

The Power of Energy: Winning our Future
AABE 35th Annual Conference
April 19, 2012

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And Then There Was Abundance

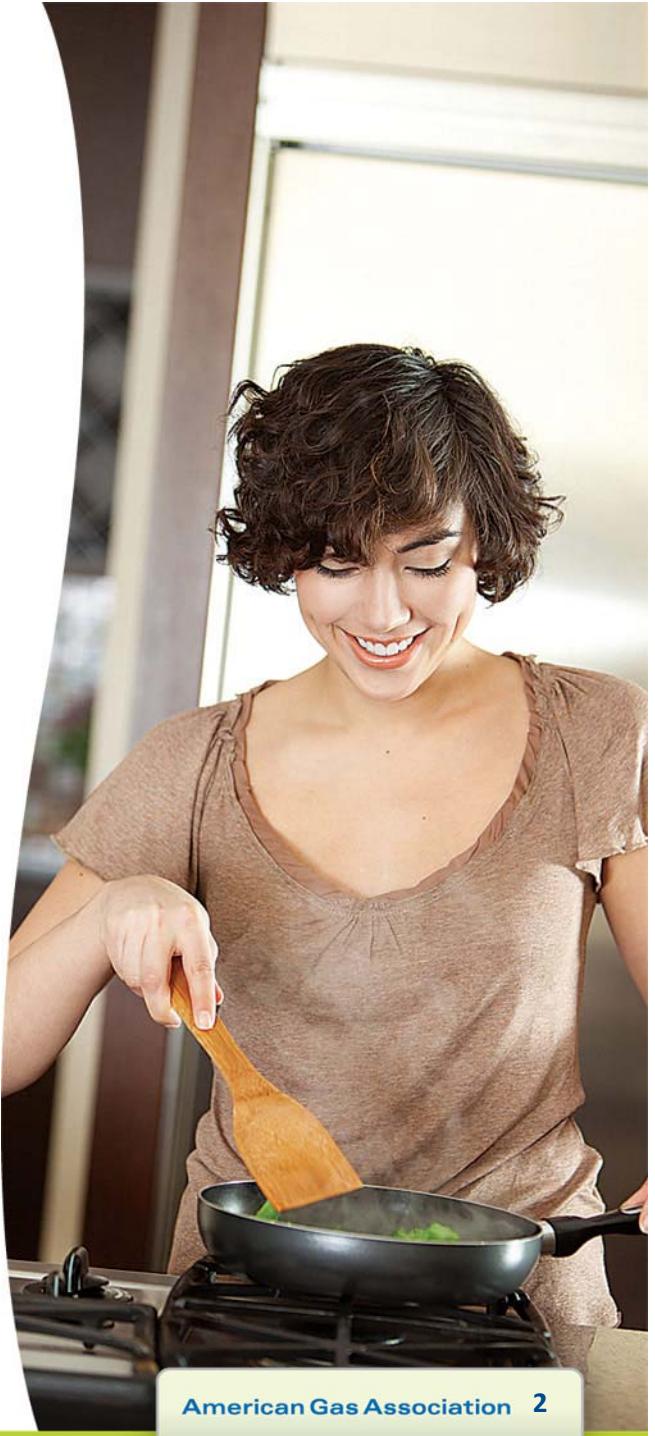
Natural Gas Supply and Market Potential

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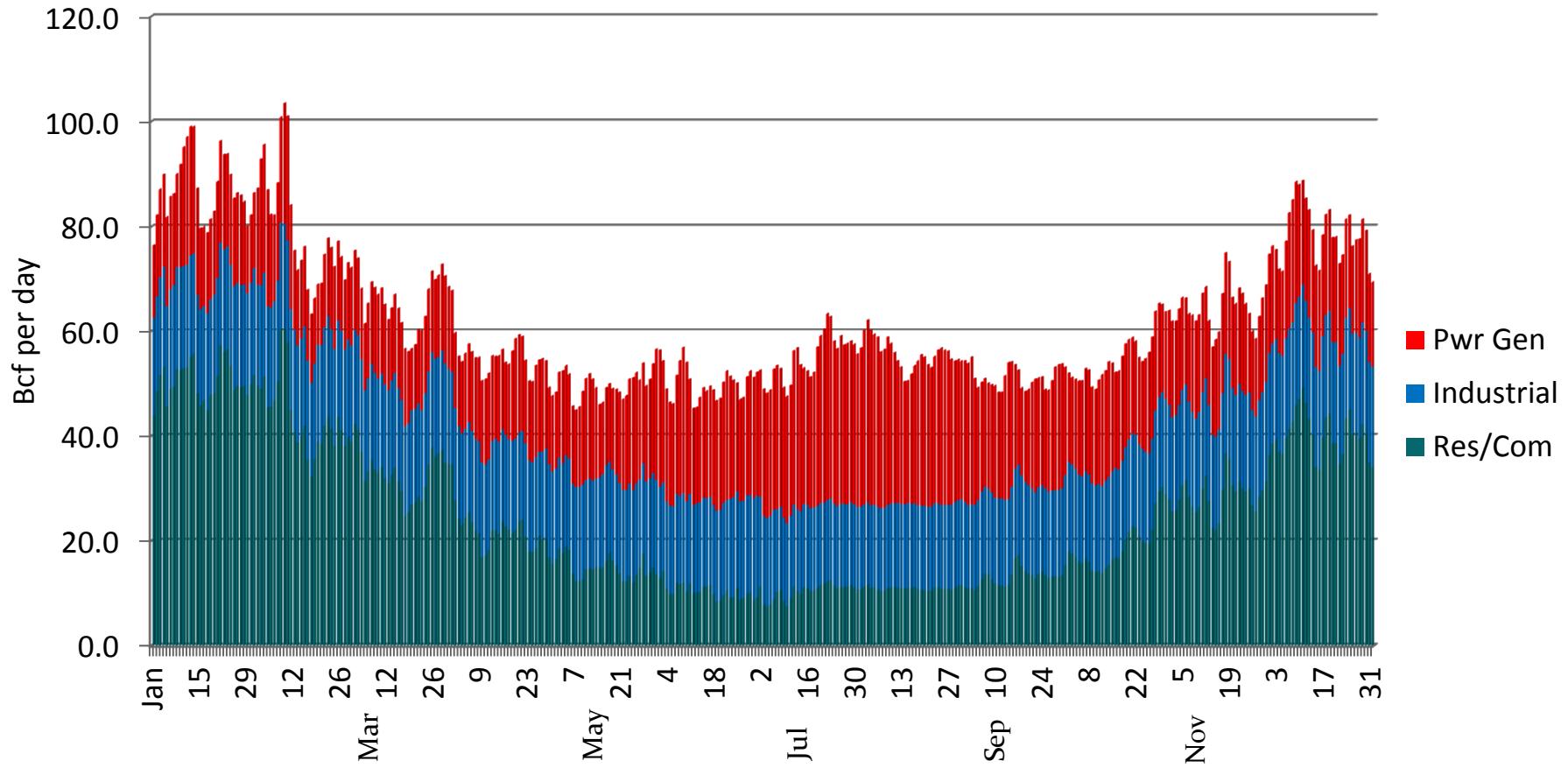
Delivering natural gas that fuels America's way of life

- The American Gas Association (AGA), founded in 1918, represents local natural gas companies that cleanly fuel the way of life of 175 million Americans nationwide
- 2.4 million miles of pipeline
- 92% of the residential and commercial customers receive natural gas from AGA member companies.



