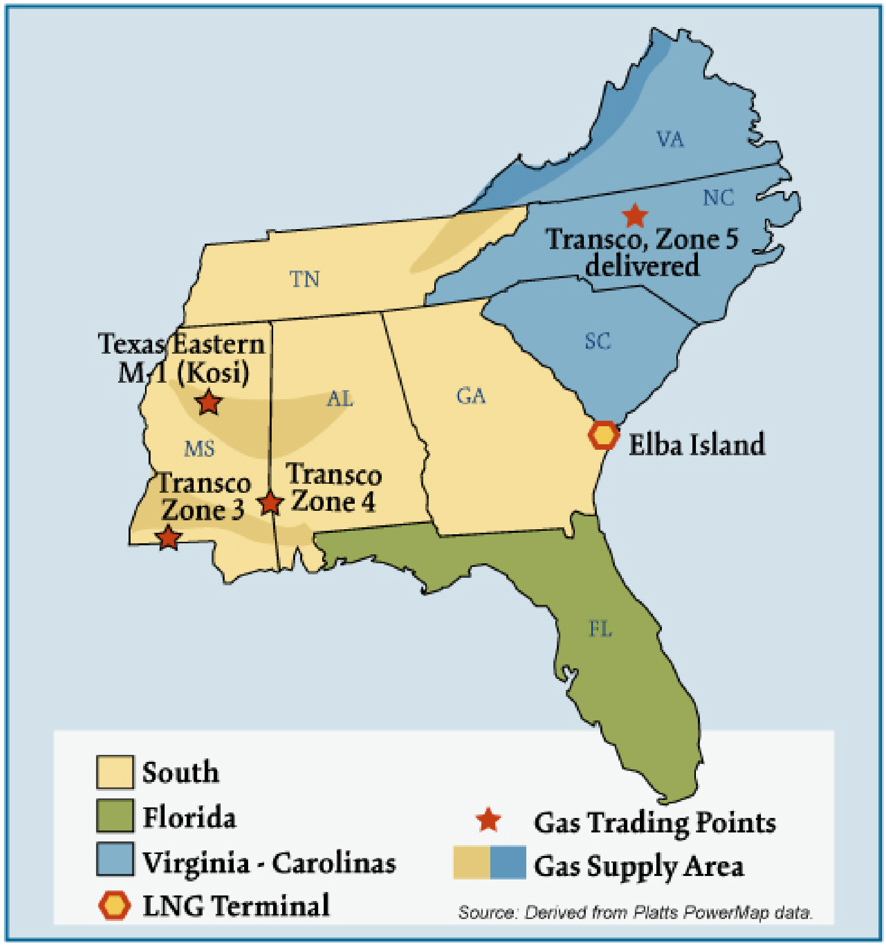
# Southeast Natural Gas Regions




Source: Derived from Platts PowerMap data.

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## Overview:

### Market Description

Industrial process requirements and power consumption are the fundamental drivers of the Southeast gas market. Florida is the biggest market for gas and accounts for about 30 percent of overall regional demand; the power sector comprises more than 80 percent of Florida's total demand. Overall storage capacity is the lowest of any region in the U.S.; regional storage facilities are concentrated in Mississippi. The lack of market area storage means that pipeline companies must issue notices warning customers to seek to closely match their scheduled gas volumes with actual gas usage at times and this can result in higher basis. LNG and pipeline-related infrastructure improvements, however, have augmented regional supply diversification. Principal gas supply sources include: East and South Texas, shallow and deepwater offshore locations, coalbed methane resources in the Black Warrior Basin, as well as various onshore locations, plus imports from the Lake Charles and Elba Island LNG terminals.

### Geography

**States covered:** Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, Tennessee, and Virginia.

### Major Trading Hubs

Florida Gas Zone 3, Texas Eastern M1, Transco Zone3, Transco Zone 4, and Transco Zone 5.

