

# **AGI Critical Issues Forum**

## **America's Increasing Reliance on Natural Gas: Benefits and Risk of a Methane Economy**

**“Politics & Public Opinion”**

**The Natural Gas Conundrum**

**L. C. (Randy) Randolph Jr.**

# **Southern Gas Association**

## **Who We Are...**

- **106 year old natural gas trade association**
- **160 natural gas company members**
- **300 associate members**
- **500+ member volunteers**
- **60 live & 50 virtual events per year**

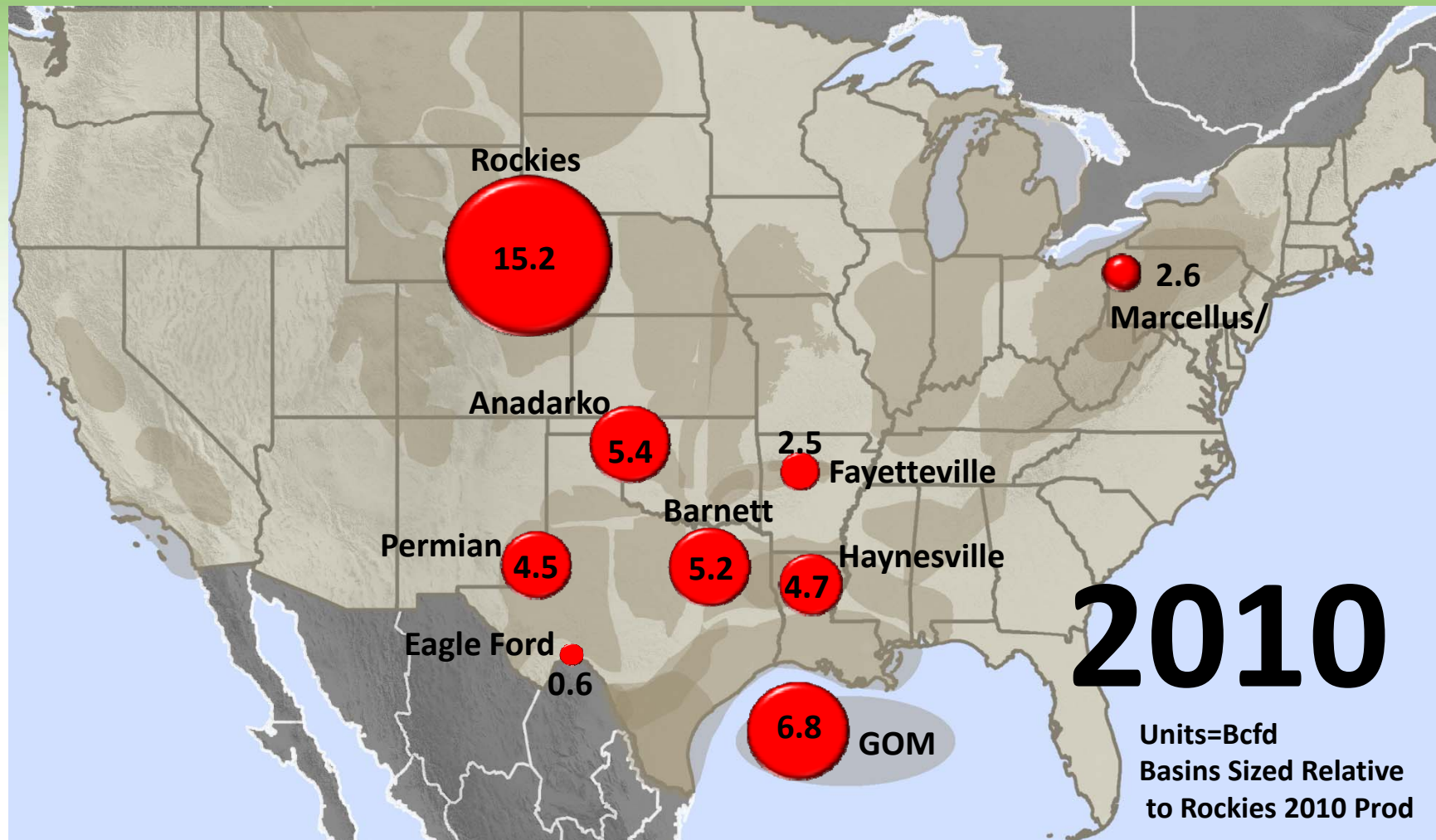
# SGA Member Service Areas



# Outline

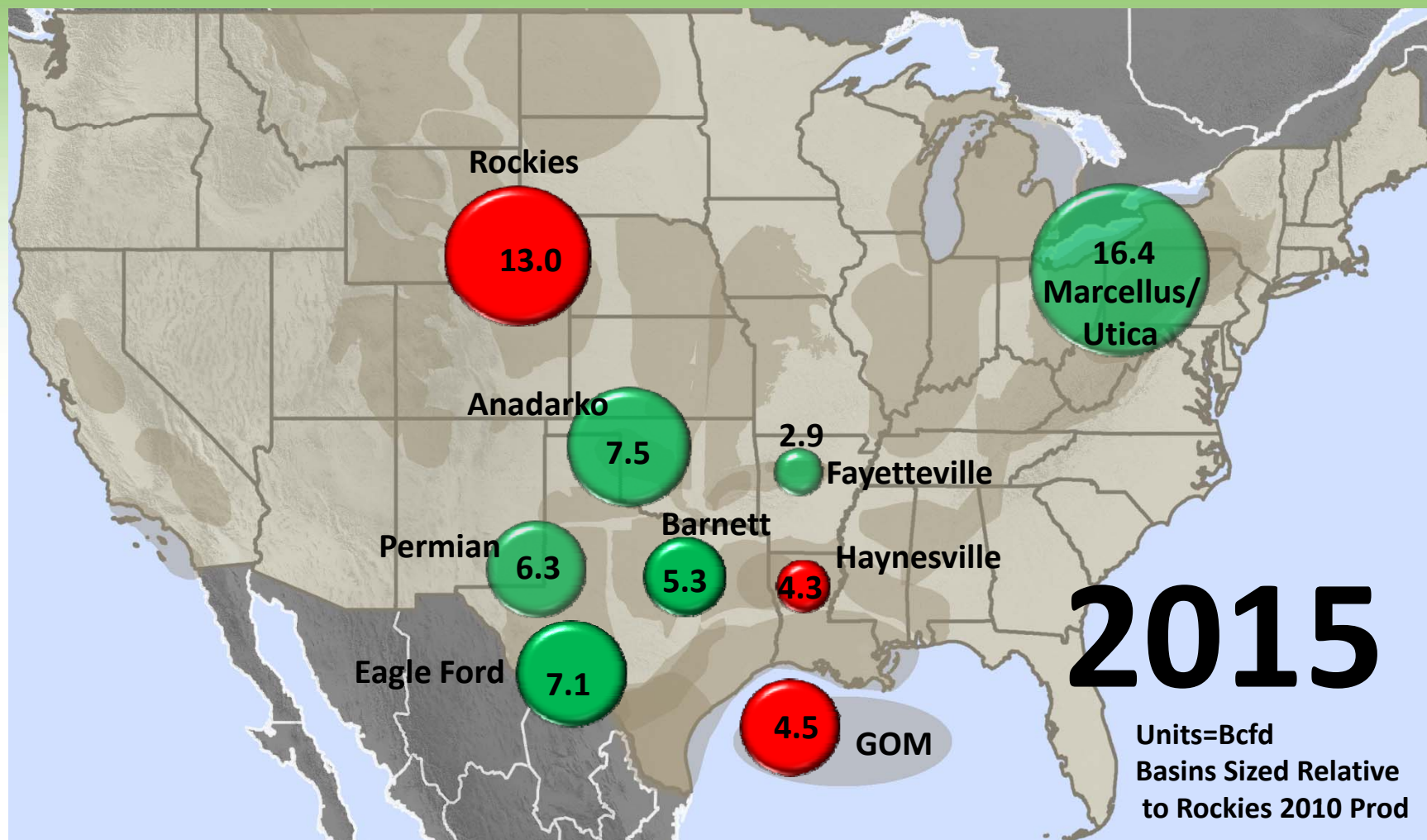
- Geographic Changes in Nat Gas Supply
- Nat Gas & Liquid Hydrocarbon Connection
- US Refining Capacity
- Economic Contributions
- Regional Responses
- Technology

