

NATURAL GAS

September 2012

*AMERICA'S*

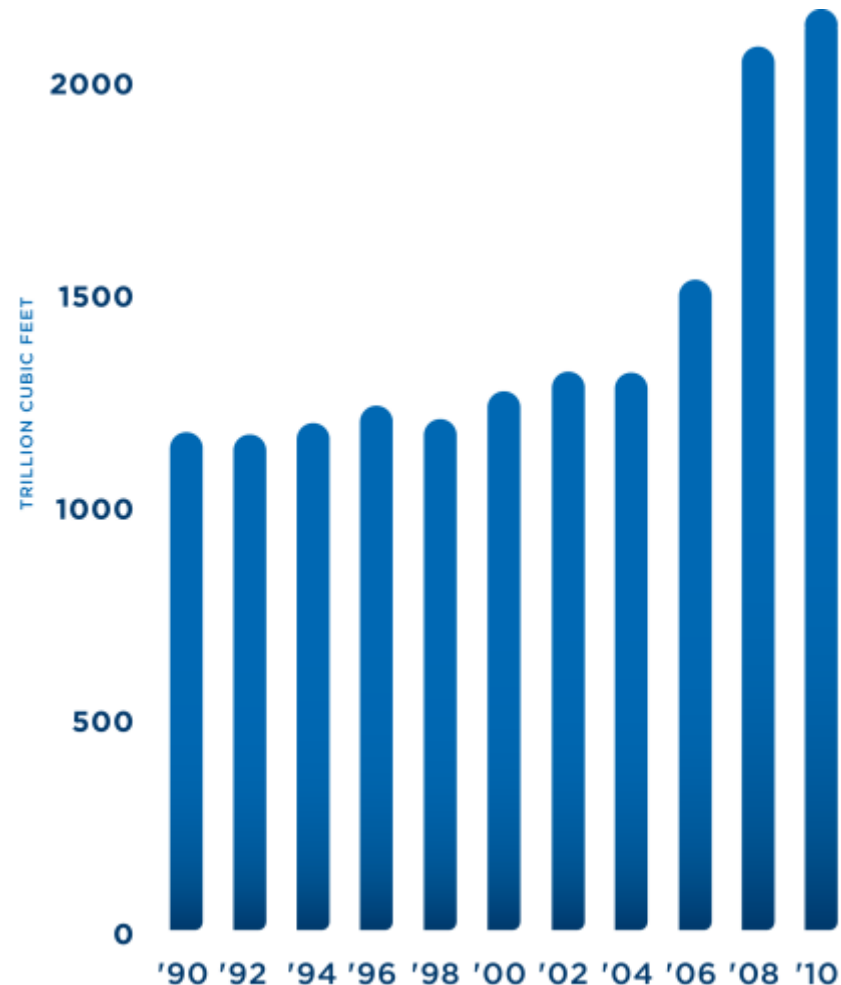
# Foundation Fuel

Paula Gant  
SVP for Policy and Planning  
American Gas Association



## AND THEN There Was Abundance

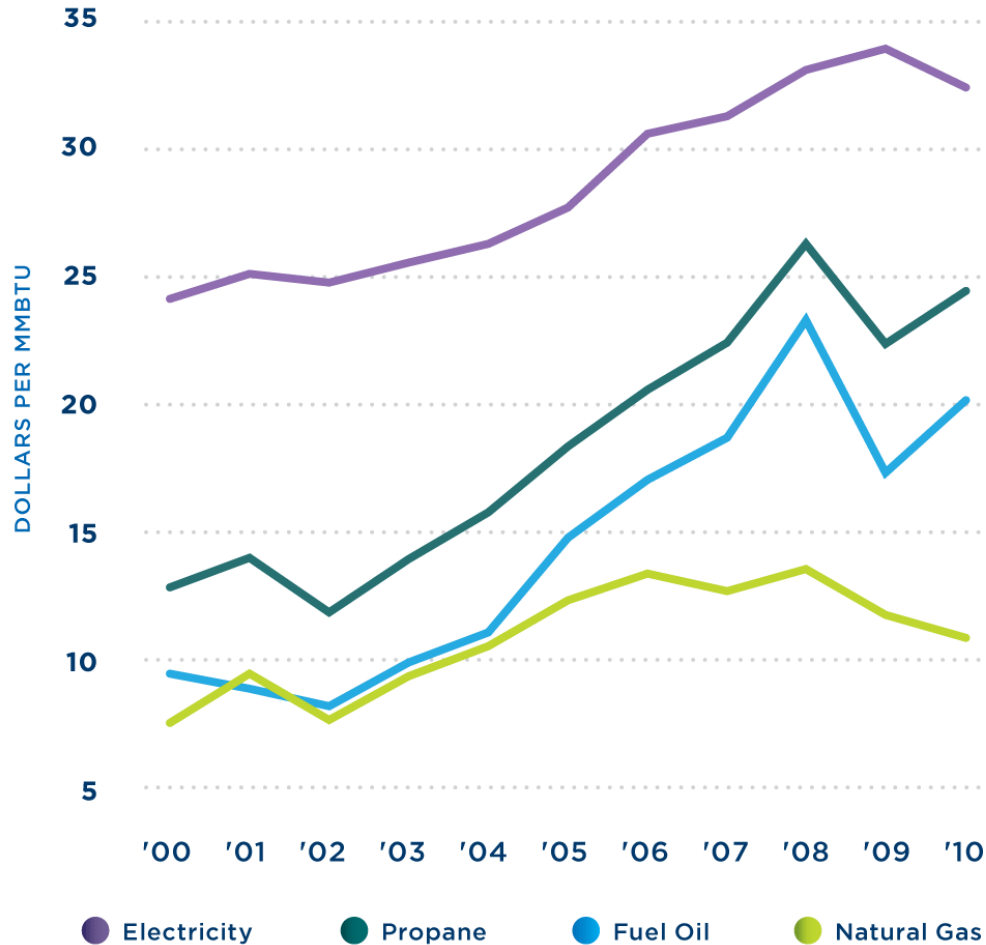
According to the Energy Information Administration and the Potential Gas Committee, **the U.S. enough natural gas to meet America's diverse energy needs for 100 years**



Source: U.S. Department of Energy, Energy Information Administration; Potential Gas Committee

# Annual Energy Prices

## TO RESIDENTIAL CONSUMERS



Source: U.S. Department of Energy, Energy Information Administration

*“Our country’s natural gas supply should help us maintain cost competitiveness in manufacturing, reduce greenhouse gas emissions through the mid-term, increase our energy independence, and create good paying jobs and leaseholder opportunities in many parts of the country.”*

