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Date MAY - 6 1976

**Office of the Administrator**

To: Ron Nessen

For your information.

Frank Zarb



**Federal Energy Administration**

**Room 3400**

**Ext. 6081**



## Congress Allows Residual Decontrol

Following an FEA submission of an Energy Action to decontrol the price of residual oil, Congress chose not to exercise their option to disapprove, thereby paving the way for a free market. Decontrol becomes effective on June 1, 1976. Actions to deregulate middle distillates have proceeded to the point of issuing a notice in the Federal Register for comment.

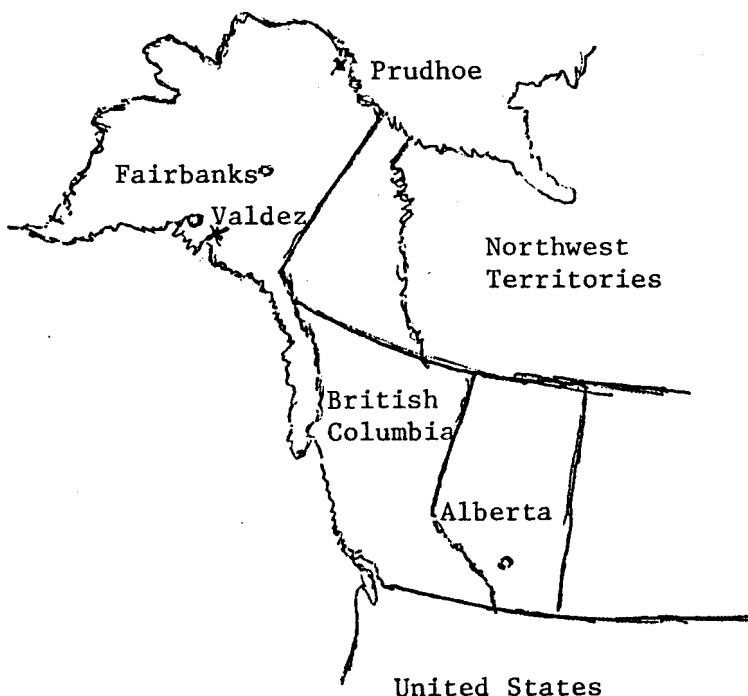
(J. Curtis, 961-8475)

## NATURAL GAS

### Third Alaska Pipeline Route is Proposed

Northwest Pipeline Corporation will sponsor a proposal for a third pipeline route to transport Prudhoe Bay gas to the U.S. The line will go to Fairbanks and then follow a projected oil pipeline south-eastward through the Northwest Territories to British Columbia and Alberta to connect with distribution lines to the northwestern States. The two earlier proposals were for a pipeline route across Alaska and western Canada to the Northern Plains States, with branch lines to Pennsylvania and California, and for a route paralleling the oil pipeline from Prudhoe Bay to Valdez, for shipment of gas by refrigerated tanker to west coast ports.

(J. McCarrick, 961-8413)



## COAL

### 1975 Production

Recently released Bureau of Mines' figures for bituminous coal and lignite production show a 1975 total of 640 million tons. The largest producers--Kentucky with 140 million tons, West Virginia with 109 million, and Pennsylvania with 83 million-- provided 52 percent of the current U.S. total. Underground mining has dropped from 339 million tons in 1970 to 290 million in 1975, while surface mine output has increased by one-third, from 264 million tons to 350 million during the same period.

(P.Newman, 964-4401)

## NUCLEAR

### Recent Uranium Sales

In March, Utah International and Atlas Corporation committed some 5 million pounds of uranium concentrate (U308) for immediate and medium-term delivery. Utah International committed 1.5 million pounds for delivery beginning on April 30 and continuing through October 30, 1977, and the Atlas contracts involved deliveries of over 3.1 million pounds between 1977 and 1982. Base prices were in the range of \$40 per pound and included provisions for cost escalations.

(A.Reynolds, 964-6186)

Date MAY 11 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb



Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING APRIL 30, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 4/23/76	4 Wks Ended 4/23/76	Wk Ended 4/25/75	4 Wks Ended 4/25/75
Total Demand	16,060	16,538	15,543	15,753
Distillate	2,695	2,881	2,902	3,006
Residual	2,042	2,326	2,107	2,290
Mogas	7,331	7,124	6,796	6,627
Total Imports	6,440	6,473	5,578	5,053
Crude	5,092	4,829	3,915	3,269
Product	1,348	1,644	1,663	1,784

(N. Kawin, 961-8183)

Oil Company Earnings On The Rise

Reported earnings of 34 oil companies for the first quarter of 1976 were \$2.9 billion, an increase of 9 percent from the \$2.6 billion in the last quarter of 1975 and up by 30 percent from the first quarter of 1975 when relatively low earnings of \$2.2 billion were reported. The gain in earnings is attributed principally to domestic petroleum operations, and reflects higher natural gas and petroleum product prices.

(F. Santogrossi, 961-7687)

Alaskan Offshore Lease Bidding

The Department of the Interior has accepted high bonus bids totaling more than \$559 million for offshore oil and gas leases covering 437,000 acres in 76 tracts, located between Icy Cape and Kayak Island, 200 miles southeast of Anchorage in the Gulf of Alaska.

(C. Pelto, 961-8675)

## COAL

### Conversion of Lignite to High Btu SNG

Under an ERDA contract, Conoco's gasification pilot plant in Rapid City, S.D. successfully produced pipeline quality Synthetic Natural Gas from low Btu lignite which is abundant in the southern and western states. While processes converting lignite to intermediate Btu SNG have been proven, the Rapid City process included a methanation step to enrich the product to high Btu gas appropriate for residential and commercial use. Pilot plant testing is nearly complete and the next step in development will be a large demonstration plant with commercial-size components.

(P.Newman, 964-4401)

## NATURAL GAS

### Gas Pipelines Environmental Impact

The Federal Power Commission's environmental impact statement on Arctic Gas's proposed pipeline across Alaska and western Canada to the northern plains States and El Paso's proposal to parallel the oil line from Prudhoe Bay to Valdez found neither environmentally acceptable as proposed. Although the Arctic's proposal was preferred, the FPC staff have suggested alternatives for further consideration by the Companies. Northwest Pipeline's proposal for a route turning east at Fairbanks through the Northwest Territories and Alberta to the northwestern States has yet to be evaluated.

(J.McCarrick, 961-8413)





FEA ENERGY HIGHLIGHTS, WEEK ENDING MAY 21, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

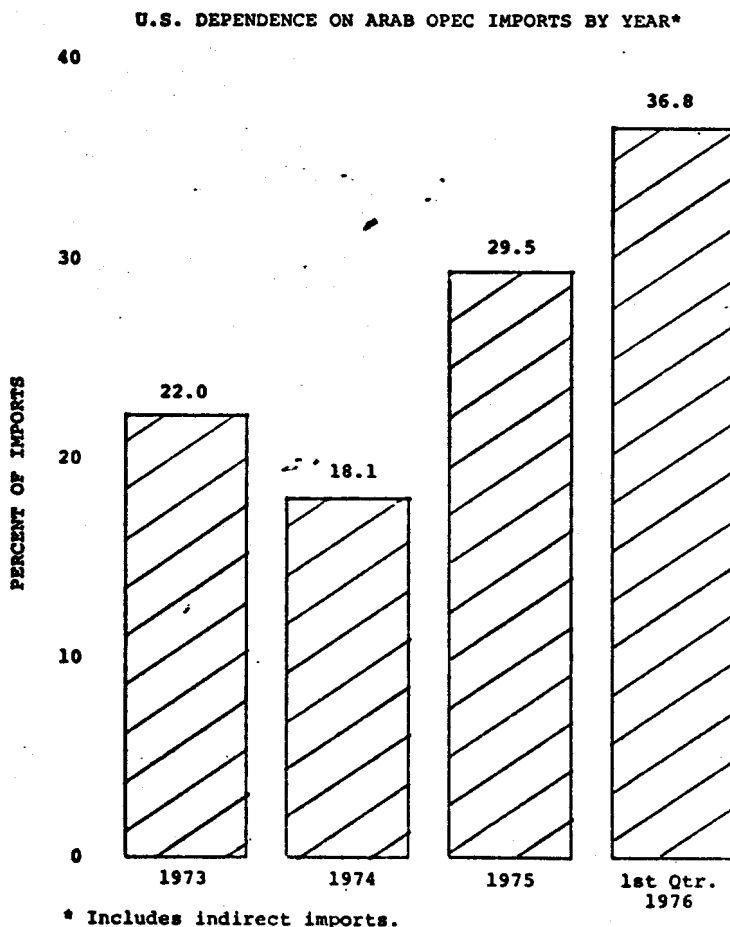
	Wk Ended 5/14/76	4 Wks Ended 5/14/76	Wk Ended 5/16/75	4 Wks Ended 5/16/75
Total Demand	16,686	16,265	14,963	15,319
Distillate	2,765	2,654	2,609	2,682
Residual	2,119	2,077	1,900	1,997
Mogas	7,303	7,212	6,644	6,678
Total Imports	6,283	6,252	4,726	5,112
Crude	4,743	4,851	2,898	3,450
Product	1,540	1,400	1,828	1,663