*Updated May 4, 2007*

## Storage

**State Capacity:** Mississippi contains 88 percent of total Southeast capacity.

Aquifer Capacity: 0%
Depleted Field Capacity: 66%
Salt Cavern: 35%
Total Capacity: Southeast has 2 percent of total US storage capacity.
Major Storage Pipelines and Capacity:

Southern Natural Gas: 60 Bcf
Petal Gas Storage Company: 10.75 Bcf

**Demand by Sector** (2005):

- Residential: 16%
- Commercial: 13%
- Industrial: 28%

**State:** Alabama, Florida, Georgia, Mississippi and Virginia make up 77 percent of total Southeast demand and 10 percent of total U.S. demand.

**Southeast Total:** 2.7 Tcf which makes up 12 percent of total U.S. daily demand.

**Consumer Total:** 8.02 million which is approximately 12 percent of total consumers in the U.S.

**Key Consuming States:** Georgia, North Carolina, Tennessee and Virginia make up 67 percent of the total number of consumers in the Southeast and about 8 percent of the total number of consumers in the U.S.

**Residential Consumers:** 91%

**Average Daily Deliveries through Transcontinental Station 60:**

2005: 1.7 Bcfd
2006: 1.7 Bcfd

*Updated May 4, 2007*

## Production

**State:** Alabama and Virginia make up 90 percent of total Southeast production which only contributes 2 percent to total U.S. production.

**Total:** Total Southeast production makes up a little over 2 percent of total U.S. production.

## Pipeline Flows

**Average Daily Deliveries into Florida:** 2.1 Bcfd (2005) 2.4 Bcfd (2006)

**Major Pipelines:** Florida Gas Transmission, Gulfstream Natural Gas System, Southern Natural Gas Company, Texas Eastern Transmission and Transcontinental Gas Pipeline.

**Average Daily Deliveries on Southern Natural Gas - Segment South of Franklinton**

2005: 0.8 Bcfd

2006: 1.0 Bcfd

**Average Daily Deliveries through Texas Eastern M1 @ the Kosciusko**

2005: 0.9 Bcfd

2006: 0.9 Bcfd

**Average Daily Deliveries through Transcontinental Station 65**

2005: 0.7 Bcfd

2006: 1.7 Bcfd

## Imports and Exports

**Average Daily Sendout at the Elba Island LNG terminal:**

2005: 0.3 Bcfd

2006: 0.4 Bcfd

**Major Importers:** BG LNG and Marathon Oil are the principal importers of LNG at Elba Island. Re-gasified LNG is currently transported into the Southeast via the Southern Natural Gas pipeline.

*Updated May 4, 2007*

# Annual Average Spot Hub Prices

| Annual Average Day Ahead Prices ($/MMBtu) | 2004 | 2005 | 2006 | 2007 | 2008 | 5-Year Avg |
|---|---|---|---|---|---|---|
| Henry Hub | $5.85 | $8.69 | $6.74 | $6.94 | $8.85 | $7.40 |
| FGT Zone 3 | $5.92 | $9.25 | $7.01 | $7.32 | $9.13 | $7.73 |
| Transco Station 65 | $5.88 | $8.98 | $6.84 | $7.05 | $8.92 | $7.54 |
| Transco Zone 5 | $6.29 | $9.40 | $7.13 | $7.41 | $9.47 | $7.95 |
| Tetco M1 | $5.93 | $8.93 | $6.79 | $7.06 | $8.98 | $7.54 |

Source: Derived from *Platts* data.

