

U.S. natural gas futures rise 2% as forecasts turn warmer



Investing.com - U.S. natural gas prices rose for the second consecutive session on Tuesday, as forecasts for the coming week turned warmer, boosting near-term demand expectations for the heating fuel.

Natural gas for delivery in September on the New York Mercantile Exchange jumped 4.2 cents, or 1.51%, to trade at \$2.790 per million British thermal units during U.S. morning hours. On Monday, natural gas rose 3.2 cents, or 1.18%, to end at \$2.748. Updated weather forecasting models pointed to warmer-than-normal temperatures across many regions, including the west, central and southern U.S., through August 11, boosting summer cooling demand for the fuel. Forecasts originally called for mostly average summer temperatures during the period.

Demand for natural gas tends to fluctuate in the summer based on hot weather and air conditioning use. Natural gas accounts for about a quarter of U.S. electricity generation. According to the U.S. Energy Information Administration, natural gas storage stood at 2.828 trillion cubic feet as of last week, 28.2% higher than during the same week a year earlier and 2.9% above the five-year average for this time of year.

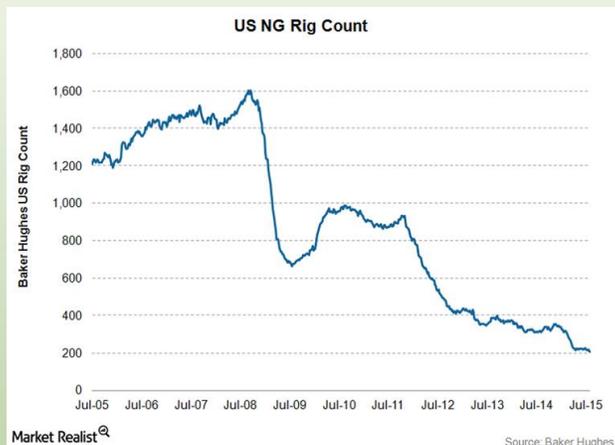
<http://www.investing.com/news/commodities-news/u.s.-natural-gas-futures-rise-2-as-forecasts-turn-warmer-354384>

(Investing.com)

8/4/15

Natural Gas Rig Count Falls as Gas Prices Downtick

Last week, Baker Hughes released its weekly crude oil and natural gas rig count report on Friday, July 31, 2015. The active US natural gas rig count fell by seven to 209 for the week ending July 31, 2015. Likewise, the gas rig count fell by two to 216 for the week ending July 24, 2015. The natural gas rig count fell for the fifth week in the last ten weeks.



<http://marketrealist.com/2015/08/natural-gas-rig-count-falls-gas-prices-downtick/>

By Gordon Kristopher

(Market Realist)

8/3/15

Gross US natural gas output falls in May: EIA

(Argus) — Natural gas production fell in May, signaling that low prices and pipeline maintenance curbed output from key producing states. Gross output from the 48 contiguous US states — which includes gas that does not make it to market — dropped to 81.06 Bcf/d (2.3bn m³/d), down by 1.2pc from April but up by 4.5pc from a year earlier, according to the US Energy Information Administration's (EIA) monthly production report.

Production from large gas-producing states such as Texas and Pennsylvania fell in May as producers reined in gas field development because of low prices.

Output from Pennsylvania, which sits atop the mammoth Marcellus shale natural gas field, dropped in May by 3.7pc to 12.61 Bcf/d. Production has surged in that state, but producers there began choking back some Marcellus production this year because of low prices and pipeline constraints. Spot prices at Tennessee Gas Pipeline zone 4 in the Marcellus are among the lowest in the country, averaging \$1.27/mmBtu over the past week.

<http://www.argusmedia.com/News/Article?id=1080630>

jw/tdf (Argus Media) 7/31/15

City of Dublin Expands CNG Fleet with New Snow Plows

The City of Dublin, Ohio, has added four compressed natural gas (CNG)-powered snow plows to its fleet.