# Natural Gas Production Geography Keeps Evolving



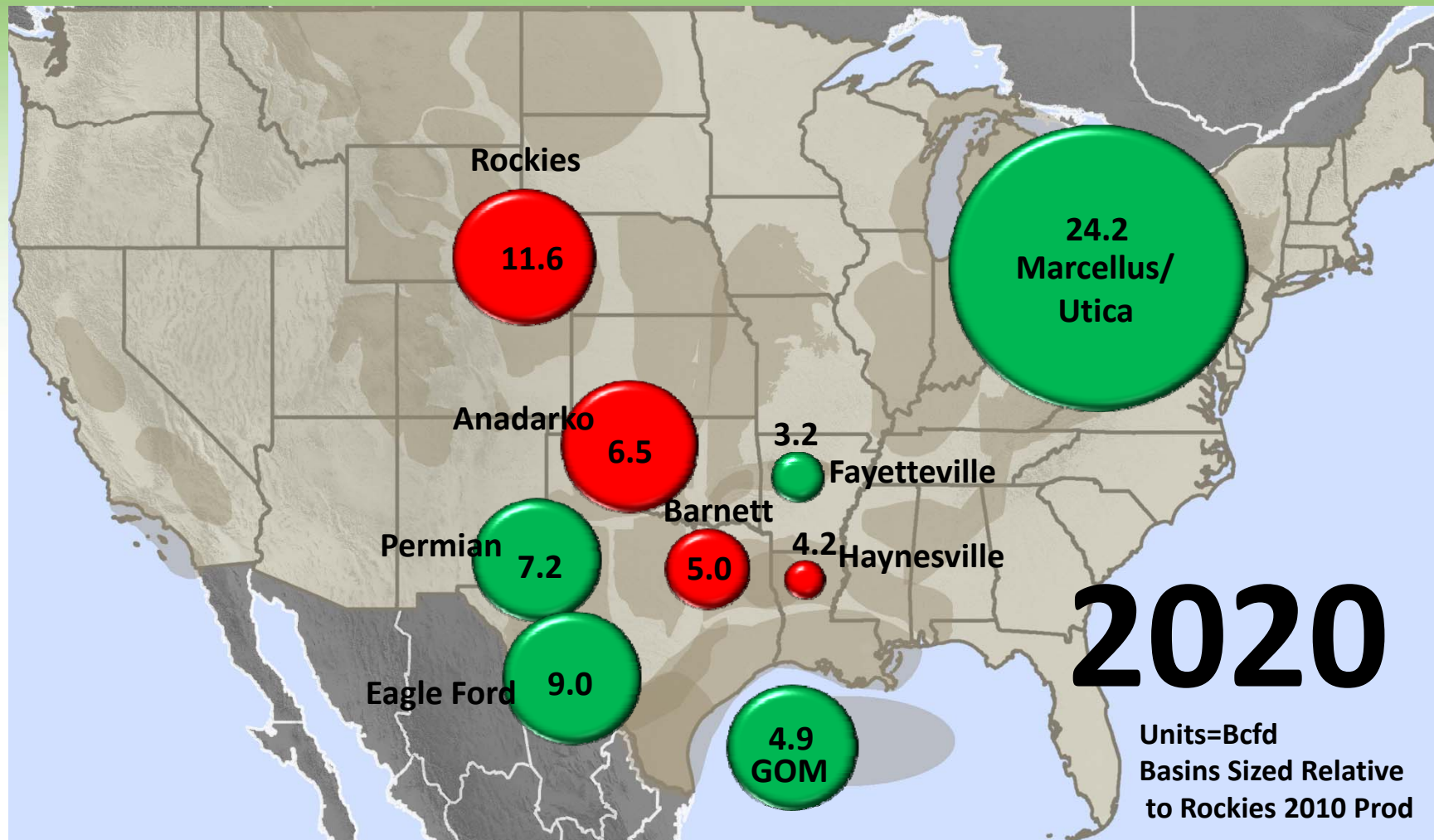


# Marcellus/Utica Transforming The Natural Gas Market

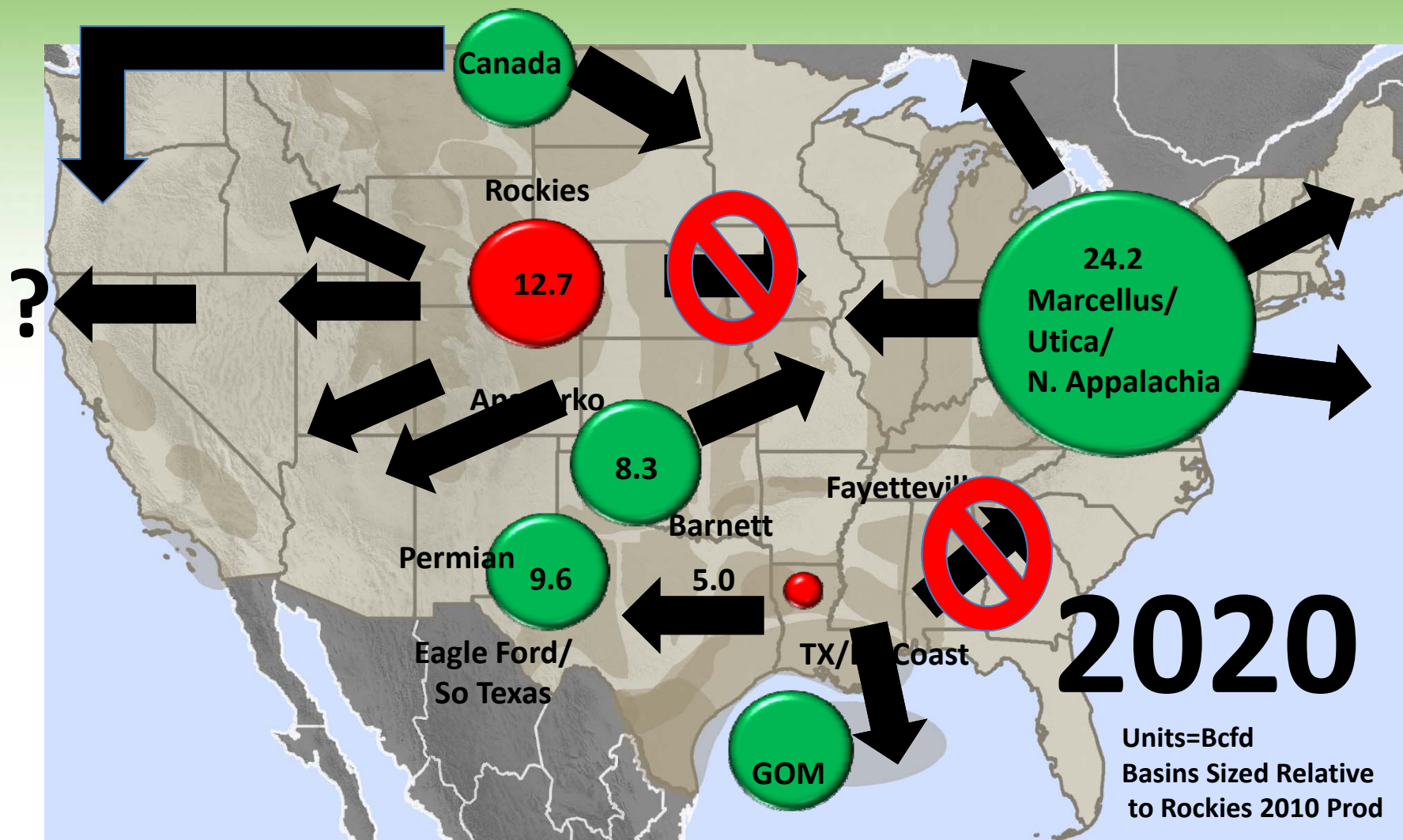


Source: Ponderosa Advisors HPDI