(N. Kawin, 961-8183)

U.S. Dependence on Arab OPEC Imports Increases

The chart to the right shows how U.S. dependence on oil imports from the Arab members of OPEC has increased. Direct and indirect imports are presented as a percentage of total petroleum imports.

(D. Carleton, 961-8607)



## API Estimates of U.S. Crude Production Revised Upward

API has revised upward its May estimate of U.S. crude oil production by 170 thousand barrels per day. The new estimate of 8.25 million barrels per day is now only 1.4 percent below the BOM estimate for the same period a year ago. If confirmed by the May 1976 BOM data, this would represent the smallest year-to-year decline in over three years.

(C. Dwyer, 961-8183)

## NATURAL GAS

### Huge Natural Gas Field Announced

A consortium of Iranian, Japanese, U.S., and Norwegian interests has discovered a huge natural gas field in Iran's Persian Gulf waters. Recoverable reserves have been estimated at between 180 to 200 Tcf, an amount nearly equal to the 228 Tcf of proved natural gas reserves in the United States.

(D. Carleton, 961-8607)

### British Columbia Asks Boost in Export Gas Price to \$2 per Mcf

British Columbia has asked the Canadian National Energy Board to boost the price of gas exported to the United States from \$1.60 per Mcf to \$2 per Mcf. The effect will be felt primarily in Washington, Idaho, and Oregon, which get two-thirds of their gas from wells in Canada.

(J. Mc Carrick, 961-8413)

## NUCLEAR

### International Safeguard Measures of Increasing Concern

Canada has announced that no new equipment or fuel will be shipped to India because the governments cannot agree on safeguard measures. In the U.S., the Nuclear Regulatory Commission will hold hearings to consider halting shipments of new fuel for use in India's Tarapur dual-unit station built by the General Electric Company. Recent stories about the station reveal a history of poor safety practices and overexposure of numerous personnel to waste products and irradiated fuel.

(A. Reynolds, 964-6186)



Date MAY 27 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

FEA ENERGY HIGHLIGHTS, WEEK ENDING MAY 14, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 5/7/76	4 Wks Ended 5/7/76	Wk Ended 5/9/75	4 Wks Ended 5/9/75
Total Demand	16,026	16,282	15,372	15,612
Distillate	2,822	2,671	2,644	2,793
Residual	1,990	2,154	2,060	2,124
Mogas	7,043	7,176	6,522	6,707
Total Imports	5,512	6,205	4,592	5,167
Crude	4,244	4,785	3,250	3,516
Product	1,268	1,420	1,342	1,651

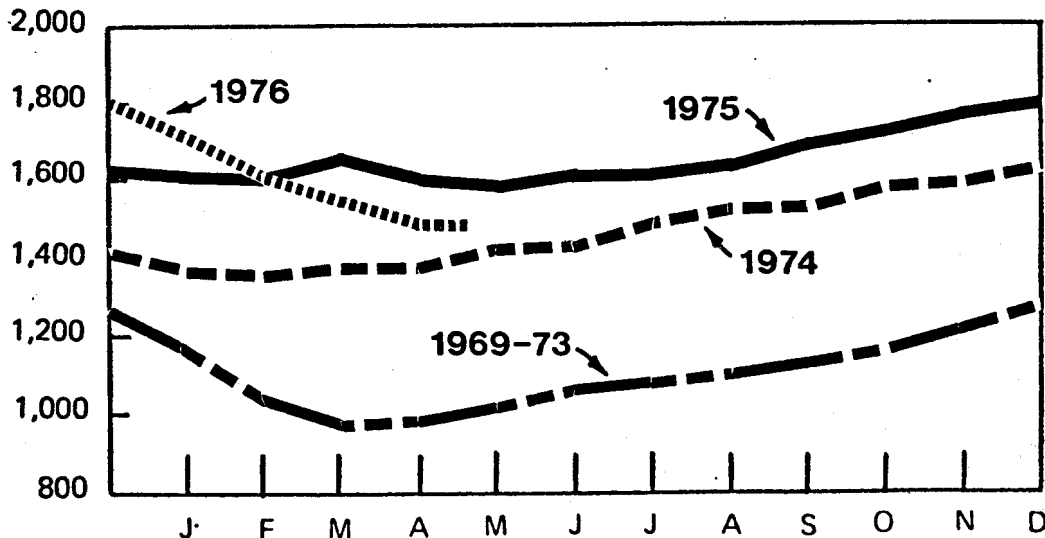
(N. Kawin, 961-8183)

Indicator of Drilling Activity Unchanged

For the four weeks ending May 14, 1976, the number of rotary rigs drilling for oil steadied at 1,481, unchanged from the period ending April 23, 1976. This latest figure represents a decline of 7 percent from the number of rigs in operation during the corresponding period in 1975.

(J. Gaynor, 961-8607)

Rotary Rigs in Operation



## COAL

### U.S. Productivity Down

Bureau of Mines statistics show bituminous and lignite miners' output at 15.15 tons per man-day, down 13.8 percent from 1974's 17.58 tons. Decrease is believed due to increasing reclamation requirements at surface mines and lack of experience of new miners.

(P. Newman, 964-4401)

## NUCLEAR

### Soviets Offering Nuclear Service in the U.S.

The Soviet international marketing agency, Techsnabexport, is offering an 11 year enrichment service package to U.S. customers. The offer of 1.4 million separative work units is at a price similar to that of US ERDA for services, requires no prepayment, and includes an operating tails assay as stipulated by the customer. There are no federal prohibitions to such a contract, but questions such as those involving national security will need to be resolved before final agreement.

(A. Reynolds, 964-6186)

### Annual Refueling Drops Nuclear Power Output

The 53 domestic reactors in commercial operation, with a combined capacity of 34,000 megawatts, performed at 54 percent of capacity (18,400 megawatts) during March, down from 60 percent of capacity (20,400 megawatts) in February. This decline is predominantly the result of scheduled annual refueling, with twelve major reactors in some stage of refueling during the month, and seven of these producing no power at all.

(A. Reynolds, 964-6186)

Date: JUN - 9 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

FEA ENERGY HIGHLIGHTS, WEEK ENDING MAY 28, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 5/21/76	4 Wks Ended 5/21/76	Wk Ended 5/23/75	4 Wks Ended 5/23/75
Total Demand	15,891	16,194	15,270	15,251
Distillate	2,450	2,592	2,340	2,541
Residual	2,088	2,088	2,232	2,028
Mogas	7,209	7,182	6,742	6,664
Total Imports	6,226	6,198	5,027	4,975
Crude	4,978	4,822	3,120	3,251
Product	1,248	1,376	1,907	1,724

(N. Kawin, 961-8183)

Pemex Anticipates Doubling of Crude Oil Production  
Over Next Three Years

According to an official in Mexico's petroleum agency, Pemex, production should reach about 2 million barrels per day in three years, compared to about 1 million barrels per day at present. Currently, petroleum exports from Mexico to the U.S. average 100,000 barrels per day.

