

Association of Energy Engineers Southern California Chapter  
Annual Power Lunch

---

# Natural Gas

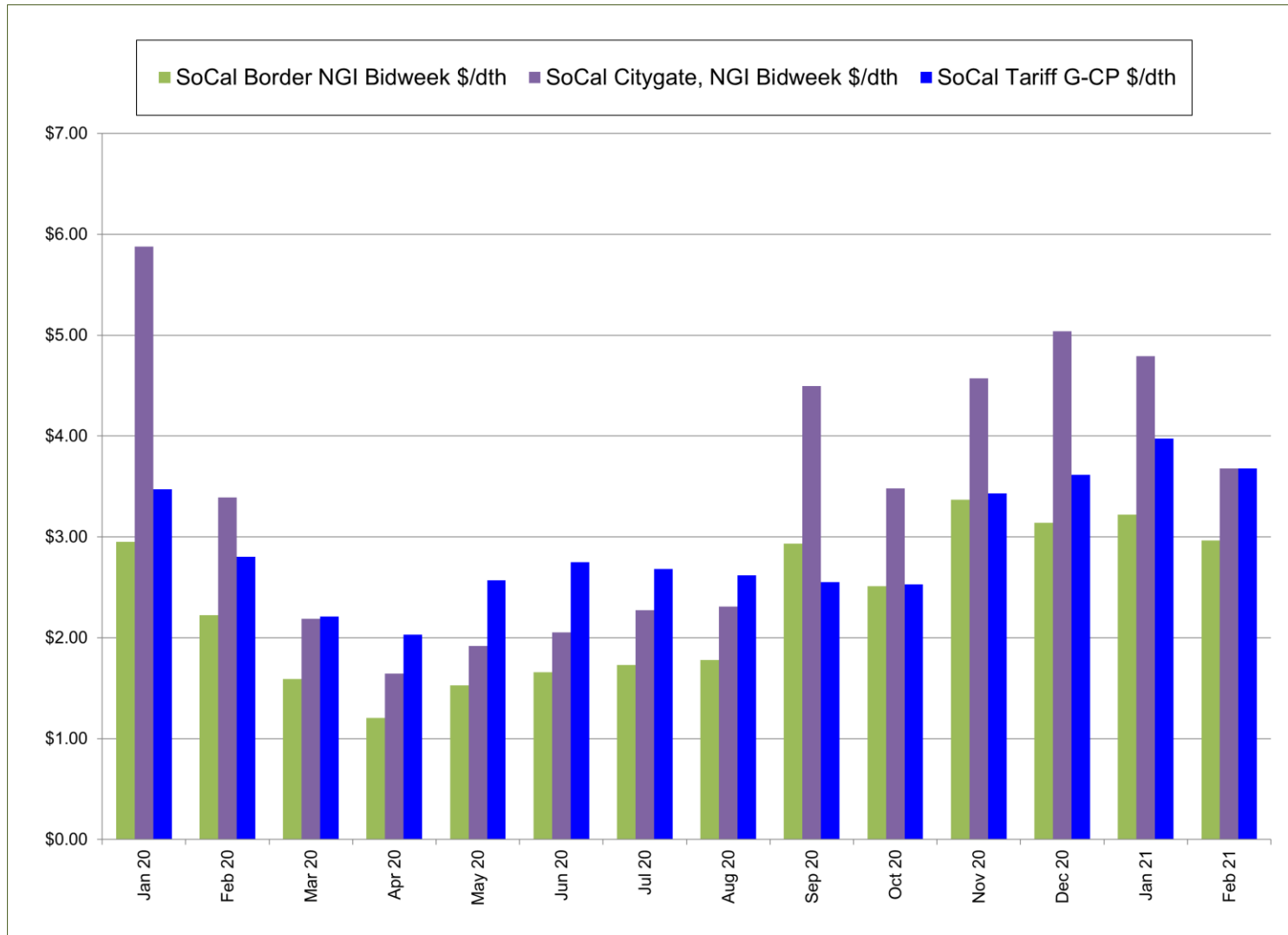
---

*Presented by Gary Lenart*  
