

Natural gas slumps to 5-week low on warm December weather



Natural gas prices fell for the fifth consecutive session on Wednesday to hit the lowest level in nearly five weeks as forecasts for unusually warm December weather weighed. On the New York Mercantile Exchange, natural gas for delivery in January fell by as much as 2.42% to touch a daily low of \$3.780 per million British thermal units, the weakest level since October 30, before recovering to last trade at \$3.800, down 7.4 cents, or 1.91%.

A day earlier, U.S. gas futures lost 13.3 cents, or 3.32%, to settle at \$3.874 per million British thermal units. Futures were likely to find support at \$3.768 per million British thermal units, the low from October 30, and resistance at \$4.026, the high from December 2.

Updated weather forecasting models for the first two weeks of December pointed to above-average temperatures across most parts of the U.S.

<http://www.investing.com/news/commodities-news/natural-gas-slumps-to-5-week-low-on-warm-december-weather-318920>

(Investing.com) 12/3/14

City buys first natural gas-powered vehicle

The Columbus Public Works Department is testing a new van to determine whether compressed natural gas is the fuel of the future for some city vehicles.

Columbus City Council approved a purchase Monday night that replaces a 2005 Ford van used by employees to read water meters with a 2015 model that runs on the alternative fuel. Chuck Sliva, the city's water utilities supervisor, said the \$21,746 purchase from Gene Steffy Ford of Columbus will be used as part of a pilot program that could lead to the introduction of more natural gas-powered vehicles in the future.

http://columbustelegram.com/news/local/govt-and-politics/city-buys-first-compressed-natural-gas-vehicle/article_8917425c-ea63-5478-88df-7e8777497f07.html

By Tyler Ellyson tellyson@columbustelegram.com (Columbus Telegram) 12/02/14

EIA ranks top shale gas producing states

US shale gas production reached record highs in 2013, thanks largely to four states – Texas, Pennsylvania, Louisiana and Arkansas – which accounted for 26 billion cubic feet per day (736 million cubic metres per day: MMcm/d), according to a November report by the Energy Information Administration (EIA). This was nearly 80% of US shale gas output in 2013.

“Total US gas gross withdrawals reached a new high at 82 bcf/d in 2013, with shale gas wells becoming the largest source of total gas production, providing nearly 33 bcf/d or 40% of gas produced in the United States,” the EIA said in its *Today in Energy* report.

“New technology has enabled producers to shift production to resources that are now easier to reach and have lower drilling costs,” the EIA report said. “These trends have been reflected in a lower market price of natural gas.”

<http://interfaxenergy.com/gasdaily/article/14331/eia-ranks-top-shale-gas-producing-states>

By Therese Robinson (Interfax Global Energy) 12/2/14

CNG tanks: Pressure vessel epicenter



In the pressure vessel market, there are a number of competing designs offered around the world, including a small number of new CNG Type V “linerless” designs, which have recently received regulatory approval for use in vehicle applications. New to the fray are Type V vessels. Certified in 2013, they represent the current state-of-the-art in terms of weight-to-pressure ratio.

- **CNG Type V:** An all-composite construction. The vessel is linerless, and features a carbon fiber or hybrid carbon/glass fiber composite wound over a collapsible or sacrificial mandrel; the composite materials carry all the loads.

Composite Technology Development (Lafayette, Colo.) and Clean NG (Tulsa, Okla.) are reported to offer an additional 10 to 20 percent weight reduction compared to CNG Type IV vessels (Click on “Next-generation pressure vessels,” under "Editor's Picks," at top right). By virtue of the simplified laminate, it is believed, Type V vessels will eventually become less expensive options than the CNG Type III and IV vessels. And this is expected to be true despite some higher materials costs, owing to new toughened epoxy resin systems and the nanocomposites needed to prevent gas leakage in the absence of a liner.

<http://www.compositesworld.com/articles/cng-tanks-pressure-vessel-epicenter>

Author: Chris Red (Composites World) (Source: Composites Technology) 12/1/2014

CNG Fuel System Company Secures Growth Capital

Mainstay Fuel Technologies Inc., a South Carolina-based company that specializes in compressed natural gas (CNG) fuel system components, says it has received a "multimillion-dollar investment" from an unnamed financial partner in order to grow its business and expand production capacity.