Daily Natural Gas Consumption by Sector

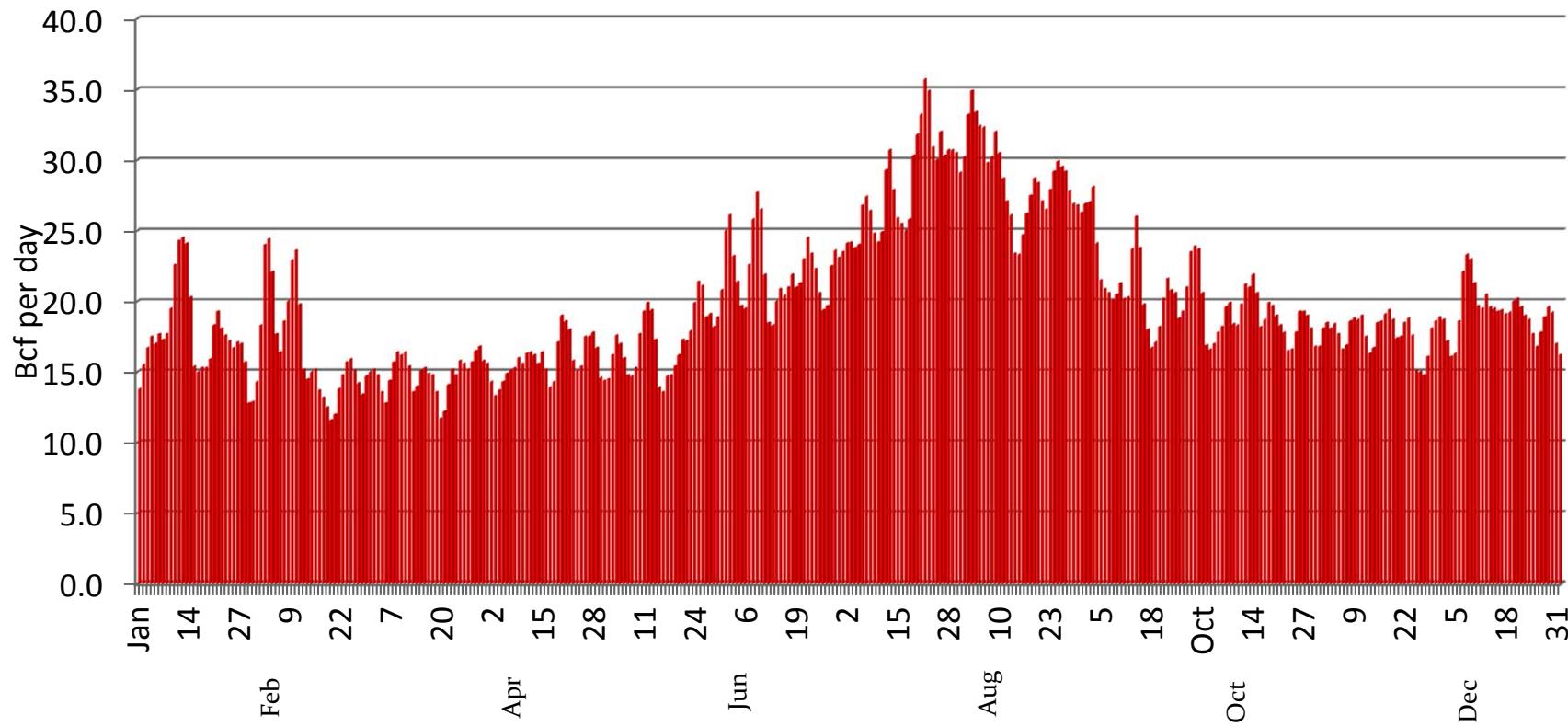
January 1-December 31, 2011



Power Generation

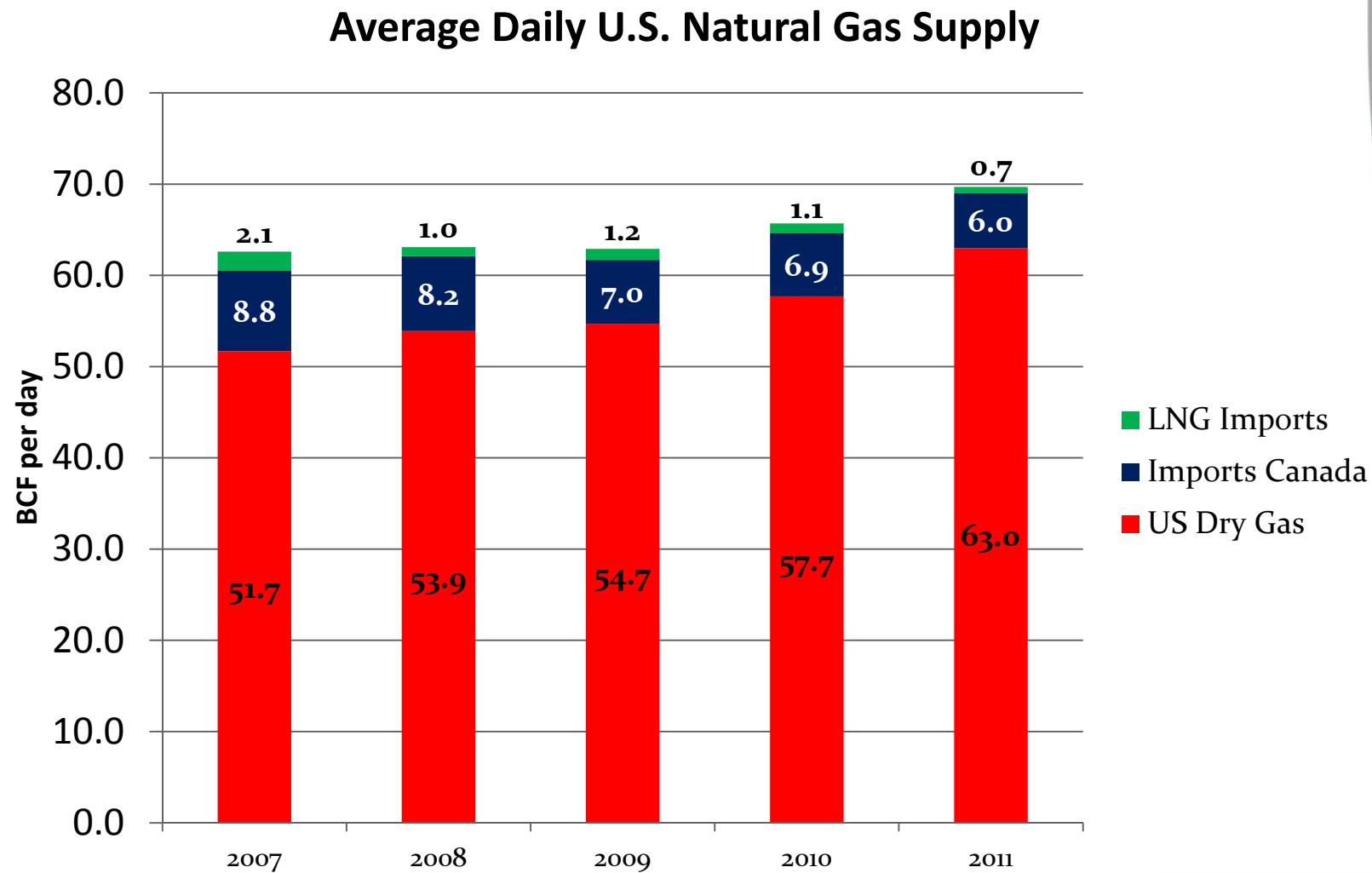
Average Daily Natural Gas Consumption

January 1-December 31, 2011



Source: Bentek Energy LLC, *Energy Market Fundamentals*, December 31, 2011.

