


CEE CENTER FOR ENERGY ECONOMICS
Bureau of Economic Geology, The University of Texas at Austin



**North American Natural Gas:
It's the Customer, Stupid!**
Dr. Michelle Michot Foss

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www.beg.utexas.edu/lng

Forthcoming
DEFINING COMMUNITY AND ECONOMIC BENEFITS
ASSOCIATED WITH LARGE ENERGY INFRASTRUCTURE
PROJECTS: LNG CASE STUDY

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US Natural Gas Prices to 2015

- Competitive price band: \$3-6, real
- Switching is less important than price induced demand response
 - Does coal represent a potential future constraint?
- Oil and gas prices are decoupled
 - Considerations for LNG suppliers
- We need natural gas to achieve other goals

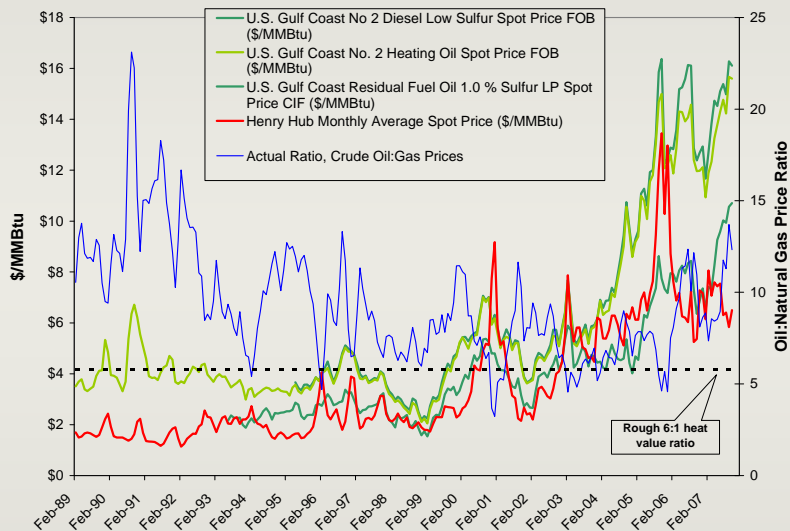
<http://www.oxfordenergy.org/pdfs/NG18.pdf>



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1. Nat gas usually sells at a discount



Sources: U.S. EIA; NYMEX

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