**John P. Surma**  
Chairman and CEO, U.S. Steel

## Customers Saw Significant Savings on Their 2010 Gas Bill Compared to 2008 Prices

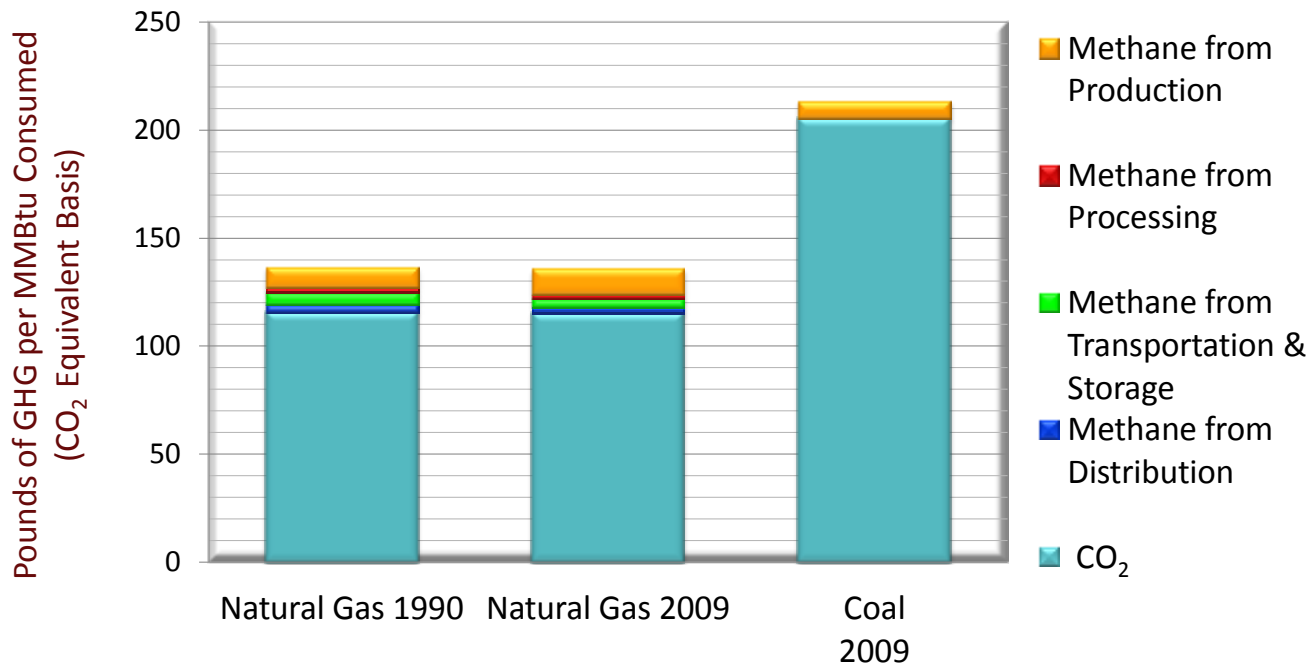
	Residential Savings	Commercial Savings
UNITED STATES	\$178	\$1,106
New England	\$193	\$1,199
Middle Atlantic	\$237	\$1,154
East North Central	\$229	\$1,025
West North Central	\$181	\$1,078
South Atlantic	\$229	\$1,500
East South Central	\$224	\$1,359
West South Central	\$148	\$1,253
Mountain	\$104	\$721
Pacific	\$121	\$932

*Since 2008, the cumulative savings from all customers due to the price declines totaled about \$250 billion.*

