

A New Era for Growth

A Natural Gas Industry Outlook – And a Lookback at Winter Storm Fern

About AGA

The American Gas Association, founded in 1918, represents more than 200 local energy companies that deliver clean natural gas throughout the United States. There are more than 79 million residential, commercial and industrial natural gas customers in the U.S., of which 94 percent — more than 74 million customers — receive their gas from AGA members. Today, natural gas meets more than one-third of the United States' energy needs.



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State of Play



Record Gas Demand

Industrial reshoring, growing electric power requirements, LNG exports, new consumers



Record Gas Supply

Return to historical natural gas pricing trends



Affordability Front of Mind

Rising electricity prices, while natural gas remains an affordable solution



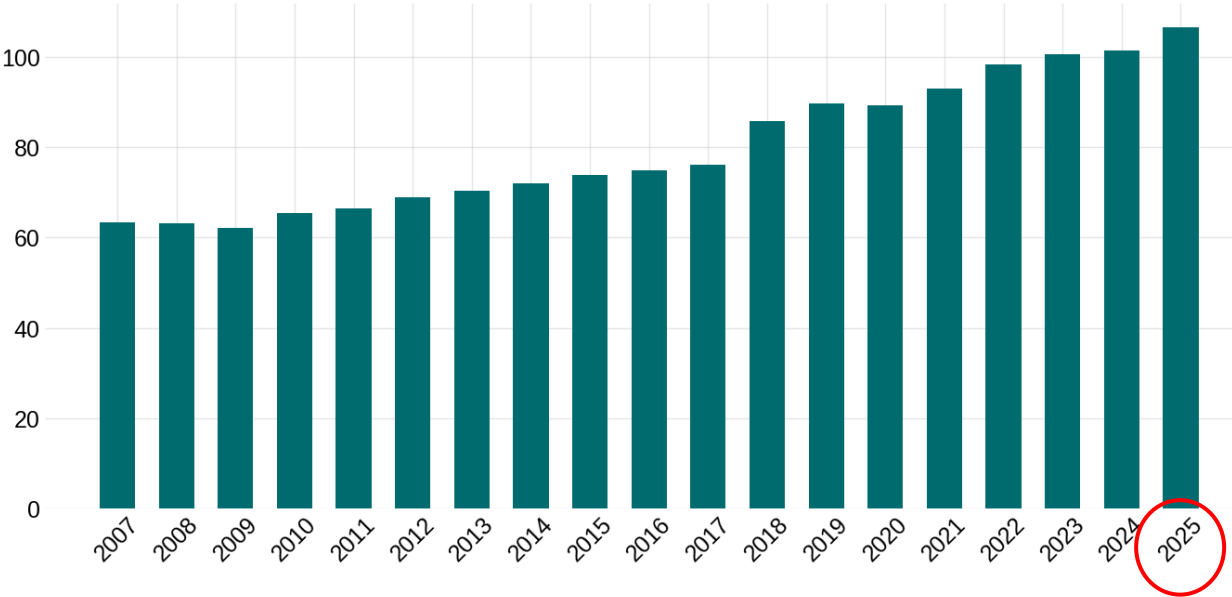
The Need to Build

Infrastructure additions are needed, and permitting reform is key

Natural gas demand and production set record high in 2025

Demand

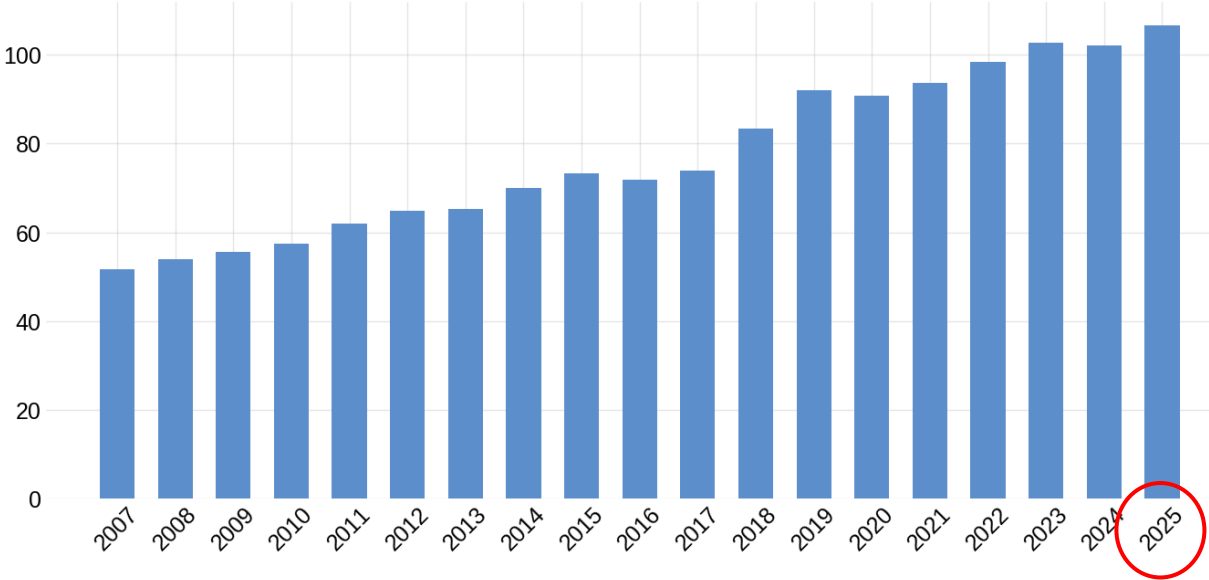
Total Natural Gas Demand, Lower-48 Calendar Year Average
Bcf per day



Source: S&P Global Energy, ©2026 by S&P Global Inc., Chart: American Gas Association, Data as of Feb 02, 2026, Subject to Revision

Production

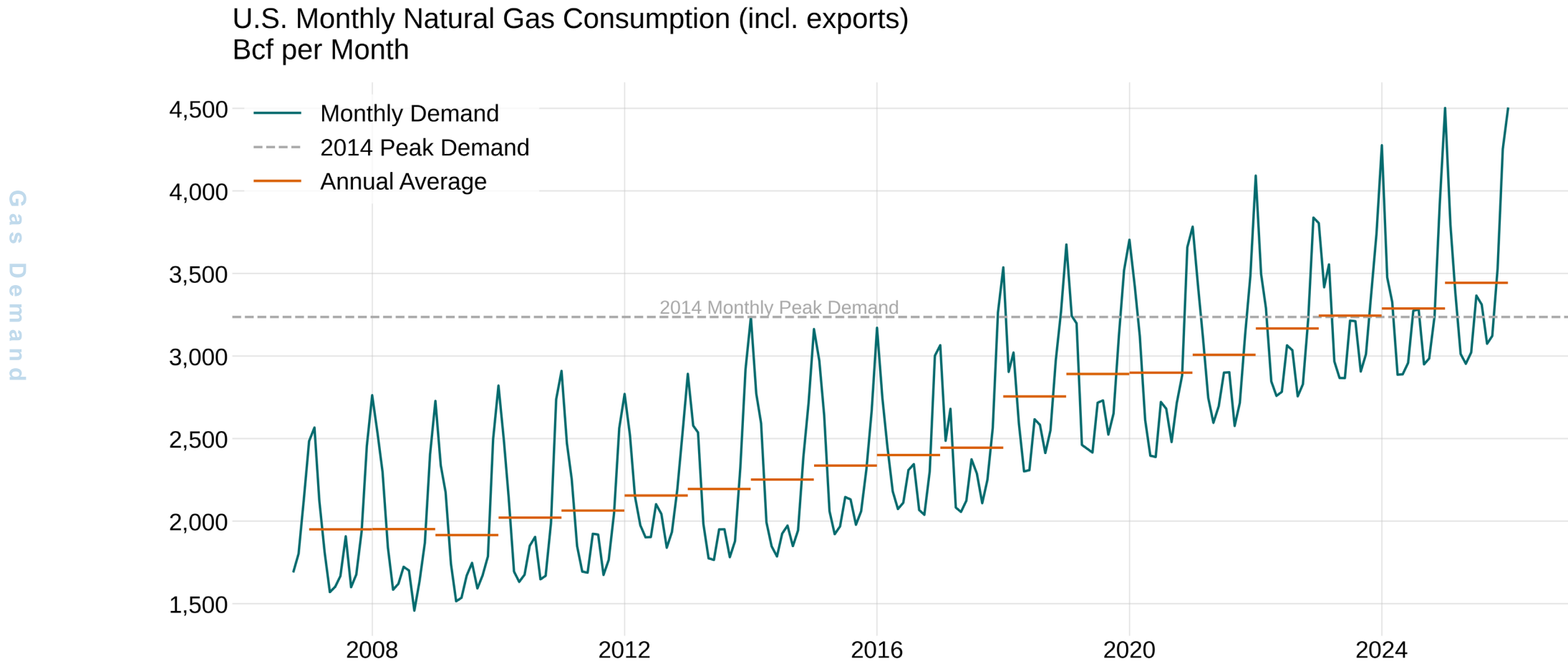
Natural Gas Production, Lower-48 Calendar Year Average
Bcf per day



Source: S&P Global Energy, ©2026 by S&P Global Inc., Chart: American Gas Association, Data as of Feb 02, 2026, Subject to Revision

U.S. natural gas consumption set seven monthly records and an annual record in 2025

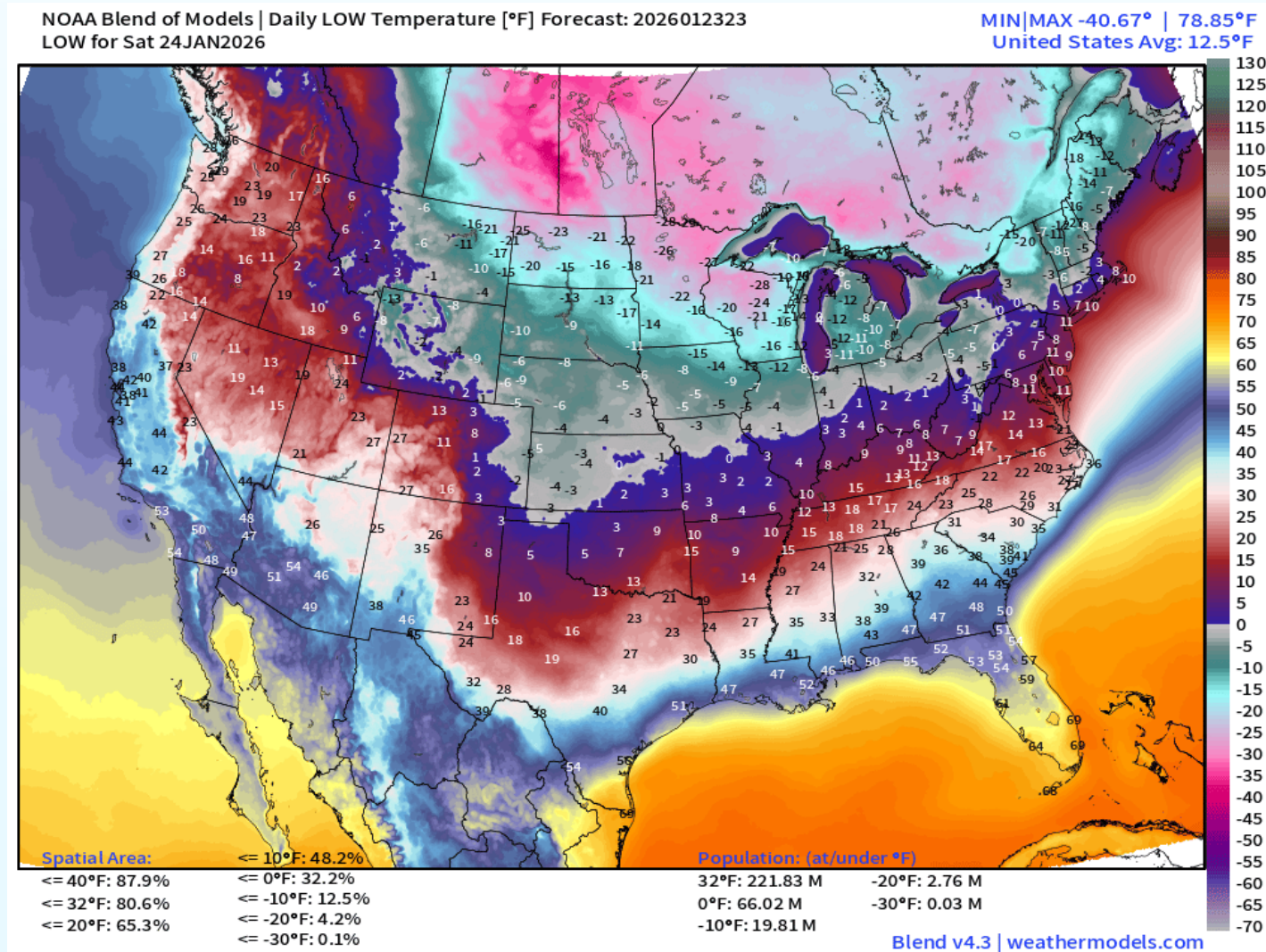
Natural gas demand growing over time



Source: S&P Global Energy, ©2025 by S&P Global Inc. Chart: American Gas Association, Data as of Feb 02, 2026, Subject to Revision