2/18/2021



A  Sempra Energy utility

# Natural Gas Market MONTHLY Prices



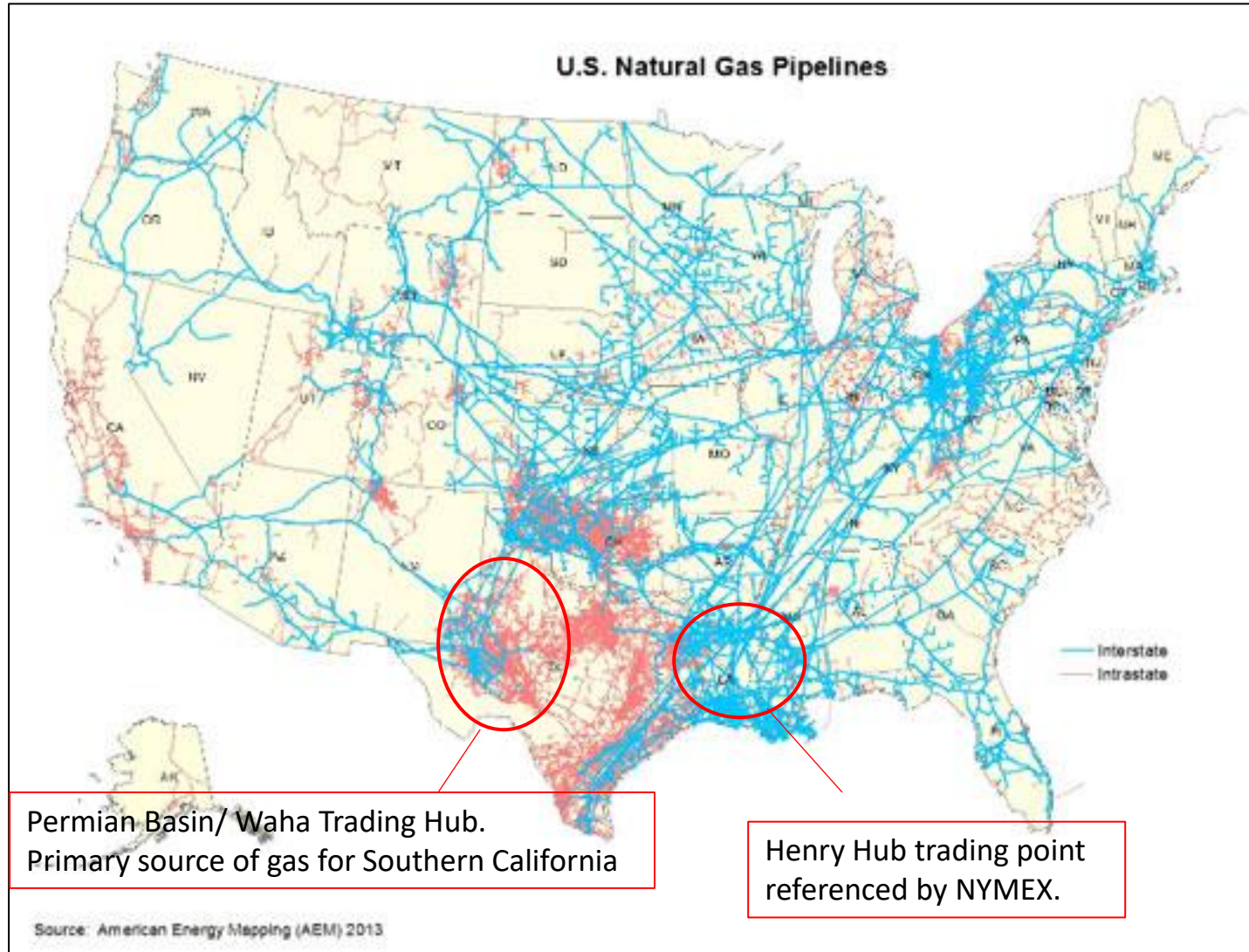
# Natural Gas Market Prices – What Happened?