"The growth investment into the company supports our business plan and will enable us to add resources to better serve the growing demand for our products in various heavy-duty truck markets," says Rod Grandy, Mainstay's CEO. "In addition to capital, our new financial partner also brings strategic and operational expertise to the company."

Mainstay says it will consolidate its operations into a 60,000 square-foot facility in Piedmont, S.C., where it will build a new assembly line for the production of back-of-cab and side-mounted CNG fuel systems.

The company also [recently announced](#) a partnership with Quantum Fuel Systems Technologies Worldwide Inc. to offer back-of-cab CNG systems with capacities ranging from 28 DGE to 142 DGE.

http://www.ngtnews.com/e107_plugins/content/content.php?content.10255#.VH9zDsmEfYg

(NGT News) 12/1/14

Proposed Pipeline Would Bring Gas From Marcellus, Utica Shales to North Carolina, Virginia, an Industrial Info News Alert

- Written by John Egan for Industrial Info Resources (Sugar Land, Texas) -- A coalition of four energy companies plans to spend up to \$5 billion to build a 550-mile natural gas pipeline to bring up to 1.5 billion cubic feet of gas per day (BCF/d) from the Marcellus and Utica shale formations to power plants, homes and businesses in North Carolina and Virginia.

<http://www.marketwired.com/press-release/proposed-pipeline-would-bring-gas-from-marcellus-utica-shales-north-carolina-virginia-1972585.htm>

William Ploch (Market Wired) 12/1/14

Feds approve Constitution Pipeline



Contributed This map provided by Constitution Pipeline shows the company's preferred route for the pipeline.

The Federal Energy Regulatory Commission voted Tuesday to approve the \$683 million Constitution Pipeline — a 124-mile subterranean natural gas transmission system that would stretch from northeastern Pennsylvania through hundreds of parcels in Broome, Chenango, Delaware and Schoharie counties.

Also unanimously approved by FERC was the so-called Wright Interconnect Project — an expanded compressor station in the town of Wright, located in the northeastern corner of Schoharie County. The Constitution would terminate at that facility, operated by Iroquois Gas, with its gas going into two existing pipelines also connecting at the Wright station.

The federal commissioners, in issuing certificates of public convenience and necessity to both projects, stated flatly that they disagreed with the assertion of a local grassroots opposition group, Stop the Pipeline, that the project is unnecessary. The commissioners also said that the pipeline planners have adopted steps to minimize adverse economic impacts on landowners affected by the project.

http://www.thedailystar.com/news/local_news/feds-approve-constitution-pipeline/article_e5365458-bec0-521e-9e78-e92812172d6f.html

By Joe Mahoney Staff Writer (The Daily Star) 12/3/14

UGI links Pennsylvania Utica Shale well to gas distribution system

UGI Utilities, Inc. has become the first natural gas utility in Pennsylvania to directly connect its natural gas distribution system with a Utica Shale well. This historic direct interconnection of a Utica Shale well with a utility system is the result of a partnership between UGI and Shell Western Exploration & Production, Inc., a division of Shell Oil. The interconnection links a Utica Shale well and two Marcellus Shale wells located in northern Tioga County to a UGI high pressure pipeline.

The UGI Utica Shale connection project also included construction of a new meter / regulator station. The project will increase available supply of natural gas for UGI customers in Tioga and Potter Counties.

The interconnection with the Shell wells is designed to provide up to 14,000 dekatherms of natural gas per day into UGI's system. The annual available supply of natural gas from these wells will be enough to provide the needs of more than 50,000 homes in UGI's service area.

<http://www.ohio.com/blogs/drilling/ohio-utica-shale-1.291290/ugi-links-pennsylvania-utica-shale-well-to-gas-distribution-system-1.545786>

By BOB DOWNING (Akron Beacon Journal) 12/1/14



Pa. seeks firm for gas fueling venture

HARRISBURG — The state's newest privatization venture involves pairing compressed natural gas fueling stations with local mass transit agencies. The Public-Private Transportation Board wants to hear from private firms interested in designing, building and maintaining up to 37 stations across Pennsylvania by Dec. 23.

The County of Lackawanna Transit System, Luzerne County Transportation Authority, Hazleton Public Transit and Endless Mountains Transportation Authority are potential locations for these privately run stations, officials said.

The state Transportation Department has already held forums and meetings with a number of companies about the venture.

