



EIA's Proposed NGL Realignment FAQs

Q: Why is EIA proposing to change its NGL definitions?

Increasing production of wet natural gas and lighter crude oil has focused attention on natural gas liquids (NGL). Accordingly, several inconsistencies came to light in our definitions, both internally within EIA and externally with other organizations, and led us to perform a thorough review of all NGL-related terminology. For more information on our motivations, please refer to the NGL Realignment Statement on the [EIA NGL page](#).

Q: What is wrong with EIA's current NGL definitions?

Given that EIA surveys natural gas processors and refineries, much of our upstream and midstream data focus on the supply side of the market. This includes grouping products based on where they are produced. For example, NGL produced at a gas plant are called natural gas plant liquids (NGPL) and NGL produced at a refinery are called liquefied refinery gases (LRG). From a market perspective, commodity buyers do not typically care about the source of a product as long as its chemical composition meets specifications. We are proposing to rework our definitions to include the source of production and the market. Additionally, some of our NGL-related definitions are out of synch with other agencies, companies, and trade organizations. We propose to bring these terms more in line with convention, and to offer a standardized set of terms that others may adopt. Please refer to the Overview on the [EIA NGL page](#) for details on some of the proposed changes.

Q: How will these proposed changes affect me as a data user?

Most of the proposed definitional changes will affect the grouping of products. If you currently use a data series involving a certain grouping of NGL products, you will want to determine if and how that series could be changed. To give an example, liquefied petroleum gas (LPG) is currently defined by EIA as ethane, propane, butane, and isobutane, and their olefins (ethylene, propylene, butylene, and isobutylene). This definition is inconsistent with other federal agencies, international organizations, and trade groups, as it implies that all of the products are in a liquid state (ethane typically is not) and used in the same way (higher-value olefins are used differently). We propose changing the definition of LPG to include only propane, butane, and isobutane, excluding ethane and olefins. We will continue to collect production, net inputs, stocks, imports, exports, and consumption for the individual products, but we propose displaying them grouped differently.

Q: When will these proposed changes happen?

We expect to receive feedback through July 8, 2013, and will finalize our decision sometime in fall 2013. EIA staff are currently soliciting feedback from industry stakeholders and data users, and would like to hear from you. We will hold several events on June 18-20, 2013, in order to share and discuss proposed changes, and encourage interested parties to attend (see [EIA NGL page](#) to register).

Q: How can I learn more and provide feedback?

For more information, please refer to the other documentation available on our [EIA NGL page](#). If you would like to provide feedback, send an email to NGL@eia.gov before July 8, 2013, and indicate if you or your colleagues are interested in speaking directly with us about proposed changes. We are more than happy to set up a time to speak with you before July 8, 2013. And again, we would encourage you to consider attending one of our events on the [EIA NGL page](#).