## Extreme Cold Weather in the Texas & Midwest

- Extremely low temperatures across the Midwest began on Saturday, February 13, 2021 and are expected to last through Friday, February 19, 2021.
- As a result, natural gas consumption has spiked, resulting in low supplies of natural gas nationwide.
- SoCalGas' primary pipeline operator delivering gas supplies in the Permian Basin—El Paso Natural Gas Company (EPNG)—began experiencing significant supply losses on February 14, 2021 as cold weather **froze natural gas infrastructure**.

# U.S. Natural Gas Pipelines

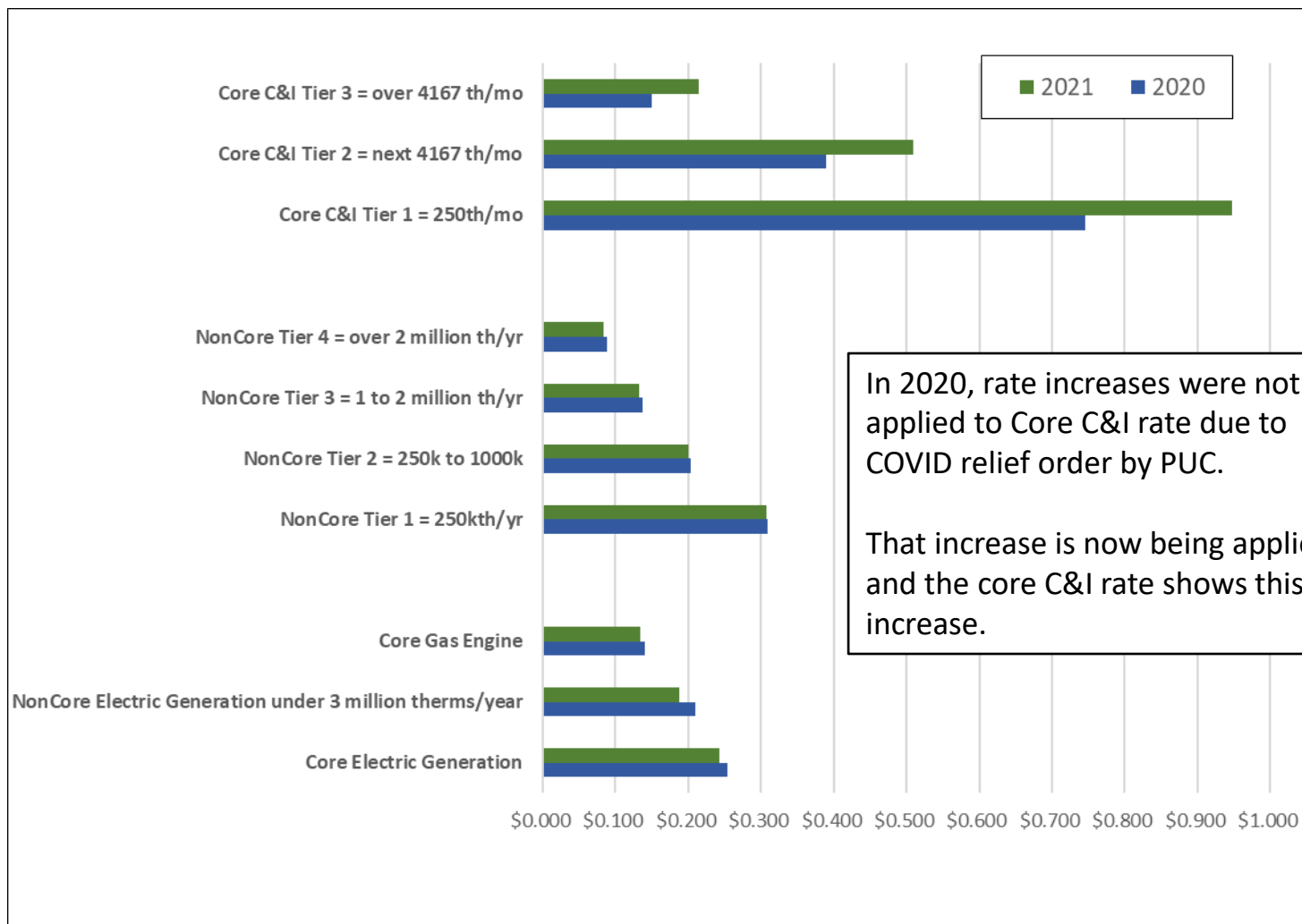
<https://www.api.org/oil-and-natural-gas/wells-to-consumer/transporting-oil-natural-gas/pipeline/where-are-the-pipelines>



