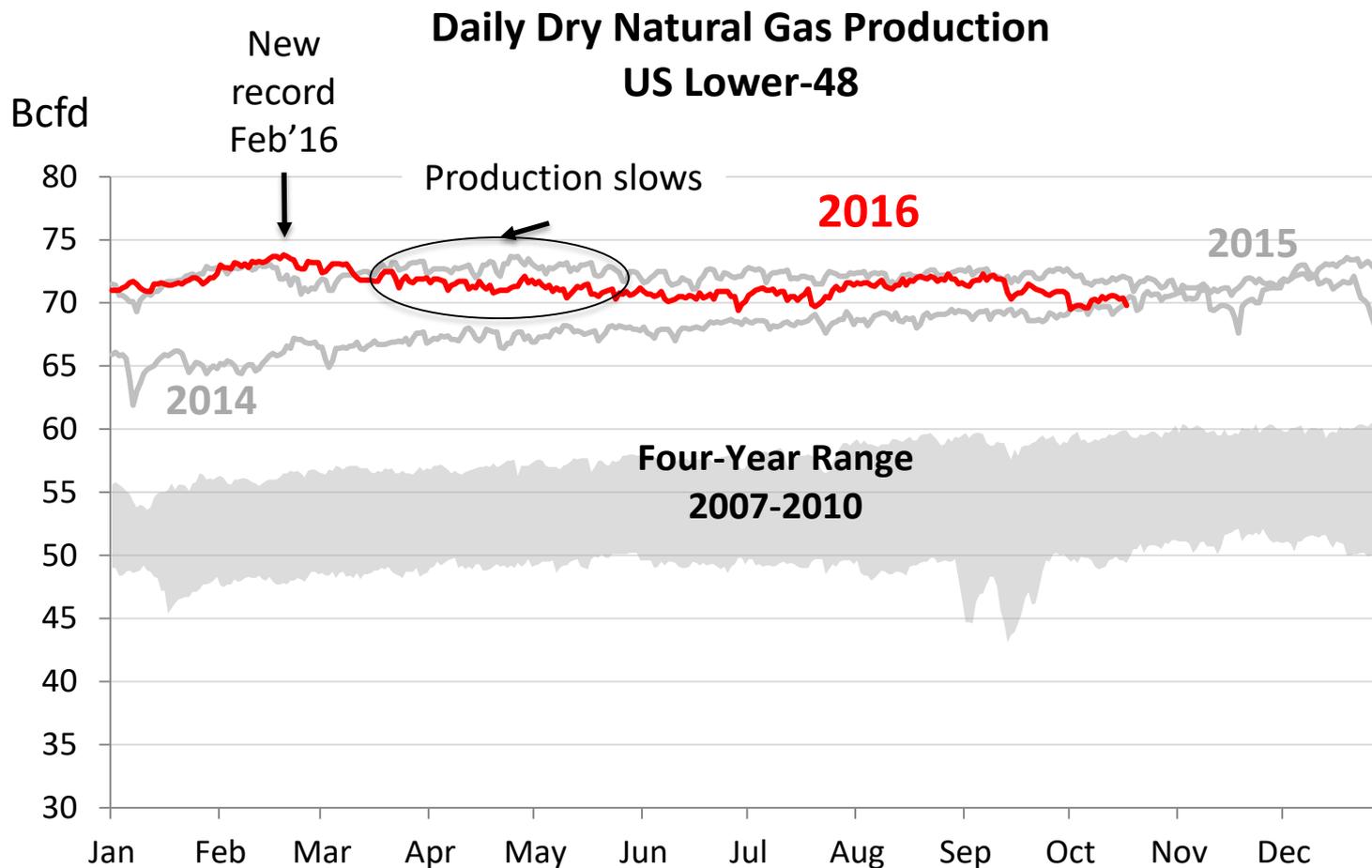
Source: Bentek Energy LLC

# We have seen and continue to expect relatively low and stable natural gas prices



Source: Energy Information Administration

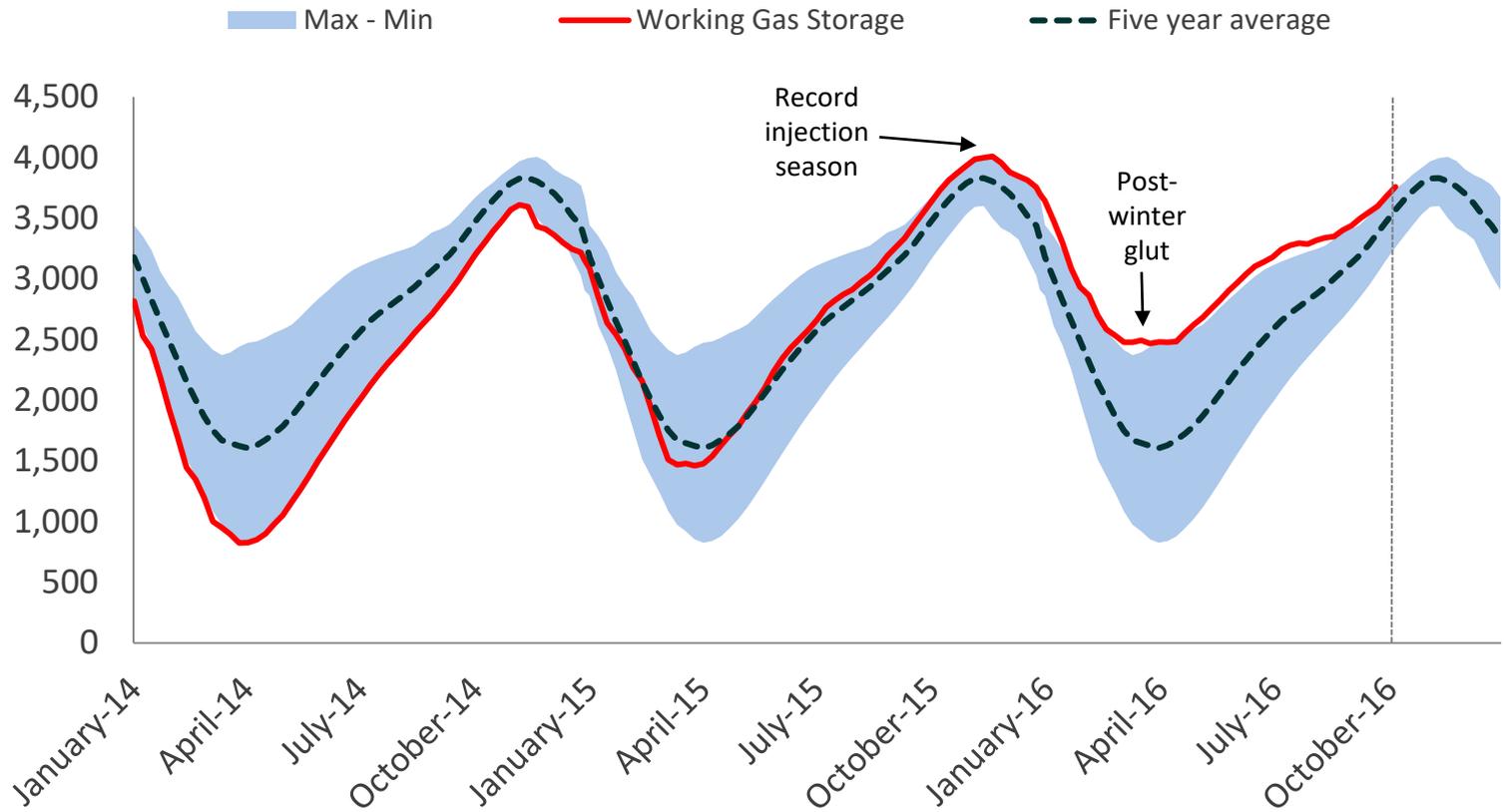
# New daily record in Feb 2016. Production has slowed, but stubborn.



Source: Bentek Energy LLC

Last winter ended with storage more than 50% above average levels. Then the market balanced. Now only 5% above average.