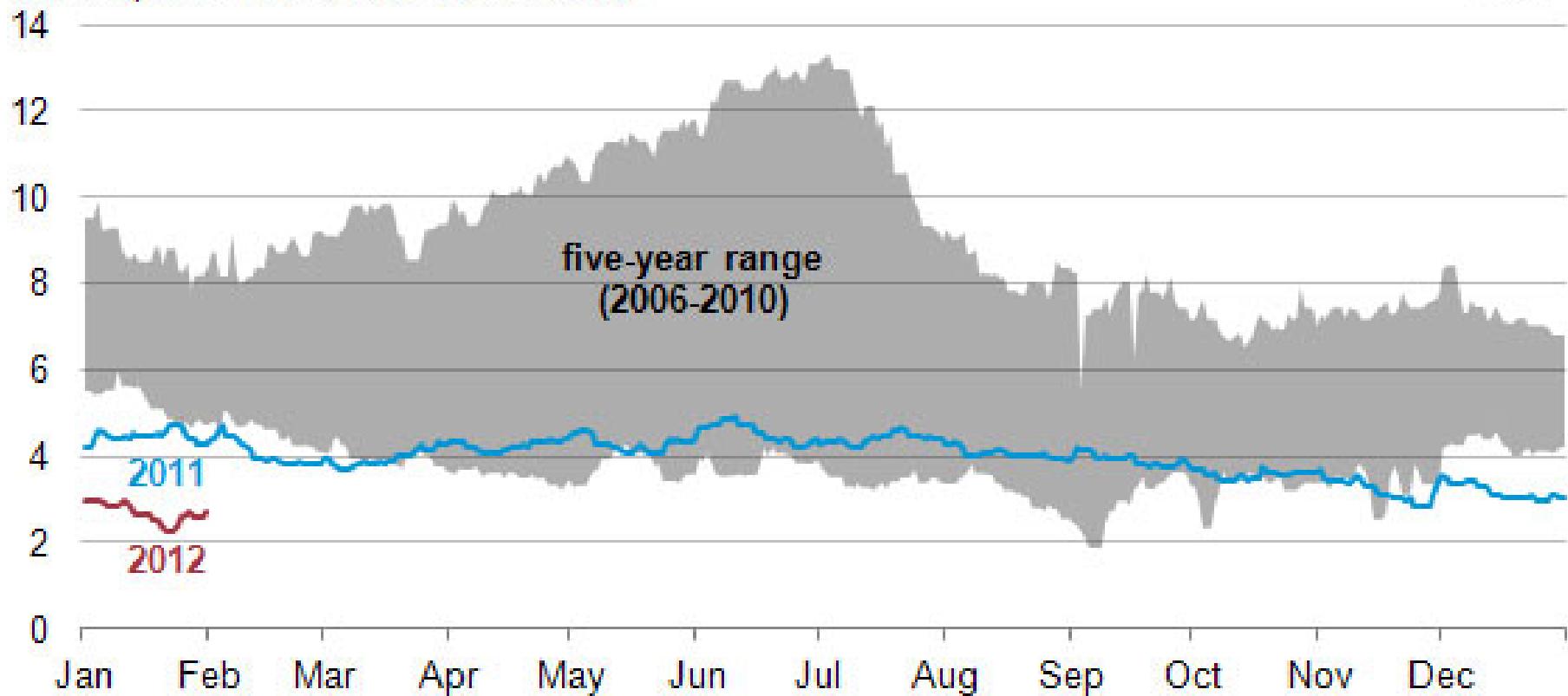
Natural Gas Supply Sources



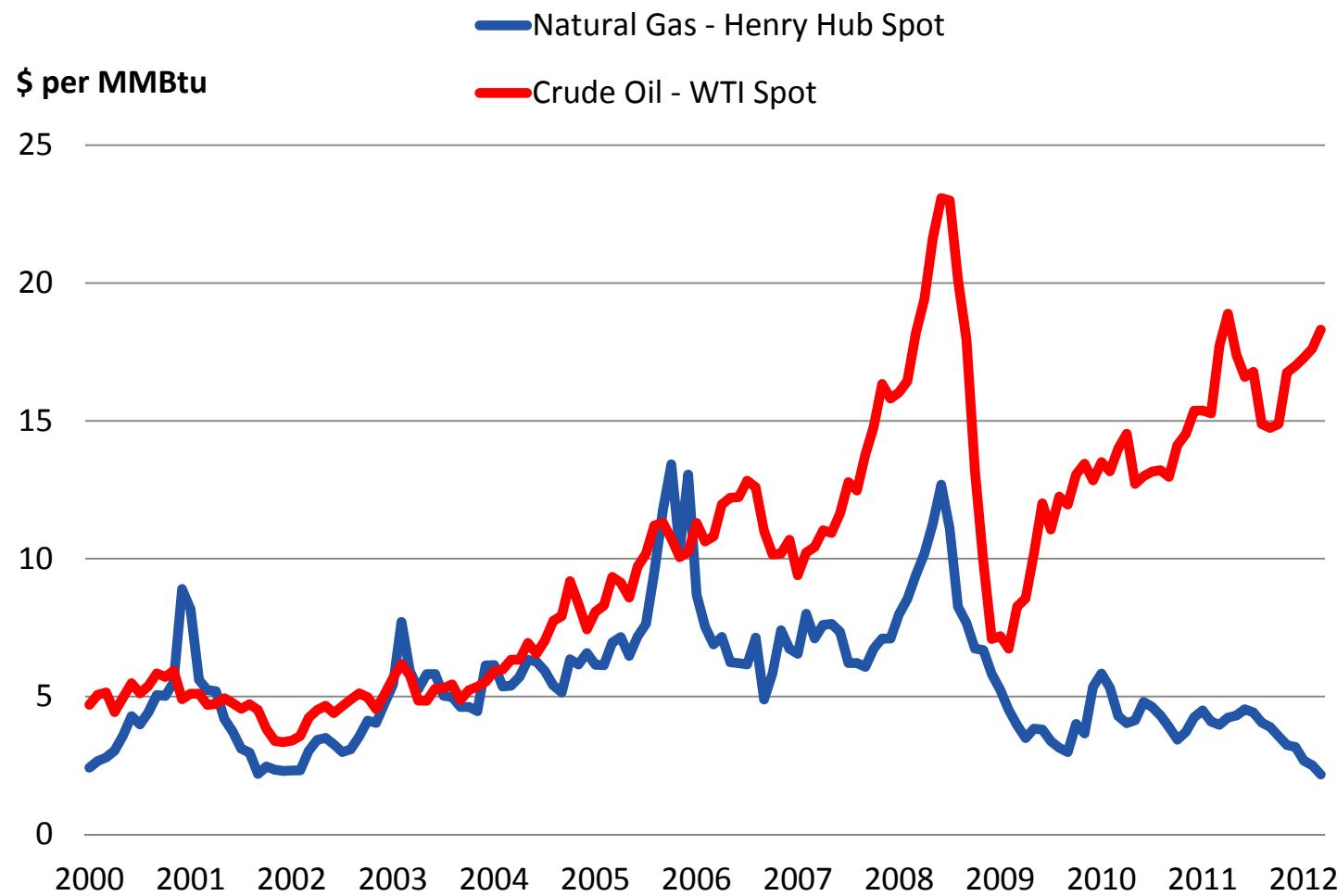
A real impact on natural gas prices

Spot Henry Hub natural gas price
dollars per million British thermal units

eia

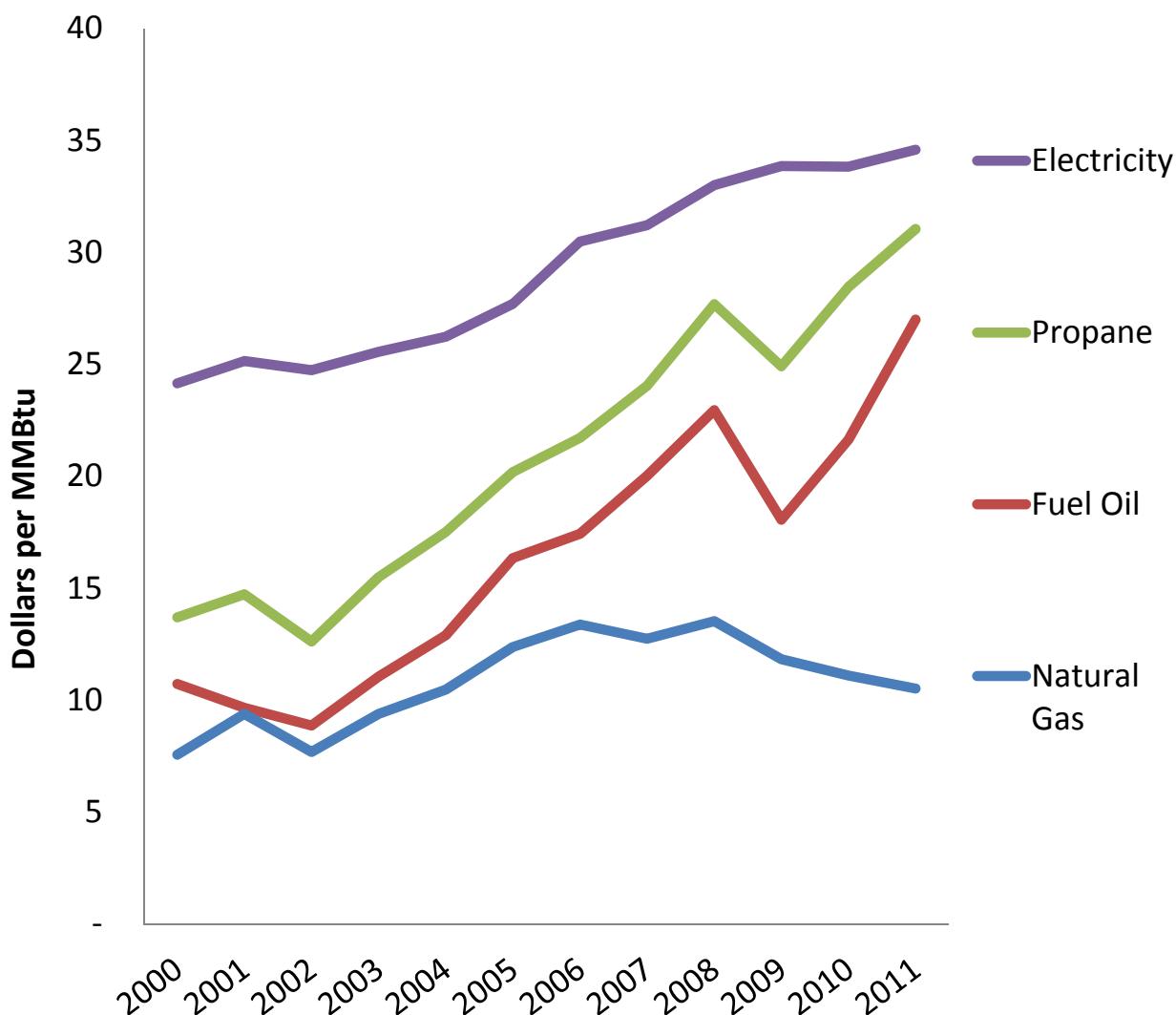


U. S. Natural Gas and Crude Oil Prices



Annual Energy Prices

TO RESIDENTIAL CONSUMERS



Natural gas is the most cost-effective home heating fuel available.

Fuel oil and propane are tethered to crude oil prices, which continue to rise.

Expenditures for electricity for heating purposes are greater than natural gas on average.

CONSUMERS SAVE

Estimated Annual Energy Bill for Typical New Household

	Natural Gas	Electricity	Oil	Propane
Space Heating	\$887	\$1,062	\$1,542	\$1,806
Other	\$388	\$731	\$710	\$790
Total	\$1,275	\$1,793	\$2,252	\$2,596

