



NEWS

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Data on 2008 Natural Gas Transactions Underscores Strong, Diverse, Competitive Physical Natural Gas Market

(Washington, DC) -- Large natural gas suppliers showed a healthy diversity in the types of transactions they used to purchase and sell natural gas in the physical market in 2008, based on the new Form 552 reports that Natural Gas Supply Association (NGSA) member companies submitted to the Federal Energy Regulatory Commission (FERC) earlier this month.

R. Skip Horvath, president and CEO of NGSA, said, "A look at the reports filed by NGSA's members showed that large natural gas suppliers entered into many types of transactions in the physical markets last year and that the individual companies differed from one another in how they chose to diversify their transactions. This diversification is indicative of a well-functioning, competitive natural gas market."

According to the data in the Form 552 reports, as a whole, NGSA companies used indexed prices for 66 percent of all their next-day volumes and for 87 percent of all their next-month volumes. *(See next page for table.)*

"The number of indexed-price volumes shows the NGSA market participants' confidence in the price indices and overall market transparency," Horvath said. Individually, major natural gas suppliers displayed a range of preferences for the different types of transactions.

NGSA member company reports showed that 97 percent of their fixed-price volumes on Form 552 that were eligible for inclusion in index formation were reported to price publishers, indicating a high level of voluntary participation in price discovery.

"This high level of reporting, coupled with the fixed-price reporting of other market participants, validates our confidence in the price discovery process and helps to underscore the strength, breadth and diversity of the physical natural gas market. The sheer volume of reports filed and market participants' robust use of both fixed and indexed-price volumes also confirm that this is a market with numerous participants of all sizes and portfolio types and many kinds of transactions," Horvath said.

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**NGSA Member Company FERC Form 552
Reportable Physical Natural Gas Transactions 2008**

	Volumes (sales + purchases) that use next-day indices	Volumes (sales + purchases) that use next-month indices	Fixed price volumes eligible for inclusion in index formation reported to publishers (next-day, next-month, sales and purchases)
NGSA companies ¹ on average <i>Major suppliers of natural gas</i>	66%	87%	97 %
Highest amount for an individual NGSA company	96%	100%	N/A
Lowest amount for an individual NGSA company	62%	74%	N/A

Source: FERC Form 552 Responses²

Note: Index volumes may include deals that reference next day or next month indices but may be for the balance of a single month, other months, or annual transactions.

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¹ NGSA members are integrated and independent companies that supply natural gas. Established in 1965, NGSA encourages the use of natural gas within a balanced national energy policy, and promotes the benefits of competitive markets to ensure reliable and efficient transportation and delivery of natural gas and to increase the supply of natural gas to U.S. customers.

² The Form 552 reports filed by individual companies are available at [FERC Online eLibrary](#). [Reporters note -- Select a **date range** and "Form 552" in the **Class/Type** dropdown box.] This is the first year that FERC has collected this data and it may refine and revise its data collection going forward.