



Natural Gas Falls for a Third Day on Mild U.S. Weather Outlook

Natural gas fell for a third day in New York as the outlook for a mild start to November signaled reduced heating-fuel demand in the U.S. Futures slid as much as 3.1 percent after capping a third weekly loss last week. Weather forecasters including MDA Weather Services in Gaithersburg, Maryland, predicted seasonal or above-normal temperatures in the eastern U.S. through Nov. 15. U.S. gas inventories are “on pace” to climb to as much as 3.87 trillion cubic feet by winter, according to Schork Group Inc.

“That is a lot more gas in the ground than the market was betting on back in the spring,” Stephen Schork, president of the consultant in Villanova, Pennsylvania, said in an e-mailed report today. Natural gas for December delivery declined as much as 10.7 cents to \$3.41 per million British thermal units in electronic trading on the New York Mercantile Exchange, and was at \$3.416 at 12:39 p.m. London time. The volume of all futures traded was more than double the 100-day average. Prices dropped 5.2 percent last week in the longest string of declines since the three weeks ended Aug. 9.

“Forecasts show a slow start to the winter demand season with periods of warm spells over the next 14 days, suggesting scope for further price weakness in the short term,” analysts at Deutsche Bank AG led by Michael Lewis in London, said in a research note.

<http://www.bloomberg.com/news/2013-11-04/natural-gas-falls-for-a-third-day-on-mild-u-s-weather-outlook.html>

Ann Koh (Bloomberg) 11/4/13

EY offers quarterly US oil and gas outlook

With new infrastructure opening up logistical bottlenecks between the US Mid-Continent and Gulf Coast regions, and mounting instability in the Middle East and North Africa, US and global oil prices pushed higher in recent months, according to the latest US quarterly outlook by Ernst & Young's (EY's) Oil & Gas Center.

Global oil demand growth remains modest, but strong growth in non-OPEC crude production – particularly from the US – is putting substantial pressure on OPEC to keep its production in check. Coal-to-gas switching at utilities has moderated somewhat, but producers can anticipate a strong gas-fired heating season.

While a substantial number of proposed LNG exports remain under review by the US Department of Energy, two additional US LNG export projects received full export permits in the third quarter. Both of the newly-approved projects are re-purposed LNG import facilities, including the first proposed export project not located along the Gulf Coast. Meanwhile, buyers across the globe, particularly in Asia, have become increasingly attracted by the potential for lower-cost LNG supply from the US and Canada.

Total global rig counts continue to trend low year-over-year, primarily due to the relatively weak US drilling activity. Data from IHS Herold show that global upstream spending growth was fairly strong in 2012, increasing by 12%. But growth is slowing, particularly in North America, where operators have been re-directing capex spending from dry-gas plays to oil and/or liquids-rich gas plays. At the same time, oilfield services cost pressures are increasing, as is service intensity.

Going forward, EY expects to see North American onshore and offshore rig activity to improve.

<http://www.ogfj.com/articles/2013/11/ey-offers-quarterly-us-oil-and-gas-outlook.html>

(Oil & Gas Financial Journal) (Ernst & Young LLP) 11/ 3/13

Twelve CNG-Powered Delivery Trucks Come Online on Long Island

New York-based Manhattan Beer Distributors has added a dozen new compressed natural gas (CNG) trucks to its fleet operating out of Long Island, in Wyandanch, N.Y.

According to coverage from Long Island Newsday, the company now has 27 natural gas vehicles delivering products on Long Island. Overall, Manhattan Beer Distributors operates 75 NGVs, having deployed its first CNG-powered truck in 2002. The company's total fleet numbers 350 units.

Manhattan Beer Distributors drew from a \$573,000 federal grant administered by the Greater Long Island Clean Cities Coalition to help fund the NGV purchases.

http://www.ngtnews.com/e107_plugins/content/content.php?content.9245#.UnkGISfJKug

(NGT News) 11/4/13

Natural gas tax break sought

WARREN - Legislation that offers tax incentives for purchasing a vehicle that runs on compressed natural gas or retrofitting an existing car or truck engine to run on the alternative fuel appears to have some traction in the Ohio House. The proposal, made by Democrat state Rep. Sean O'Brien of Brookfield and Millersburg, Holmes County-Republican Dave Hall, is being welcomed with open bi-partisan arms and has support from the leadership of both parties.

Introduced Monday, the bill also establishes a sales tax reduction for people who buy electric vehicles and creates a five-year compressed natural gas fuel tax that would match the current diesel and gasoline tax.

O'Brien said when he began developing the proposal in September, the credit would pay up to half of the cost of conversion, which is \$5,000 for light-duty vehicles; \$10,000 for medium-duty vehicles; and \$25,000 for heavy-duty vehicles.