UGI Performance Solutions, an affiliate firm of UGI Utilities Inc., is among firms that have attended events, according to the department.

Officials hope these fueling stations will provide reliable access to compressed natural gas to the public, help transit agencies convert fleets of vehicles from diesel and create new markets for natural gas produced in Pennsylvania.

"Natural gas is a valuable resource that provides affordable, cleaner options for vehicles in Pennsylvania," said Transportation Secretary Barry Schoch.

Currently, more than 500 buses or 16 percent of the public transit fleet runs on alternative fuels, including CNG. The partnership board plans to select a firm to build the stations by next summer. As an incentive, the transportation department plans to sign a CNG supply contract with that firm.

The partnership board is already involved in projects to have private firms replace hundreds of bridges under guidance of a 2012 law.

<http://citizensvoice.com/news/pa-seeks-firm-for-gas-fueling-venture-1.1795999>

By Robert Swift, Harrisburg Bureau Chief (Citizensvoice.com) 12/2/14

The world market for clarifiers, centrifuges and cyclones to purify liquids will exceed \$7.5 billion next year.

The fastest growing segment will be treatment of shale oil and gas wastewater. This is the conclusion of the McIlvaine Company in the continually updated Sedimentation and Centrifugation World Markets.

The drilling activity extracting gas and oil from shale has put the U.S. on a trajectory to become the largest oil producer. This activity results in the flowback of injected fracturing fluid during the initial drilling and then the continuing extraction of produced water during the entire campaign.

There is considerable use of plate settlers, cyclones and even centrifuges to purify this water for reuse. The option to dispose of this water in deep wells is becoming less popular due to cost and regulatory restrictions. In addition, in certain regions of the U.S., water scarcity dictates the reuse option.

There are two approaches. One is mobile treatment. This works well for the initial treatment of fracturing flowback but does not address the produced water which needs to be handled on a continuous basis. The other option is centralized treatment. In North America, well over a dozen centralized wastewater treatment facilities servicing shale oil and gas drilling are now either up and producing, or in development.

http://impeller.net/magazine/News_en/doc8025x.asp

(Impeller Net)

12/1/14



Saltchuk, Paccar, bringing new LNG-powered trucks to Seattle area

Two Puget Sound companies are partnering to bring alternative fuels into the mainstream, with 20 heavy-duty trucks powered by liquefied natural gas.

The 20 trucks will be added to the fleet of 1,500 heavy diesel trucks operated by Interstate Distributor Co., a trucking company owned by Saltchuk, a Seattle-based freight transportation holding company.

Saltchuk already has been moving into liquefied natural gas in a big way by converting and building a number of ocean-going cargo ships to run on the fuel.

The trucks were built by Kenworth, a truck building company owned by Paccar Inc., a Bellevue-based truck manufacturing company.

<http://www.bizjournals.com/seattle/blog/2014/12/saltchuk-paccar-bringing-new-lng-powered-trucks-to.html>

Staff Writer Steve Wilhelm (Puget Sound Business Journal) 12/1/14

Engineering firm ventures into wastewater, LNG

Brian Kalt's big idea is to wedge a wastewater treatment plant in between the locations where shale producers drill in Pennsylvania and where they must truck their produced water hundreds of miles west to pump it into deep disposal wells in Ohio.

It will be the second wastewater treatment plant for Mr. Kalt, general manager at Fairmont Brine Processing, a company spun out of an opportunity that presented itself to North Shore-based Venture Engineering last year.

The firm has secured a 600-acre site in Wheeling, W.Va., for the new facility, which will be able to break down produced water from oil and gas wells into distilled water, salt, and other byproducts through a patented evaporation and crystallization process.

Aside from water, Fairmont also produces salt, which it sells mostly to neighboring townships at a flat price of \$45 per ton, and calcium chloride, a liquid heavier than water that is often used as a drilling fluid and to control pressure during fracking.

The plant has eight customers and processes about 5,000 barrels of wastewater a day.

Mr. Moniot said he expects the LNG plant to be operational by Dec. 2015, but the company will start buying LNG elsewhere and supplying to customers as early as the first quarter of next year in order to secure the customer base by the time its own production rolls around.