Photo courtesy of the City of Dublin

"These are our first CNG-powered snow plows and will bring the total number of CNG vehicles to 63," explains Darryl Syler, the city's fleet manager. "Currently in our fleet, we have a total of 22 snow plows. We will continue to replace our older fleet of snow plows with the CNG trucks."

http://www.ngtnews.com/e107_plugins/content/content.php?content.10978#.VcEDLflwFT8

(NGT News) 7/30/15

Armored Natural-Gas Plug-In Hybrid Truck To Hit The Roads



Sectran Security armored truck

Hoping to temper the all-important emphasis on security with some green thinking, three companies have just unveiled a cleaner alternative to the traditional armored truck. The 26,000-pound vehicle is a plug-in hybrid with a natural-gas internal-combustion engine, according to *Autoblog*.

Six trucks were converted by Efficient Drivetrains Inc. and North American Repower, and will begin hauling valuables around the Los Angeles area with Sectran Security next year. Efficient Drivetrains has already tried to market a plug-in hybrid SUV in Asia, while North American Repower specializes in natural-gas conversions.

An armored truck seemed like a good platform for the joint project because these vehicles most of their time in urban traffic, making many stops for deliveries. During stops, a standard truck's diesel engine is typically left idling for security purposes.

http://www.greencarreports.com/news/1099373_armored-natural-gas-plug-in-hybrid-truck-to-hit-the-roads

Stephen Edelstein (Green Car Reports) 7/31/15

Trillium CNG Inks Station Deal with NFTA in New York

Trillium CNG, a business unit of WEC Energy Group, has signed a letter of agreement to design, build, operate and maintain a compressed natural gas (CNG) fueling station for the Niagara Frontier Transportation Authority (NFTA). NFTA is the public transit provider serving Erie and Niagara counties in New York.

The new CNG station will be located at the NFTA Frontier Bus Garage at 1000 Military Rd. in Buffalo, N.Y. The agreement letter also calls for Trillium CNG to provide station maintenance for 10 years. Trillium CNG and NFTA expect to break ground in August, with the station fully operational by year's end.

The NFTA operates a fleet of about 332 transit buses and 65 bus routes with over 4,400 bus stops serviced, as well as a 6.2-mile light rail system servicing 14 stations.

http://www.ngtnews.com/e107_plugins/content/content.php?content.10974#.VcEWhflwFT8

(NGT News) 7/29/15

Quantum Launches New High-Capacity CNG Systems

Quantum Fuel Systems Technologies Worldwide Inc. has completed and launched two new back-of-cab compressed natural gas (CNG) systems: the Q-Cab160, which can provide up to 160 DGEs of capacity, and the Q-Cab180, which offers up to 180 DGEs.

The company says both lightweight systems contain three CNG storage tanks. While the Q-Cab180 incorporates a trio of 30-inch-diameter tanks, the Q-Cab160 uses two 30-inch-diameter units and one 25-inch-diameter tank. Both systems also come in the same shell size, the company notes.



Photo courtesy of Quantum Fuel Systems Technologies Worldwide Inc.

Quantum says it received pre-orders for the new systems prior to launching its broad-scale sales and marketing campaign during the second half of this year. In fact, UPS is the first customer of Quantum's Q-Cab160 series and recently took delivery of early-production systems for installation on Kenworth T680 series tractors.

"We are pleased to have UPS take advantage of our latest technology and system designs, enabling them to reduce weight and drive efficiency through their delivery fleet," says Brian Olson, president and CEO of Quantum.

http://www.ngtnews.com/e107_plugins/content/content.php?content.10983#.VcDftvlwFT8

(NGT News) 7/31/15



REX Pipeline to begin natural gas shipments from Utica, Marcellus Shale to Illinois

One of the largest natural gas pipelines built in the United States will start full-scale shipping of natural gas from Ohio to the Midwest on Saturday. Shipments to the Chicago area and elsewhere are expected to create a big effect on natural gas movements in the United States and Canada, according to experts.