Winter Storm Fern

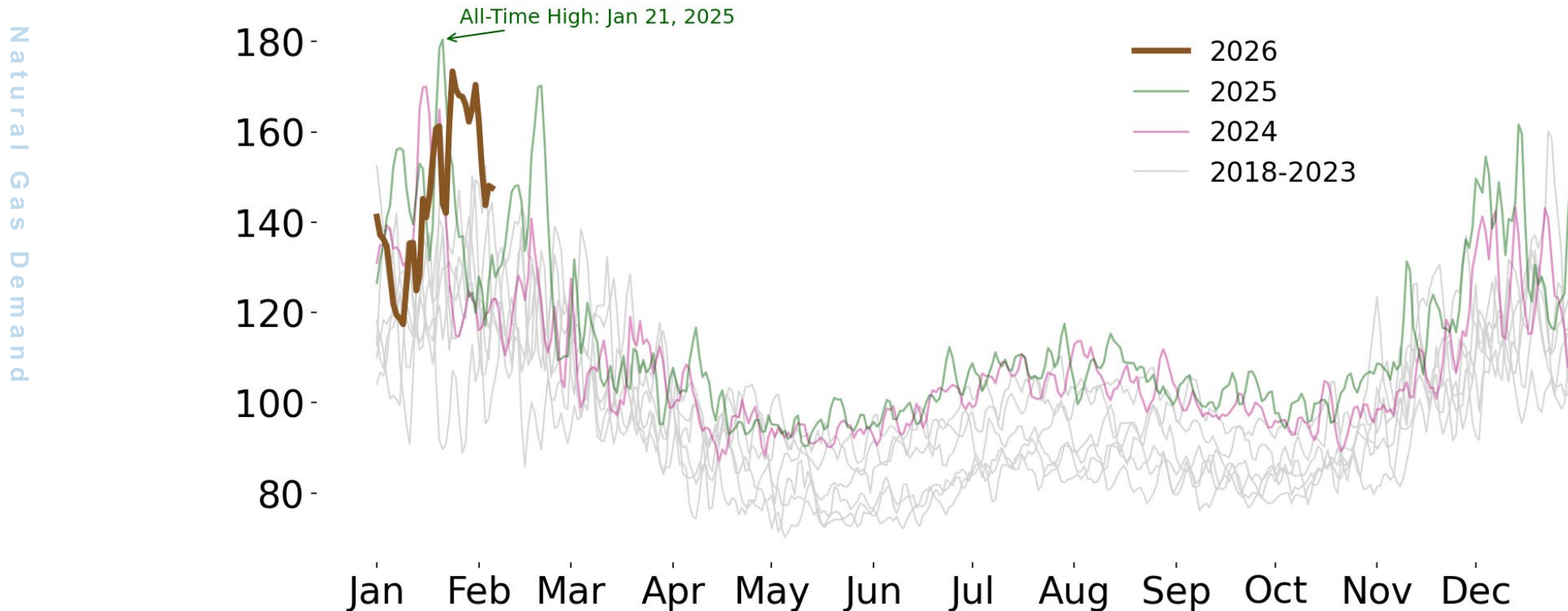
An arctic blast brought brutal cold and catastrophic snow and ice. More than 66 million people at or under 0°F on Saturday, Jan. 23



Total natural gas demand reached 173 Bcf on January 24 and remained above 160 Bcf/d for 10 days.

Natural Gas Demand

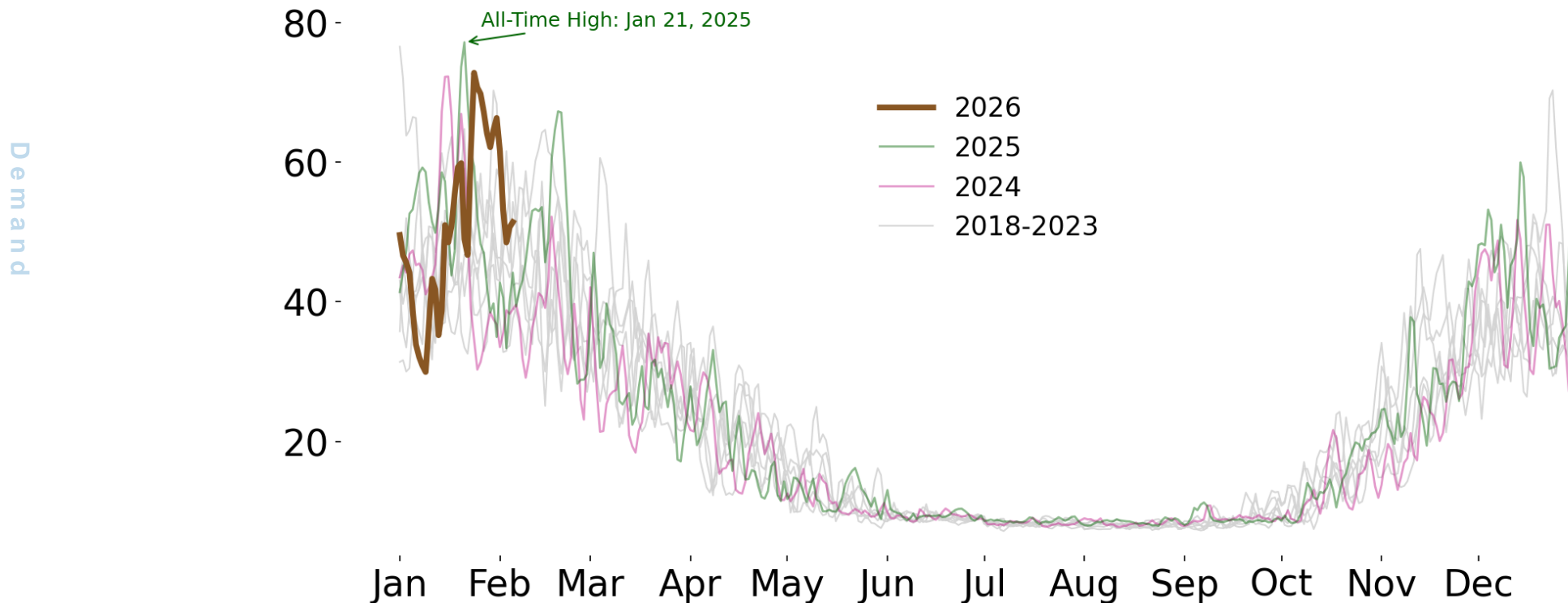
Total Demand Incl. Exports, U.S. Lower-48
Bcf per Day



Residential & Commercial demand reached 73 Bcf on January 24, sustained above 60 Bcf per day for 10 days.

Residential & Commercial Demand

Residential & Commercial Demand, U.S. Lower-48
Bcf per Day

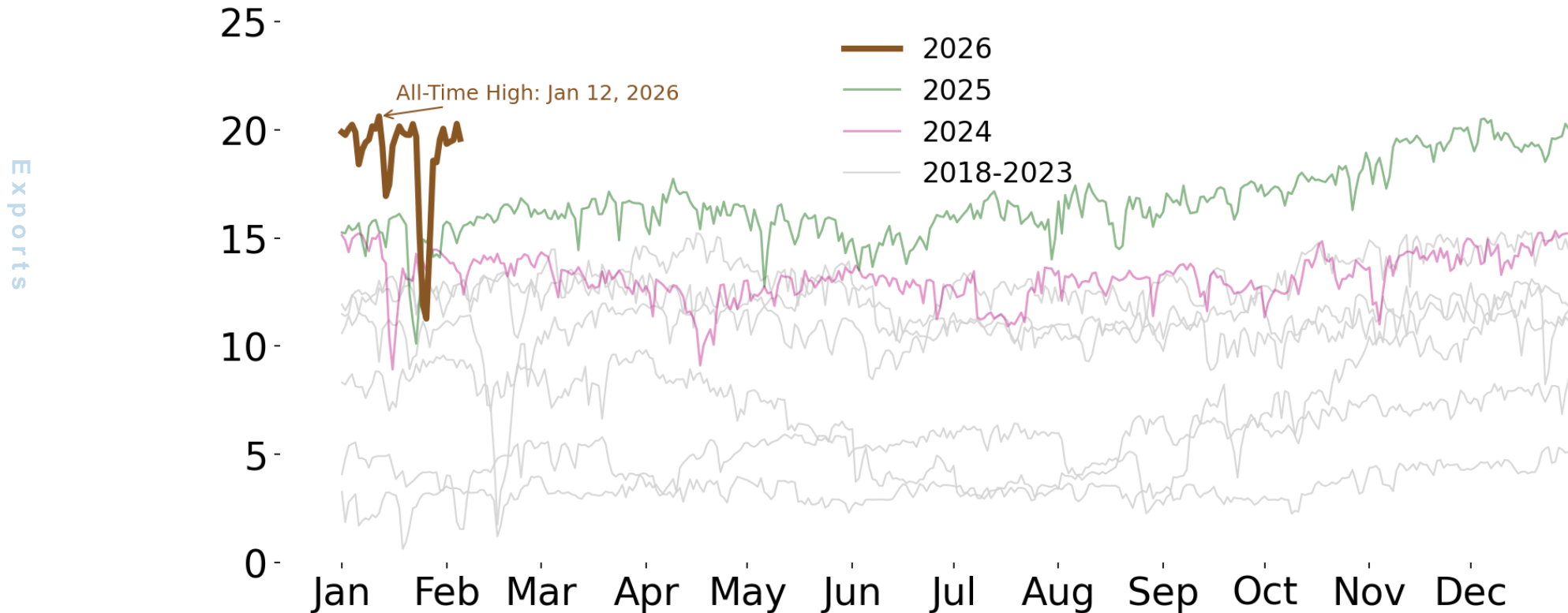


Source: S&P Global Energy, ©2026 by S&P Global Inc. Chart: American Gas Association, Data as of Feb 05, 2026, Subject to Revision

LNG Demand dropped as low as 43% from pre-event levels.