(D. Carleton, 961-8607)

NATURAL GAS

Canada Orders Gas Export to U.S. Cut

The Canadian National Energy Board has cut the amount of gas it will allow Canadian-Montana Pipeline to export to its U.S. parent, Montana Power, from an annual 39.2 billion cubic feet to 34.2 billion cubic feet.

(J. Mc Carrick, 961-8413)

## Average Interstate Gas Price Up in 1975

The Federal Power Commission reports that the average price paid by interstate pipeline customers for natural gas increased from 70.89¢ to 88.73¢ per Mcf between January 1975 and January 1976. This increase reflects the rise in the average price paid by State pipelines to suppliers from 35.83¢ to 48.60¢. The average price paid domestic producers rose from 27.24¢ in 1974 to 34.94¢ in 1975, while the cost of Canadian and Mexican imports rose from 59.55¢ per Mcf in 1974 to \$1.27 in 1975.

(J. Mc Carrick, 961-8413)



Date: JUN 15 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING JUNE 4, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 5/28/76	4 Wks Ended 5/28/76	Wk Ended 5/30/75	4 Wks Ended 5/30/75
Total Demand	15,405	15,971	15,560	15,291
Distillate	2,645	2,670	2,485	2,520
Residual	1,760	1,989	2,109	2,075
Mogas	6,843	7,100	6,829	6,684
Total Imports	6,090	5,982	5,181	4,882
Crude	5,119	4,756	3,196	3,116
Product	971	1,226	1,985	1,766

(N. Kawin, 961-8183)

FEA Anticipates Number of Wells and Total  
Footage Drilled to Increase in 1976

FEA has recently completed an analysis of drilling activity for oil and gas, based in part on drilling permit information obtained from 10 States where more than 75 percent of the Nation's drilling activity occurs. For the first 4 months of 1976, 9 percent more drilling permits were issued than in the comparable 1975 period. Since the issuing of permits precedes drilling activity and since permits issued in March and April increased from the January and February levels, FEA predicts a significant increase in the number of active rotary rigs in June and July over the April average of 1,480. The number of active rigs in the four weeks ending June 4 increased 2 percent over the previous four-week average, although it is still 5.7 percent below the comparable 1975 period.

(S. Wood, 961-8184)

COAL

January 1976 Domestic Consumption of Bituminous Coal  
and Lignite Up 5.1% from January 1975

The U.S. domestic consumption of bituminous coal and lignite for January 1976 amounted to 52,397 thousand short tons, an increase of 5.1 percent over January 1975 consumption. This figure reflects both an increase of 11.4 percent in the electric utility sector and a decrease of 10.6 percent in the industrial and residential sectors.

(P. Newman, 964-4401)

## 1975 EEC Coal Production Declined

While world anthracite and bituminous coal production rose an estimated 4.7 percent in 1975, European Economic Community production declined. Only four EEC countries--Germany, France, the United Kingdom, and Belgium--still produce coal. Between January 1975 and January 1976 production fell 15.6 percent in Germany, 12.4 percent in Belgium, 8.8 percent in the U.K., and 2.6 percent in France.

(M.E. Golby, 961-8608)

## NUCLEAR

### California Nuclear Moratorium Rejected by 2-to-1 Vote

Proposition 15 was defeated by a two-to-one margin in the June 8 voting. If passed, it would have restricted nuclear power in California by: (1) Prohibiting nuclear powerplant construction and reducing operating levels of existing plants to not more than 60 percent of original designed maximum capacity, unless the Federal government had removed liability restrictions on utility operation of nuclear powerplants; (2) derating existing plants by 10 percent per year starting 1981, unless the Legislature had confirmed by a 2/3 vote the effectiveness of all safety and radioactive waste disposal systems.

(R. Stoll, 964-6186)

### California Approves Nuclear Power Bills

On June 3, Governor Brown signed 3 bills that represent a compromise to the measures prescribed by Proposition 15. The laws, primarily the work of the Legislative Commission on Energy and Natural Resources, stipulate that: (1) No new nuclear fission powerplant requiring the reprocessing of fuel rods may be constructed until the Commission finds that the Federal government has developed a technology for the construction and operation of reprocessing plants; (2) no new powerplant can be constructed until the Commission completes a comprehensive study on the feasibility of underground containment of nuclear reactors and has determined whether such containment is necessary; (3) no new powerplant can be constructed until the Commission finds that the Federal government has developed a technical capacity for waste storage and reprocessing; (4) the four powerplants presently under construction in California are excluded from the restrictions of these laws.

(R. Stoll, 964-6186)

Date ~~JUN 22 1976~~

Office of the Administrator

To:           Ron Nessen          

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING JUNE 11, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 6/4/76	4 Wks Ended 6/4/76	Wk Ended 6/6/75	4 Wks Ended 6/6/75
Total Demand	15,620	15,878	16,331	15,422
Distillate	2,145	2,491	2,577	2,421
Residual	2,122	2,022	2,173	2,052
Mogas	7,164	7,132	7,359	6,902
Total Imports	6,775	6,316	5,611	5,137
Crude	5,307	5,018	3,872	3,272
Product	1,468	1,298	1,739	1,865

(N. Kawin, 961-8183)

COAL

Western Coal Orders Jump

Electric utilities in the midwestern section of the United States increased their orders for western coal to 35 million tons in 1975, up 40 percent from 1974, according to the Federal Power Commission. While shipments of this coal to midwestern utilities are continuing to increase in 1976, with most of the production coming from Montana and Wyoming, deliveries to the East continue to be insignificant because of prohibitive transportation costs.

(P. Newman, 964-4401)

NATURAL GAS

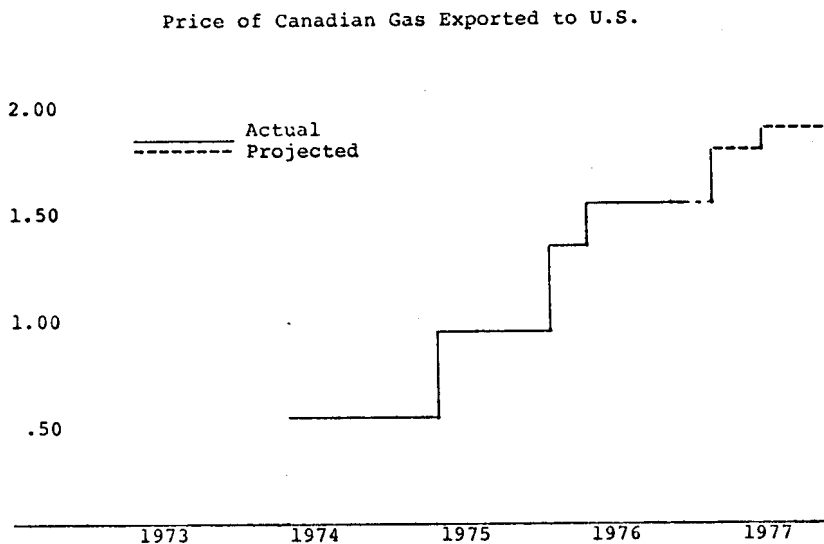
FPC Reports Pipeline Reserves Declined for 8th Year in Row

A preliminary Federal Power Commission study shows that interstate natural gas reserves decreased in 1975 for the 8th straight year and indicates a continued long-run decline in gas supplies and availability. Domestic reserves committed to interstate pipelines dropped by 12.1 trillion cubic feet to a total of 108.4 trillion cubic feet by year-end. The reserve-production ratio for interstate reserves declined from 9.3 at the end of 1974 to 9.0 at the end of 1975.