Source: *Identifying Key Economic Impacts of Recent Increases in U.S. Natural Gas Production*  
American Gas Association, 5/22/12

# America's Clean Energy Leader

## Greenhouse Gas Emissions per MMBtu of Fuel Consumed



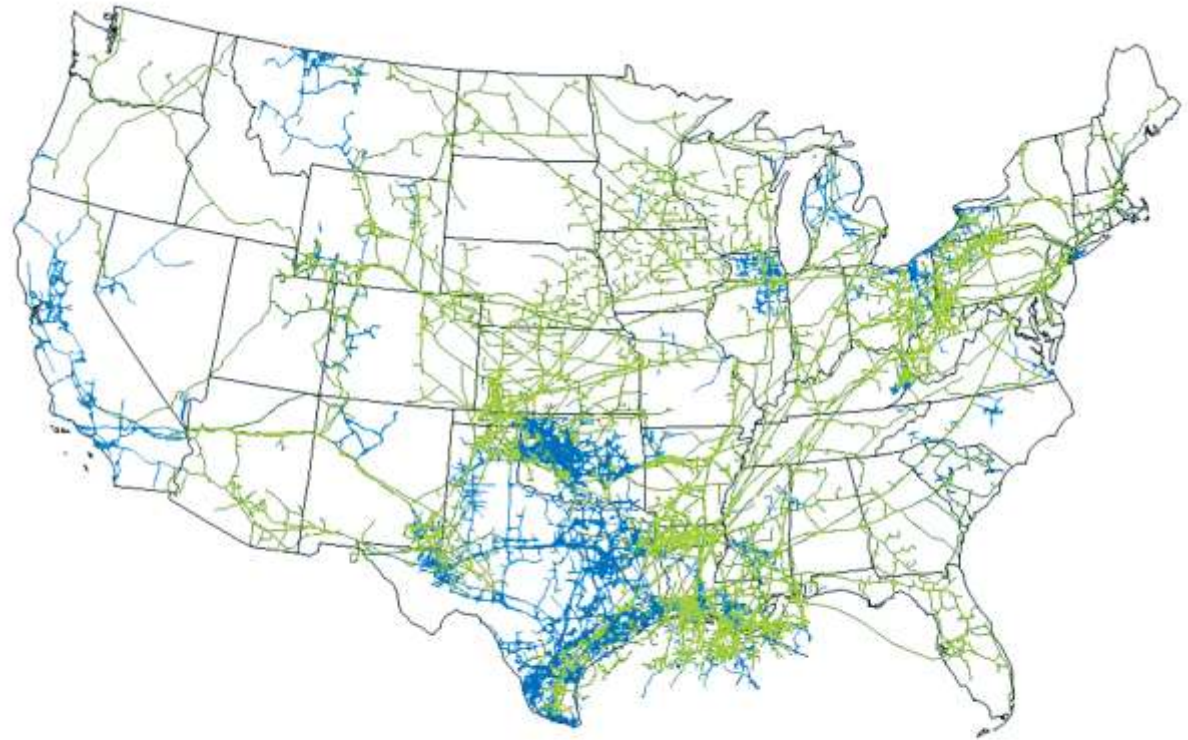
**NOTES:** Data based on CO<sub>2</sub> equivalence using methane potency factor of 21 as per Intergovernmental Panel on Climate Change. Consumption data from U.S. Energy Information Administration website. Emissions data from U.S. Environmental Protection Agency, *Greenhouse Gas Inventory, April 18, 2011*.