<http://www.tribtoday.com/page/content.detail/id/595281/Natural-gas-tax-break-sought.html?nav=5021>

(Tribune Chronicle)

11/5/13

Gas happy Pennsylvania? Natural gas subsidies tab hits tens of millions and are growing fast

HARRISBURG, Pennsylvania — The discovery five years ago that the Marcellus Shale, the nation's largest natural gas reservoir, could spew big profits and cheap, homegrown energy has, in turn, spurred gas-friendly state officials to run up a growing taxpayer-funded tab to encourage the use of the hydrocarbons.

Henderson said, the state so far has made a "relatively modest investment of dollars" for compressed natural gas vehicles and fueling stations, primarily to convert diesel-powered bus and truck fleets.

In Pennsylvania, tens of millions more dollars, at least, are available for Corbett to commit to natural gas projects if he desires. Of the bills pending in the Legislature, up to \$60 million a year in a wide-ranging transportation funding bill passed overwhelmingly by the Senate in June would be available to help the state's mass transit agencies convert their fleets to "an alternative energy source, including compressed natural gas."

Despite the narrow wording in the bill, Department of Transportation officials, who requested that provision, say they would make the money more broadly available for any money-saving alternative fuel project. Henderson was noncommittal toward several other House bills that, combined, would devote an additional \$360 million over a decade to natural gas vehicles and fueling stations. "It is a lot of money," Henderson said. "We do have to be mindful of that."

<http://www.dailyjournal.net/view/story/a2a671372a014c068ad0c3cacea2c317/PA--Gas-Happy-Pennsylvania/#.UnlAXyfJKug>

MARC LEVY (Daily Journal) (Associated Press)

11/3/13

Quantum, ZHRO Engage in More CNG System Work

Quantum Fuel Systems Technologies Worldwide Inc. has been awarded \$3.2 million in new business from ZHRO Solutions LLC, an Arizona-based company that is focused on commercializing natural gas conversion technologies for medium- and heavy-duty trucks.



This deal represents an expansion of Quantum's work with ZHRO, which had already executed a \$2.6 million development agreement with the company back in May. Through that agreement, Quantum is developing an integrated compressed natural gas (CNG) storage and fuel delivery system that utilizes the company's Q-Lite natural gas fuel storage tank and ZHRO's natural gas injection/engine conversion system.

The new contract includes orders for Quantum's storage modules, Quantum's supply of the natural gas fuel system for multiple validation vehicles, development of fuel system control software, and oversight of the development and integration of the engine control software system. Quantum says it will deliver the first full-scale systems to ZHRO by the end of this year.

http://www.ngtnews.com/e107_plugins/content/content.php?content.9248#.Unj-dSfJKug

(NGT News)

11/4/13

Blu Selects Ryder for LNG Vehicle Lease Projects

Ryder System Inc. announced today that Blu, an operator of liquefied natural gas refueling stations and provider of LNG technology solutions, has selected Ryder to provide LNG vehicles for Blu fleets in Utah and Georgia. This represents the first time Ryder has partnered with a fuel station operator to launch a natural gas vehicle offering.

Blu has signed a Full Service Lease agreement with Ryder for 30 LNG tractors in Salt Lake City, Utah, and 25 LNG tractors in Atlanta, Ga., as part of an effort to increase adoption of natural gas vehicles among commercial fleets in those markets. These are Ryder's first natural gas vehicle projects in Utah and Georgia.

<http://www.truckinginfo.com/news/story/2013/11/blu-selects-ryder-for-lng-vehicle-lease-prjects.aspx>

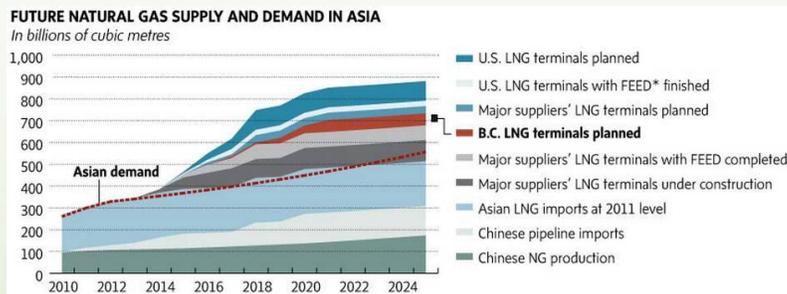
(Trucking Info) 11/3/13

B.C. LNG groups will have to consolidate and standardize

How will the race for Canadian liquefied natural gas exports shape up in 2014? We look to racetracks and the high-tech industry for a glimpse of what's to come – or at least what's needed.

It's a real horse race now. Fourteen thoroughbreds are jockeying for position. But this marathon of corporate equestrians is peculiar: Fourteen horses are on 14 different tracks. Every track seems to have different rules and payouts.