(J. Mc Carrick, 961-8413)

## Price of Canadian Gas Continues to Rise

The Canadian Government announced that the export price of natural gas will rise by 34 cents to \$1.94/Mcf by January 1, 1977, and will cost U.S. consumers an additional \$300 million per year. Other recent price changes are depicted in the following chart:



NOTE: Prior to January 1, 1975, prices refer to gas from British Columbia only.

(J. Curtis, 961-8475)

### Intrastate New Contract Prices Averaged \$1.55 in First Quarter '76

The Federal Power Commission reports the weighted average price for new intrastate natural gas contracts by producers who also sell interstate was \$1.55 per Mcf in the first quarter of 1976, compared to \$1.28 for the first half of 1975. Prices ranged from 71.1 cents per Mcf in Colorado to \$1.79 in Texas.

(J. Mc Carrick, 961-8413)

Date JUN 28 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING JUNE 18, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 6/11/76	4 Wks Ended 6/11/76	Wk Ended 6/13/75	4 Wks Ended 6/13/75
Total Demand	15,618	15,630	15,026	15,468
Distillate	2,137	2,333	2,148	2,333
Residual	1,952	1,976	2,049	2,106
Mogas	7,319	7,131	6,910	6,966
Total Imports	7,401	6,645	5,018	5,209
Crude	6,230*	5,417	3,254	3,360
Product	1,171	1,228	1,764	1,849

\* According to API, total crude imports reached an all-time high for the week ending June 11.

(G. Roccapiore, 961-8415)

U.S. Exports to Arab OPEC Countries Sharply Up

U.S. commodity exports, including military hardware, to major oil-exporting countries other than Canada amounted to \$4.5 billion in the first four months of 1976, an increase of \$600 million, or 14.7 percent, over the same period last year. Exports to Arab oil-exporting countries grew 29.2 percent, from \$1.34 billion to \$1.73 billion, while exports to the non-Arab oil suppliers grew only 7.2 percent. Saudi Arabia alone nearly doubled its U.S. imports through April 1976, to \$700 million from \$364 million during the same period of 1975.

(C. Dwyer, 961-8183)

NATURAL GAS

New Jersey Utilities Permitted to Add Natural Gas Accounts

The Public Service Electric Gas Company and the Elizabethtown Gas Company of New Jersey have been authorized to accept a limited number of new customers for natural gas. The two utilities will be allowed to add new customers who annually consume up to a total of 2 billion and 295 million cubic feet, respectively, subject to the condition that at least 70 percent of these amounts be provided to industrial users. This authorization by the New Jersey Public Service Commission was based on the finding that there are sufficient supplies of natural gas to service such new accounts, and it ends a previous ban on such expansion.

(J. Mc Carrick, 961-8413)



## SOLAR

### Colorado Electric Demand Rate Discourages Use of Solar Energy

The use of solar heating in Colorado will be discouraged by the newly instituted electric power rate schedule. This new schedule, commonly known as a "demand rate," imposes a charge which depends on both peak and total usage by the individual customer, the latter charge being comparatively small. The result is that the solar energy user who is occasionally dependent on electric power will incur a significantly higher bill than would be the case if rates were based solely on total usage. The Public Service Company of Colorado argues that the capacity of power systems is significantly influenced by such occasional users and that they should, therefore, bear a portion of the associated cost. This new rate structure reflects this view.

(R. Stoll, 964-6186)

### Largest Solar Collector System Scheduled for Construction

Construction of a 13,000 square foot solar collector system will be started in the fall of this year, in Santa Clara, California. This installation, according to Santa Clara officials, will be the world's largest and will be used to heat the year-round Santa Clara International Swim Center pool.

(R. Stoll, 964-6186)

## NUCLEAR

### Yellowcake Sales

The trend towards increased nuclear fuel costs continues. In a recent solicitation by Union Carbide for bids on some 1.7 million pounds of yellowcake for delivery in 1978, 1979, and 1981, a Company official noted that bid prices below \$40.00 per pound will not be accepted. Actual delivery prices will be the higher of the world market price as determined by the Nuclear Exchange Corporation, or the contracted price adjusted for inflation.

(A. Reynolds, 964-6186)

Date: JUL 14 1976

Office of the Administrator

To: Ron Nessen

For your information.



Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING JULY 2, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 6/25/76	4 Wks Ended 6/25/76	Wk Ended 6/27/75	4 Wks Ended 6/27/75
Total Demand	15,925	15,888	15,301	15,642
Distillate	1,944	2,196	2,360	2,332
Residual	1,968	2,028	2,311	2,225
Mogas	7,210	7,182	6,879	7,034
Total Imports	6,668	6,874	5,874	5,608
Crude	5,461	5,589	4,211	3,862
Product	1,207	1,285	1,663	1,746

(G. Roccapriore, 961-8415)

EPA Postpones Schedule Calling for Reduction  
of Lead in Gasoline

The Environmental Protection Agency, after winning a court challenge to its authority to lower the lead levels in leaded gasoline, has agreed to postpone implementation of the first reduction ordered (to 1.4 grams per gallon) until October 1, after the peak summer driving season has passed. The delay was in response to pleas from the oil industry that it could not simultaneously increase production of unleaded gasoline and reduce the lead content of leaded gas. It is regarded as meeting the industry's reasonable needs for a period of adjustment.

(C. Dwyer, 961-8182)

## COAL

### FEA Issues Powerplant Coal-Burning Orders

On June 30, the Federal Energy Administration made effective orders to 30 powerplants having a combined generating capacity of 15,000 megawatts that they be designed and constructed to be capable of using coal as their primary energy source. These 30 powerplants are part of a total of 78 that had received preliminary notices last year. Final orders for the remaining 44 are expected soon. All 78 plants had planned to build with coal-burning capability, but the orders prevent backsliding to dependence on oil. In addition, FEA has sent preliminary notices to 48 other powerplants being planned that it intends to issue orders requiring coal-burning capability, pending results of public comments on proposed actions.

(F. Lalley, 961-8561)

## NUCLEAR

### Refueling Continues in Domestic Reactors

The 53 domestic reactors in commercial operation, with a maximum dependable capacity of 34,777 megawatts, performed at 45 percent of capacity in May, slightly up from 42 percent in April. Scheduled shutdowns for refueling began in March and April; by May fourteen reactors were idle for significant time periods for either refueling or repairs. Annual refueling is commonly undertaken in the spring so that the nation's reactors may be ready for the high electricity demands of the summer season.

(A. Reynolds, 964-6186)

### ERDA Outlines Tight Uranium Situation

The Energy Research and Development Administration reported in their annual uranium market survey that over 80 percent of U.S. domestic uranium requirements for the period between 1982 and 1985 remain unsupplied. The survey also indicates that purchases of domestic U<sub>3</sub>O<sub>8</sub> declined from 15,700 tons in 1974 to 14,500 tons in 1975, while purchases of foreign uranium declined from 33,000 tons to 4,400 tons. The large decline in foreign purchases is primarily the result of recent temporary Australian and Canadian curtailments of uranium exports.

(J. Curtis, 961-8475)

Date: JUL 22 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

RH  
7/26/76

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING JULY 9, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 7/2/76	4 Wks Ended 7/2/76	Wk Ended 7/4/75	4 Wks Ended 7/4/75
Total Demand	16,698	16,167	16,586	15,722
Distillate	2,551	2,298	2,309	2,267
Residual	2,147	2,039	2,511	2,321
Mogas	7,665	7,312	7,530	7,078
Total Imports	7,270	6,984	5,527	5,492
Crude	5,886	5,720	3,711	3,733
Product	1,384	1,264	1,816	1,759

(G. Roccapriore, 961-8415)

CRUDE OIL

Domestic Crude Oil Prices

The Domestic Crude Oil Purchasers Report (FEA Form P-124-M-O) collects monthly first sale data from purchasers of crude oil. The figures below present the preliminary data collected and the calculation of the excess receipts generated as a result of the composite price being higher than that expected under the EPCA. These figures are currently being verified and audited. Final figures for February and March, the months being audited, are expected by July 30, 1976. Beginning with the April submission, final figures will be published 90 days after the end of the month.