Updated January 23, 2009

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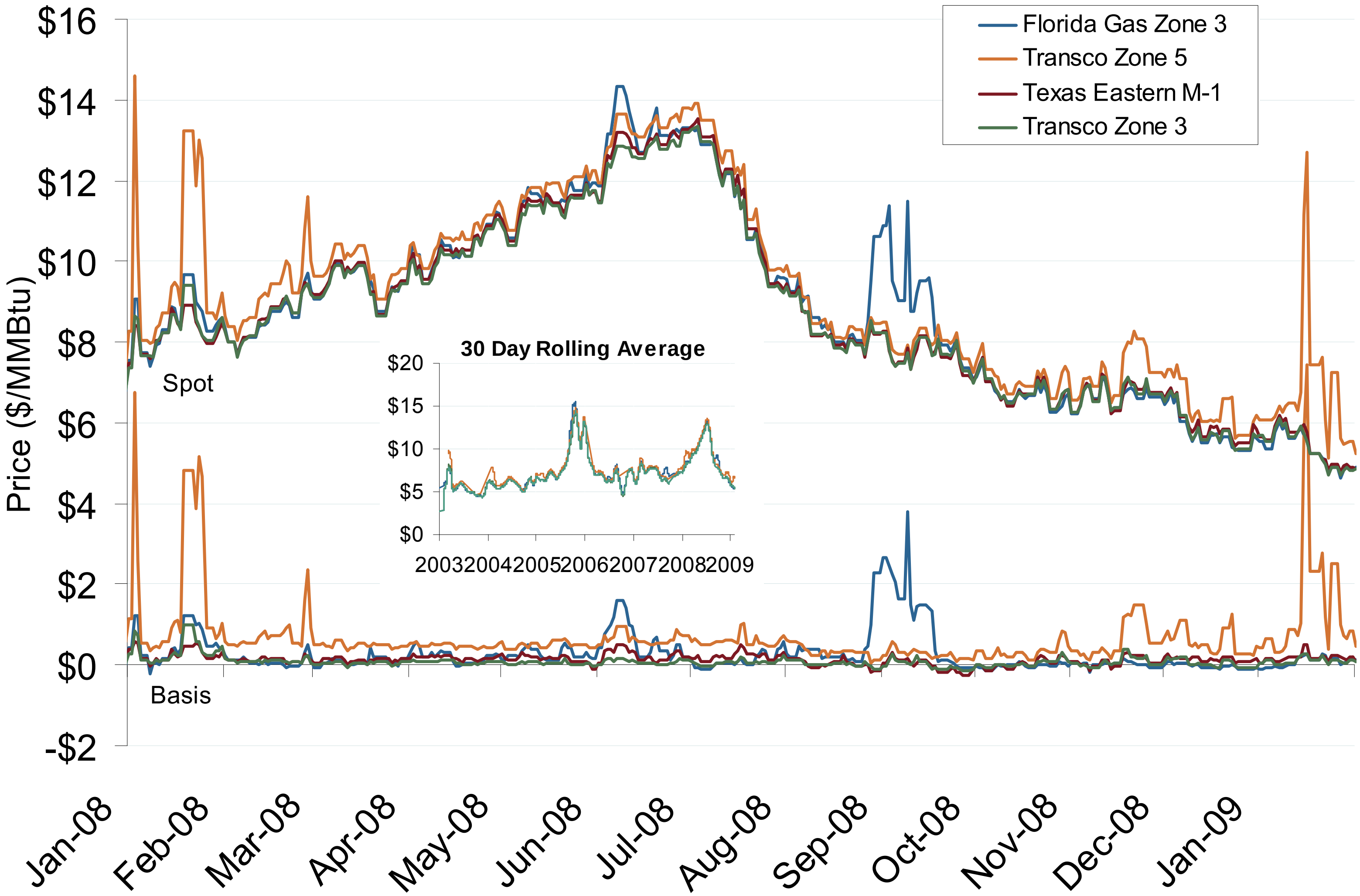
# Southeastern Day-Ahead Hub Spot Prices and Basis