# Marcellus/Utica Will Transform The Natural Gas Market



# Marcellus/Utica Production Dominates NA Flow Patterns Straining Pipeline Assets

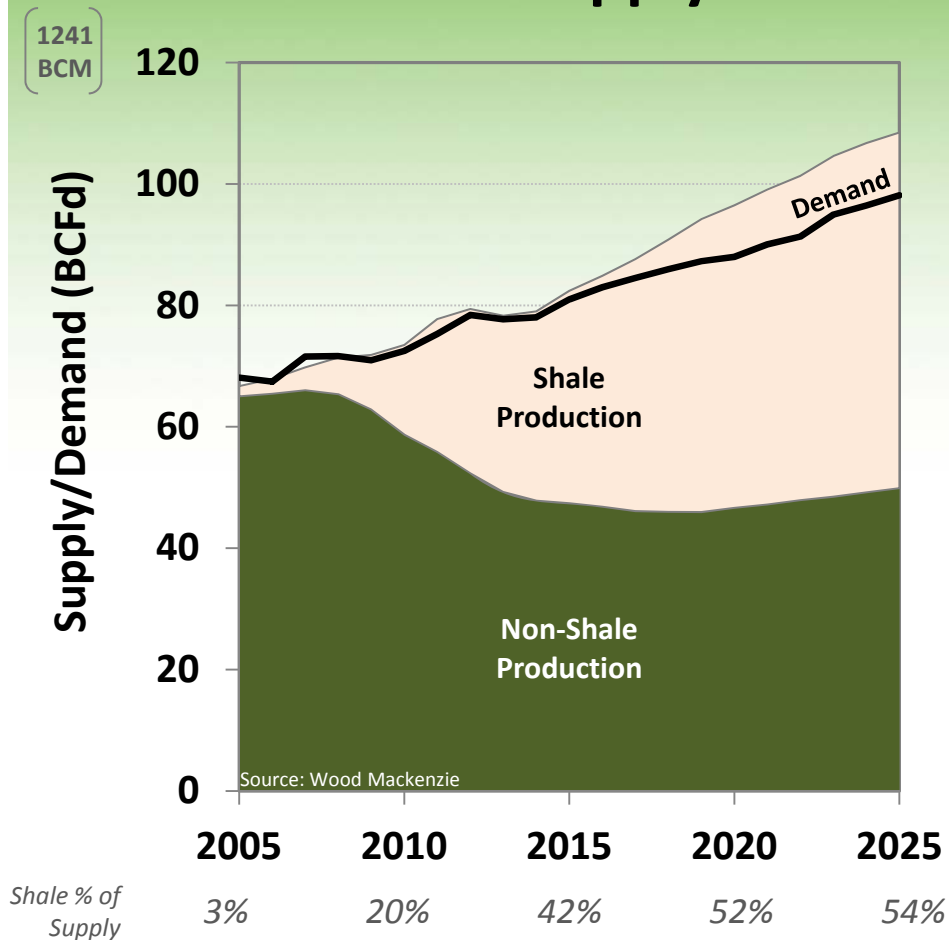


Source: Ponderosa Advisors & HPDI