Table 1 shows a list of proposals to export liquefied natural gas off the coast of British Columbia. Like another me-too entrant in an overcrowded mayoralty election, Sinopec joined the fray on Oct. 22, 2013. Sinopec will probably be the last entrant to announce, closing off the project roster.



PROPOSED NATURAL GAS LIQUEFACTION PROJECTS IN B.C.

PLANNED TERMINALS	EXPECTED ONLINE	LIQUEFACTION CAPACITY tonnes per year
Douglas Channel Energy Partnership	2016	0.9
Kitimat LNG	2017	10
Pacific Northwest LNG	2018	12
Douglas Channel Energy Partnership	2018	0.9
LNG Canada	2019	12
Western Canada LNG	2021	21.6
Imperial and Exxon Mobil Canada project	2021	30

*Front-end engineering and design

JOHN SOPINSKI/THE GLOBE AND MAIL // SOURCES: VARIOUS B.C. AND FEDERAL GOVERNMENT WEBSITES; INTERNATIONAL GAS UNION 2012B, BP 2013; INTERNATIONAL ENERGY AGENCY 2012, CANADA WEST FOUNDATION

<http://www.theglobeandmail.com/report-on-business/industry-news/energy-and-resources/bc-lng-groups-will-have-to-consolidate-and-standardize/article15245022/?cmpid=rss1>

PETER TERTZAKIAN (The Globe and Mail) 11/4/13,



U.S. Freeport, Cameron LNG Export Rulings Seen in Coming Months

The U.S. could issue its next ruling on exports of domestically produced liquefied natural gas in one to two months, Energy Secretary Ernest Moniz said.

The estimate is based on the time it has taken officials to evaluate past applications for exports to countries, like Japan, with which the U.S. has no free trade agreement, Moniz said in a Nov. 2 interview in Tokyo.

The next application in line for evaluation is Freeport LNG Development LP's proposed terminal in Texas, according to the Energy Department's website. That facility will have the capacity to process 1.4 billion cubic feet of gas per day for export. The development of shale resources in the U.S. is turning the world's largest energy consumer from a major importer to an exporter of oil and gas.

<http://www.bloomberg.com/news/2013-11-05/u-s-freeport-cameron-lng-export-rulings-seen-in-coming-months.html>

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(Bloomberg) 11/4/13

Companies Saving With Natural Gas

Home retailer **Lowe's** (NYSE: LOW) is well on its way to achieve its goal of replacing all diesel-powered fleets with natural gas trucks by 2018. Lowe's partnered with **Clean Energy Fuels**, the largest provider of natural gas fuel for the transportation industry in North America, so it could more rapidly convert to natural gas. In fact, the transition should reduce greenhouse emissions 20%, decrease fuel costs, and streamline Lowe's fleet operations.

In mid-October, Lowes announced that one of its fleets in Texas, which delivers throughout Oklahoma, Louisiana, and Texas, now runs entirely on natural gas; it is the first major retail distribution center in North America run solely by the fuel.

<http://www.fool.com/investing/general/2013/11/03/4-companies-driving-savings-and-profits.aspx>

Brendan Marasco (Motley Fool) 11/3/13

Many households switching to natural gas

Framingham MA - Although oil prices are not expected to spike this winter, local utility companies report thousands of people continue to switch their heating fuel to natural gas.

An NStar spokesman said his company expects to make 2,500 conversions to gas this year while a National Grid spokesman said the company expects to complete about 6,200 between April 2013 and March 2014, up from 5,900 during the prior year.

<http://www.wickedlocal.com/framingham/news/x1783713839/Many-households-switching-to-natural-gas>

Brian Benson (The Metro West Daily News) 11/4/13

Spin-off will focus on produced water

Texas-based Advanced Hydro, along with an Israeli investment firm, has formed a new partnership that will offer turnkey BWRO water treatment systems for oil and gas hydraulic fracturing applications. The new firm, Green Hydro LLC, will focus on applications in Texas, New Mexico and North and South Dakota.

Advanced Hydro CEO Dileep Agnihotri told *WDR* that Green Hydro will license its pretreatment, high recovery RO and proprietary antifouling membrane coating technology to furnish a fleet of mobile units with fresh water production capacities of up to 0.3 MGD (1,135 m³/d).

The announcement of the new venture coincided with the signing of an agreement for water rights for its first site in Borden County, West Texas, which expects to begin water production for a frac project early in 2014.

<http://www.desalination.com/wdr/49/43/spin-will-focus-produced>

(Desalination.com) 11/4/13



NiSource launches open season for Marcellus-Alberta diluent pipeline

Unity Pipeline Co. LLC—a joint venture of Harvest Pipeline Co., Somerset Gas Transmission Co. LLC, and Crossroads Pipeline Co.—part of NiSource’s Columbia Pipeline Group, has begun a two-phase open season for a proposed 380-mile diluent pipeline supplying Marcellus and Utica shale light condensate and natural gasoline to Western Canada.