Working Gas in Underground Storage  
Lower 48 States (Bcf)

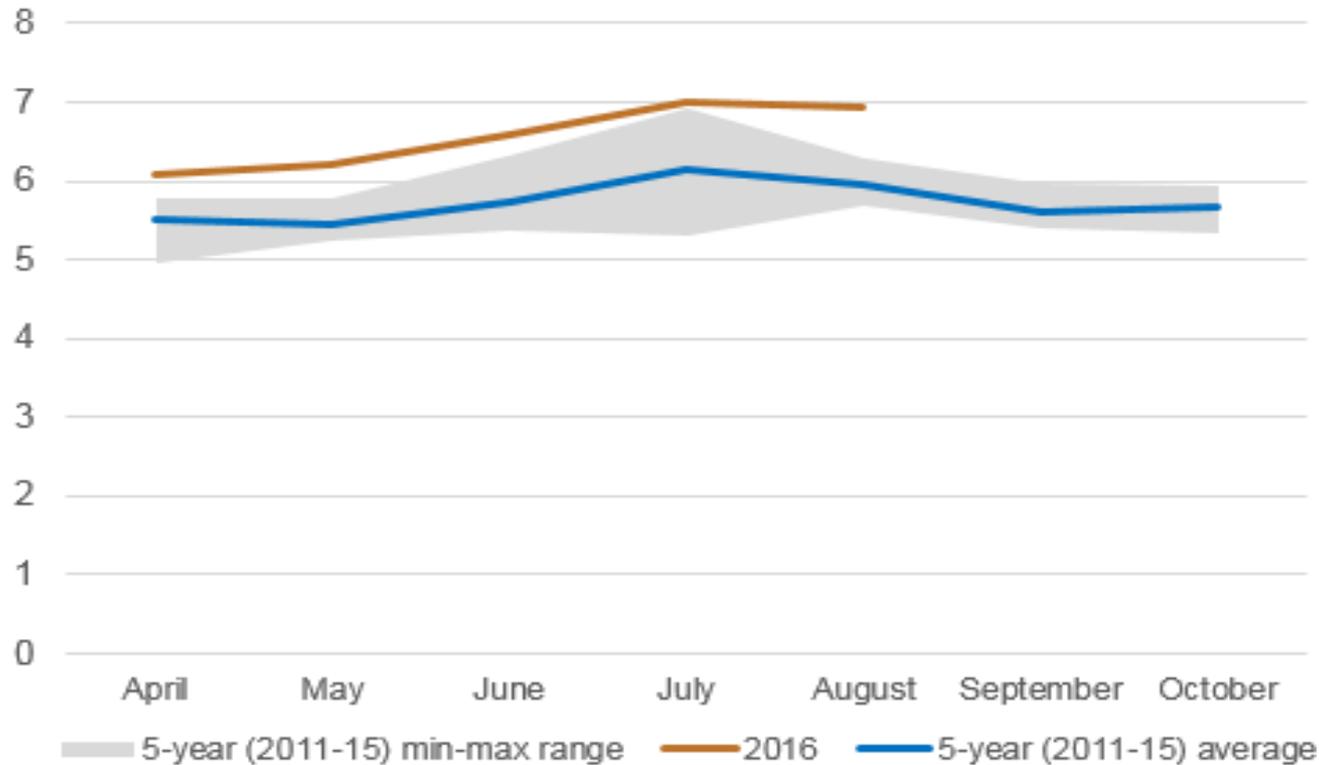


Source: EIA

# US Gas Imports from Canada

## U.S. natural gas net imports from Canada, 2011-16

billion cubic feet per day



Source: OPIS PointLogic Energy, an IHS Company

# Heating Degree Days Oct-March

Percentage Compared to Normal

	<u>US</u>	<u>ENC</u>
2013-14	6.6 Colder	13.5 Colder
2014-15	1.0 Colder	7.6 Colder
2015-16	17.4 Warmer	17.8 Warmer
2016-17	?	?

# AGA Outlook for Winter Bills



- Residential natural gas bills will be around 9%-11% higher on average than last winter.
  - Would be the 4<sup>th</sup> lowest in the past decade.
- Natural gas will continue to be the lowest-cost energy option for home heating.
- The portfolio of North American natural gas supplies – production, underground inventories, LNG storage & imports, and pipeline imports – are robust.

## Richard Meyer

Manager, Energy Analysis and Standards

[rmeyer@aga.org](mailto:rmeyer@aga.org)

202.824.7134

@RichardMeyerDC



## Find Us Online



[www.aga.org](http://www.aga.org)



[www.truebluenaturalgas.org](http://www.truebluenaturalgas.org)



[http://twitter.com/AGA\\_naturalgas](http://twitter.com/AGA_naturalgas)



[www.facebook.com/naturalgas](http://www.facebook.com/naturalgas)



[www.linkedin.com/company/50905?trk=tyah](http://www.linkedin.com/company/50905?trk=tyah)