



Representing America's Natural Gas Suppliers

The crucial link between production and customers

The Natural Gas Supply Association represents integrated and independent companies that produce and market natural gas in the United States. Founded in 1965, NGSA is the only Washington D.C.-based trade association that focuses solely on producer/marketer issues related to the downstream natural gas industry. The term “natural gas suppliers” encompasses both *producers* and *marketers*.

Competitive, thriving marketplace. The natural gas industry in the United States is highly competitive, with thousands of companies, from large to small, producing natural gas each year.

Suppliers, producers and marketers. Of course, once natural gas is produced, someone – the natural gas “supplier” – has to identify and work with the customer to determine how much gas is needed, when, where, over what period of time and at what price. *A supplier can be a producer, a marketer, or both.*

Some producers have the in-house capability to arrange supply and sell their natural gas *directly* to big customers such as natural gas utilities, electricity generators and manufacturers. Other producers opt to sell their natural gas to marketers, who are able to aggregate natural gas into quantities that fit the needs of different types of buyers and then to arrange transportation of that gas to their buyers. And some producers are themselves marketers, aggregating their own production with that of others.

Contracts, time frames and pricing. Since buyers have different needs, producers and marketers sell natural gas to them for delivery at different times under a variety of commercial arrangements: on the “spot” market for next-day delivery, under contract for next month delivery, or for terms longer than one month. Typically natural gas is sold at a fixed price agreed to by both parties or at a price that floats with market price, determined by published “index” prices. The natural gas market is a transparent, thriving entity, with thousands of supply contracts bought and sold daily in an open and competitive marketplace. Customers benefit from the size and flexibility of the natural gas market.

Natural gas suppliers are able to meet customers’ differing needs by bringing together a large number of buyers and sellers. In addition, suppliers – along with other buyers and sellers of natural gas – are able to use financial instruments to hedge risks associated with price changes, since natural gas prices are sensitive to weather and other supply/demand fundamentals.



Simply put, the role of the natural gas supplier is connecting production with people and arranging transportation through pipelines.



Whether it’s a producer or a marketer that coordinates the supply connection between producer and buyer, arranging for that fuel supply is a key function of the natural gas market, and a vital link ensuring that customers have natural gas.

Bright future for natural gas. Demand for natural gas from electric utilities, natural gas utilities and manufacturers continues to grow because gas is abundant, affordable and low in emissions – and each of these customer groups know they can turn to natural gas because natural gas suppliers will work to make it available and suitable to their needs.

NGSA’s advocacy on behalf of suppliers. NGSA has a long and well-established relationship with a wide range of stakeholders to ensure a public policy environment that fosters a growing, competitive market for natural gas. We advocate at the Federal Energy Regulatory Commission, the Department of Energy, the Commodity Futures Trading Commission, the Department of Transportation (LNG issues) and in Congress. We work with key customer groups to build confidence in the natural gas market, with opinion leaders and with the media. The Center for Liquefied Natural Gas (CLNG) merged with NGSA in 2015 and the two brands work cooperatively to educate policymakers on opportunities offered by exporting LNG and using it as a fuel.

NGSA’s member companies include:

- BP
- Chevron
- ConocoPhillips
- Direct Energy
- ENGIE
- Equinor
- ExxonMobil
- Shell Energy North America
- Tenaska

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Natural Gas Suppliers Connect Producers with People to Meet Their Natural Gas Needs – Supply Chain