*Delivering on the Promise of*

# **Natural Gas**

# Across the Country

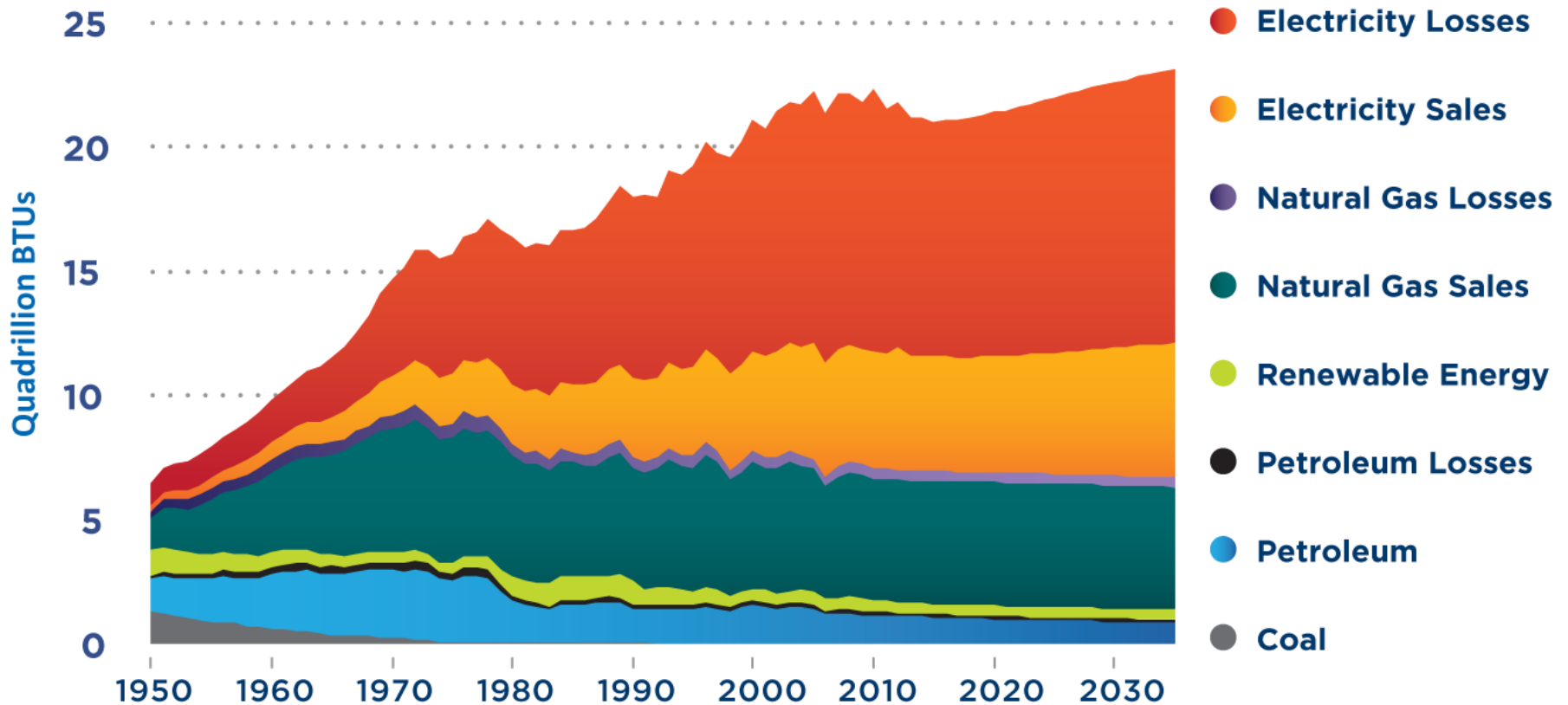
- Natural gas pipelines are an **essential** part of the nation's Infrastructure
- Together, natural gas pipeline and utility companies spend approximately \$7 billion per year to help ensure the **safety and reliability** of the natural gas infrastructure