LNG Demand

Daily LNG Feedgas Deliveries
Bcf per Day

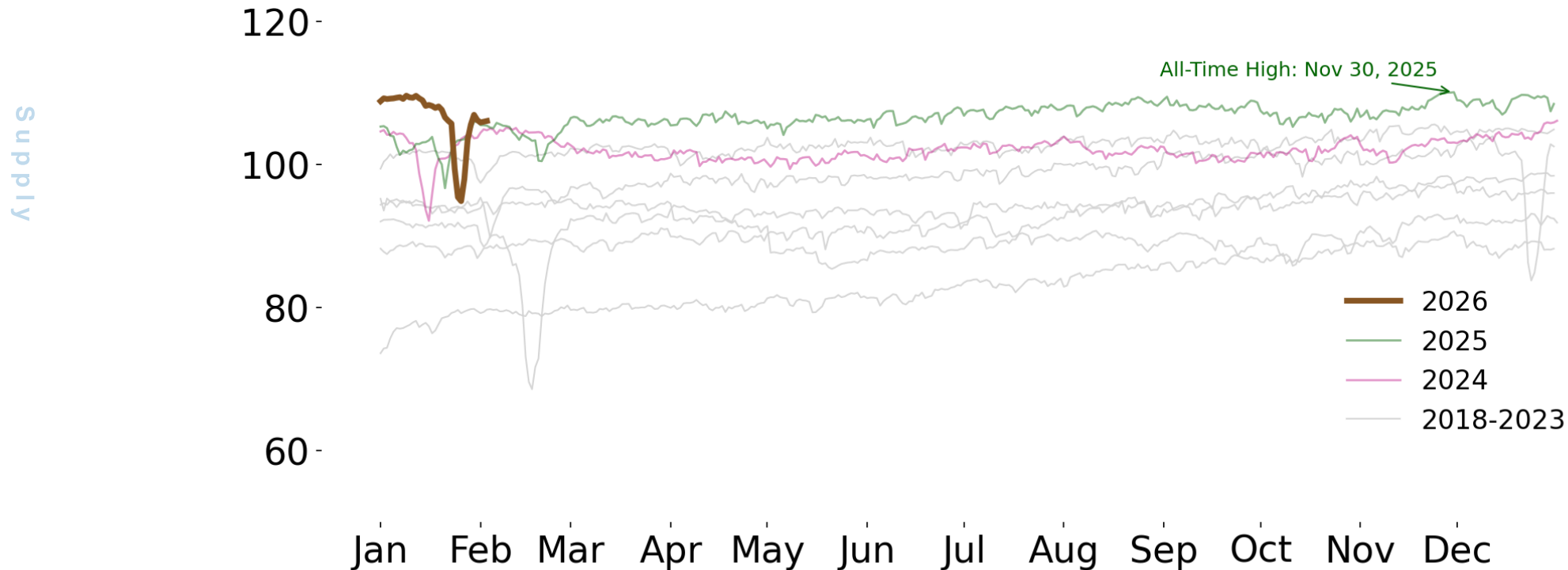


Source: S&P Global Energy, ©2026 by S&P Global Inc. Chart: American Gas Association, Data as of Feb 05, 2026, Subject to Revision

Dry gas production fell 11% amid freeze-offs concentrated in oil-producing regions.

Natural gas production

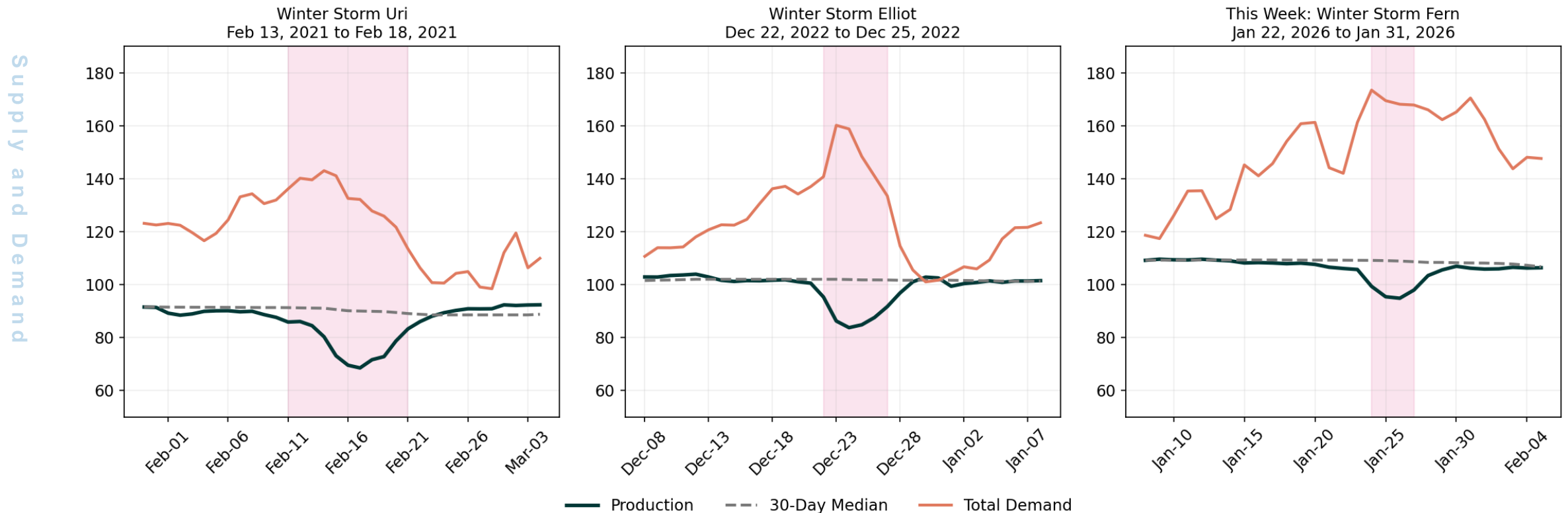
Dry Gas Production, U.S. Lower-48
Bcf per Day



The drop in production was less severe than prior events.

Production and demand for select winter events

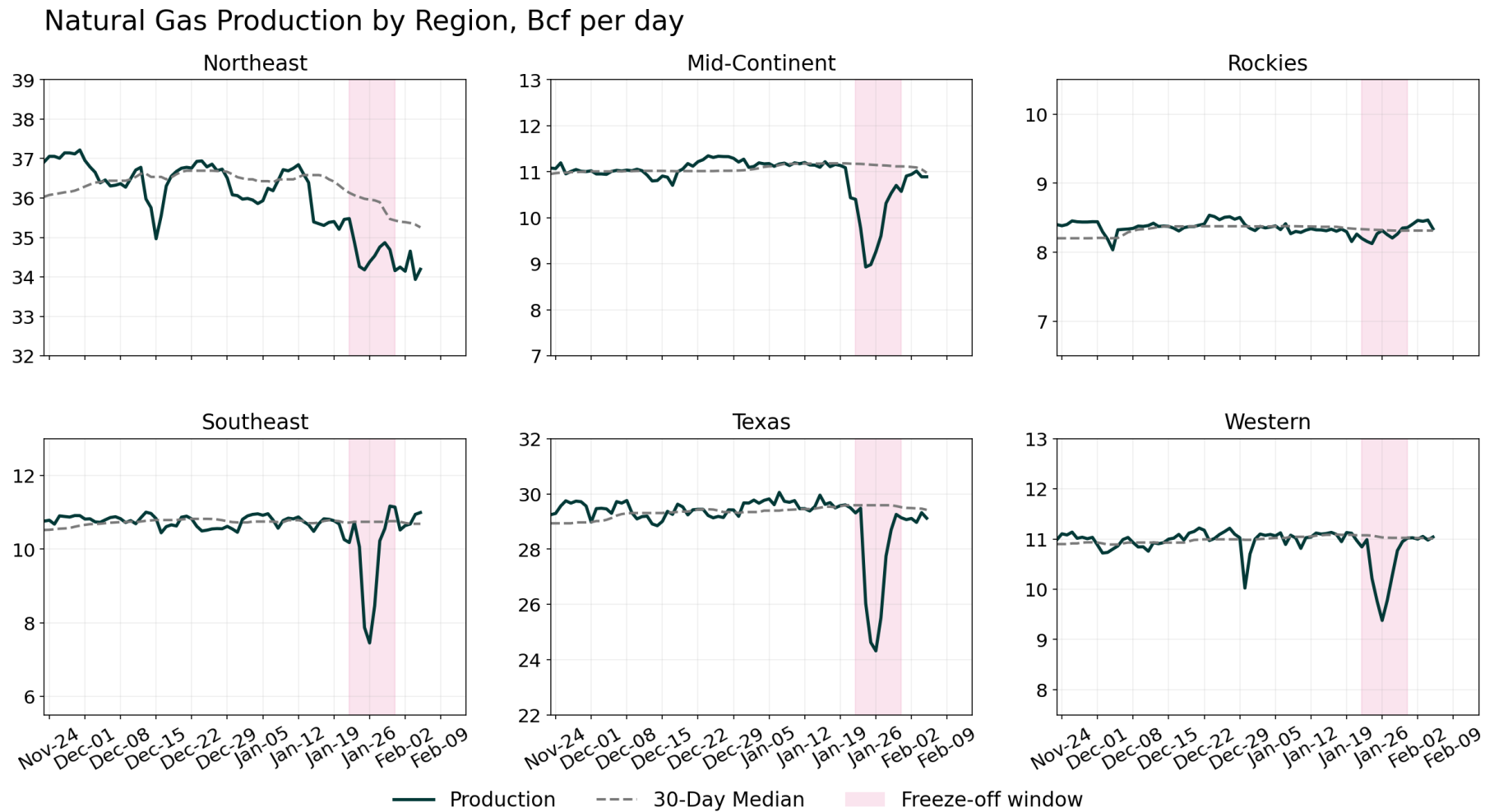
Natural Gas Production and Demand, Lower-48, Bcf per day, Winter Event Comparison



Source: S&P Global Energy | Chart: American Gas Association | Data as of Feb 5, 2026 | Subject to Revision | Pink shading = Freeze-off window

Most of the production decline was concentrated in oil-producing regions. The Northeast and Rockies were comparatively resilient.