Month	Lower Tier Percent	Lower Tier Price	Upper Tier Price	Composite Price	EPCA Expected Price	Cumulative Excess Receipts (Millions of Dollars)
February	56.78	\$5.07	\$11.44	\$7.82	\$7.66	\$38
March	57.21	5.10	11.42	7.80	7.72	57
April	57.02	5.08	11.56	7.86	7.78	77

As a result of the audit, twelve major companies are resubmitting their data for the months of February and March. Consequently, the above data are subject to change.

The EPCA expected price was based upon an assumed 60 percent of lower tier oil for February and an assumed 8 percent decline rate per year thereafter for the production of oil. Data for at least one more month must be collected to make a reasonable estimate of the actual decline rate.

(C. Heath, 254-5246)

## COAL

### First Quarter 1976 Domestic Consumption Up

Domestic consumption of bituminous coal and lignite for the first quarter of 1976 was 148.0 million tons, an increase of 3.7 percent over first quarter 1975. The electric utility sector (approximately 70 percent of total consumption) was up 10.2 percent from the 1975 level, while other sectors decreased 11.9 percent.

(P. Newman, 964-4401)

### Supreme Court Decides on Regional EIS Requirements

The landmark case of Sierra Club versus Kleppe (originally Morton) finally came to an end on June 28, when the Supreme Court ruled that the National Environmental Policy Act does not require the preparation of an environmental impact statement (EIS) for the Great Northern Plains region unless a major Federal action encompassing the entire region is proposed. The court noted that "all proposals are for actions of either local or national scope. There is no evidence for an action of regional scope." The actual region in question encompasses 90,000 square miles and contains an estimated 48 percent of the total U.S. coal resources. The decision represents a victory for the Administration, which is counting heavily on western coal to help lessen U.S. dependence on foreign oil.

(E. Luthy, 961-6161)

## NUCLEAR

### Nuclear Moratoria Update

States with nuclear moratoria certain to appear on the November ballot now include Oregon, Washington, and Colorado, with Arizona, Ohio, and Montana as probables. In Michigan, the anti-nuclear referendum failed to qualify by its July 3 deadline, but all registered signatures will carry over to the November 1978 ballot opportunity in that State.

(A. Reynolds, 964-6186)

Date: JUL 27 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081



FEA ENERGY HIGHLIGHTS, WEEK ENDING JULY 16, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 7/9/76	4 Wks Ended 7/9/76	Wk Ended 7/11/75	4 Wks Ended 7/11/75
Total Demand	15,195	16,017	14,658	15,623
Distillate	1,789	2,198	1,504	2,105
Residual	1,881	2,022	1,848	2,267
Mogas	6,975	7,221	6,985	7,097
Total Imports	6,564	6,774	5,377	5,582
Crude	5,345	5,498	3,681	3,840
Product	1,219	1,276	1,696	1,742

(G. Roccapiore, 961-8415)

OPEC Current Account Surplus Declines

The OPEC current account surplus for 1975 is \$41 billion, according to Treasury Department estimates, 50 percent of which was accrued by Saudi Arabia. This is in contrast to the 1974 figure of \$72 billion and this year's estimate of \$46 billion.

(C. Dwyer, 961-8183)

COAL

ERDA to Fund Design Phase of Coal Gasification Plant

The Energy Research and Development Administration will pay \$20 million for the entire design phase of a \$276 million coal gasification plant to be built in Perry County, Illinois. Pending ERDA approval, actual construction will begin in approximately two years and will be completed in 8 years. The plant will use 2,200 tons of coal per day to produce 17.7 million cubic feet per day of pipeline quality gas and nearly 3,000 barrels per day of liquid petroleum products.

(P. Newman, 964-4401)

## NATURAL GAS

### Revenue From Natural Gas Sales Up One-third

According to a recent report by the American Gas Association, the average unit revenue from utilities' natural gas sales during the twelve-month period ending March 31 increased by 32 percent from the previous twelve-month period, to \$1.39 per million Btu. Residential customers paid an average price of \$1.82, an increase of 19 percent, while commercial and industrial customers paid \$1.53 and \$1.07 per million Btu, increases of 25 percent and 45 percent, respectively.

(A. Bass, 961-8032)

## NUCLEAR

### NRC'S Decision to Ship Fuel to India Exacerbates Proliferation Dilemma

The Nuclear Regulatory Commission's authorization to export some 10 tons of low-enriched fuel to India has further aggravated Congressional concern over nuclear weapon proliferation among all nations. This stems from the belief that India employed U.S. nuclear materials to develop its first atomic bomb. Congressional legislation has been developed on this issue. The most moderate Congressional bill, struck by the Senate Foreign Relations Committee, would give sole nuclear technology negotiating authority to the State Department, licensing and approval authority to the NRC, and, in the event of a deadlock, ultimate power of decision to Congress. NRC is now conducting hearings on the question of shipping 12 additional tons of fuel to India.

(A. Reynolds, 964-6186)

FEA ENERGY HIGHLIGHTS, WEEK ENDING JULY 23, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 7/16/76	4 Wks Ended 7/16/76	Wk Ended 7/18/75	4 Wks Ended 7/18/75
Total Demand	16,458	16,054	16,287	15,712
Distillate	2,476	2,181	2,514	2,172
Residual	2,412	2,113	2,411	2,274
Mogas	7,363	7,313	7,023	7,105
Total Imports	7,114	6,896	6,509	5,726
Crude	5,539	5,550	4,380	3,906
Product	1,575	1,346	2,129	1,820

(G. Roccapiore, 961-8415)

FEA Proposes Ending Import Fee on Oil

The Federal Energy Administration has proposed elimination of the 63 cent per barrel fee on imported refined petroleum products. The fees, which were originally intended to encourage an increase in domestic refinery activity, are not considered necessary now, since the Entitlements Program has the effect of providing a much higher level of protection. When controls and the Entitlements Program are discontinued in 1979, the import fee on imported products will be reinstated at the new, higher level of \$1.05/barrel in order to assure adequate protection for domestic refiners. Except for allocations to new refining and petrochemical capacity, no fee-free allocations, which discriminate against new importers, will be retained. Fee refunds against duties paid will also be abolished. These changes will permit simplification of the entire imports program.

(J. Curtis, 961-8475)

PRICE

Price of Retail Gasoline Rising

The national average selling price of regular gasoline at full service retail outlets was 59.0 cents per gallon in June, an increase of 1.6 cents over May's price. This was the second consecutive monthly increase.

(C. Bordeaux, 961-8113)

## COAL

### Pilot Coal Gasification Plant Begins Operation

An ERDA-built Bruceton, Pennsylvania, coal gasification plant began producing pipeline quality synthetic gas this month. The purpose of the facility is to demonstrate the feasibility of the synthane technology: researchers will test the conversion of various grades of coal to gas under a wide range of temperatures and pressure conditions. Hopefully, the process will work well enough to attract private investment in a full-scale commercial plant.

(P. Newman, 964-4401)

## NATURAL GAS

### FPC Trebles Rates for New Interstate Gas Sales

On July 27, the Federal Power Commission increased the nationwide ceiling rates for new gas sold by producers into interstate commerce. The present ceiling of 52 cents per Mcf will rise to \$1.42 for natural gas discovered after December 31, 1974. For gas discovered between January 1, 1973, and December 31, 1974, a rise to \$1.01 per Mcf is permitted. FPC estimates that the cost to consumers could amount to as much as \$1.5 billion in the first year. A temporary halt to the rate increase was invoked by a Federal court one day later to enable the court to give the matter further consideration.

