

Transmission

A complex grid of natural gas pipelines crisscrosses the nation and provides for the transmission and delivery of natural gas to customers in the Lower 48 States. Natural gas predominantly flows northeastward from the major producing areas in Texas, Louisiana, and the Gulf of Mexico, and to a lesser extent from producing areas in Oklahoma and New Mexico. At the northern U.S. border, Canadian pipelines interconnect with the U.S. network to reach into California and the northern States of the Midwest and the Northeast. This pipeline network also extends into Mexico at the southern U.S. border making an integrated market for the North American continent.

Interstate movements of natural gas provide an indication of market activities (Table 8):

- During the early and mid 1990's, in the western region of the United States, the amount of gas flowing to the California natural gas market decreased because of a

lessening in demand. This forced producers in the San Juan Basin of New Mexico/Colorado to redirect their expanding production to markets to the east, primarily through pipeline capacity increases on routes into the Waha area of west Texas and the several natural gas market centers located there. Market improvement in California in recent years, however, has brought about a reversal in that trend. Current interstate flows of gas out of the San Juan Basin show greater amounts of the basin's gas moving westward to California while the amount of gas flowing to west Texas out of the basin has fallen off substantially.

- Throughout the Northeast and Midwest regions, the level of interstate movements of natural gas in 1998 reflects the drop in consumption brought about by the milder winter temperatures that occurred in these two regions over the past several years. In almost all cases,

Figure 6. Principal Interstate Natural Gas Flow Summary, 1998