“That is really a big deal,” said Shawn Bennett, executive director of the Ohio Oil and Gas Association. “It’s huge.” It will provide a new means for Ohio drillers to get their natural gas out of Appalachia and to get better prices than they are getting now, he said. Ohio drillers have been dealing with depressed prices because of limited shipment options.

The 1,698-mile Rockies Express Pipeline (REX) previously was used to ship natural gas from Colorado and Wyoming to Ohio. But the shale boom in Ohio, Pennsylvania and West Virginia has reduced the demand for natural gas shipped east in the pipeline. The REX pipeline will start moving 1.8 billion cubic feet of natural gas per day — enough to heat about 4 million homes — from Clarington, in eastern Ohio, to Moultrie, Ill. There have been limited east-to-west shipments for about a year.

<http://www.ohio.com/business/utica/rex-pipeline-to-begin-natural-gas-shipments-from-utica-marcellus-shales-to-illinois-1.612141>

By Bob Downing, Beacon Journal staff writer (Ohio.com) 7/30/15

Gas awakening from U.S. shale slumber as LNG shipments near

NEW YORK (Bloomberg) -- After years of languishing in a shale-induced coma, the U.S. natural gas market is waking up. Seasonal price swings will intensify as the country begins shipping liquefied natural gas cargoes to Asia and Europe later this year, said Bank of America Corp., RBC Capital Markets LLC and Wood Mackenzie Ltd. While that’s good news for traders yearning for volatility, it could be bad news for consumers.

Exports will help prices rebound from the slump caused by the U.S. pumping record amounts from shale formations. Growing domestic winter demand is already causing spikes and trading volumes in futures markets have rebounded to the highest level in three years. Average retail gas prices also will rise with LNG exports, according to Bloomberg New Energy Finance.

“Connecting U.S. natural gas prices into the global market could result in wider spreads at home,” said Francisco Blanch, the head of commodities research at Bank of America Corp. in New York. “Global LNG spot prices are notoriously seasonal.”

Cheniere Energy Inc. will start operating a liquefied natural gas terminal this year in Louisiana, the first new export site in 46 years. The U.S. will be the third-largest supplier by 2020, the International Energy Agency says.

In a sign of what may be coming, futures for January 2017 are already trading at a 35.7-cent premium to October 2016 contracts, the biggest premium for this time of the year since 2012. That seasonal spread may widen to as much as a dollar as LNG exports expand, Blanch said.

<http://www.worldoil.com/news/2015/7/30/gas-awakening-from-us-shale-slumber-as-lng-shipments-near>

NAUREN S. MALIK and CHRISTINE BUURMA (World Oil) 7/30/15

Clean Energy CEO Lauds Congress for LNG Tax Equalization for Trucks

Andrew J. Littlefair, president and CEO of Clean Energy Fuels Corp. of Newport Beach, Calif., has applauded Congress for putting LNG on equal footing with diesel and gasoline. Last week both houses of the U.S. Congress passed Highway Trust Fund legislation that includes a provision to equalize the federal tax on liquefied natural gas (LNG) to an energy-equivalent basis with diesel and gasoline. President Obama is expected to sign the highway bill.

According to Littlefair, the result of such legislation will lower the tax on LNG by 14.1 cents per gallon. He said 26 state legislatures have already taken similar action.

<http://www.truckingnews.com/news/clean-energy-ceo-lauds-congress-for-lng-tax-equalization-for-trucks/>

By: Trucking News Staff (Trucking News Online) 8/3/15

Japan exchange says first LNG forward deal done



The first liquefied natural gas (LNG) non-deliverable forward deal has been struck on Japan's over-the-counter market, the Japan OTC Exchange said on Friday, nearly a year after the trade was launched.

Japan, the world's biggest buyer of LNG, has been testing out a number of trading options to gain more control over prices and limit the cost of the gas delivered to the country, which has ballooned since the Fukushima disaster led to the shut down of the country's nuclear reactors.