2010 Dollars



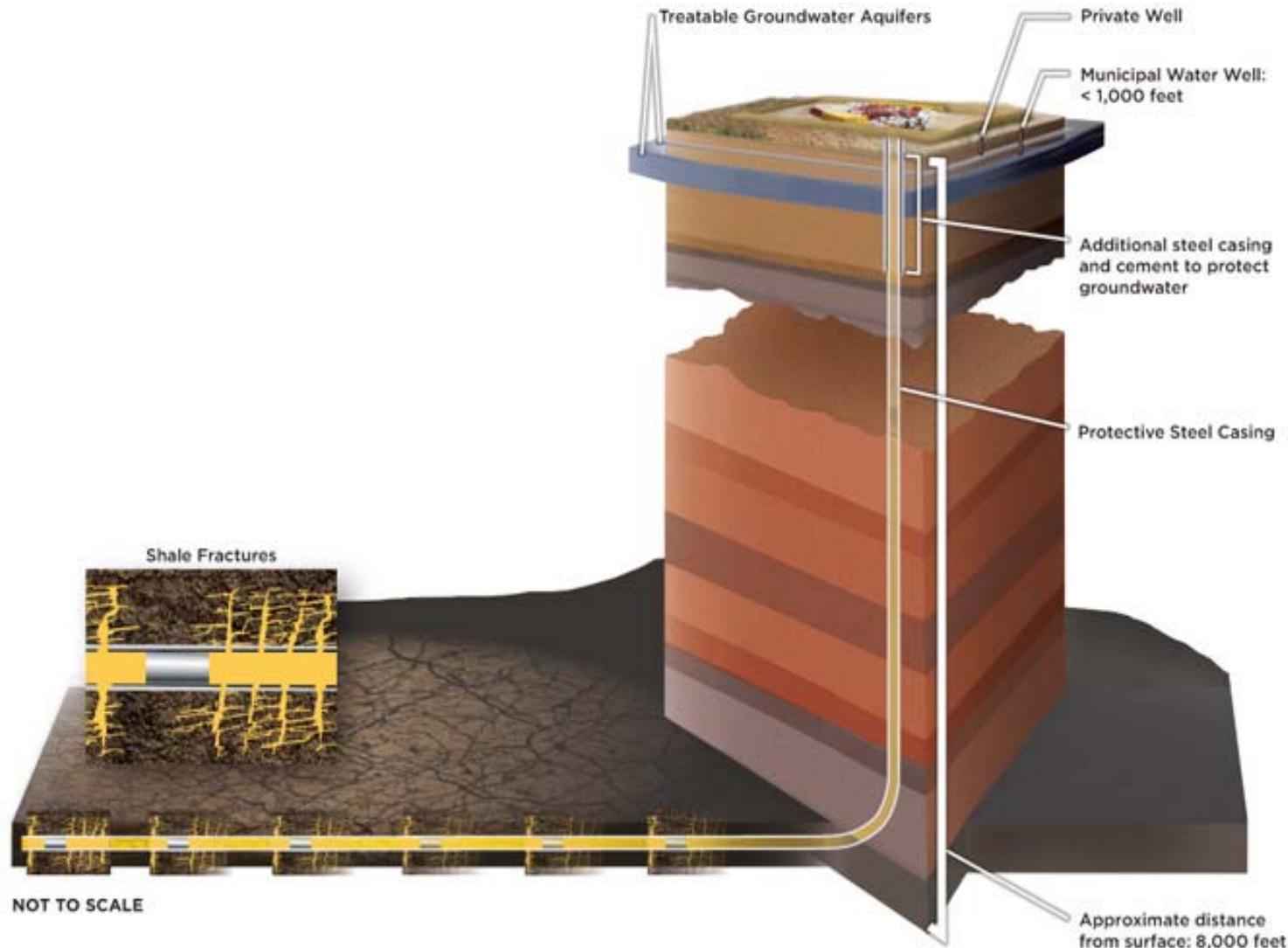
Customers will, on average, spend less for space heating, water heating, cooking, and clothes drying using natural gas than using any other energy source.

Wave “Hello” to where we are going