(M.E. Golby, 961-8607)

FEA ENERGY HIGHLIGHTS, WEEK ENDING JULY 30, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 7/23/76	4 Wks Ended 7/23/76	Wk Ended 7/25/75	4 Wks Ended 7/25/75
Total Demand	15,626	16,019	15,428	15,739
Distillate	1,960	2,185	1,807	2,033
Residual	1,669	2,034	2,149	2,229
Mogas	7,484	7,379	7,156	7,173
Total Imports	6,417	6,834	5,249	5,665
Crude	5,287	5,507	3,584	3,839
Product	1,130	1,327	1,665	1,826

(G. Roccapriore, 961-8415)

Decontrol of Naphthas, Gas Oils, and "Other Products"

On July 19, the Federal Energy Administration submitted to Congress a proposed amendment to exempt naphthas, gas oils, and a number of other speciality products from both allocation and price controls. An exception is the allocation of naphtha for use as a feedstock for synthetic natural gas (SNG) plants. This remaining control could not be proposed for exemption until completion and evaluation of an environmental impact statement on this particular use of naphtha. These products have not been in short supply since the embargo, and prices are determined by market forces. Because Congress has not disapproved the proposal, these products will be decontrolled effective September 1, 1976.

(R. Reinstein, 254-7477)

COAL

West Virginia Coal Miner's Strike Spreads

For the past two weeks West Virginia wildcat strikers have carried on coal-field walk-outs, which have spread to six other States. The West Virginia strikers are protesting a Federal court fine of \$50,000 against a United Mine Workers' local union at Cedar Coal Company for ignoring an earlier back-to-work edict. By the end of the week of July 30, an estimated 80,000 miners were idle.

(P. Newman, 964-4401)

## Coal Production Up

Production of bituminous coal and lignite for the first half of 1976 was 337.1 million tons, an increase of 4.6 percent from the comparable 1975 half-year total.

(P. Newman, 964-4401)

## NUCLEAR

### Domestic Reactor Performance Up in June

The 54 domestic reactors in commercial operation, with a maximum dependable capacity of 36,664 megawatts, performed at 60 percent of capacity in June, a sharp increase from the previous two months, when a significant number of reactors were refueling. Although eight reactors continued refueling for a large portion of June, nineteen reactors operated at greater than 80 percent of their capacity during the month.

(A. Reynolds, 964-6186)

Date: SEP - 1 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING AUGUST 20, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 8/13/76	4 Wks Ended 8/13/76	Wk Ended 8/16/75	4 Wks Ended 8/16/75
Total Demand	16,310	15,948	15,927	15,909
Distillate	2,405	2,324	2,230	2,152
Residual	1,890	1,962	2,266	2,313
Mogas	7,079	7,178	7,035	7,024
Total Imports	6,849	6,768	6,597	6,111
Crude	5,773	5,624	4,893	4,374
Product	1,076	1,144	1,704	1,737

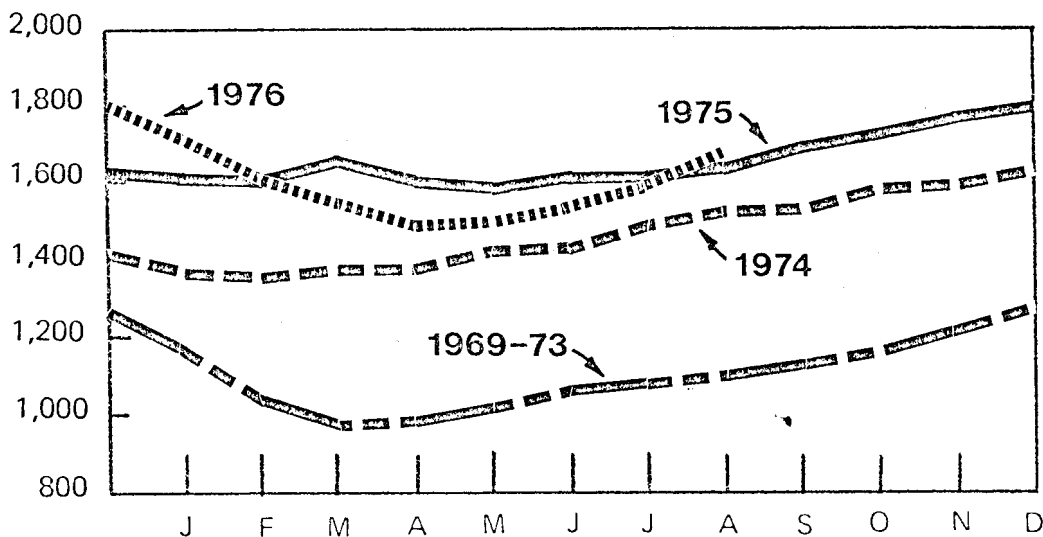
(G. Roccapriore, 961-8415)

Rotary Drilling Rig Activity on the Rise

The number of rotary drilling rigs in operation climbed to 1,659 during the 4-week period ending August 13, surpassing the count for the same period in 1975 by 25 rigs (1.5 percent). Rig activity began to pick up considerably in mid-July following a seasonal downtrend during the first few months of this year.

(J. Gaynor, 961-8607)

Rotary Rigs in Operation





Sales of Offshore Leases Net \$1.1 Billion

The first frontier OCS oil and gas lease sale off the Atlantic coast was held Tuesday, August 17, despite objections from New York State and county governments, as well as several environmental groups. The high bonus bids totaled a surprisingly large \$1.1 billion. Both industry and government officials stated that this amount exceeded their expectation. Exploratory drilling is not expected to begin for at least 6 months, even if no further legal obstacles are encountered.

(E. Hahn, 961-6161)

COAL

Coal Strike Costs 10 Million Tons

The wildcat coal miners' strike that has lasted a month appeared to be ending. While coal association reports indicate that Illinois and Virginia miners have not begun to return to work, the miners have begun to return to work in West Virginia, Ohio, Kentucky, and Pennsylvania. Bituminous Coal Operators Association estimates lost production due to the United Mine Workers' strike to be 10 million tons as of Thursday, August 12.

(P. Newman, 964-4401)

\* \* \* \* \*

Weekly Highlights Evaluation

Due to severe resource constraints, the FEA would like to identify which of its activities can be curtailed with a minimal impact. With this in mind, we would appreciate your evaluation of the utility of this publication. If you would like to continue receiving the Weekly Highlights, please indicate by returning the note below.

.....

TO: John D. Curtis, Director  
Office of Energy Systems Data  
Federal Energy Administration  
Room 7415  
12th & Pennsylvania Avenue, N.W.  
Washington, D.C. 20461

I feel FEA's Weekly Energy Highlights are useful, and would like to remain on the mailing list.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Name - Please print)

\_\_\_\_\_  
(Agency)

Date: SEP 1 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING AUGUST 27, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 8/27/76	4 Wks Ended 8/27/76	Wk Ended 8/29/75	4 Wks Ended 8/29/75
Total Demand	15,638	15,943	15,521	15,796
Distillate	2,194	2,293	1,846	2,161
Residual	1,930	1,992	2,416	2,350
Mogas	6,907	7,063	7,055	6,935
Total Imports	6,196	6,643	6,045	6,229
Crude	5,126	5,534	4,442	4,511
Product	1,070	1,109	1,603	1,718

(G. Roccapriore, 961-8415)

Colorado Oil Shale Development Program Delayed  
for One Year

An experimental oil shale development program in Colorado has been suspended for one year by the Interior Department at the request of Standard Oil Co., Gulf Oil Co., Shell Oil Co., and Ashland Oil Co., who had leased the tracts from the government for more than \$320 million. The companies said plans for developing the sites have been delayed by environmental, legal, and technical problems. They had requested a two year delay, but Secretary Kleppe agreed to meet them only halfway, stressing, "We shall continue to seek administrative and legislative actions to overcome impediments to development. We also expect the lessees to keep up their efforts to find technological solutions for some of the problems of oil shale production." Meanwhile, corporations operating on two fields in Utah have asked that their leases be suspended as well.

(M.E. Golby, 961-8607)

## FEA Redefines "Property"

An August 23 Federal Energy Administration notice redefined the term "property" as it relates to domestic crude oil price regulations. The new definition permits separate and distinct reservoirs underlying the same tract to be treated as separate properties. Thus, oil from newly discovered deeper pools under a producing tract of land will be treated as "new oil" and will be eligible for upper-tier pricing, rather than as "old oil." FEA emphasizes that the new definition, which becomes effective September 1, will not result in an increase in the average price of domestic crude oil.