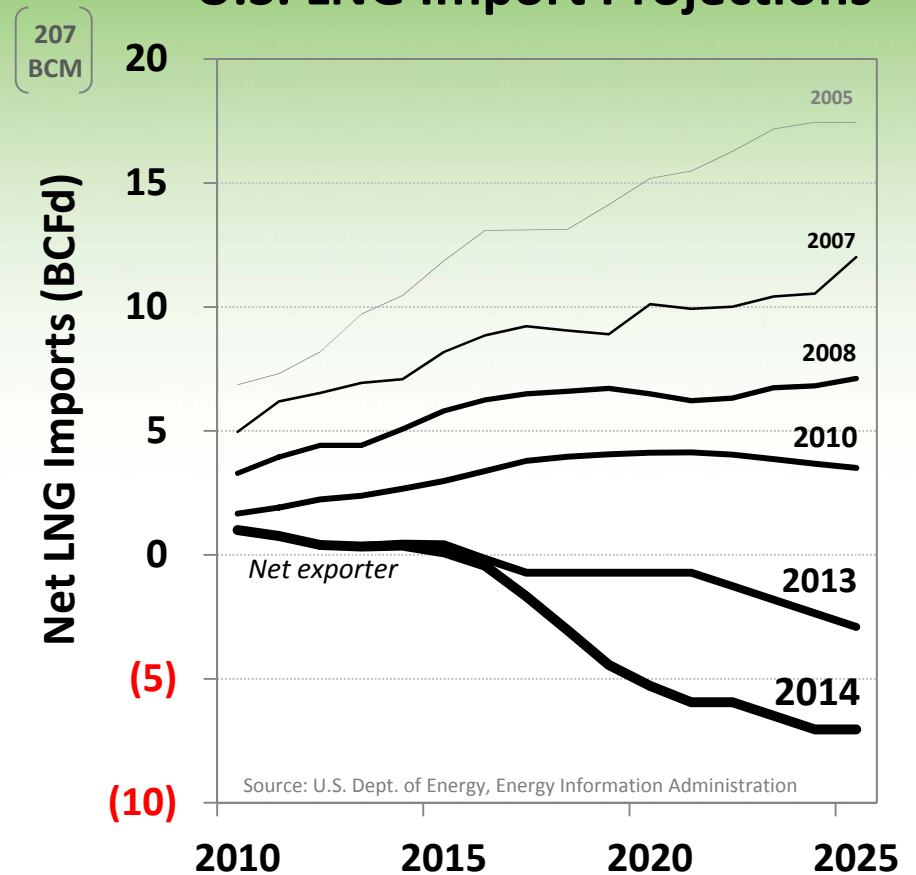


# North America Natural Gas Supply and Demand

## N. America Supply vs. Demand



## U.S. LNG Import Projections

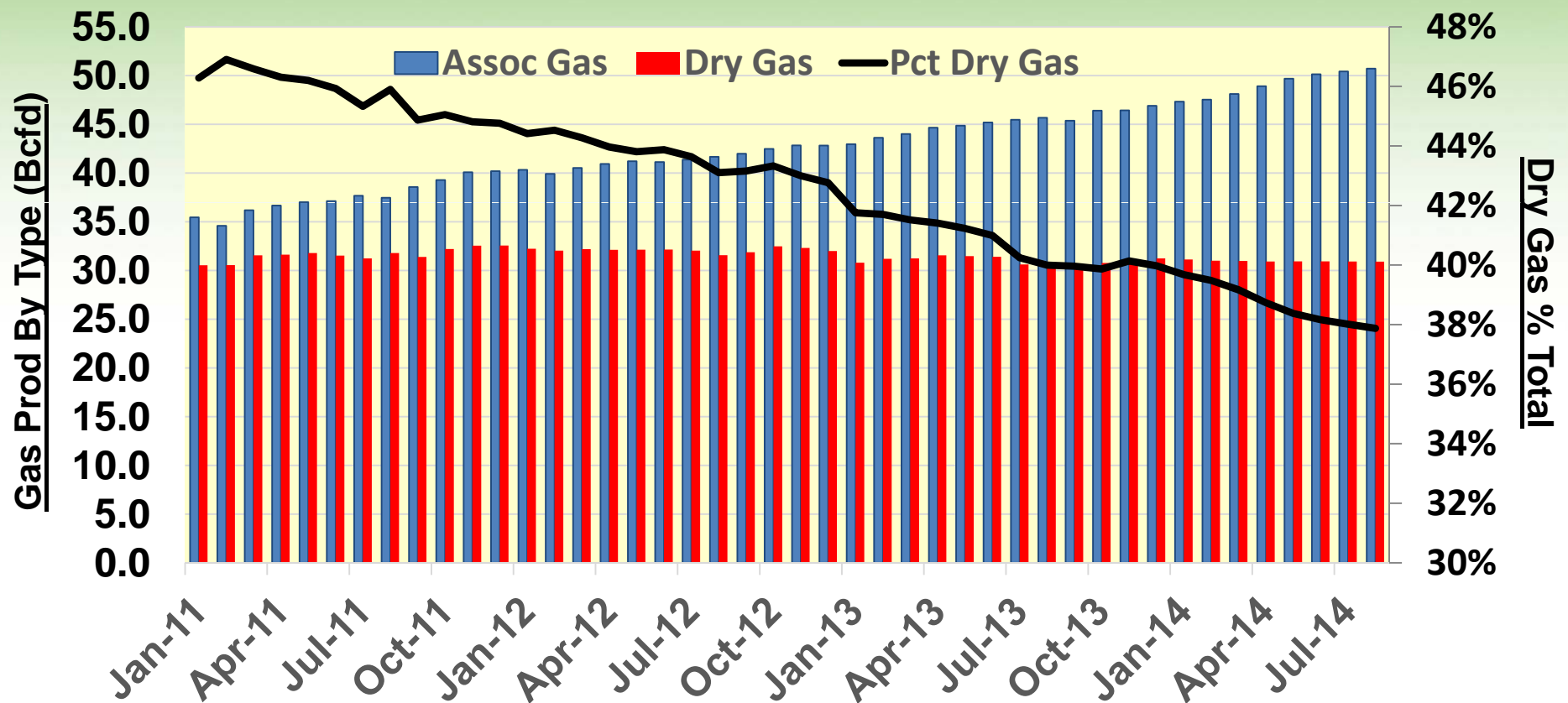


North America is poised to become a net LNG exporter

\*N. America: U.S. and Canada only

# Dry Gas Declines Have Been Offset By Associated Gas Production

## Gross Gas Production By GPM



Assoc Gas Definition: Onshore Production Areas With GPM>1.15, Data through 8/2014