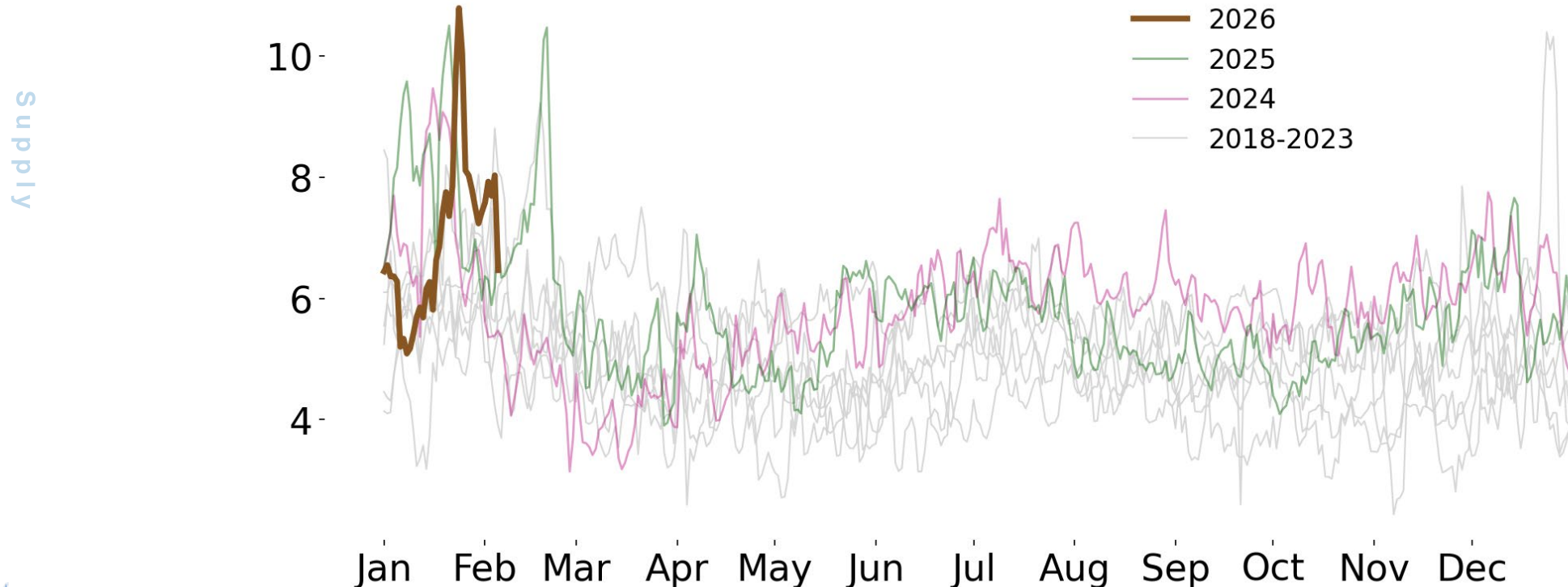
Regional Production



Imports from Canada climbed to highest level in nearly two decades.

Imports from Canada

Canada Imports, U.S. Lower-48
Bcf per Day

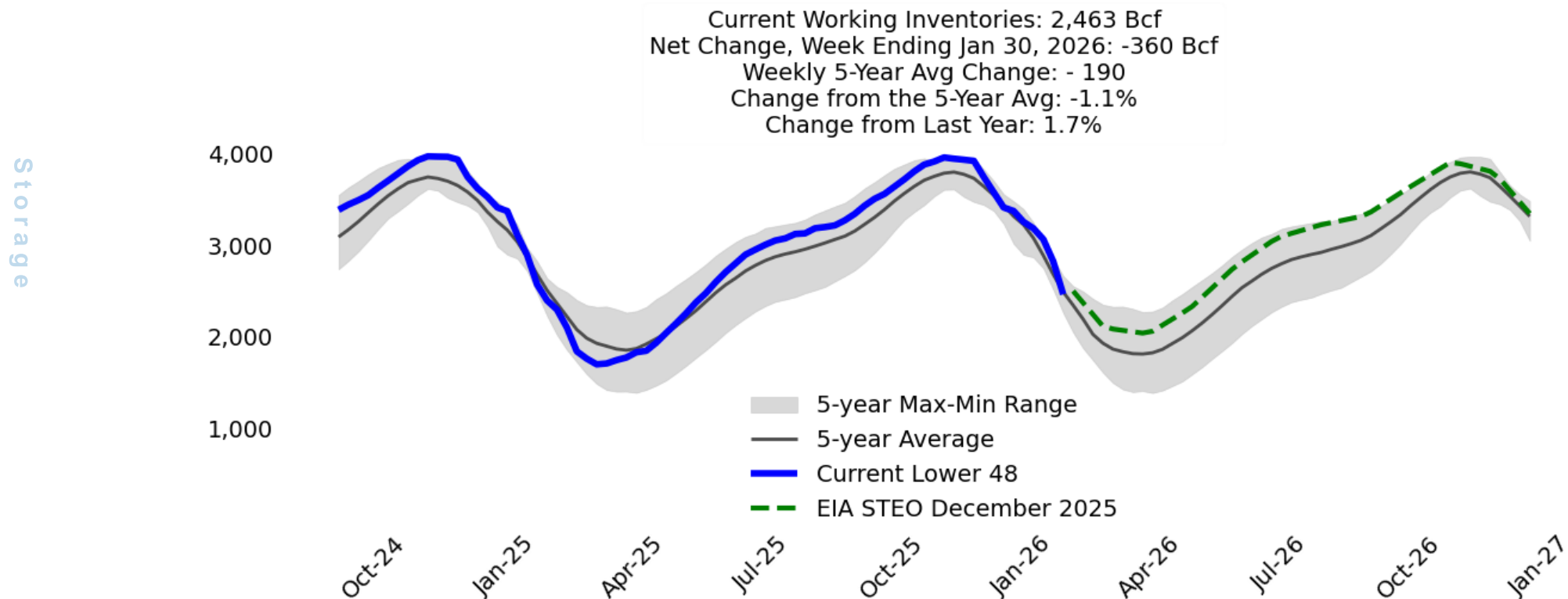


Source: S&P Global Energy, ©2026 by S&P Global Inc. Chart: American Gas Association, Data as of Feb 05, 2026, Subject to Revision

Winter storm saw record weekly drawdown of underground inventories. Storage met up to 36% of daily demand.

Natural gas storage

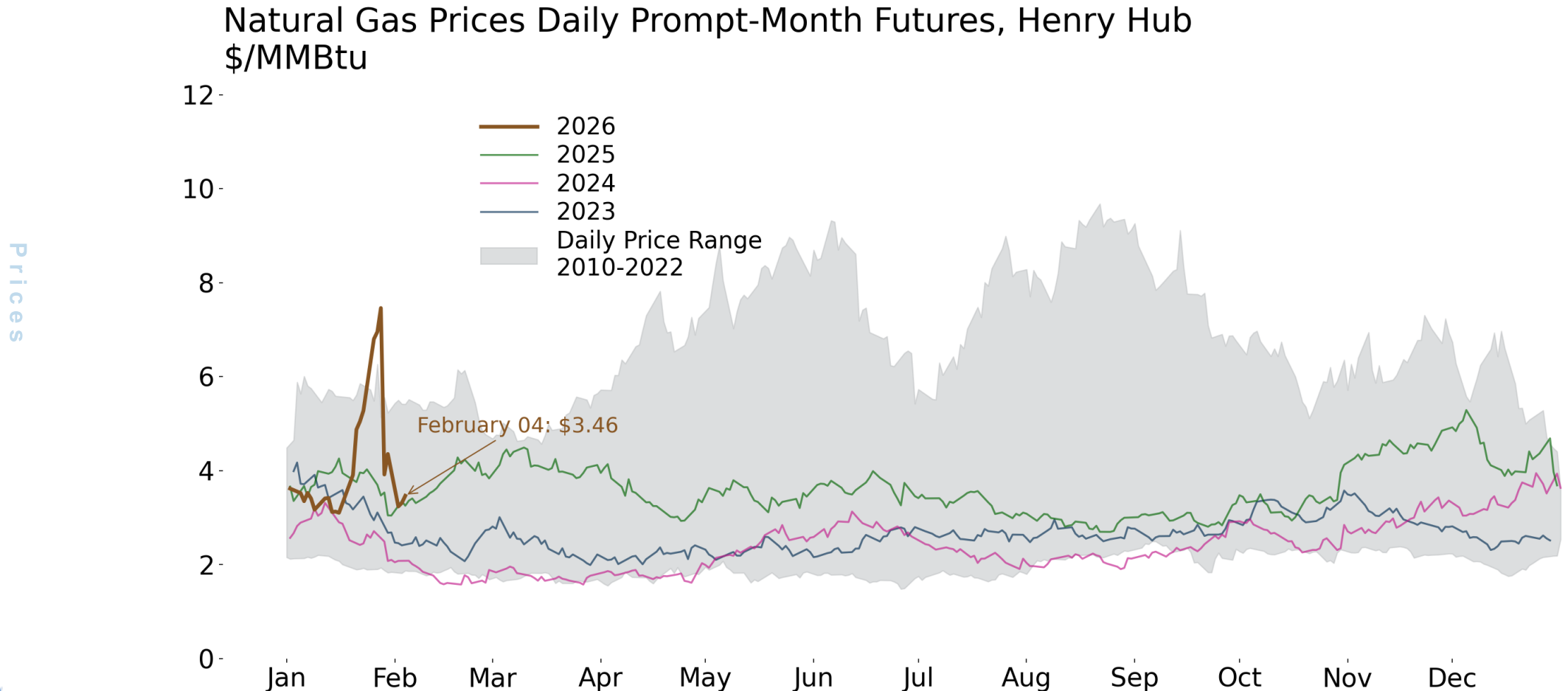
U.S. Working Gas in Underground Storage Compared with the Five-Year Minimum and Maximum
Billion cubic feet



Source: U.S. Energy Information Administration, Chart: American Gas Association, Data as of Feb 05, 2026, Subject to Revision
The shaded region represents the five-year range relative to the reporting period for the historical data. Projections utilize current five-year data available.
EIA STEO Release: December 2025

Natural gas prices jumped to \$7 during the January 2026 cold event, fell quickly when February contracts rolled to March.

Natural gas futures prices

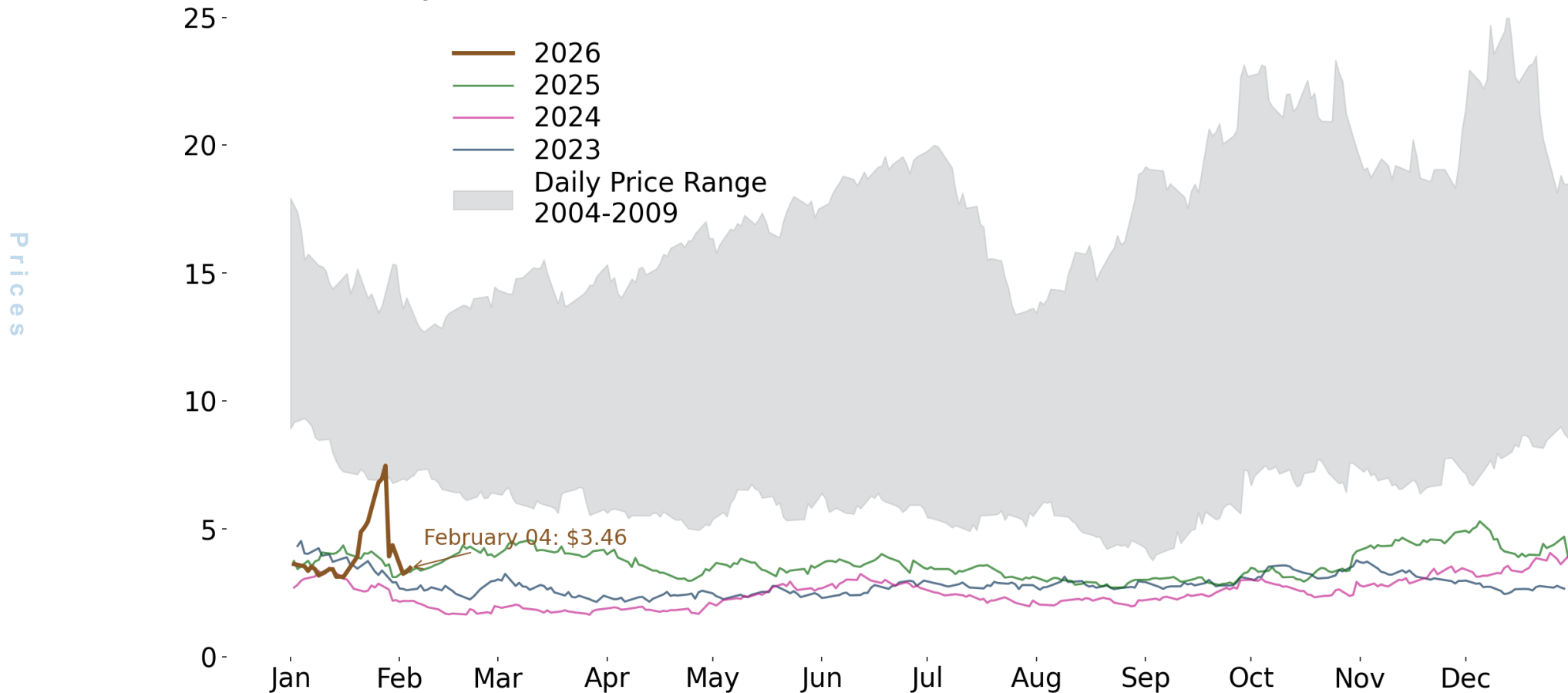


Source: S&P Global Market Intelligence, Chart: American Gas Association, Data as of Feb 04, 2026, Subject to Revision

Inflation-adjusted prices are much lower compared to history.

