

January 16, 2013

Delivering the Promises of Natural Gas

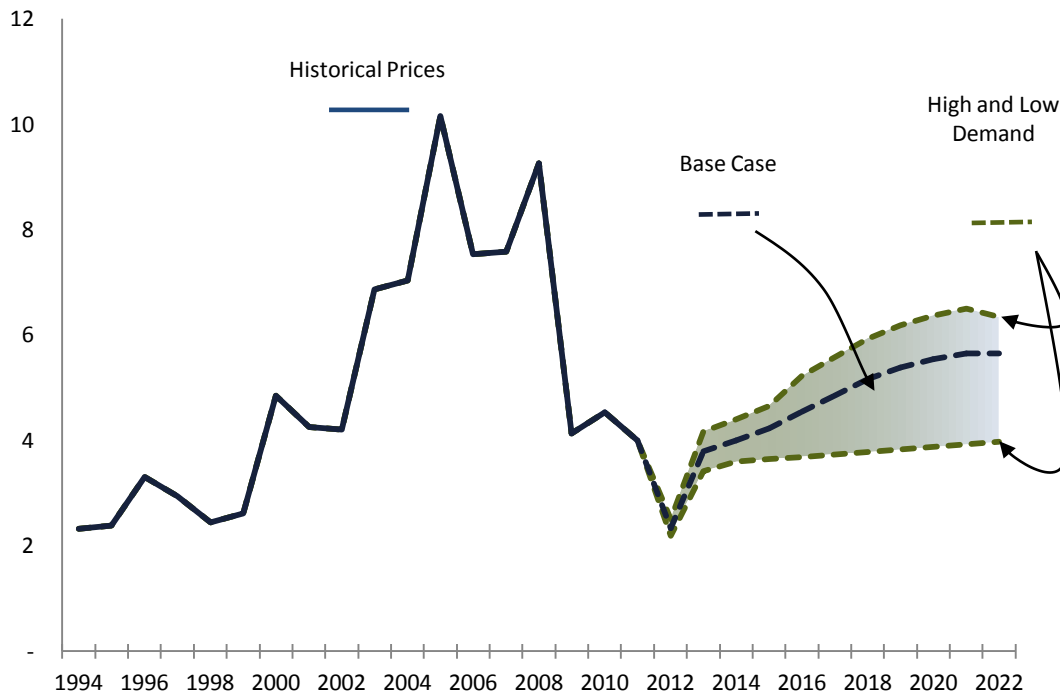


Dave McCurdy
President & CEO
American Gas Association


American Gas
Association

A Future of *Market Stability*

Henry Hub Spot Price
\$2011/MMBtu



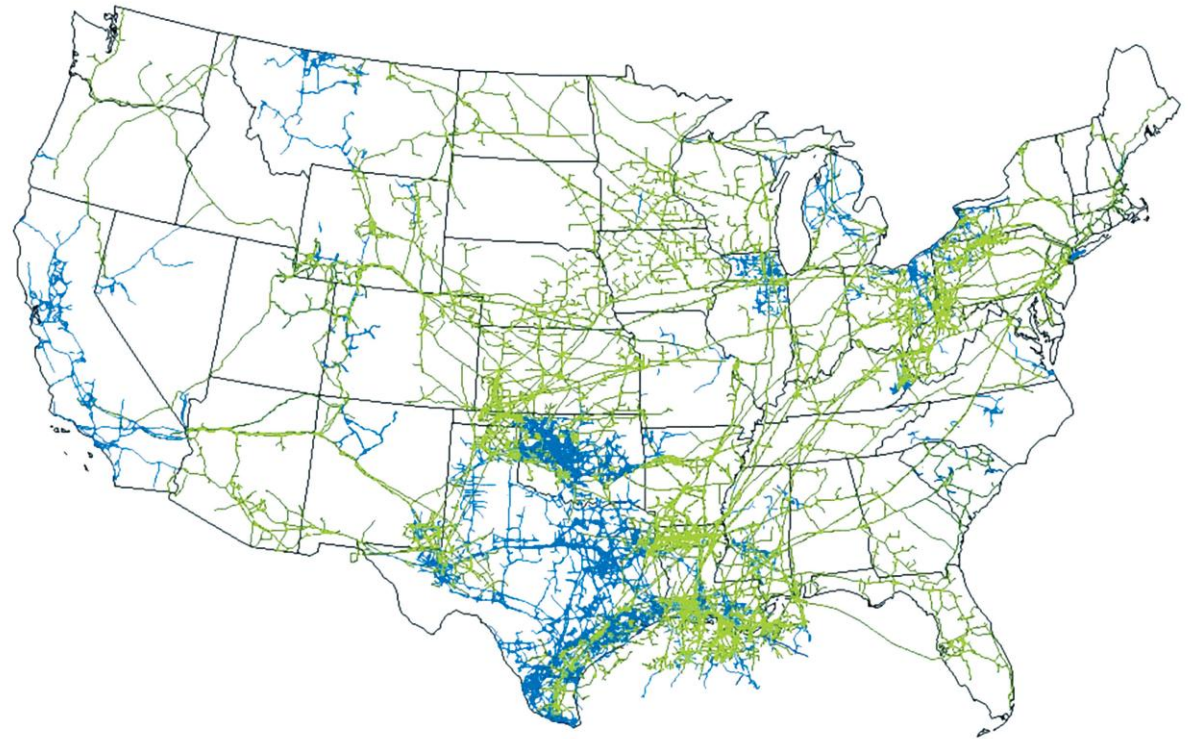
Relative natural gas market stability during the next ten years —an outlook that supports responsible resource development and reflects continued advancements in extraction and impacts technology

Source: *Rethinking Natural Gas, A Future for Natural Gas in the U.S. Economy*, p. 6, American Gas Association, © 2012, citing Source: Wood MacKenzie Spring 2012. See paper for outlook limitations.