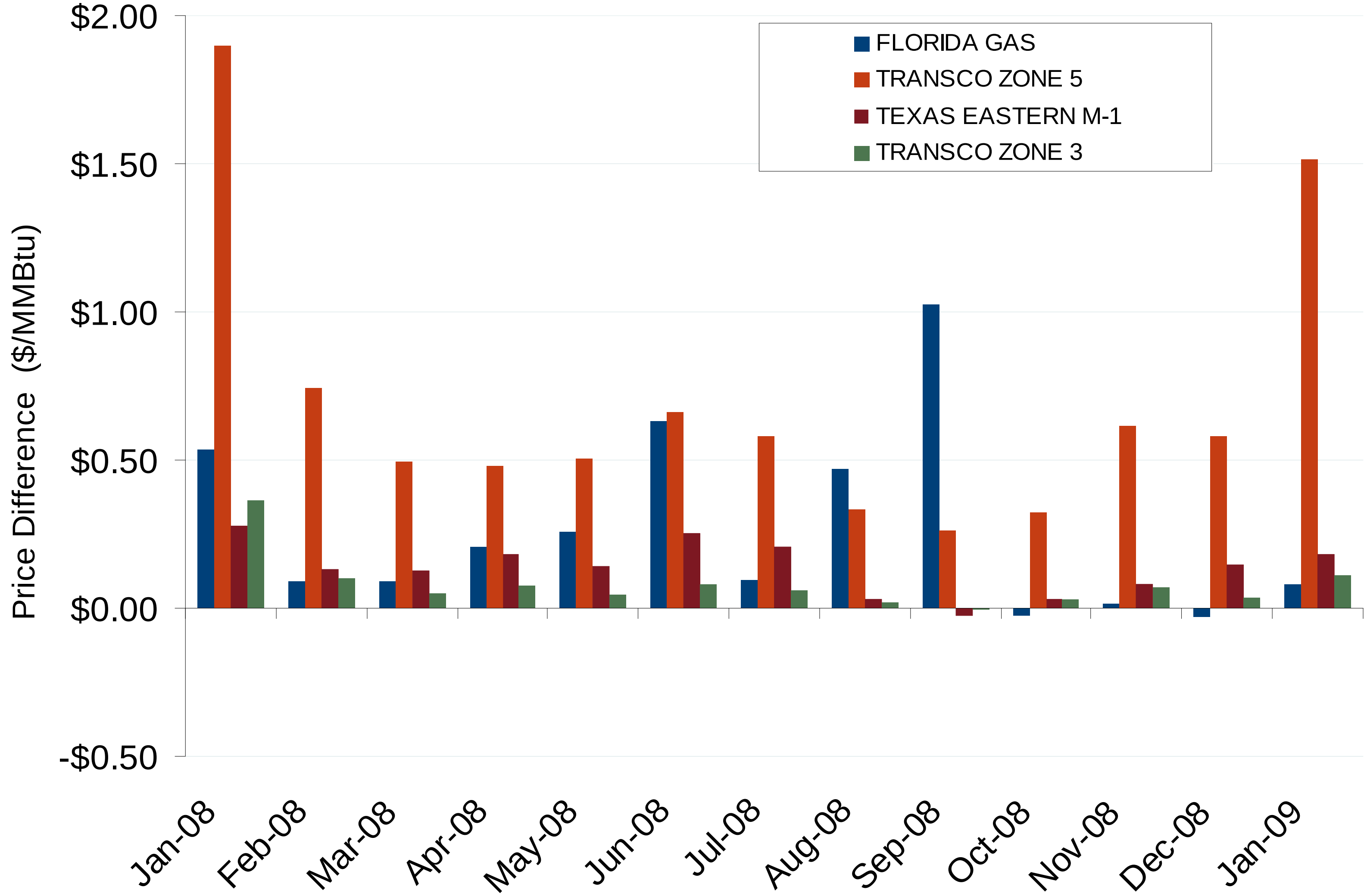

Source: Derived from *Platts* data.

Updated February 6, 2009 2058

Southeast Natural Gas Market: Average Basis to Henry Hub

**Federal Energy Regulatory Commission • Market Oversight @ FERC.gov**

# Southeastern Monthly Average Basis Value to Henry Hub




Source: Derived from *Platts* data.