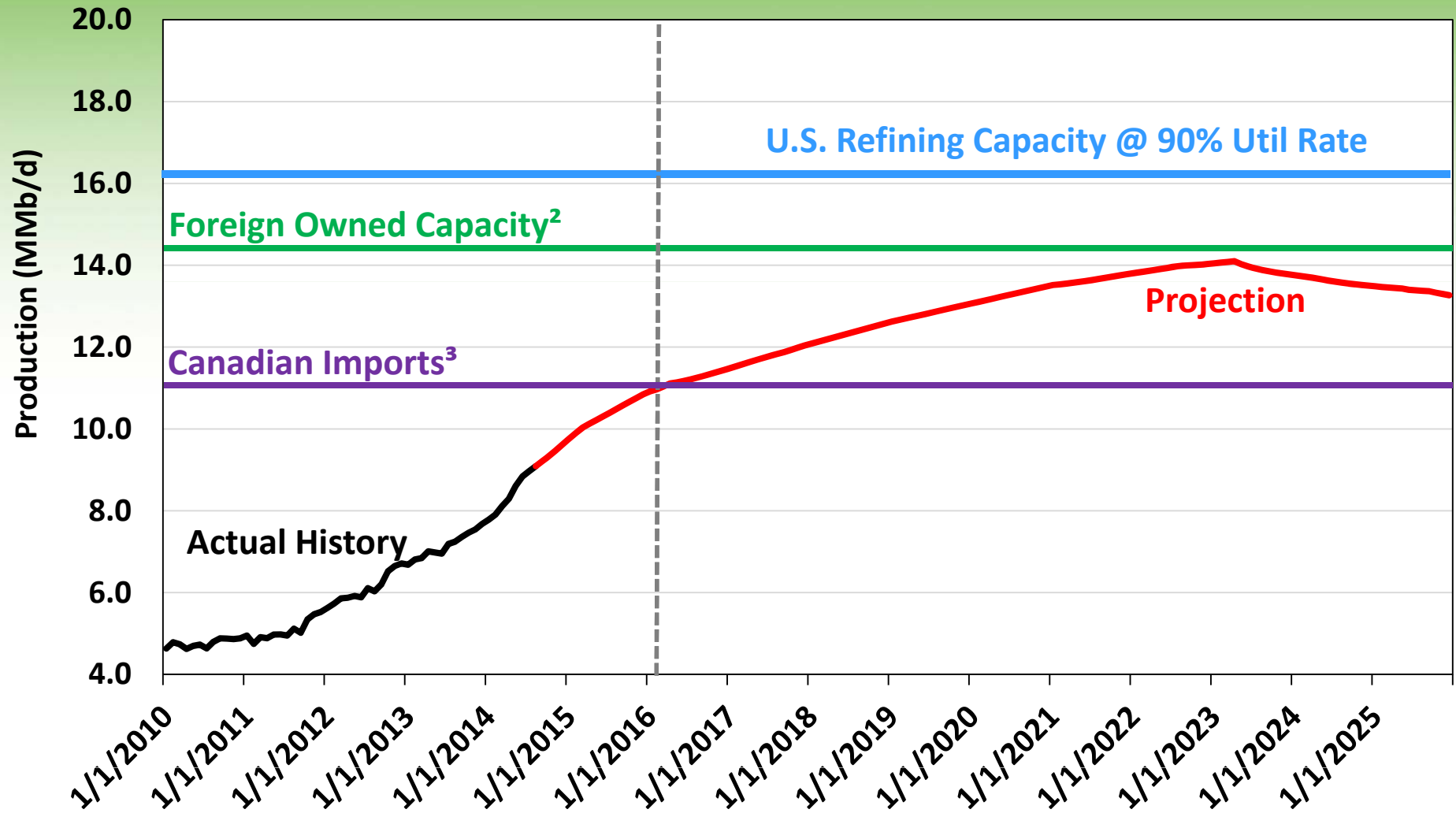
Source: Ponderosa Advisors, HPDI, FERC

<sup>1</sup>Utilization Rate: 90%

<sup>2</sup>Foreign Owned Capacity: 1.4 MMb/d

<sup>3</sup>Canadian Imports: 3.1 MMb/d

# US Refining Capacity Will Slow Production Growth



Source: Ponderosa Advisors, HPDI, FERC

<sup>1</sup>Utilization Rate: 90%

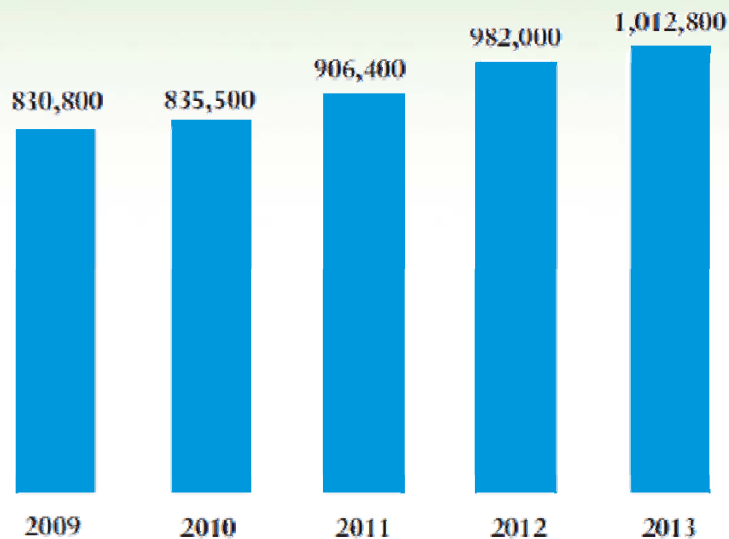
<sup>2</sup>Foreign Owned Capacity: 1.4 MMb/d