Source: www.wikipedia.org/wiki/Utica_Shale.

Hydraulic Fracturing



Source: Chesapeake Energy.

Hydraulic Fracturing Treatment Woodford Shale, Canadian County, Oklahoma



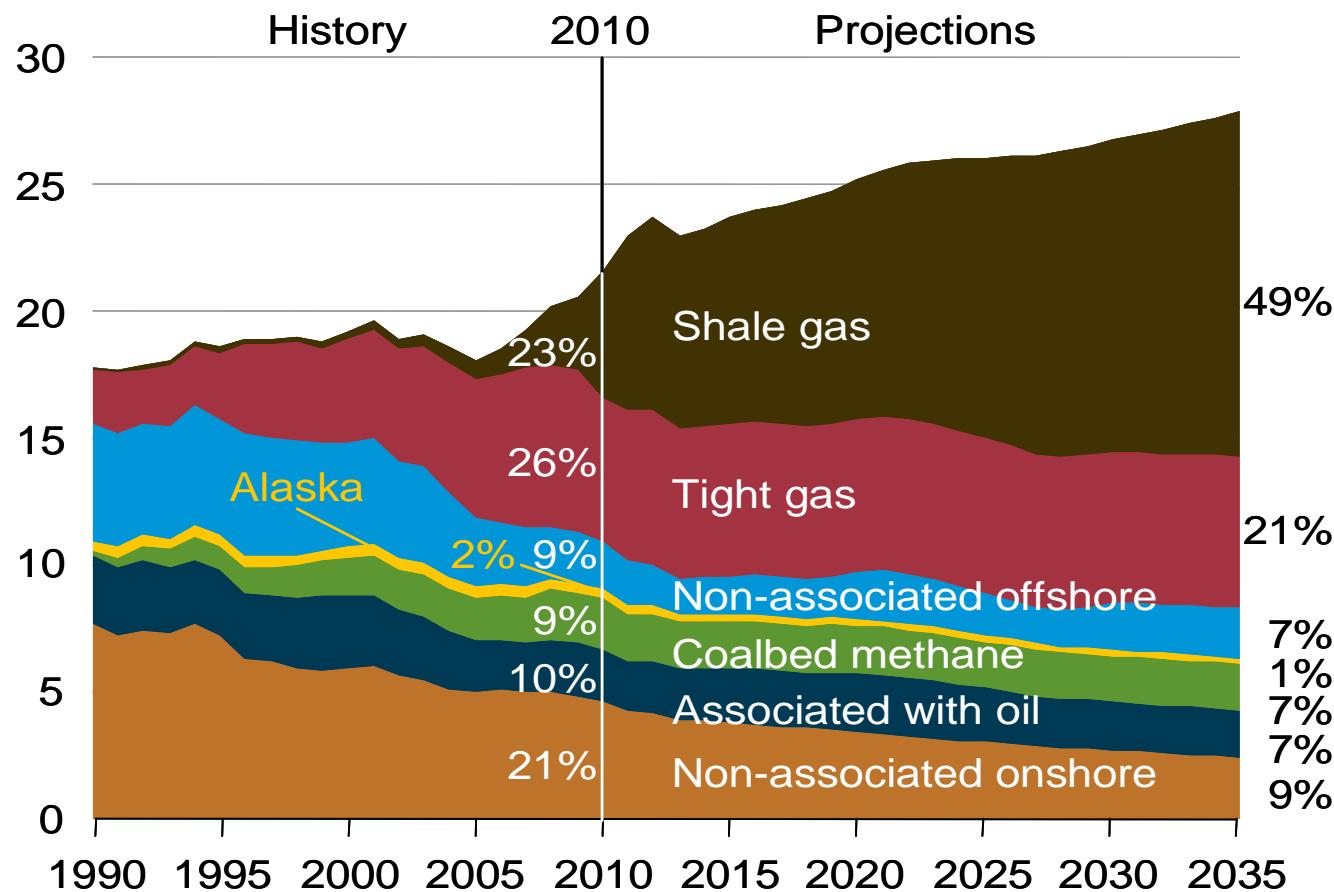
Source: JPTOnline, Society of Petroleum Engineers.