SAFELY TRANSPORTED

Across the Country

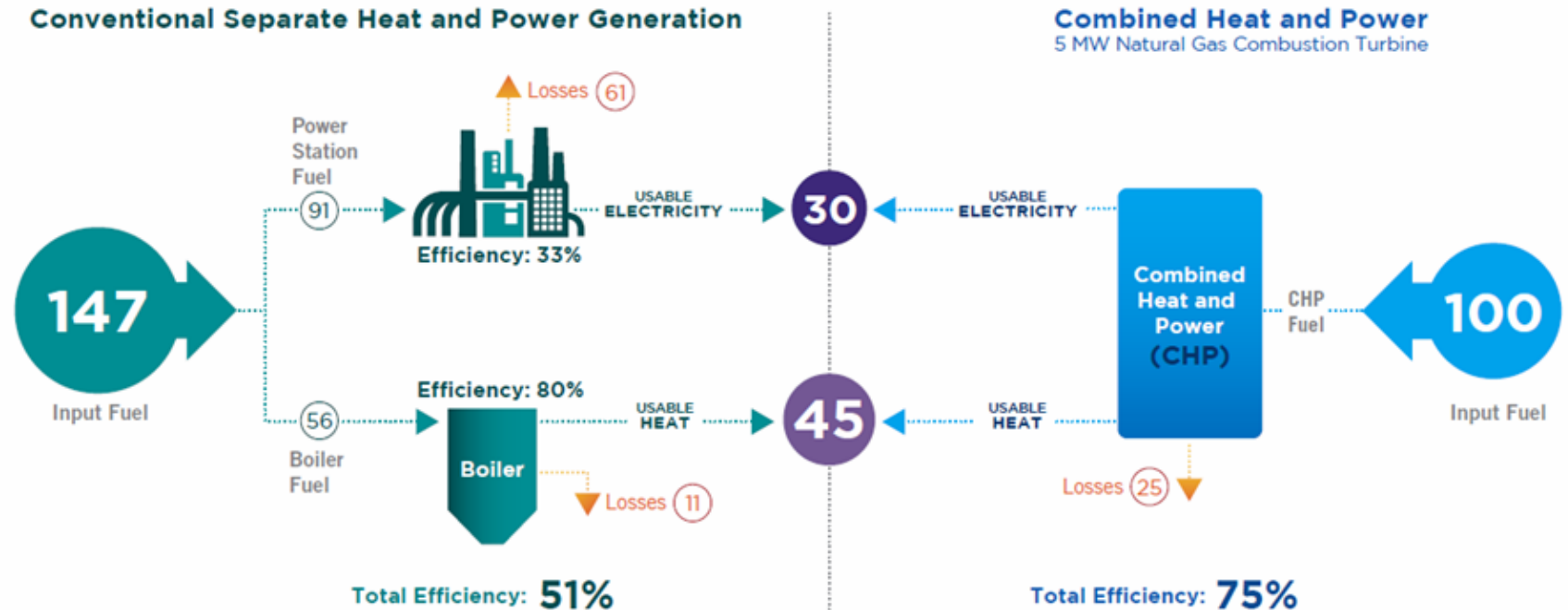
- U.S. has the largest integrated pipeline system in the world - 2.4 million miles of pipe.
- Natural gas pipeline and utility companies spend billions of dollars each year to help ensure the **safety and reliability** of the natural gas infrastructure



● Interstate Pipelines

● Intrastate Pipelines

Combined Heat and Power



- Natural gas is the primary fuel for combined heat and power. Over 70 percent of CHP installations use natural gas.
- Less Fuel input results in the same usable energy created than in more conventional heat and power systems resulting in greater efficiency.

Driving *a more secure future*

- Natural gas is 57 % less expensive than an equivalent gallon of gasoline and 64% less expensive than an equivalent gallon of diesel.
- Natural gas vehicles can reduce tailpipe greenhouse gas emissions 20 - 30%.
- CNG refueling infrastructure nationwide grew at 11 % annually between 2009 and 2012.
- Governors of 22 states are teaming up to start replacing thousands of vehicles in their state fleets with ones that run on natural gas.



We can see greater benefits from natural gas if we



Promote the expansion of the natural gas delivery infrastructure and enhance the operation of the energy network to provide more information to customers



Deploy energy efficiency programs that fully leverage the efficient use of natural gas for space and water heating



Expand the use of combined heat and power in commercial and industrial applications to unlock the potential for fuel cells, micro-grids and future energy innovation using natural gas



Encourage public-private partnerships to expand the network of refueling options for natural gas vehicles