<sup>3</sup>Canadian Imports: 3.1 MMb/d

# United States Oil & Gas Key Industry Statistics

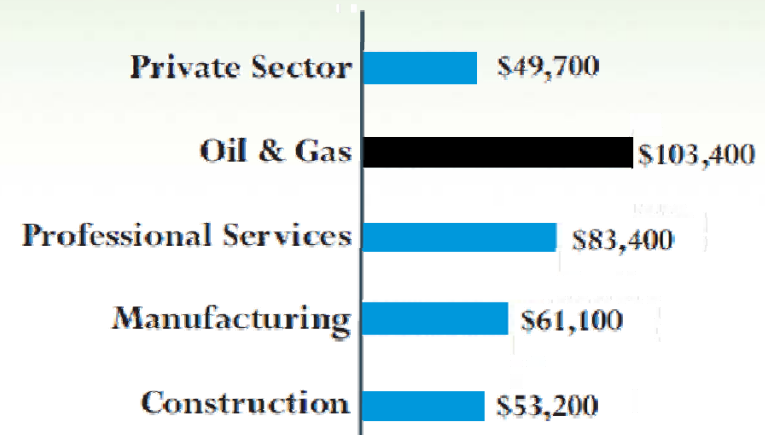
## EMPLOYMENT

2009-2013



## WAGE COMPARISON

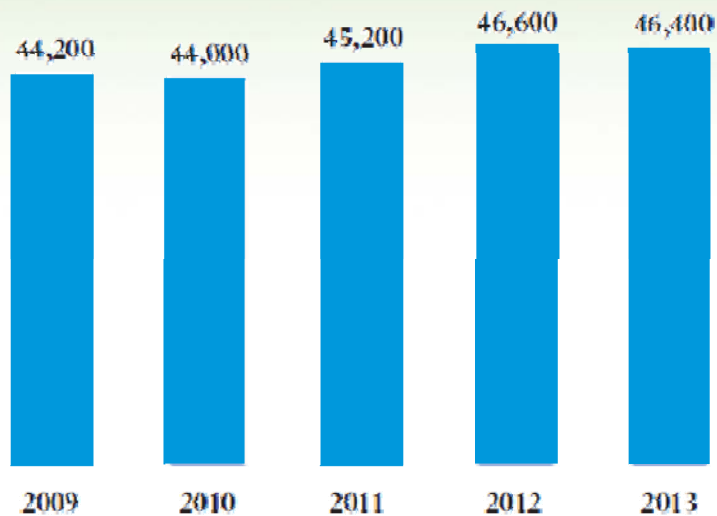
Annual Average in 2013



# California Oil & Gas Key Industry Statistics

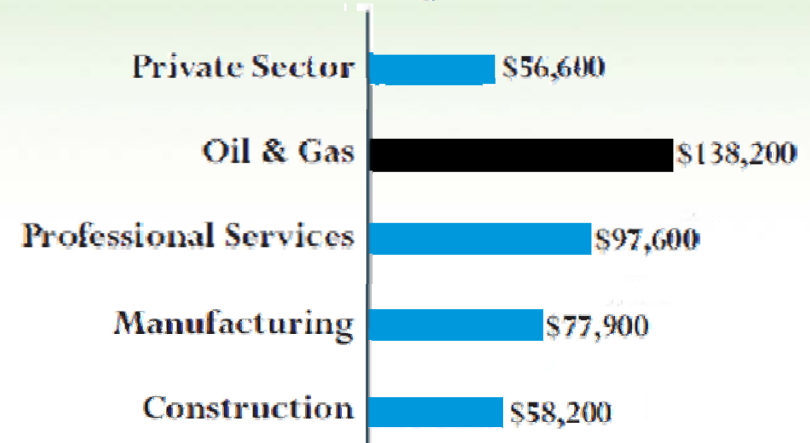
## EMPLOYMENT

2009-2013



## WAGE COMPARISON

Annual Average in 2013



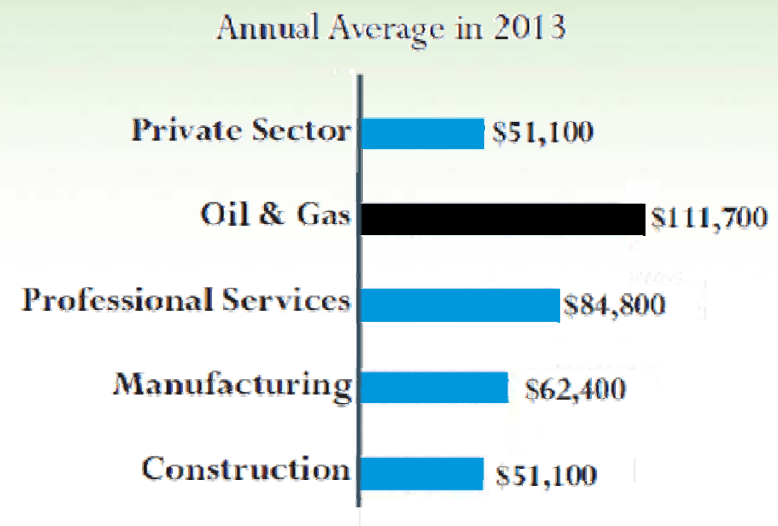


# Colorado Oil & Gas Key Industry Statistics

## EMPLOYMENT



## WAGE COMPARISON



# Texas Oil & Gas Key Industry Statistics

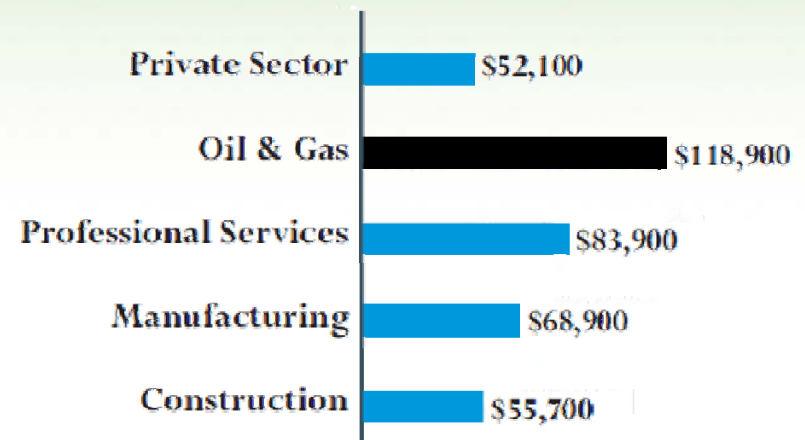
## EMPLOYMENT

2009-2013



## WAGE COMPARISON

Annual Average in 2013



Source: U.S. Bureau of Labor Statistics  
All data is for 2013 except where noted.

# UT Austin Energy Survey

## **35 years old and younger**

- 68% would likely vote for candidates that support carbon emission reductions
- 56% are willing to pay much higher prices to protect the environment
- 72% strongly support subsidies for renewable energy
- 39% are familiar with hydraulic fracturing for hydrocarbon fuel extraction
- 37% support the use of hydraulic fracturing

## **65 years old and older**

- 50% would likely vote for candidates that support carbon emission reductions
- 20% are willing to pay much higher prices to protect the environment
- 58% strongly support subsidies for renewable energy
- 52% are familiar with hydraulic fracturing for hydrocarbon fuel extraction
- 52% support the use of hydraulic fracturing

# Building Creditability & Relationships

- Education – Public, Customers & Employees
- Advocacy Training
- Local Community Engagement
- Workforce Training & Development
- Public Forum Participation
- Safety - Public, Customer and Employee
- Communications

# Contact

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