But the moves have struggled because the fuel is usually bought on long-term contracts with restricted shipping terms, while the spot market is illiquid and lacks transparency.

<http://www.hellenicshippingnews.com/japan-exchange-says-first-lng-forward-deal-done/>

(Hellenic Shipping News) in General Energy News 7/31/1515

Noble cuts back on drilling in the Marcellus Shale

Noble Energy Inc. is confirming it will be cutting its natural gas rigs in the Marcellus Shale joint venture it shares with Consol Energy Inc.

Horizontal drilling will be cut from one operating now to zero by the middle of the third quarter for the joint venture, Noble said. Two other rigs, that are being operated by Consol (NYSE: CNX), will be off line by the fourth quarter.

Noble said it was due to "the current environment."

Despite the cutbacks, natural gas production continues to be strong. Noble's Marcellus Shale production was a record of 427 million cubic feet of gas, up 70 percent from a year ago.

<http://www.bizjournals.com/pittsburgh/blog/energy/2015/08/noble-cuts-back-on-drilling-in-the-marcellus-shale.html>

Paul J. Gough Digital Producer (Pittsburgh Business Times) 8/3/15

China joins the LNG-powered tug club



'Hai Yang Shi You 525' marks Asia's entry into the LNG tug club (Zhenjiang Shipyard)

The recent delivery of Asia's first tug powered solely by LNG provides an indication that the adoption of the fuel is attracting attention globally with elements of particular interest for Rolls-Royce and China.

While destined for service outside *MJ's* usual geographical region of coverage the European element to the new tug, named *Hai Yang Shi You 525* is worthy of note, not to mention being a development that will be of interest to the industry worldwide.

The new tug is the first of two similar vessels ordered from China's Zhenjiang Shipyard (Group) Co Ltd for China National Offshore Oil Corporation (CNOOC) and the choice of LNG to power the tugs follows the Chinese government's 2011 plan to strengthen its maritime base with the manufacture of high-end, ecologically-efficient ships and technology.

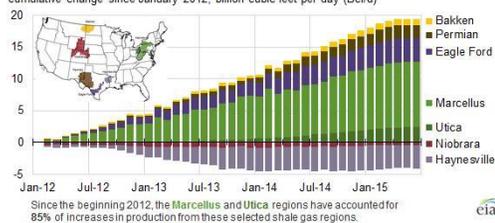
<http://www.maritimejournal.com/news101/tugs,-towing-and-salvage/china-joins-the-lng-powered-tug-club>

(Martime Journal) 7/30/15



Appalachian Basin Driving American Shale Production

Natural gas production in selected regions (Jan 2012 - June 2015)
cumulative change since January 2012, billion cubic feet per day (Bcf/d)



The Marcellus and Utica Shale plays are driving America's rapid increase in natural gas production, accounting for 85 percent of domestic shale growth since 2012, according to the U.S. Energy Information Administration (EIA).

EIA's report, which comes off the heels of 2014's record-breaking year, reflects and further underscores the Appalachia Basin's role in strengthening America's energy security.

http://www.northcentralpa.com/feeditem/2015-07-30_appalachian-basin-driving-american-shale-production

By Feed: News from Marcellus Shale Coalition (North Central PA) 7/30/15

Shale Energy Best Development Practices Workshop

August 18, 2015 8:00 - 5:00 p.m.

Nittany Lion Inn, St. College, PA Cost: \$500

The current low commodity pricing for oil and gas has made shale energy development more challenging to operate in and achieve economic goals. This workshop will provide a variety of insights on how to operate optimally with themes relating to shale economics, current and future markets, natural gas utilization opportunities, reservoir characterization, drilling efficiencies, optimal stimulation techniques, well restimulation, and environmental considerations. The workshop is geared toward a wide-ranging audience to give a broad perspective to industry representatives, consultants, and entrepreneurs on where operational efficiencies can be gained and market opportunities exist. Attendees will receive a flash drive with available presentations, CEU credits, and lunch is provided.

Space is limited - register today at www.marcellus.psu.edu

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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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