● Interstate Pipelines

● Intrastate Pipelines

# Residential Energy Consumption

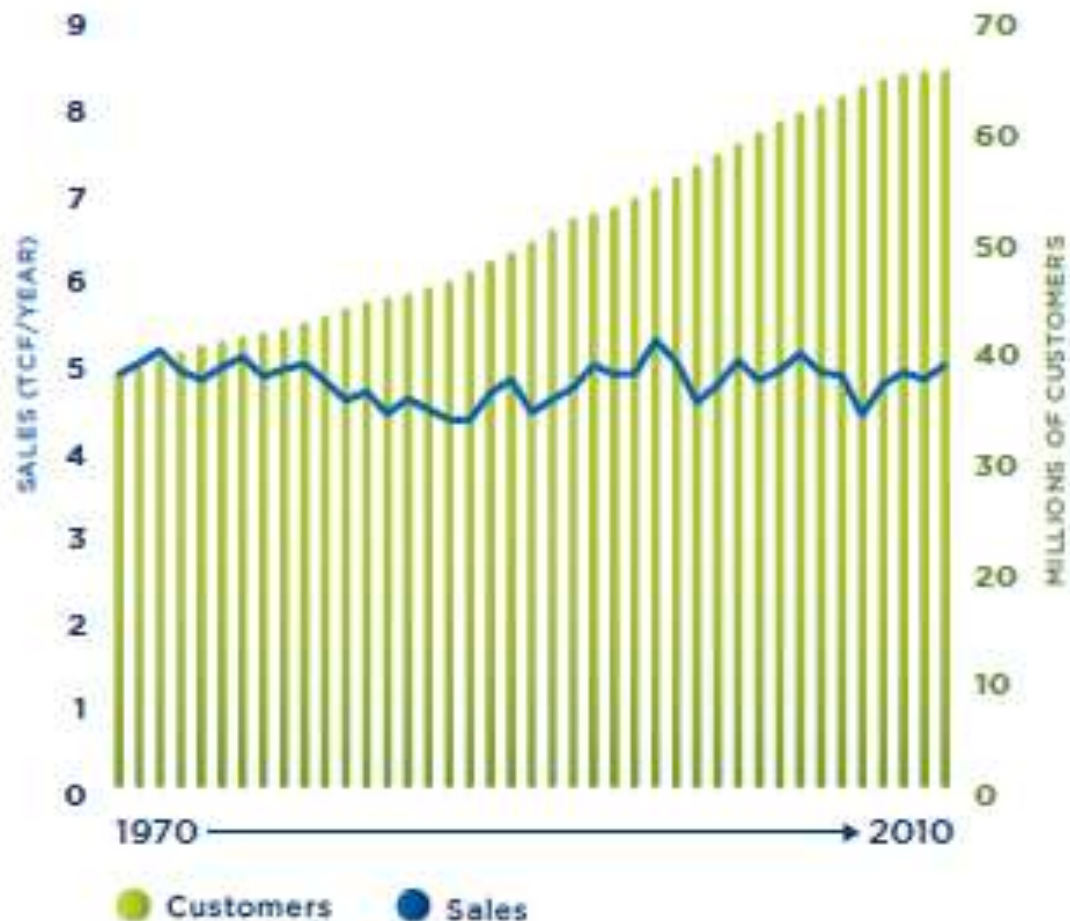


The loss of usable energy associated with electricity equals about half of the total energy consumed in the residential and commercial sectors