Updated February 6, 2009

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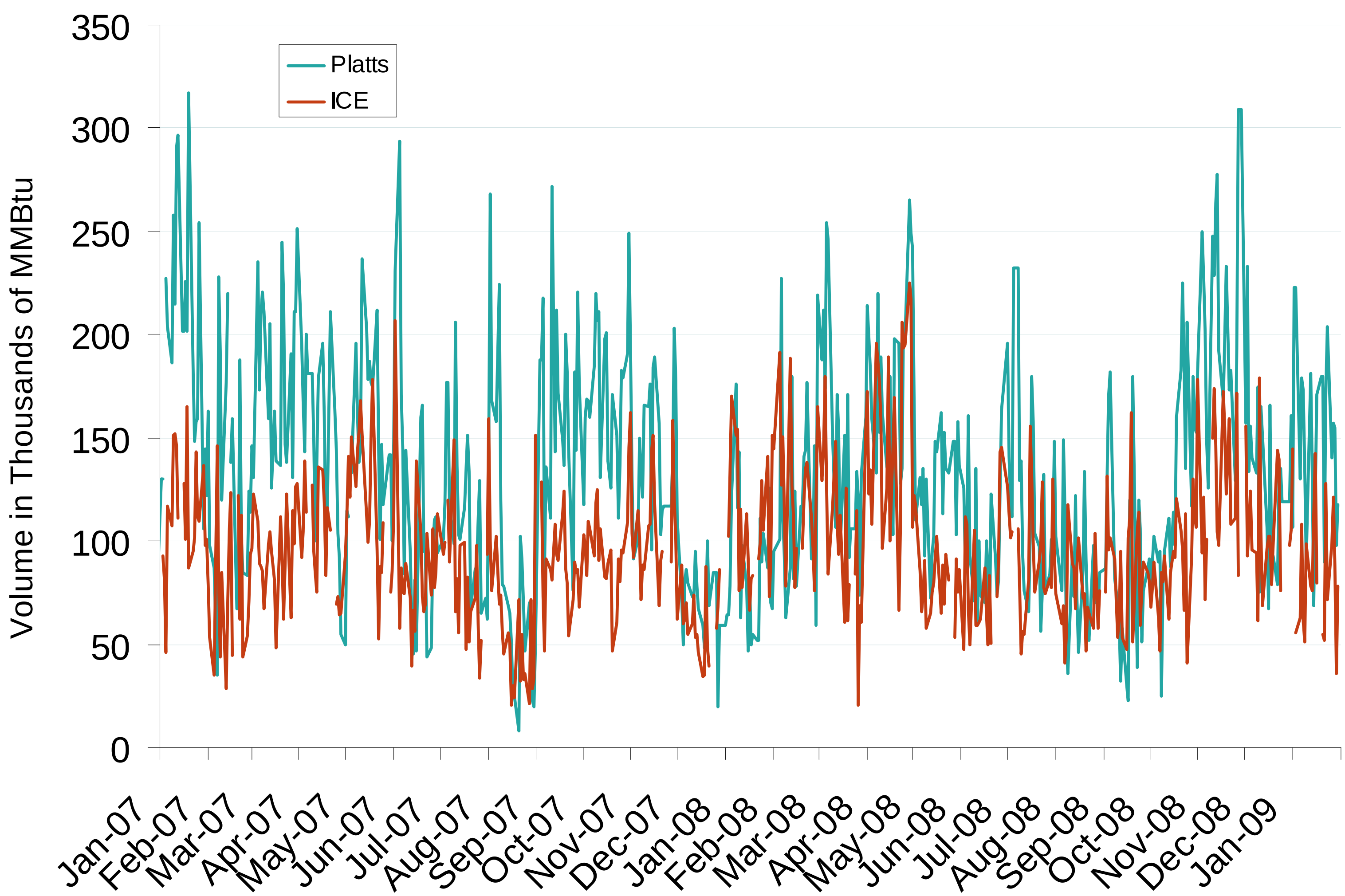