Phase 1, a nonbinding open season, will provide prospective shippers an opportunity through Dec. 20 to quantify their interest in the Unity Pipeline. Phase 2, set for next year, will allow shippers to submit binding offers for firm, long-term transportation service. Unity will consist of a 12-in. OD pipeline from Kensington, Ohio, connected to Somerset’s existing North Coast Pipeline originating at Mantua, Ohio. The pipeline will further connect to the Crossroads Pipeline at Cygnet, Ohio, and ultimately terminate in Griffith, Ind., at an interconnection with Explorer Pipeline. The North Coast and Crossroads pipeline systems currently transport natural gas west-to-east and will be reversed and converted from natural gas to diluent service.

Unity will also build a system to gather diluent products from the Marcellus and Utica regions. This system will deliver condensate and natural gasoline to Kensington.

<http://www.ogj.com/articles/2013/11/nisource-launches-open-season-for-marcellus-alberta-diluent-pipeline.html>

Christopher E. Smith at chriss@ogjonline.com. (Oil & Gas Journal) 11/4/13

Williams Partners Brings Transco Northeast Supply Link Expansion Into Full Service on Time, Ahead of N.E. U.S. Heating Season

Half of Expanded Natural Gas Transportation Capacity Went Into Service Early to Meet Market Demand in Fall and Summer Months
TULSA, Okla., Nov 04, 2013 (BUSINESS WIRE) -- --Approximately \$1.5 Billion in Additional Transportation Projects Underway to Connect Growing Marcellus-Utica Supplies With High-Value Markets

Williams Partners L.P. WPZ -0.88% announced today that it placed into service on Nov. 1 the remaining capacity of its Northeast Supply Link, after bringing half the capacity into service three months ahead of schedule in response to customer demands. The project marks the first major expansion of the Transco natural gas pipeline designed specifically to connect Marcellus natural gas supply with Northeastern markets.

The expansion provides 250,000 dekatherms of incremental firm natural gas transportation capacity from Marcellus supplies direct to nearby customers in Pennsylvania, New Jersey and New York. The total expansion is delivering enough natural gas to provide service to approximately 1 million homes.

http://www.marketwatch.com/story/williams-partners-brings-transco-northeast-supply-link-expansion-into-full-service-on-time-ahead-of-ne-us-heating-season-2013-11-04?reflink=MW_news_stmp

(Marketwatch) 11/4/13

PBS Newshour features EDF’s role in a coalition to improve drilling in the Marcellus

It’s rare to see environmentalists partnering with big energy companies, but if you’re trying to create system-wide change it’s imperative to be seated at the table where decisions are being made. A segment on Sunday’s PBS Newshour explored one part of EDF’s ongoing work to ensure that the unacceptable risks to our air, water, land and communities associated with the development of natural gas are reduced.

<http://www.edf.org/blog/2013/11/04/pbs-newshour-features-edfs-role-coalition-improve-drilling-marcellus>

Dan Upham (Environmental Defense Fund [EDF]) 11/4/13

U.S. Steel: Natural gas process will soon replace coke



COKE John Rennison, The Hamilton Spectator *US Steel plant.*



Coke will become all but obsolete in most steelmaking in about a decade, say some industry experts.

Technology both gaining ground and still in development will largely remove the need for the coal-based fuel in making high-quality steel, they say. That is important in the wake of U.S. Steel's decision last week to end steel and iron making in Hamilton because the plant and 828 jobs will now hinge on coke-making, rolling, galvanizing and other finishing operations.

United Steelworkers says roughly 120 jobs are directly linked to coke-making in Hamilton.

A process called direct reduced iron uses natural gas to concentrate iron ore into pellets within a furnace that requires less, or in some cases, no coke, says steel expert Peter Warrian of the University of Toronto.

The process is less expensive and about 21 million tonnes of steel in the world is made this way now, says Warrian.

Steel companies are making big investments in developing the technology, he said.

"In the next 10 years, it will replace blast furnaces."

<http://www.thespec.com/news-story/4190319-u-s-steel-natural-gas-process-will-soon-replace-coke/>

Meredith MacLeod (The Spec.com) 11/4/13

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About the SGICC

The Ben Franklin Shale Gas Innovation and Commercialization Center (www.sgicc.org) is designed to harness innovation and new technologies to maximize the economic return to Pennsylvania's citizens from the Marcellus and Utica shale formations. The Center's goal is to increase sustainable employment and wealth creation in Pennsylvania that has the potential to outlast the initial exploration, production and transportation of natural gas from the formations. The Center will also identify, support and commercialize technologies and early-stage businesses that enhance responsible stewardship of the environment while properly utilizing this transformative energy asset.

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