Source: AGA *Gas Facts* and U.S. Department of Energy, Energy Information Administration



Residential Natural Gas customers have increased by 27 million since 1970 while using 39% less natural gas than they did 38 years ago.



Source: AGA Gas Facts and U.S. Department of Energy, Energy Information Administration

## Residential Water Heater Efficiency

Storage Water Heaters



**NATURAL GAS**

**ELECTRIC RESISTANCE**

Energy Cost (annually)

**\$282**

**\$554**

Full-Fuel-Cycle Energy Consumption (annually)

**27.6 MMBtu**

**52.0 MMBtu**

CO<sub>2</sub> Emissions (annually)

**1.5 tons**

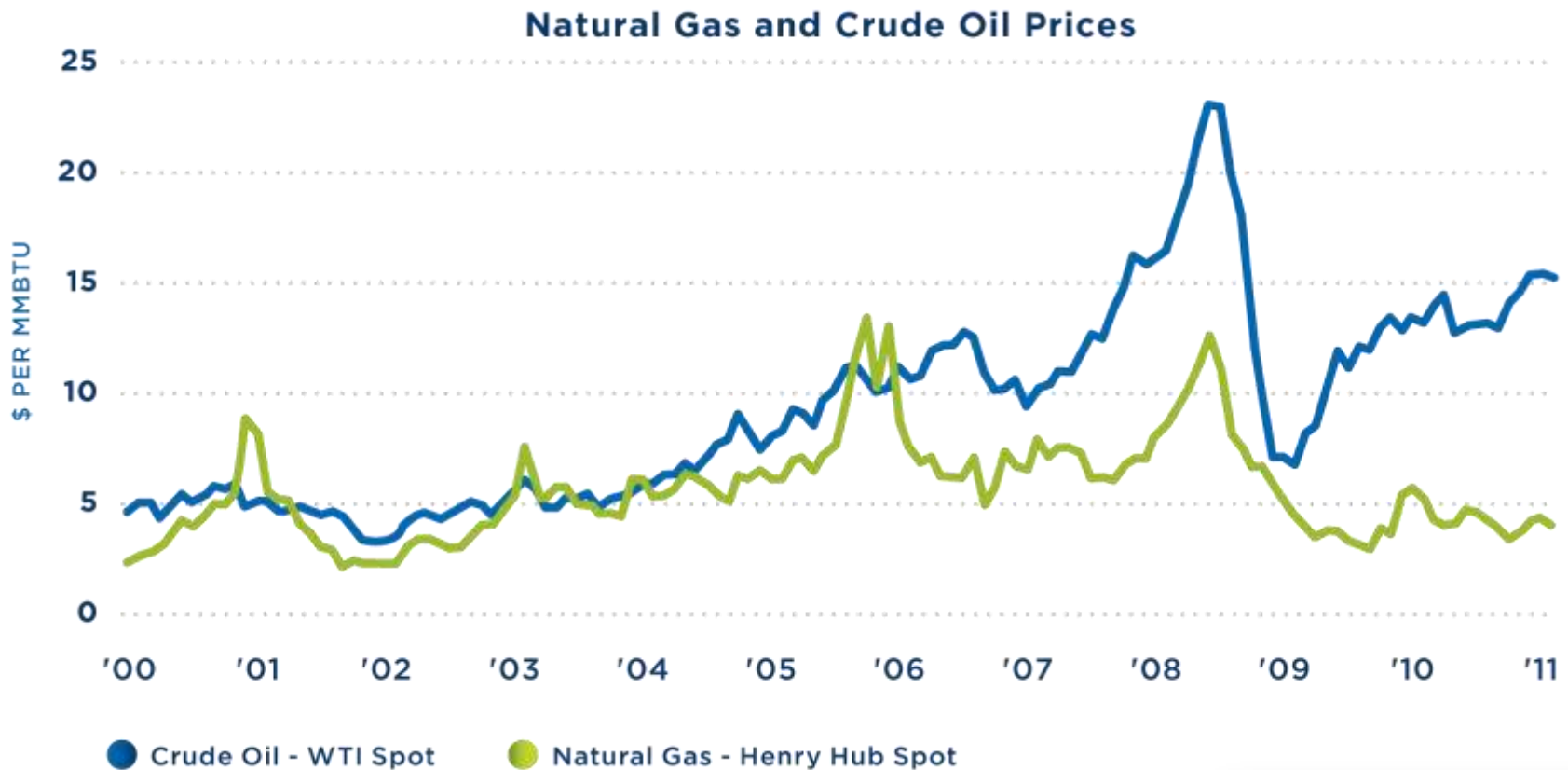