Producing Natural Gas Well



Photo courtesy J.M. Huber Corp.

U.S. Natural Gas Production, 1990-2035 (trillion cubic feet)



2012 Annual Energy Outlook Early Release, Energy Information Administration.

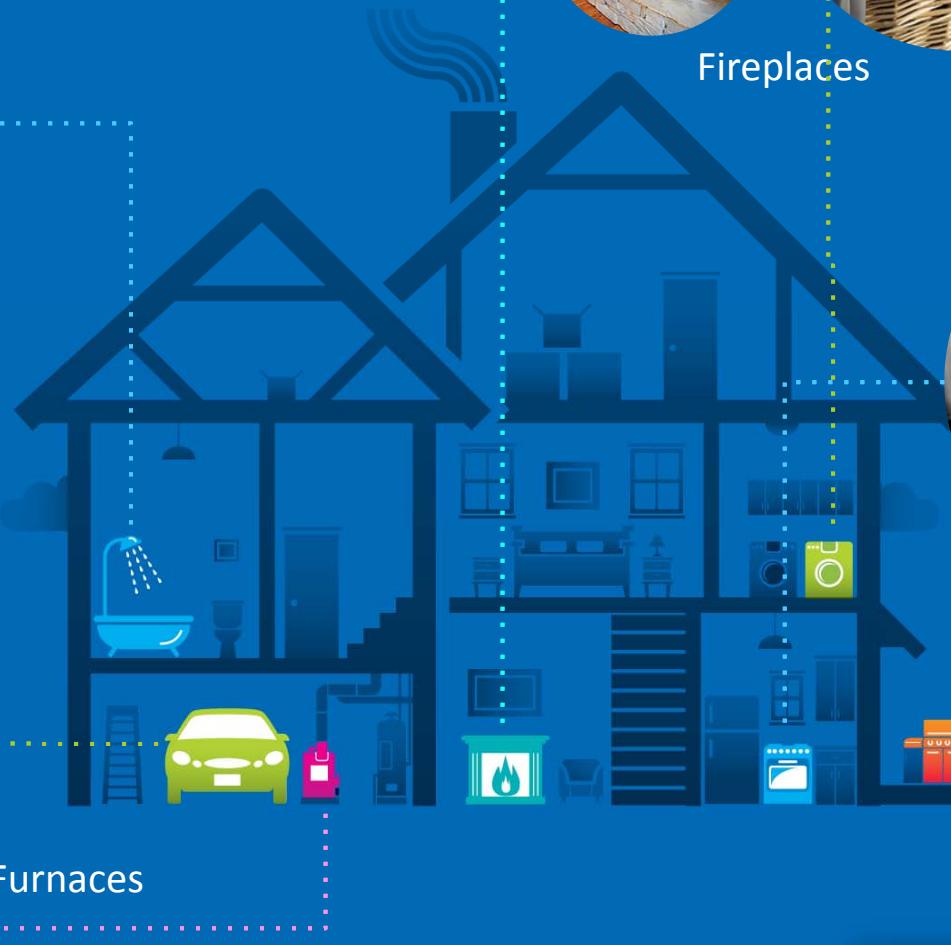
We Rely on Natural Gas Every Day



Hot Water



Furnaces



Fireplaces



Clothes Dryers



Cooking

Thank You

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www.ag.org

The American Gas Association, founded in 1918, represents 201 local energy companies that deliver clean natural gas throughout the United States. There are more than 70 million residential, commercial and industrial natural gas customers in the United States, of which 91% — more than 64 million customers — receive their gas from AGA members. Today, natural gas meets almost one-fourth of the United States' energy needs.