Natural gas futures prices

Natural Gas Prices Daily Prompt-Month Futures, Henry Hub
Inflation Adjusted (Dec-2025 USD/MMBtu)



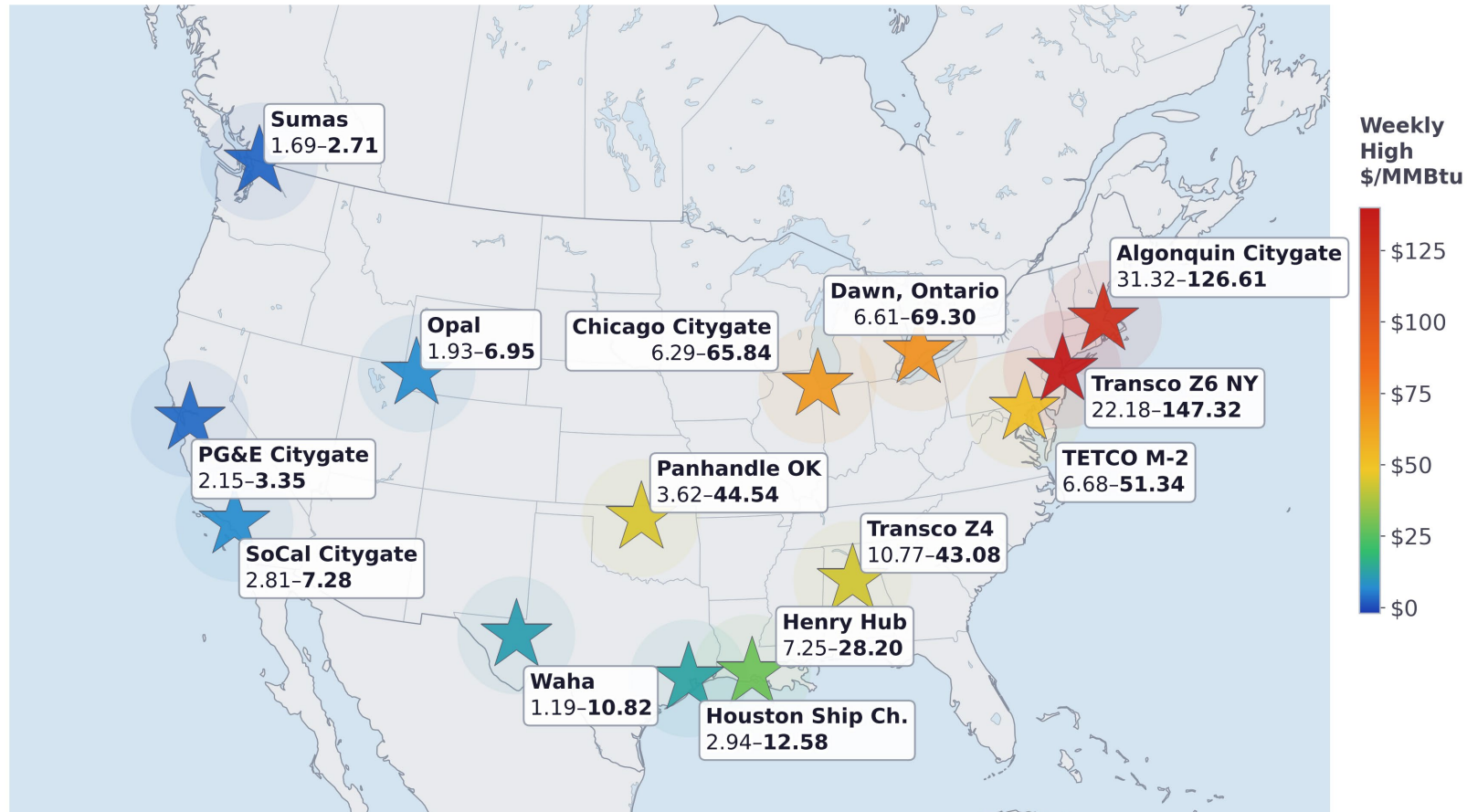
Source: S&P Global Market Intelligence; FRED (CPIAUCNS), Chart: American Gas Association, Data as of Feb 04, 2026, Subject to Revision

Spot prices at Henry Hub reached a record high during Fern. Many central and eastern hubs saw elevated cash prints.

Natural Gas Spot Prices, January 27 - February 2, 2026

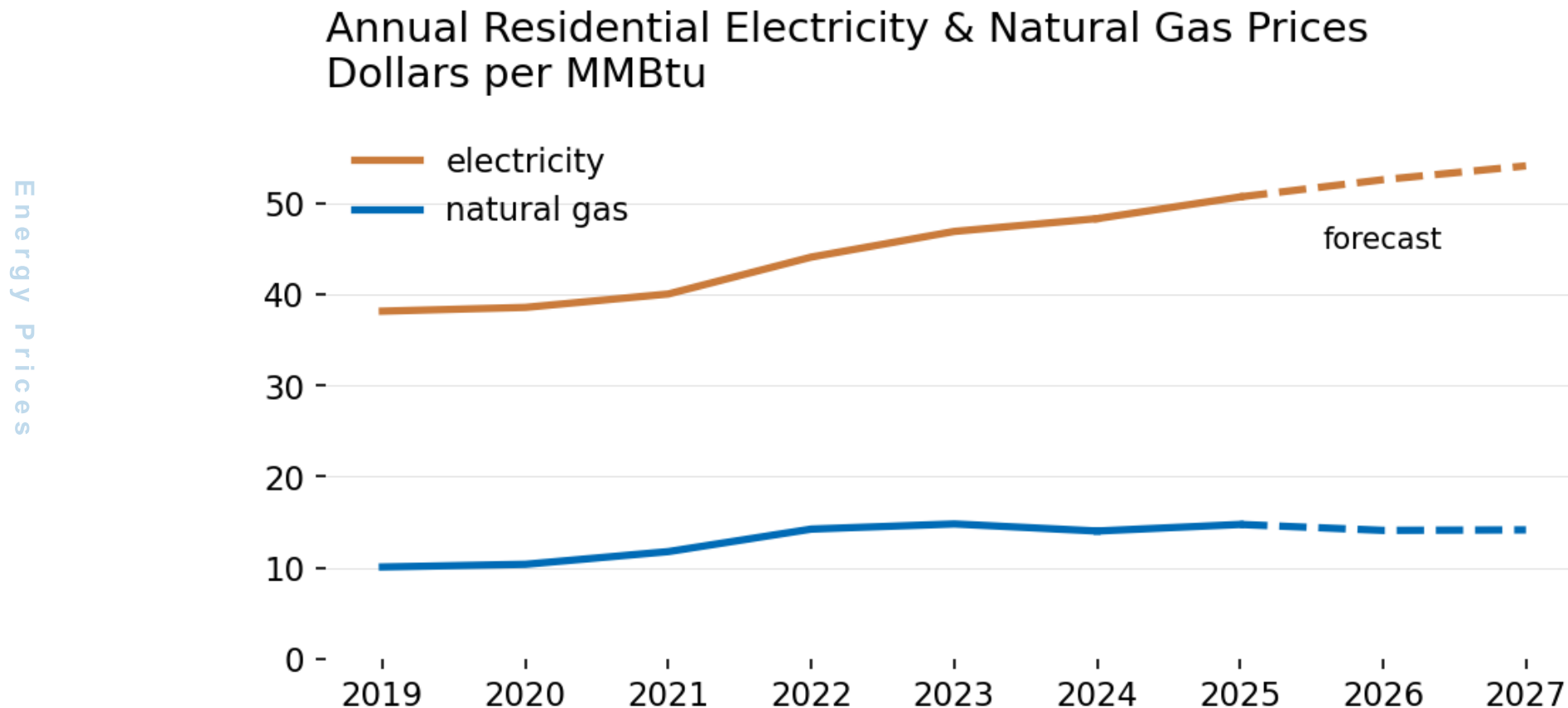
Volume Weighted Average, Weekly Low - High (\$/MMBtu)

Prices



Residential electricity prices expected to rise while natural gas falls.

Residential energy prices



Data source: U.S. Energy Information Administration, Short-Term Energy Outlook, January 2026

The Need for New Natural Gas Infrastructure

U.S. LNG export capacity set to more than double by 2028.

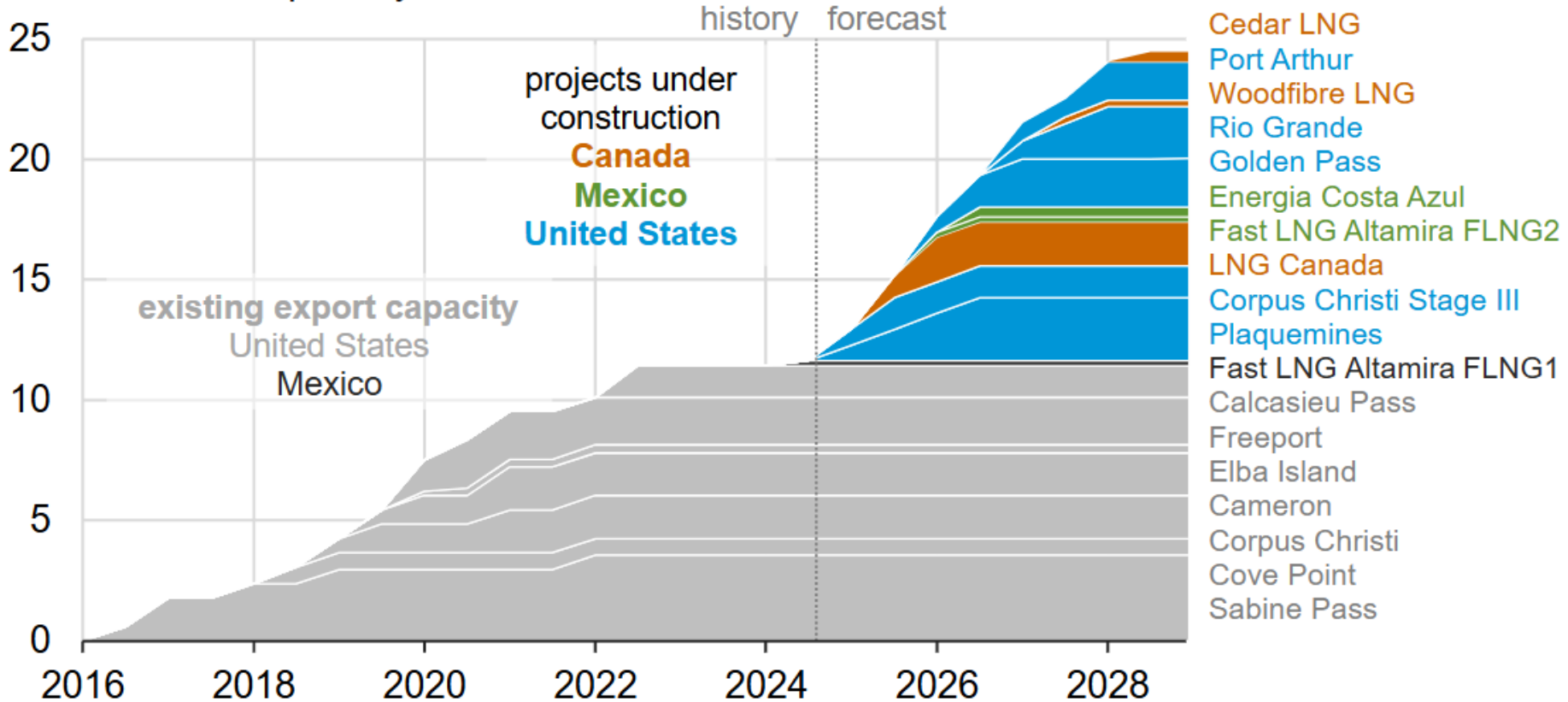
Export capacity for liquefied natural gas