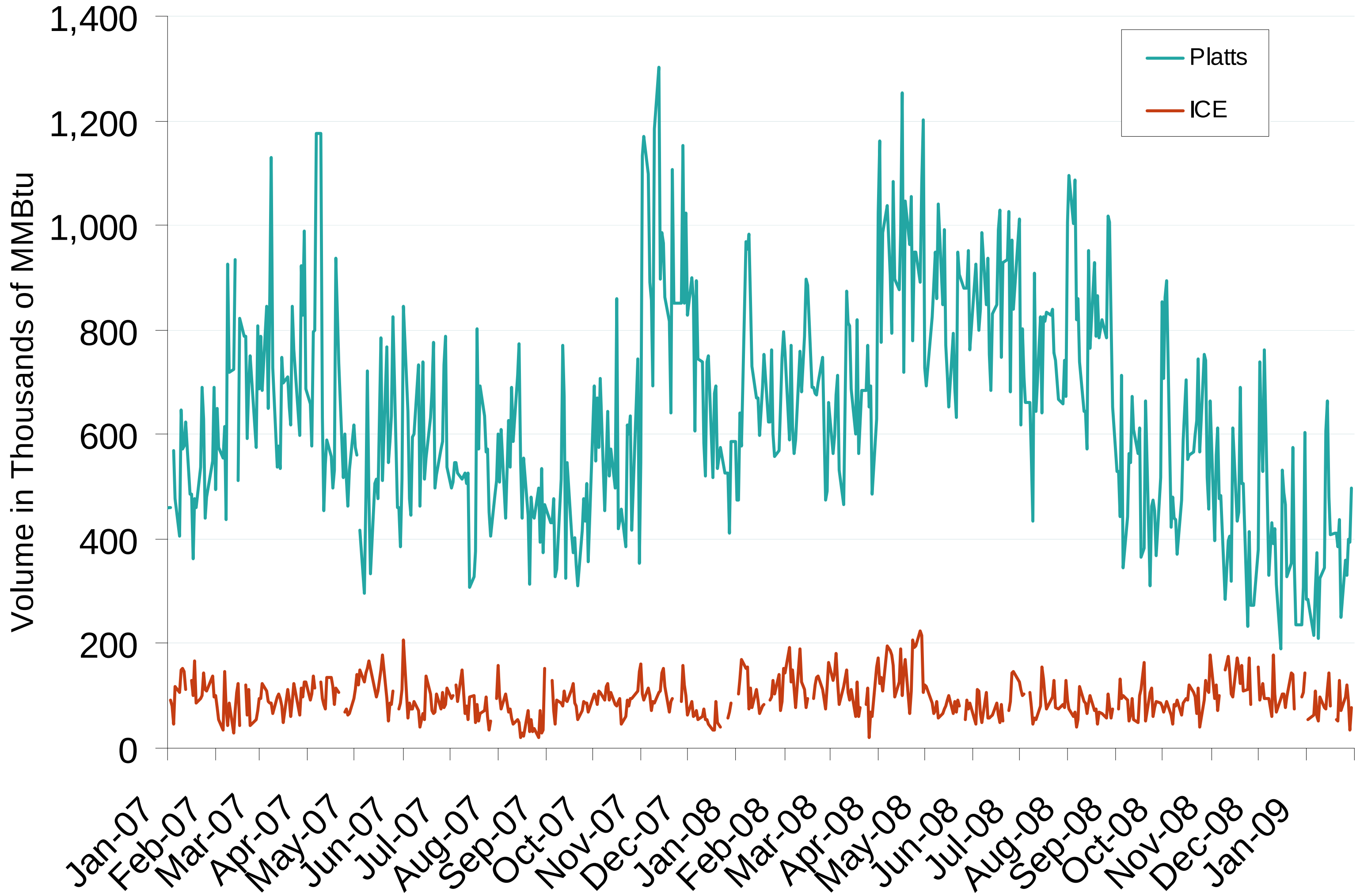
# Published and Traded Daily Spot Volumes at Texas Eastern M-1 Kosi




