



# FROM THE DESK OF COMMISSIONER BRENT BAILEY CENTRAL DISTRICT OFFICE



The Central District is pleased to bring you the latest information concerning utility rates, project developments, Public Service Commission actions and other news you can use. I hope you will find this information to be a useful resource to learn about the Public Service Commission, consumer issues and the continuous work we are doing for the citizens in the Central District and across the state of Mississippi. Thank you again for allowing me to serve you in this capacity.

*Brent Bailey*

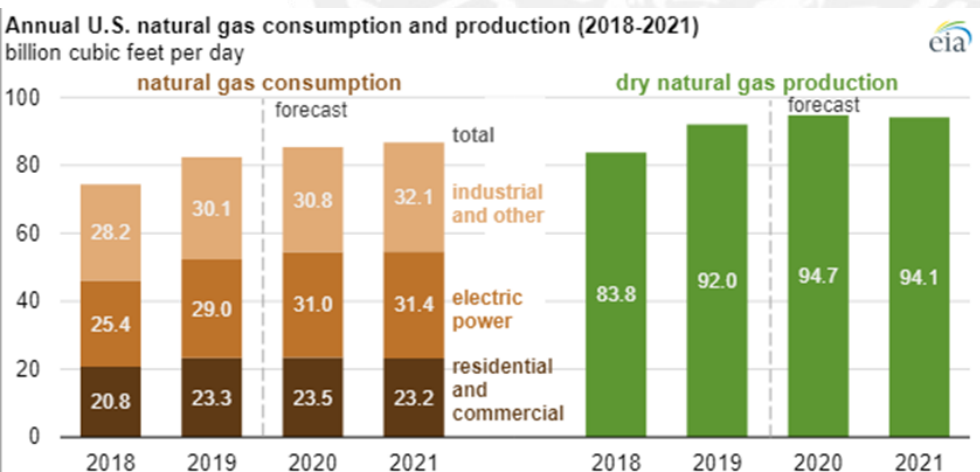
## Natural Gas Issues

### Two New American Gas Foundation Studies Discuss Pathways for Achieving Significant U.S. Emission Reductions

In December, the American Gas Foundation unveiled two new studies focused on reducing greenhouse gas (GHG) emissions through the use of emerging natural gas direct use technologies and the development of renewable natural gas. The [first study](#) demonstrates how widespread adoption of emerging natural gas direct use technologies could contribute significantly to achieving deep reductions in GHG emissions in the US residential sector at much lower costs than other options under consideration. The [second study](#) outlines the potential domestic resource base for renewable natural gas (RNG), the corresponding potential for emission reductions, and associated costs. Notably, this study is the first to examine power-to-gas technology as a production method for renewable natural gas. Both AGF studies will serve as resources for policymakers and stakeholders to use when evaluating options for achieving cost-effective pathways to reducing emissions.

### EIA Predicts Lower Natural Gas Prices for 2020

In its [January 2020 Short-Term Energy Outlook](#), the Energy Information Administration (EIA) predicted average U.S. natural gas prices will be 9% lower in 2020 than in 2019. Experts are predicting record volumes of U.S. dry natural gas production to continue through 2020, from an estimated 92.0 billion



cubic feet per day in 2019 to 94.7 billion Bcf/d in 2020. Most U.S. production will come from the Appalachian Basin in the Northeast, followed by the Permian Basin in western Texas and New Mexico and the Haynesville shale formation in eastern Texas. Cost reductions in drilling and well completions and improved drilling efficiency will support continued record-production levels in 2020. EIA also

expects U.S. natural gas use in the electric power sector to increase 1.3% in 2020 as a result of natural gas-fired generation additions. (The United States became a net exporter of natural gas on an annual basis for the first time in 2018, and EIA expects that this trend will continue.)