<http://powersource.post-gazette.com/powersource/companies-powersource/2014/12/02/Engineering-firm-ventures-into-wastewater-LNG/stories/201412020008>

Anya Litvak: alitvak@post-gazette.com (Pittsburgh Post-Gazette Power Source) 12/2/14

American Energy affiliate raises \$500M

An affiliate of oil and gas producer American Energy Partners has raised \$500 million from investors and intends to put some of it toward acquiring mineral rights and gas royalties in the Utica and Marcellus shales.

The affiliate, American Energy Minerals Holdings LLC, already has closed on \$350 million, which is to be used to acquire 28,000 net mineral acres and 29,000 acres worth of overriding royalty interests in the Marcellus and Utica, as well in the Woodford and Permian basins. It has commitments for an additional \$150 million.

An overriding royalty interest is a share in the overall revenue generated by oil and gas sales under a particular lease.

American Energy Partners is the exploration and production company formed by [Aubrey McClendon](#), the founder and former CEO of Chesapeake Energy Corp. (NYSE: CHK)

<http://www.bizjournals.com/pittsburgh/blog/energy/2014/12/american-energy-affiliate-raises-500-million.html>

Sam Kusic Staff Reporter (Pittsburgh Business Times) 12/2/14

Maryland to begin drafting fracking regulations

Final Marcellus Shale drilling study released with criticism

New regulations are expected to be drafted this month regarding natural gas production through fracking in Maryland. Gov. Martin O'Malley's 2011 executive order established the Marcellus Shale Safe Drilling Initiative, which tasked the Maryland Department of the Environment and the Department of Natural Resources, along with an appointed advisory commission, with conducting a three-part study.

After last week's release of the third and final part of the Marcellus Shale Safe Drilling Initiative Study, containing findings and recommendations on Marcellus Shale development, regulations are being drafted, and environmental groups are criticizing the report and the actions that could be taken. <http://www.somdnews.com/article/20141203/NEWS/141209762/1057/maryland-to-begin-drafting-fracking-regulations&template=southernMaryland>

By Sarah Fleischman Staff writer (Southern Maryland Newspapers Online) 12/3/14

Court ruling eases curbs on gas compressor plants



A building that houses four MarkWest gas compressors at Washington Avenue near Hickory in Washington County. MarkWest Liberty handles the transmission of natural gas to market. (Darrell Sapp / Post-Gazette)

The ripples from a U.S. Supreme Court decision in June have reached Pennsylvania as state regulators drop greenhouse gases from the list of pollutants used to determine whether a natural gas compressor station is a minor air emissions source or a major one.

In *Utility Air Regulatory Group v. Environmental Protection Agency*, the Supreme Court found that environmental regulators can require facilities to limit greenhouse gas emissions under the federal Clean Air Act, but only if those facilities are already considered "major" emitters of conventional pollutants, like those that create soot and smog.

Power plants, compressor stations and other stationary facilities, the court said, can't be considered major emissions sources for permitting and other regulatory purposes on the basis of their greenhouse gas emissions alone.

In Pennsylvania, natural gas compressor stations and processing plants are usually regulated under the terms of a streamlined general permit known as GP-5 as long as they don't meet or exceed the threshold for any one of eight categories of pollution. If they hit one of those limits, they are considered a major source under the Clean Air Act and have to apply for a different permit that could require more extensive pollution controls.

On Nov. 15, the state Department of Environmental Protection dropped the ninth pollution category that defined a major source — 100,000 tons per year of carbon dioxide or equivalent global warming gases — to comply with the Supreme Court decision.

Joyce Epps, the director of DEP's bureau of air quality, said only three natural gas compression or processing facilities in the state would have been considered major sources based on their greenhouse gas emissions alone — two in north-central Pennsylvania and Laurel Mountain Midstream's Shamrock compressor station in Fayette County. All three can now apply for authorization under the general permit instead.

<http://powersource.post-gazette.com/powersource/policy-powersource/2014/12/02/EPA-s-comment-dilemma-so-many-voices-so-little-time/stories/201412020013>

Laura Legere llegere@post-gazette.com (Pittsburgh Post-Gazette Power Source) 12/2/14

Gas flare to light up part of Washington County

A massive, noisy natural gas flare will be visible next week in western Washington County, illuminating the first well that Range Resources Inc. drilled into the Utica Shale formation in five years.

