

PREPARED FOR **AMERICAN PETROLEUM INSTITUTE**

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JUNE 2017

Benefits and Opportunities of Natural Gas Use, Transportation, and Production



Alabama

Economic Impacts of Natural Gas

There were 56,600 jobs in Alabama related to natural gas. These jobs represented 3.0 percent of total state jobs. The top three sectors with the greatest number of jobs were natural gas distribution, chemical manufacturing, and industrial equipment and machinery repair and maintenance. The contribution to the Alabama economy in terms of direct, indirect, and induced value added in 2015 was \$7.76 billion, of which \$4.46 billion was related to the end use segment, \$2.46 billion was from the infrastructure segment, and \$0.84 billion was from the production segment.

Natural Gas Consumers

In 2015, Alabama consumed 643 Bcf of natural gas. There were a total of 840,000 customers. The value of natural gas delivered to consumers was \$2.59 billion.

Alabama has 769,000 residential customers who consumed 33 Bcf in 2015. Average consumption was 42 Mcf per household. Residential demand was 65 percent for space heating, 29 percent for water heating, 3 percent for cooking, and 3 percent for other uses.

Alabama has 68,000 commercial customers who consumed 25 Bcf in 2015. Average consumption per commercial customer was 368 Mcf. Commercial demand was 50 percent for space heating, 29 percent for water heating, 10 percent for cooking, and 11 percent for other uses.

There are 3,300 industrial customers who consumed 187 Bcf. Average consumption per industrial customer was 57 MMcf. The top industries for gas consumption were Chemicals (NAICS Code 325), Primary Metals (331), Food (311), Petroleum and Coal Products (324), and Transportation Equipment (336), representing 80 percent of industrial demand.

Alabama has 42 power plants consuming natural gas. Gas consumed was 398 Bcf, representing 37 percent of generation in the state. Average consumption per customer was 9,475 MMcf.

Natural Gas Infrastructure

In 2015, Alabama had 1,005 producing oil wells and 6,044 producing gas wells. There were 3,475 miles of gas gathering lines and 16 gas processing plants in the state with a capacity of 1,459 MMcf/d. In addition, there were 6,712 miles of gas pipelines, 395 miles of crude oil pipelines, 357 miles of NGL pipelines, 1,102 miles of product pipelines, and 11 miles of CO₂ pipelines. There were 30,954 miles of gas distribution mains and 26,598 miles of service lines. There were 2 natural gas storage sites in the state with a working gas capacity of 33 Bcf.

Natural Gas and Oil Production

In 2015, Alabama produced 162 Bcf of dry natural gas, 9 million barrels of gas plant liquids, 1 million barrels of lease condensate, and 64 million barrels of crude.

Exhibit 7-2: Alabama State Factsheet

Alabama			Employment (# of Workers)			Labor Income (\$ million)			Value Added (\$ million)		
Summary	Segment	Category	Direct & Indirect	Induced	Total	Direct & Indirect	Induced	Total	Direct & Indirect	Induced	Total
	End-Use	Power Generation	3,416	4,755	8,170	272	242	514	1,308	418	1,726
		Industrial	4,602	8,157	12,759	325	388	713	1,154	720	1,874
		Residential/ Commercial	2,189	2,863	5,052	151	151	302	484	259	743
		Export	699	673	1,372	48	33	81	52	60	112
		Transportation	18	13	31	1	1	1	3	2	5
	Infrastructure	Processing	869	1,222	2,091	64	60	124	163	111	274
		Pipelines	3,606	3,486	7,092	275	176	451	562	320	881
		Distribution	6,252	4,718	10,970	372	212	585	849	427	1,276
		Wholesalers, Marketers, Other	148	120	267	9	6	15	21	11	32
	Production	Natural Gas/ NGLs	4,470	4,365	8,836	347	208	556	447	389	836
	All Segments	Grand Total	26,269	30,371	56,641	1,864	1,477	3,341	5,043	2,716	7,759

Jobs by Top Industries	Rank	NAICS	Industry Sector	Direct and Indirect Jobs
	1	221210	Natural Gas Distribution	2,167
	2	325	Chemical Manufacturing	1,614
	3	811310	Industrial Equip. & Machinery Repair & Maint.	1,178
	4	237120	Oil & Gas Pipeline Construction	927
	5	221112	Gas-fired Electric Power Generation	852
	6	331210	Iron & Steel Pipe & Tube Manufacturing	802
	7	45431NGL	NGL Retail	736
	8	236210	Industrial Construction	712
	9	211111	Crude Petroleum & Natural Gas Extraction	430
	10	4841	Freight Truck	376

Customers	Sector	Customer Count	Consumption Volume (MMcf/ year)	Value of Natural Gas Delivered to Customers (\$million)
	Residential Sector	768,568	32,709	\$460
	Commercial Sector	67,746	24,915	\$255
	Industrial Sector	3,300	186,954	\$696
	Transportation	34	421	\$5
	Power Sector	42	397,961	\$1,177
	All Sectors	839,690	642,961	\$2,594

Infrastructure	Gas Distribution Main (miles)	Gas Distribution Services (miles)	Gas Gathering (miles)	Gas Pipelines (miles)	Crude Oil Pipelines (miles)	NGL Pipelines (miles)	Oil Product Pipelines (miles)	CO2 Pipelines (miles)
	30,954	26,598	3,475	6,712	395	357	1,102	11

Production	Product	Annual Production
	Dry Natural Gas (mmcf)	162,436
	Gas Plant Liquids (barrels)	9,041,000
	Lease Condensate (barrels)	1,000,000
	Crude Oil (barrels)	63,982,300
	Annual Value Counted Toward Natural Gas Value Chain (\$million)	\$632
	Annual Value of All Produced Oil, Gas, NGLs (\$million)	\$3,483

Wells	Well Type	Operating Wells	New Wells Drilled
	Oil Wells	1,005	26
	Gas Wells	6,044	23
	All Wells	7,049	48

Annual 2015 Data for Alabama
Natural Gas Value Chain Basis