(M.E. Golby, 961-8607)

## COAL

### July Production of Bituminous Coal and Lignite Decreased

Production of bituminous coal and lignite for July 1976 decreased to 43.3 million tons from the previous month's level of 58.4 million tons. This decline reflects the impact of the miners' wildcat strike that occurred during the last two weeks of July and slowdown as a result of annual vacation periods, which began June 26 and continued throughout the week of July 17.

(P. Newman, 964-4401)

## NATURAL GAS

### GAO Suggests U.S. Not Fund Costly Synthetic Fuels Production

A report released in August by the Government Accounting Office (GAO) concludes that the U.S. Government should not finance commercial-size synthetic fuel plants (such as coal gasification plants) because synthetic fuels are too costly to be competitive with foreign energy supplies. Instead, the report suggests, the highest priority should be given to developing energy conservation methods and technologies, and early priority funding should be given to research on geothermal and solar energy.

(A. Bass, 961-8413)

Date 21 SEP 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

PETROLEUM

## Weekly Petroleum Statistics (000's B/D)

	Wk Ended 9/3/76	4 Wks Ended 9/3/76	Wk Ended 9/3/75	4 Wks Ended 9/3/75
Total Demand	15,638	15,943	15,521	15,796
Distillate	2,194	2,293	1,846	2,161
Residual	1,930	1,992	2,416	2,350
Mogas	6,907	7,063	7,055	6,935
Total Imports	6,196	6,643	6,045	6,229
Crude	5,126	5,534	4,442	4,511
Product	1,070	1,109	1,603	1,718

(G. Roccapriore, 961-8415)

## Venezuela to Raise Crude Oil Prices

Venezuela has announced another increase in crude oil prices to be effective on October 1, 1976. FEA has been advised by the Venezuelan government that pricing schedules have not been set; however, they unofficially stated that prices could reach \$11.40 per barrel by the end of the year. Since Venezuela is a member of OPEC, this announcement may be the precursor to OPEC price increases. The next scheduled OPEC meeting is in December of this year.

(L. Costley, 254-7477)

COALNation's Largest Coal Liquefaction Pilot  
Plant Soon to be Built

The Energy Research and Development Administration has awarded a \$122.4 million grant to an Ashland Oil subsidiary for the construction and operation of what will be the nation's largest coal liquefaction test. The public plant will be built in Catlettsburg, Kentucky. The purpose of the plant is to determine the economic feasibility of the "H-Coal" process which converts high sulfur coal into liquid hydrocarbons, which can then be further refined and processed into fuels, and other products. The plant is scheduled for completion in the summer of 1978. It will operate through 1980, by which time it is expected to be producing 1,800 barrels of synthetic crude oil a day from 600 tons of high sulfur coal.

(P. Newman, 964-4401)

Date SEP 28 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING SEPTEMBER 17, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 9/10/76	4 Wks Ended 9/10/76	Wk Ended 9/12/75	4 Wks Ended 9/12/75
Total Demand	15,237	15,862	16,240	15,864
Distillate	2,002	2,279	2,190	2,192
Residual	1,736	1,960	2,310	2,305
Mogas	7,079	7,055	6,395	6,810
Total Imports	7,490	6,907	5,978	6,137
Crude	6,289	5,689	4,176	4,377
Product	1,201	1,218	1,802	1,760

(G. Roccapriore, 961-8415)

Strategic Petroleum Reserves Sites Identified

FEA has identified a total of eight possible sites which meet the requirements of the Strategic Petroleum Reserves Program: the West Hackberry and Bayou Choctaw salt domes in Cameron and Iberville Parishes, Louisiana; the Bryan Mound salt dome in Brazoria County, Texas; the Weeks Island and Cote Blance salt mines in Iberia and St. Mary Parishes, Louisiana; the Klear Salt Mine in Van Zandt County, Texas; and limestone mines in Central Rock, Kentucky, and Ironton, Ohio. These sites have a total capacity of 365 million barrels which substantially exceeds the 150 million barrel requirement of the Early Storage Reserve Plan. Final site selection will be made in the near future.

(M.E. Golby, 961-8512)

OPEC Share of Imports Continue to Increase

OPEC nations continue to increase their share of oil imports into the United States. This increase is entirely due to the Arab nations, whose share has increased from 30 percent to 39 percent in the last year. In terms of overall demand, the Arab contribution is now 16 percent, and the OPEC contribution is 33 percent.

(D. Carleton, 961-8607)



## NATURAL GAS

### FPC Concerned About Coal Gasification Policy

In a review of coal gasification programs, the FPC has concluded that there is no concerted effort to convert our most abundant fossil fuel to synthetic gas (SNG). The main problems are considered to be economic and environmental. FPC recommends in their National Gas Survey draft report on this subject that regulations be changed so as to provide industrial incentive for further development. It is specifically recommended that rolled-in pricing of interstate SNG be allowed; that permits be expedited; and that delays in final project approvals be limited.

(A. Bass, 961-8413)

### Tests of Fuel-Saving Devices

Tests of low-cost, fuel-saving devices for residential furnaces are being conducted by the Michigan Consolidated Gas Company. This is being done directly by installation in the homes of 180 company employees. One such device is noteworthy; it is a plate, in combination with a fuel line sleeve, which reduces heat loss in the flue. It is estimated that this device will reduce consumption by 25 percent and that it will cost under \$16.00.

(A. Bass, 961-8413)

### Largest Coal Gasification Pilot Plant Completed

The nation's largest coal gasification plant was dedicated near Homer City, PA, on September 14, sponsored by ERDA and AGA (the American Gas Association). This \$66 million pilot plant will produce 2.4 million cubic feet of high Btu gas daily from 120 tons of coal and will be used to test the feasibility of the Bi-gas process. If tests are successful, such plants could be in commercial use in the 1980's.

(A. Bass, 961-8413)

Date: OCT 7 1976

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING SEPTEMBER 24, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 9/17/76	4 Wks Ended 9/17/76	Wk Ended 9/19/75	4 Wks Ended 9/19/75
Total Demand	17,388	16,182	15,757	15,878
Distillate	3,198	2,521	2,366	2,200
Residual	2,302	2,080	2,518	2,364
Mogas	7,261	7,063	6,794	6,797
Total Imports	7,558	6,924	6,975	6,217
Crude	6,289	5,689	4,965	4,424
Product	1,269	1,235	2,010	1,793

(G. Roccapriore, 961-8415)

International Oil Sharing Test to Begin October 4

On October 4, the United States and 18 other industrialized countries that form the International Energy Agency will begin to evaluate a new international arrangement for sharing oil in an emergency by simulating an oil embargo. The six-week test will assess data communications between more than 30 international oil companies and IEA headquarters. A control group will post hypothetical interruptions; an industry supply advisory group, composed of oil company executives, will assist civil servants from various nations in assessing the severity of the problem; data will be relayed and directives issued to participating oil firms by telecommunications; finally, the companies will advise the IEA about the specific petroleum product shortages that would occur in particular markets, advising how much oil they could divert from one area to another and how soon it could be delivered.

(D. Creed, 254-6848)

## Energy Impacts of Tax Reform Act of 1976

The Tax Reform Act of 1976 (H.R. 10612), awaiting the President's signature, contains a number of provisions affecting the development of national and international energy resources. Some of the provisions, such as: 1) the denial of foreign tax credits and deferrals for companies involved in unsanctioned boycotts, and 2) the limiting of foreign tax credits to 48 percent, would tend to discourage international development; the reduced benefits of oil and gas shelters would tend to discourage domestic development; and the extension of the 10 percent domestic investment tax and the extension of the five-year amortization of pollution control facilities would tend to encourage it.

(D. Alpern, 961-7575)

OCT 14 1976

Date: \_\_\_\_\_

Office of the Administrator

To:     Ron Nessen    

For your information.

