

### Transportation Infrastructure Development Roundtable

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### **Mid-Stream Infrastructure**

#### **Price Differentials and Shipping Constraints**



Crude transport: PADDs 2 & 4 to PADD 3 (share by mode)

#### Lines at Jan 2007, May 2012, Jan 2016

Agerton, Mark and Upton, Gregory, Decomposing Crude Price Differentials: Domestic Shipping Constraints or the Crude Oil Export Ban? (March 10, 2017). USAEE Working Paper No. 17-307. Available at SSRN: https://ssrn.com/abstract=2942989

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#### **Mid-Stream Infrastructure**

Natural Gas Price Premium to HH

**During the** peak of the natural gas boom, natural gas wellhead prices in west Texas were discounted heavily to Henry Hub.



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**Natural Gas Price Premium to HH** 

Even today, price discounts appear to be impacted by the availability of natural gas pipelines needed to get gas to Gulf Coast. **Current research** focuses on importance of natural gas pipelines on upstream economics.