Range representatives announced the flaring to Donegal Township supervisors Nov. 12, telling them it is considered a “big burn” and will produce a continuous noise of as much as 95 decibels at the well pad. Sustained decibel levels between 90 and 95 can result in permanent hearing loss, but workers will be equipped with ear protection.

Although Range and most gas-well drilling companies are flaring far fewer wells nowadays, Mr. Pitzarella said the company must flare the new Utica well because a dedicated pipeline for it hasn’t yet been built.

New federal regulations, effective Jan. 1, will require well operators to control pollution emissions from natural gas drilling operations by using Reduced Emissions Completions, also called Green Completions, instead of venting or flaring the initial gas from just completed wells. After Jan. 1, flaring is permitted only on exploratory shale gas wells or those in areas outside existing pipeline service, as is the case with the Range Utica well, according to the company.

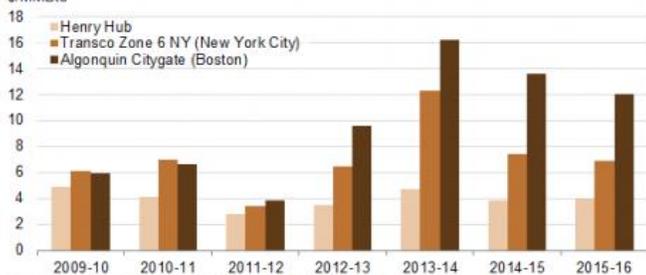
<http://powersource.post-gazette.com/powersource/companies-powersource/2014/11/24/UGI-Energy-completes-two-Marcellus-pipeline-projects/stories/201411240199>

By Don Hopey (Pittsburgh Post-Gazette) 12/1/14

Pipeline Crunch Could Keep Northeast’s Heating Bills High

Milder temperatures than last year will likely bring home heating costs down this winter, but natural gas heating costs will still be a lot higher in the Northeast than elsewhere, a new U.S. Energy Information Administration report says. Higher heating bills than nearly everyone else in the U.S.

Winter natural gas spot and forward prices at Henry Hub, New York City, and Boston as of October 29, 2014
\$/MMBtu



Source: U.S. Energy Information Administration, based on Bloomberg
Note: November through March are considered winter months. Forward prices for 2014-15 and 2015-16 are as of 10/29/2014.

Natural gas prices in New York and Boston compared to prices elsewhere in the U.S. The natural gas passing through the Henry Hub in Louisiana sets prices for natural gas futures contracts traded on the New York Mercantile Exchange.

Credit: EIA

Natural gas prices are low across most of the country because of abundant gas on the market, thanks to the shale gas and fracking boom, a phenomenon that may have implications for climate change.

The natural gas glut doesn’t translate directly to the Northeast, however, despite Pennsylvania’s Marcellus shale being one of the country’s largest producers of shale gas, EIA operations analyst Richard Yan said.

“We have so much gas; it’s so cheap, but we don’t have enough pipeline expansions to carry the extra gas from the Marcellus to Boston and New York,” he said. “Investors are not willing to pay the capital investment to expand pipeline capacity.”

Some new natural gas pipeline expansion projects between the Marcellus and Northeast cities have been completed this year, but they’re not enough to bring enough of the gas to the region to bring prices down, according to the EIA.

<http://www.climatecentral.org/news/higher-heating-bills-in-northeast-18382>

By Bobby Magill (Climate Central) 11/29/14



Lack of government inspectors leaves gas pipeline inspections to utilities

A Tribune-Review investigation found that state and federal regulators employ far too few inspectors — about 500 total — to cover the country's 1.3 million miles of mains that distribute natural gas directly to customers. Nearly 500,000 leaks were reported on those lines last year.

The federal government has 135 inspectors responsible not only for those customer distribution lines but high-pressure, interstate transmission lines. Texas leads the nation with 48 inspectors; California is second with 35. But some states, like Delaware and North Dakota, have just one or two inspectors.

The Pennsylvania Public Utility Commission, which regulates about 48,000 miles of gas mains, has 12 inspectors. By comparison, Columbia Gas of Pennsylvania — the largest of the state's 35 gas utilities — has 13 full-time inspectors and 21 contractors to oversee 7,400 miles of company mains.

<http://triblive.com/news/editorspicks/7239419-74/gas-inspectors-state#axzz3Kwtweu7b>

By Mike Wereschagin (Trib Live News) 11/29/14

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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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