North America liquefied natural gas export capacity by project (2016–2028)

billion cubic feet per day

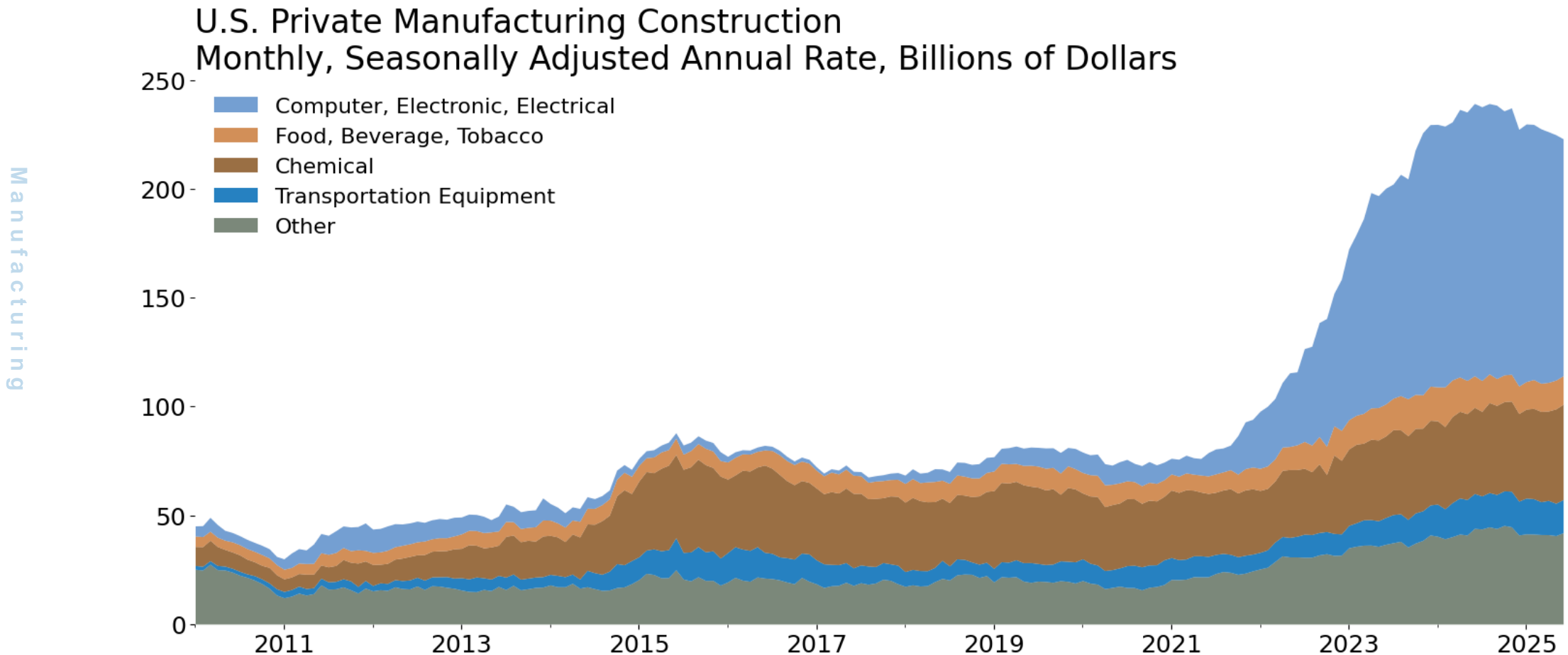


LNG Exports



Manufacturing investment has tripled in four years, spurred by computer, electronic, and electrical spending.

Manufacturing Construction

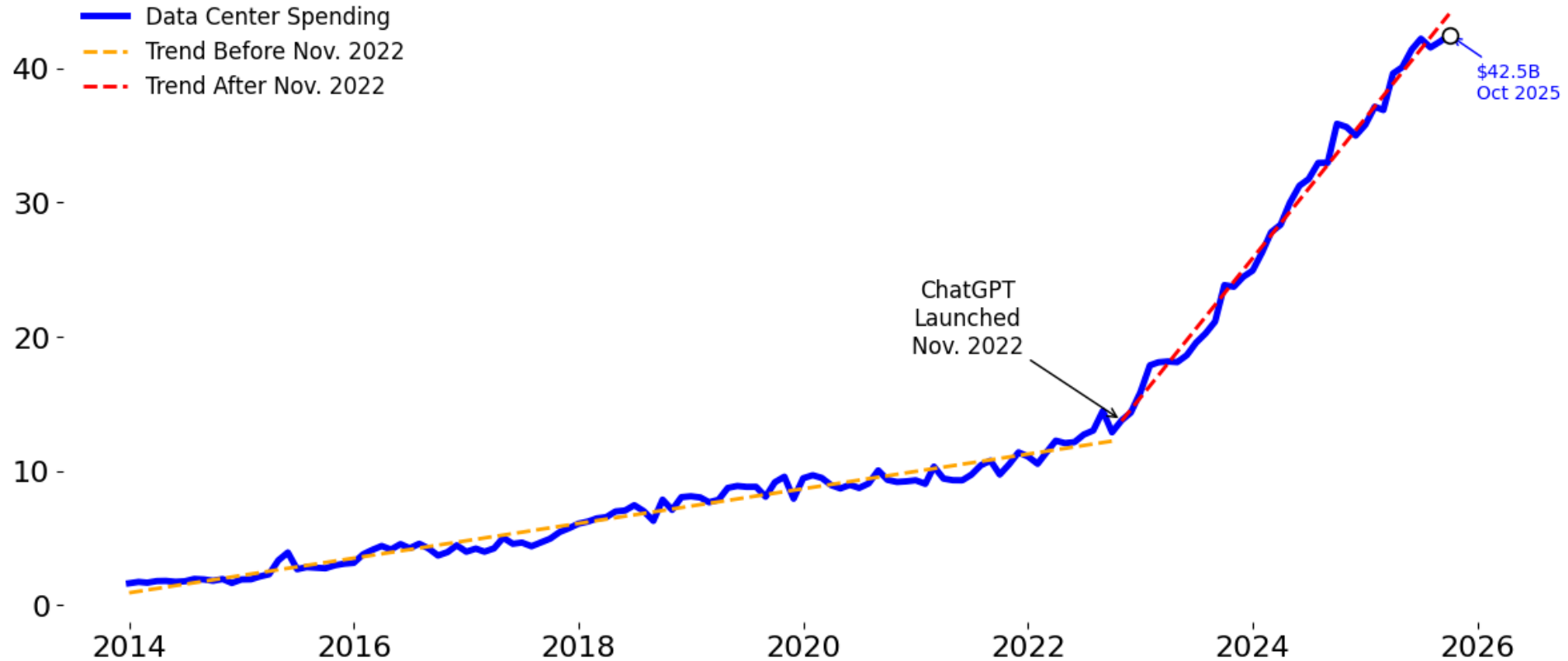


Source: U.S. Census Bureau | Chart: American Gas Association

Data center construction spending has tripled since 2022.

Construction spending on data centers. Does not include compute, gas, or power infrastructure

U.S. Data Center Value of Private Construction Put in Place
Seasonally Adjusted Annual Rate, Billions of Dollars



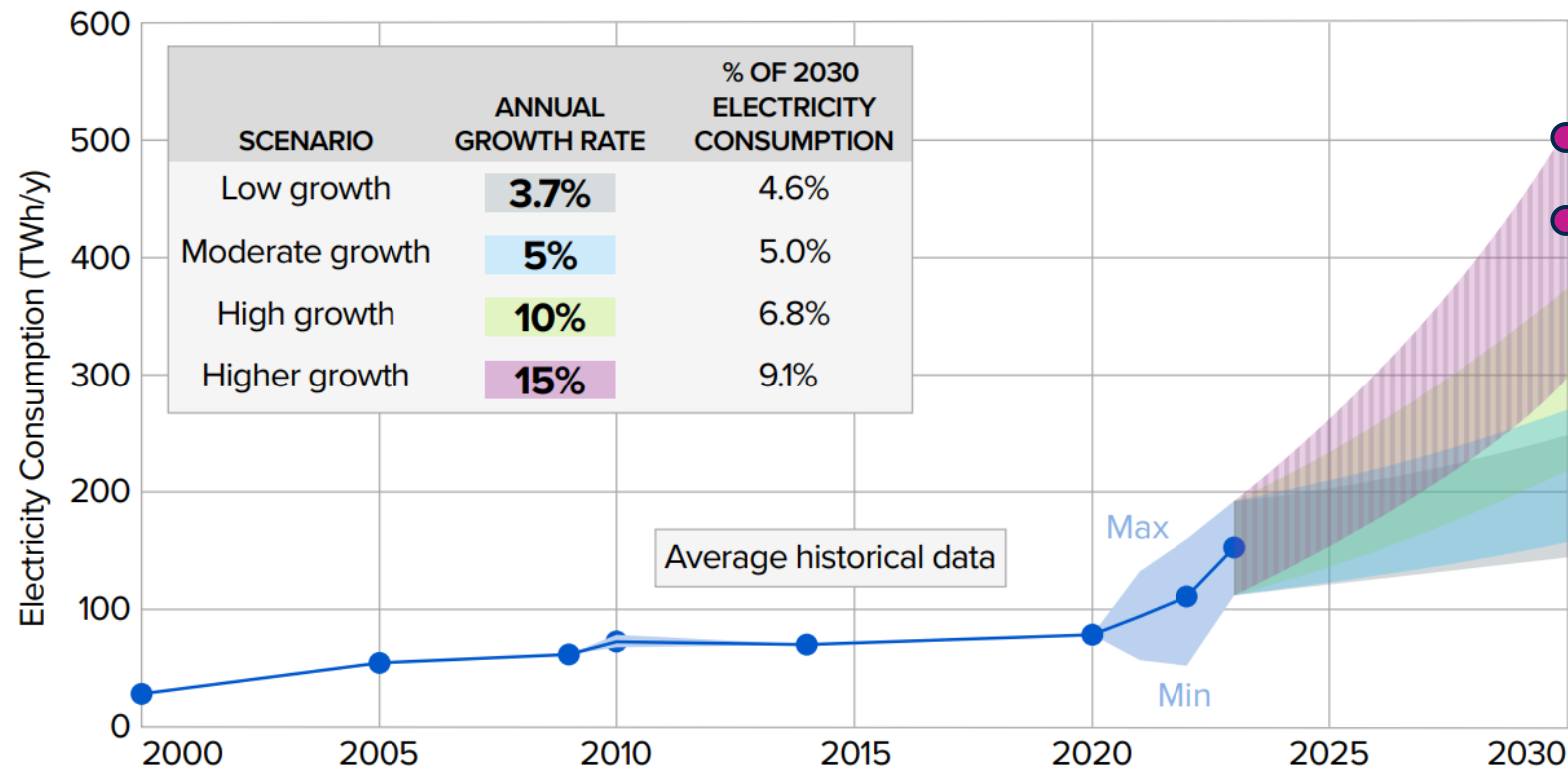
Source: U.S. Census Bureau | Chart: American Gas Association

Data center electricity demand projected to grow. How fast?