Source: Derived from *Platts* and *ICE* data.

Updated February 6, 2009 2153

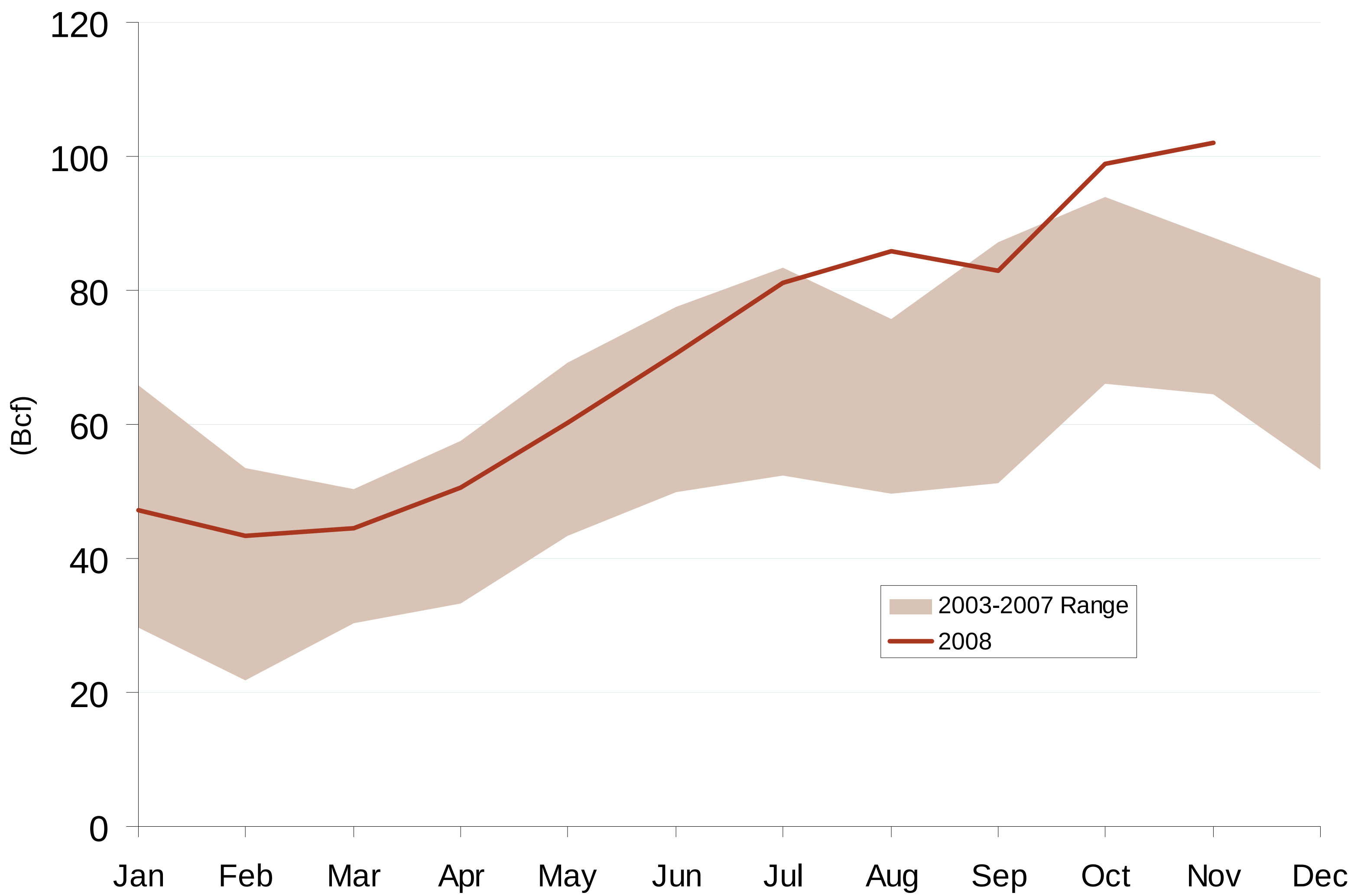
# Published and Traded Daily Spot Volumes at Transco Zone 3




Source: Derived from *Platts* and *ICE* data.

Updated February 6, 2009 2153

# Southeast Region Underground Working NG In Storage




Source: Derived from *EIA* data.