# Transportation Rates \$/therm

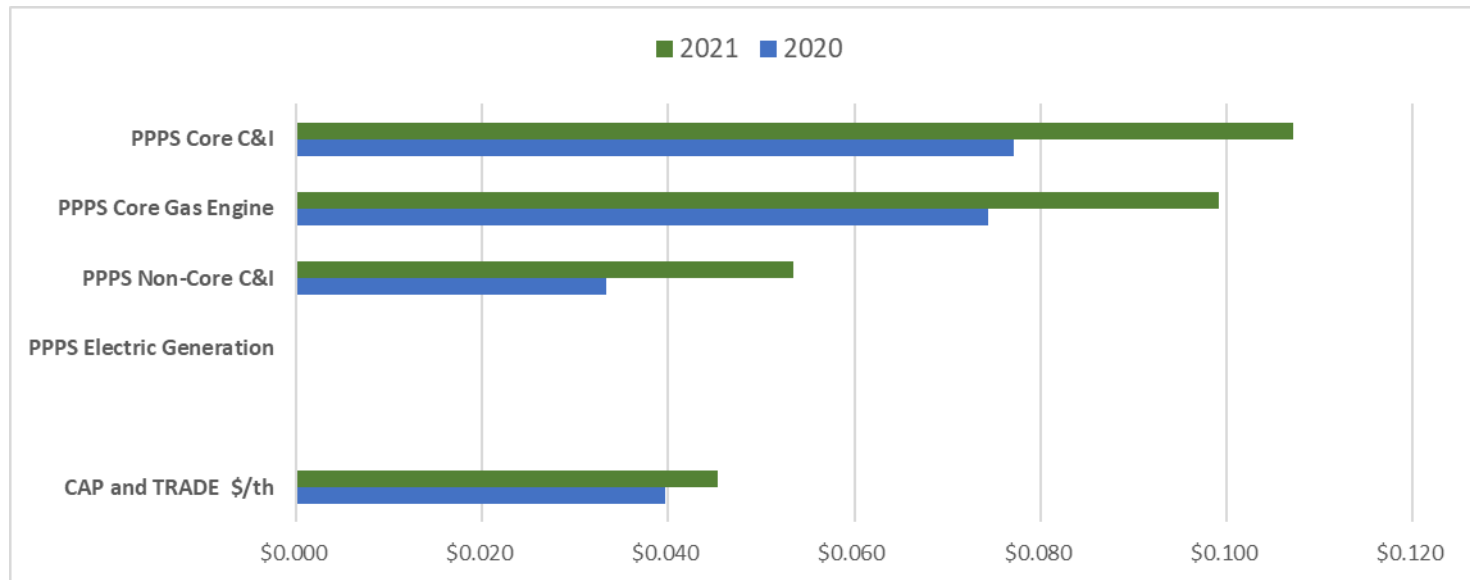
1 therm = 100,000 btu

10 therms = 1 mmbtu



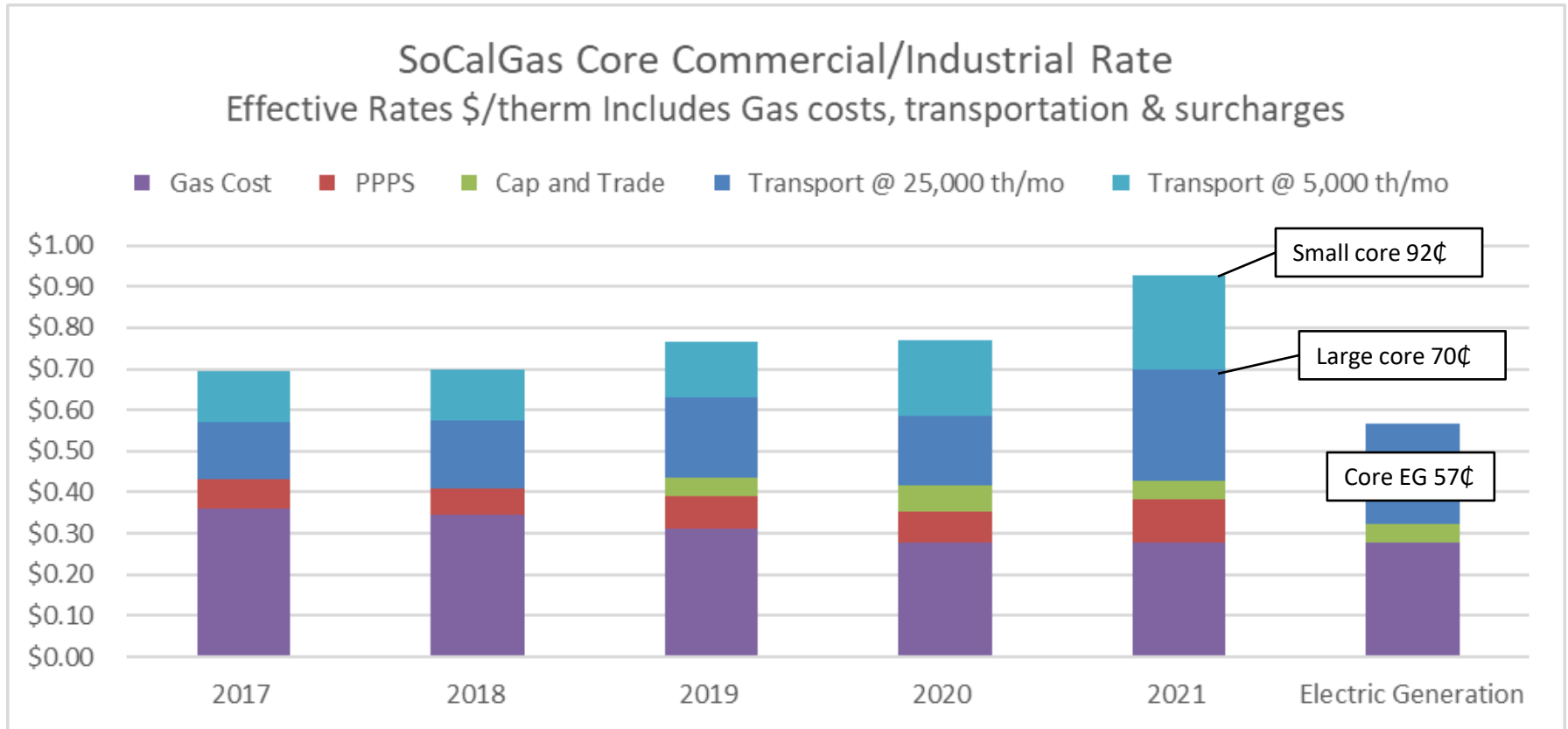
# Surcharges

Public Purpose Programs and CO2 Cap and Trade



Increases due to higher CARE costs and increases in Energy Efficiency programs

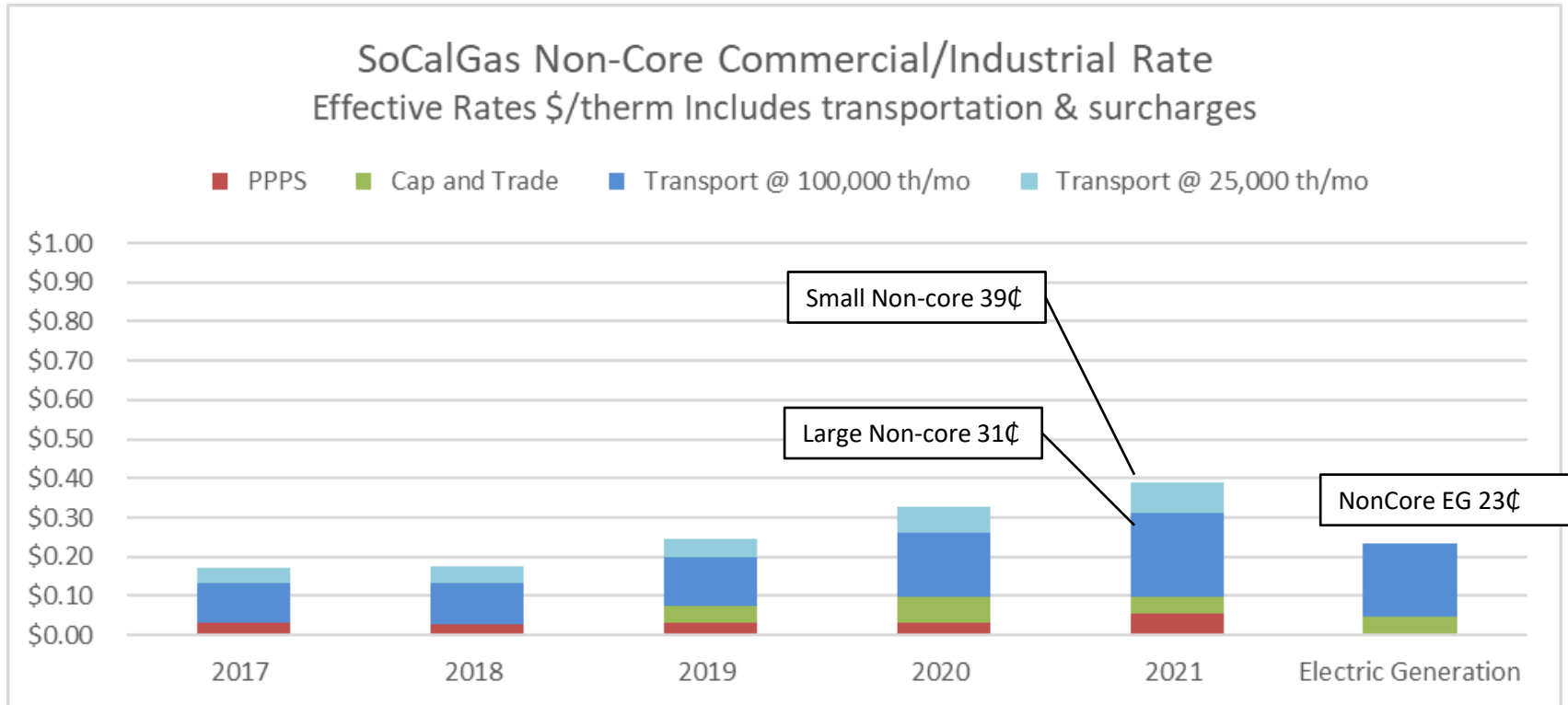
# Monthly Bill for Core Customers



Transport rate increases due to pipeline safety and monitoring programs. These programs are mostly complete and the system has been fitted to incorporate “smart PIG” monitoring technology on an on-going basis. For 2021, the average 2020 gas priced is being shown.

Small, on-site generation typically under 1MW

# Monthly Bill for Non-Core Customers (excludes Gas Costs that are purchased by customer)



Transport rate increases due to pipeline safety and monitoring programs. These programs are mostly complete and the system has been fitted to incorporate “smart PIG” monitoring technology on an on-going basis.

Typically cogen or on-site generation for in-house use, not sold to grid. Rate applies to gas use up to 3,000,000 Therms/year, not based on MW size.



Questions?

# SoCalGas Transmission System