Data Center Electricity Demand Outlook (2024 Forecast)

Projections of potential electricity consumption by U.S. data centers: 2023–2030

Electricity Demand



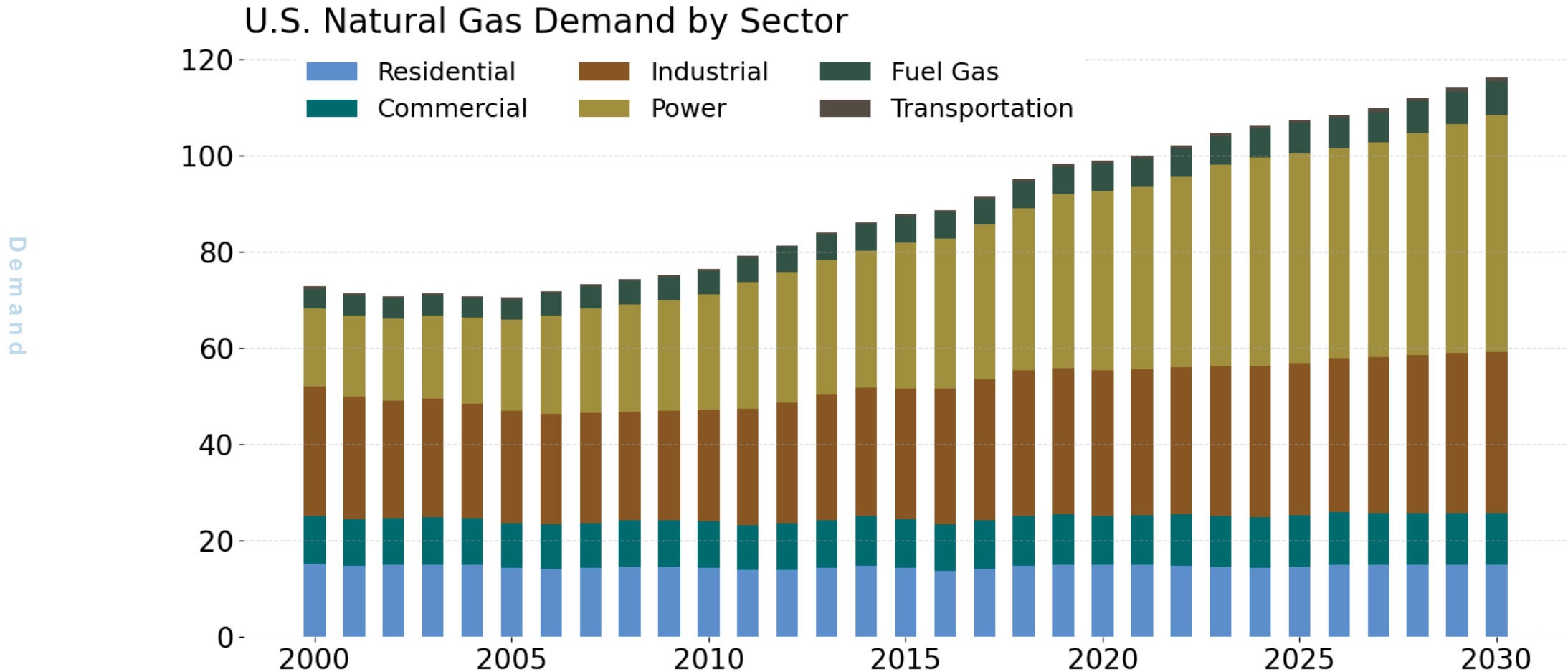
International Energy Agency, Nov. 2025

International Energy Agency, April 2025

Figure ES-1. Projections of potential electricity consumption by U.S. data centers: 2023–2030 . % of 2030 electricity consumption projections assume that all other (non-data center) load increases at 1% annually.

Longer-term domestic natural gas demand growth is expected in the industrial and power sectors.

U.S. Natural Gas Demand Through 2030

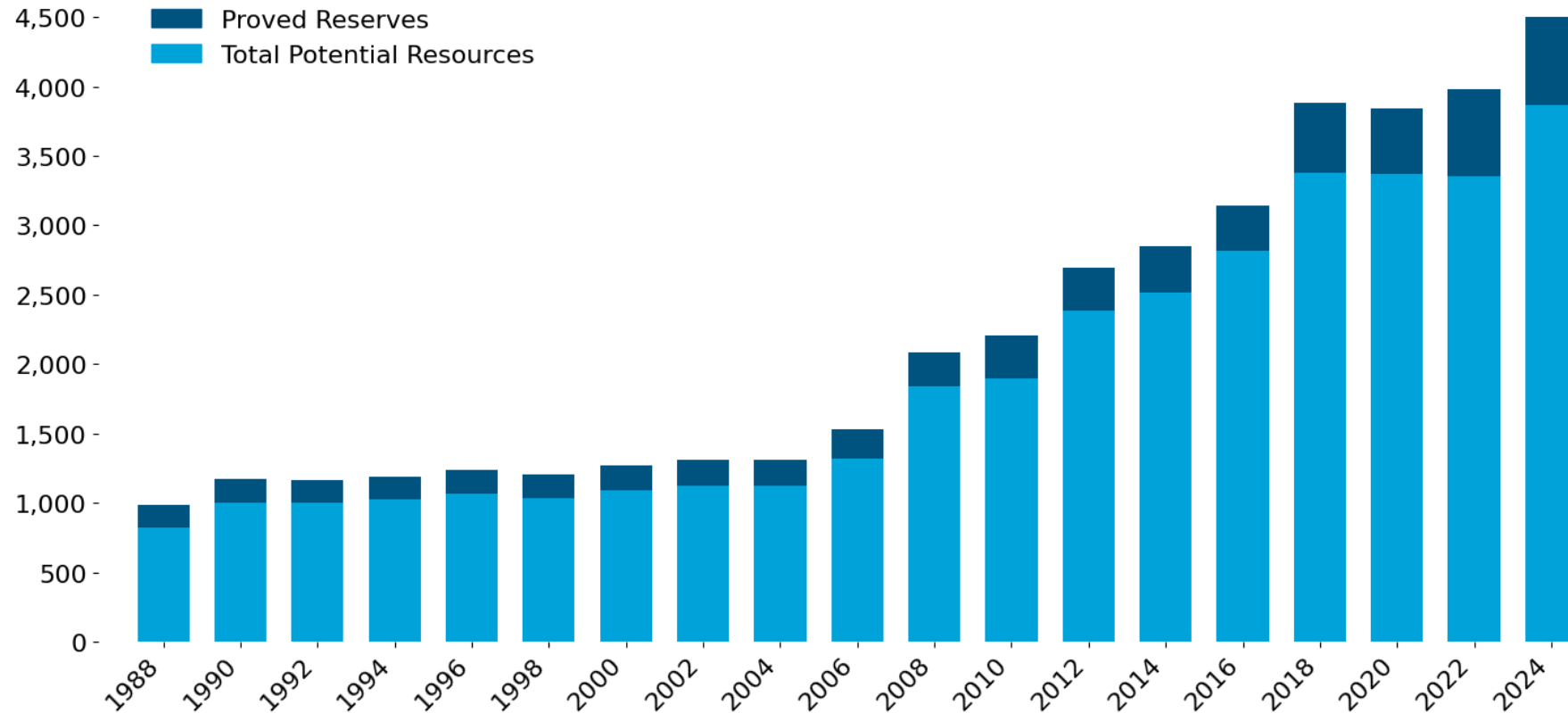


Source: Rystad Energy, ©2025 by Rystad Energy, Chart: American Gas Association, Data as of Aug 19, 2025, Subject to Revision

Potential future natural gas supply is at a record high.

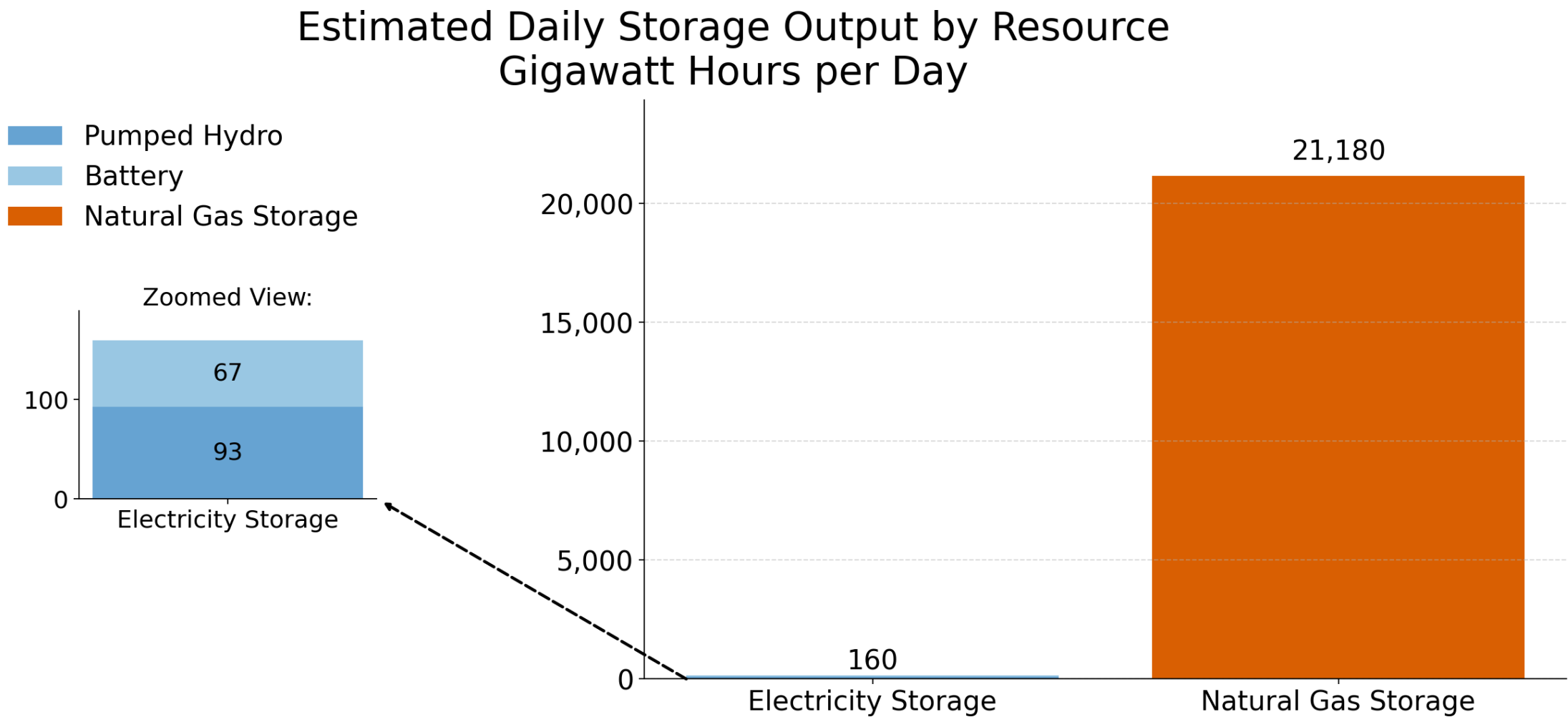
U.S. natural gas resources and reserves over time

U.S. Future Natural Gas Supply (Potential Resources plus Proved Reserves)
(Trillion Cubic Feet)



Source: Potential Gas Committee (PGC), Potential Supply of Natural Gas in the United States • Chart: American Gas Association
Includes traditional, coalbed, and offshore natural gas resources.