**3.1 tons**

Yet the federal minimum efficiency ratings for natural gas water heaters (.59 EF) and electric water heaters (.90 EF) are calculated at point of use and do not take the full fuel cycle into account.

## A New Paradigm

# Market Fundamentals

While geopolitical uncertainty continues to roil oil markets, natural gas prices remain *relatively low and stable*.



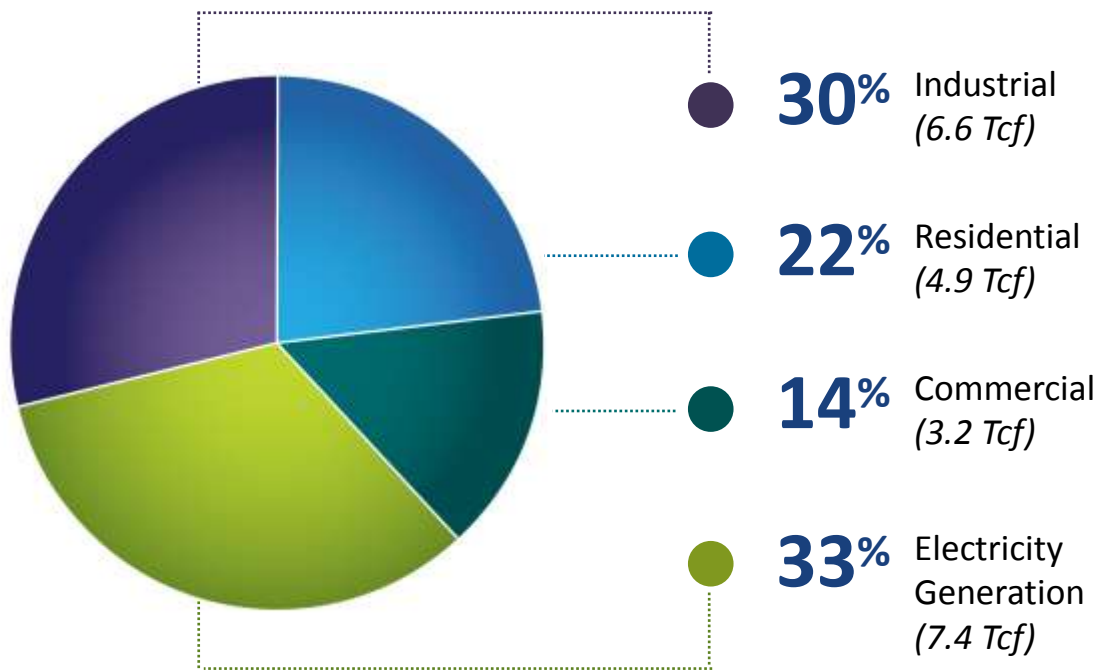
Source: U.S. Department of Energy, Energy Information Administration

## CLEAN NATURAL GAS

# Touching Every Segment of American Life

## 2010 NATURAL GAS

U.S. Consumer Consumption by Sector = 22.1 Tcf



- Natural gas touches nearly every segment of American life