Updated February 6, 2009

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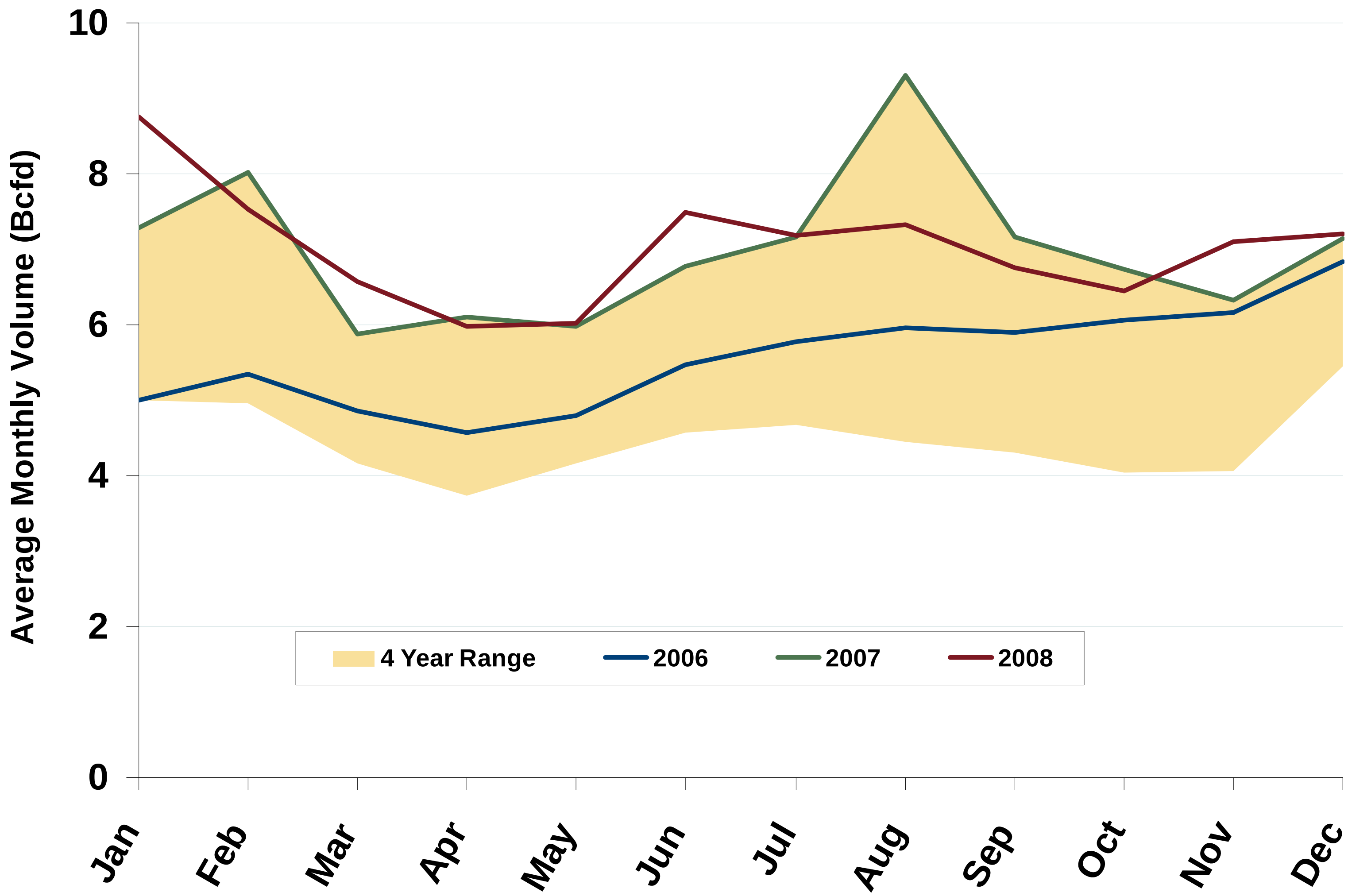
Southeast Natural Gas Market: Average Daily Demand

Federal Energy Regulatory Commission • Market Oversight @ FERC.gov

# Average Daily Southeast NG Demand, All Sectors




Source: Derived from *Bentek* data.

Updated January 9, 2009

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