Storage is a critical balancing tool for natural gas utilities during the winter, with a daily dispatch capacity 130x greater than electric storage.

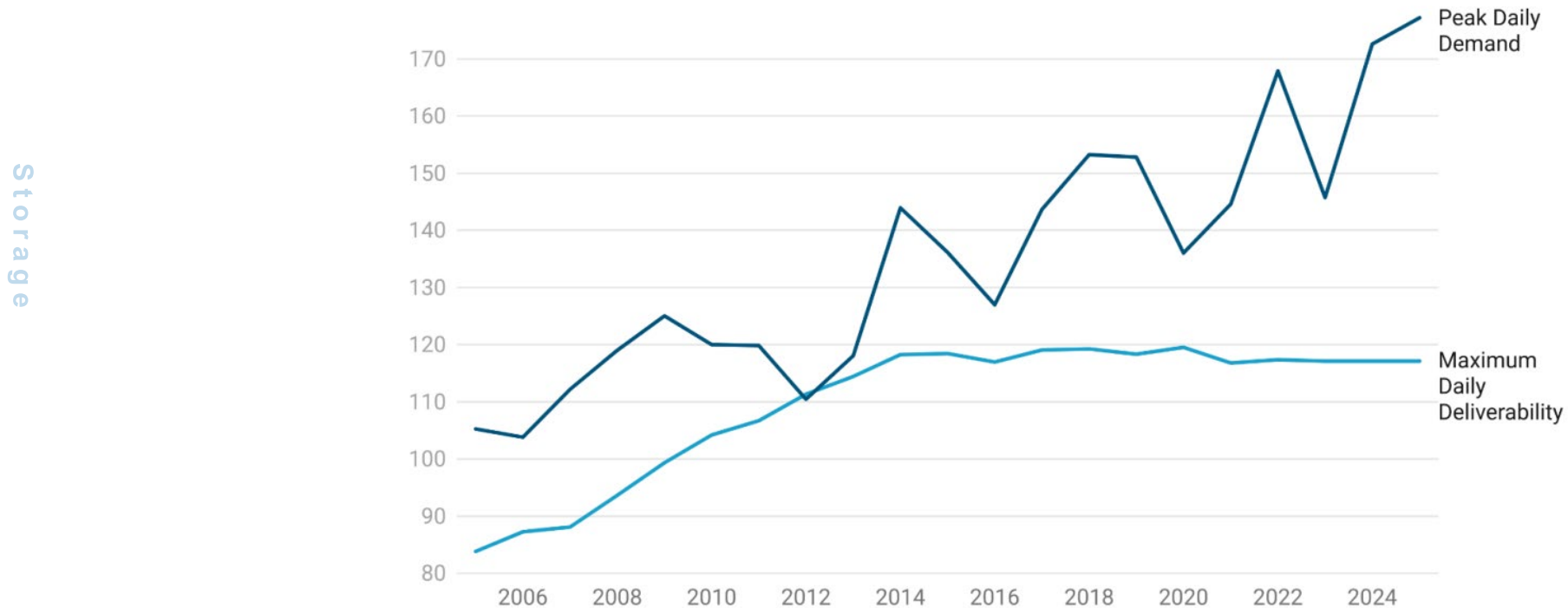


More natural gas storage is needed. Natural gas peak demand has grown while maximum storage deliverability has been flat.

Peak demand vs natural gas storage

Underground Storage Maximum Daily Deliverability vs. Peak Daily Demand

Billion Cubic Feet per Day (Bcf/d)



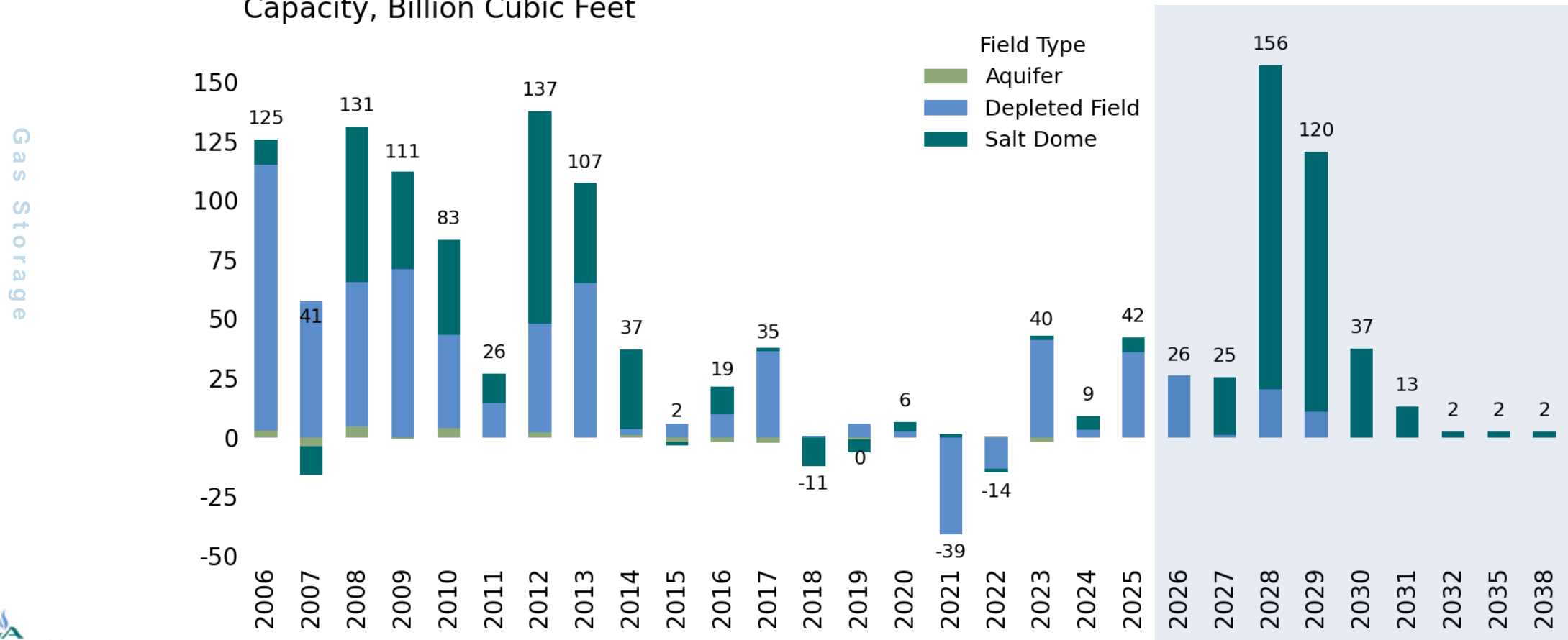
Subject to Revision

Source: Energy Information Administration, S&P Global Commodity Insights © 2025 by S&P Global, Inc. • Created with Datawrapper

More than 400 Bcf of natural gas storage additions now expected through 2030, largely located in Gulf Coast, Rockies, & Southeast.

Working Gas Storage Additions

U.S. Lower 48 Working Gas Storage Capacity Changes by Field Type
Capacity, Billion Cubic Feet

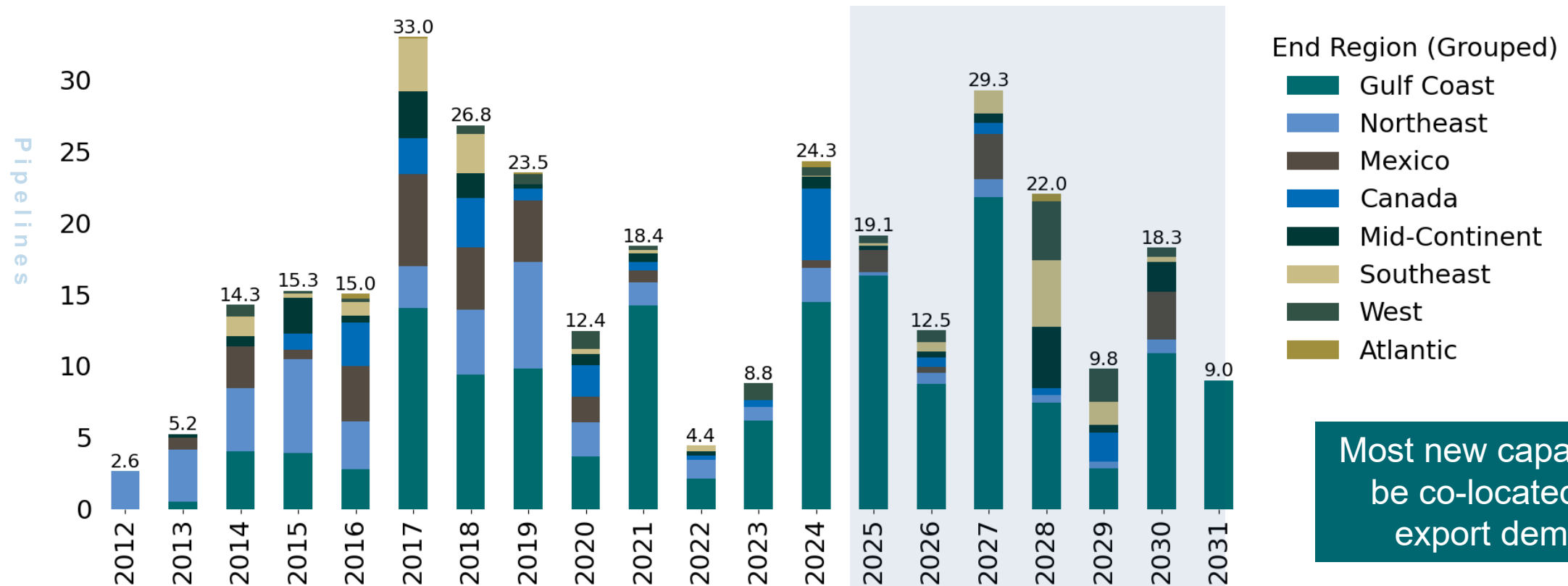


Source: S&P Global Commodity Insights, ©2025 by S&P Global Inc., Chart: American Gas Association, Data as of Oct 16, 2025, Subject to Revision

New pipeline capacity is expected, largely intrastate projects located in the Gulf Coast. Interstate projects outside of the South remain a challenge.

New pipeline capacity

North American Natural Gas Pipeline Capacity Expansions by End Region (Grouped)
Billion Cubic Feet per Day



Final Thoughts



Extraordinary demand during Fern

Heating and electricity demand jumped sharply while LNG export demand “flexed” downward.



Production was more resilient

Dry gas flows declined less than in prior events.
Reductions concentrated in oil-producing regions.



Natural gas is critical for reliability

Gas for electric power remains essential for meeting load growth and peak requirements. Maintaining generation, fuel delivery, and infrastructure is essential for reliability.

Recurring AGA Projects



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Energy Insights

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Natural Gas Market Indicators (NGMI)

NGMI is a biweekly publication focused on natural gas market trends such as supply, demand, prices, imports and exports, and storage inventories. Visit <https://www.agas.org/topics/ngmi/> for more information.



Surveys and Data Collection

AGA distributes and analyzes responses from several surveys throughout the year. As one example, the Winter Heating Season Performance Survey collects data on winter heating planning from members to track trends on preparedness.