Frank Zarb

Federal Energy Administration

Room 3400

Ext. 6081

FEA ENERGY HIGHLIGHTS, WEEK ENDING OCTOBER 1, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 9/24/76	4 Wks Ended 9/24/76	Wk Ended 9/26/75	4 Wks Ended 9/26/75
Total Demand	15,798	16,215	15,594	15,896
Distillate	2,468	2,564	2,470	2,356
Residual	2,057	2,111	2,406	2,361
Mogas	6,788	7,032	6,291	6,606
Total Imports	6,876	6,949	6,883	6,427
Crude	5,399	5,573	5,046	4,575
Product	1,477	1,376	1,837	1,852

(G. Roccapriore, 961-8415)

Naphtha Jet Fuel Decontrolled

Effective October 1, naphtha jet fuel is exempted from price and allocation controls. Naphtha jet fuel, which is used primarily in military turbojet and turboprop aircraft engines, constitutes only 1.4 percent of U.S. refinery yield, but it is produced in disproportionate amounts by small refiners. The exemption does not cover kerosene jet fuel, which is the primary fuel for commercial use, or aviation gasoline, both of which remain under controls. This represents the fourth decontrol measure initiated by FEA under provisions of the Emergency Petroleum Allocation Act.

(J. Yudson, 566-9565)

EPA Announces Delay in Deleading Gasoline

The Environmental Protection Agency announced on September 24 that it is amending its earlier regulations requiring a series of reductions of lead in gasoline beginning October 1, 1976, when the limit would have dropped to 1.4 grams per gallon (gpg). The EPA concluded, largely as a result of concurring reports by a consultant and the FEA, that if the current regulations had been enforced, there would have been shortages of gasoline in the 1977 and 1978 peak driving seasons. A new schedule requires a reduction in lead content to .8 gpg by January 1, 1978, and a reduction to .5 gpg by October 1, 1979. If a refinery can demonstrate that it is taking sufficient action to achieve the latter goal on time, the requirement of .8 gpg by January 1, 1978, will be suspended.

(M.E. Golby, 566-9661)

## COAL

### UMW Reverses Position on Federal Control of Strip Mining

At the United Mine Workers' convention held recently in Cincinnati, delegates voted to drop support of Federal Controls on the strip mining industry in favor of less stringent state legislation. In 1973, the Union leadership endorsed the present Federal strip mining bill that was vetoed by President Ford, but now the Union's legislative committee resolves that Federal reclamation standards might harm the strip mining industry, which produces over half the nation's coal.

(P. Newman, 964-4775)

### August Production of Coal up from a Year Ago

Production of bituminous coal and lignite during August 1976 was 53.4 million tons. Even though the miners' wildcat strike continued into the first two weeks of August, monthly production still increased 4.5 percent from the August 1975 level.

(P. Newman, 964-4775)

## SOLAR

### Production of Medium Temperature Solar Collectors Up 60 Percent Over Last Six Months

A recent semi-annual survey of solar collector manufacturers conducted by the Federal Energy Administration shows that production of medium temperature collectors increased to 700,000 square feet during the first six months of 1976, up 60 percent from the previous six-month period. A total of 142 companies are currently producing these collectors compared to 100 during the previous survey period. Production of low temperature collectors (used mainly for heating swimming pools) was about unchanged from the earlier period, however.

(R.D. Stoll, 964-6186)

Date ~~OCT 20 1976~~

Office of the Administrator

To: Ron Nessen

For your information.

Frank Zarb



Federal Energy Administration

Room 3400

Ext. 6081



FEA ENERGY HIGHLIGHTS, WEEK ENDING OCTOBER 8, 1976

PETROLEUM

Weekly Petroleum Statistics (000's B/D)

	Wk Ended 10/1/76	4 Wks Ended 10/1/76	Wk Ended 10/3/75	4 Wks Ended 10/3/75
Total Demand	17,303	16,448	16,291	15,970
Distillate	2,802	2,599	2,159	2,296
Residual	2,421	2,150	2,477	2,427
Mogas	7,142	7,068	7,114	6,648
Total Imports	6,506	6,889	6,660	6,624
Crude	5,019	5,501	4,907	4,774
Product	1,487	1,388	1,753	1,850

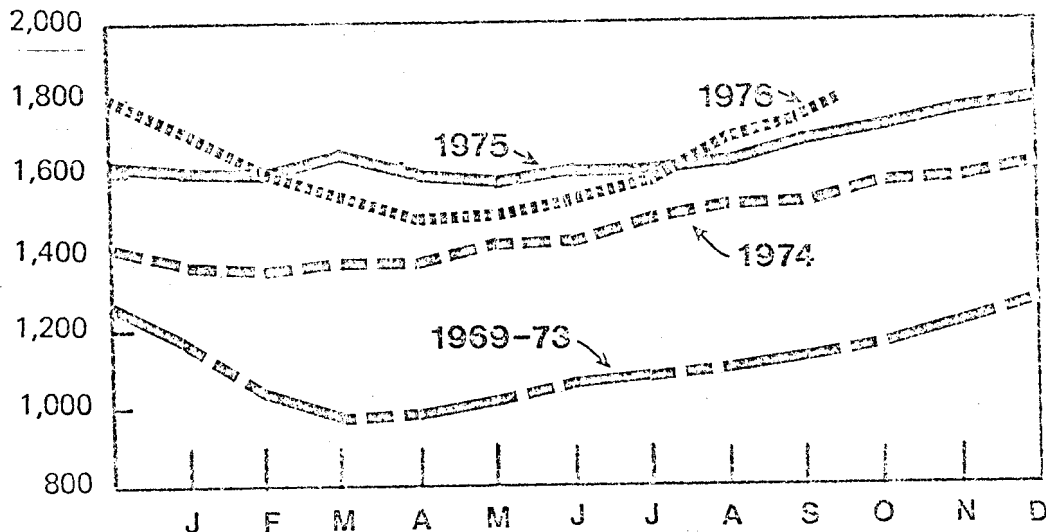
(G. Roccapriore, 566-9365)

Oil and Gas Drilling Activity at 14-Year High

Rotary drilling activity is at its highest level in 14 years. The number of rotary rigs drilling for oil and gas during the 4-week period ending October 8 averaged 1,779, up 4.6 percent from the same period in 1975. The number of well completions is also considerably higher than it was a year ago. During the first 8 months of 1976, 16.2 percent more wells were completed than during the corresponding months last year.

(J. Gaynor, 566-9474)

Rotary Rigs in Operation



## NATURAL GAS

### Tenneco, Inc., Contracts to Import 7 Trillion Cubic Feet of LNG

Tenneco, Inc., of Houston, Texas, signed a contract in October to purchase 7.1 trillion cubic feet of liquefied natural gas (LNG) from Sonatrach, the national Algerian Oil Company. The LNG will be delivered to Saint John, New Brunswick, Canada. The contract calls for annual delivery over 20 years of about 353 billion cubic feet of LNG, of which 20 to 40 percent will be sold in Canada. The remainder will be pipelined to the Northeast United States. Deliveries are scheduled to begin in 1981, pending approval by Algerian, American and Canadian authorities. The value of the contract was not disclosed. Algerian officials were quoted as saying that this is probably one of its last major LNG contracts with foreign concerns unless new gas sources are discovered in the country.

(A. Bass, 566-9577)

## ELECTRICITY

### FPC Would Restrict Charges for CWIP

On October 7, 1976, the Federal Power Commission announced a tentative decision which would restrict the extent to which electric utility customers can be charged for plant and equipment under construction but not yet in service. The Commission indicated that only two types of construction work in progress (CWIP) will be considered for inclusion in the rate base in rate cases coming before the FPC. The two types of capital investment are construction of pollution-control facilities and conversion of oil-burning or natural gas-burning boilers to coal. When the final decision is reached on October 20, it will directly affect only interstate sales of electric power, representing about 15 percent of total electricity sales in the U.S. The overall impact, however, could be significantly greater through the precedent it sets. State utility commissions regulate the remaining sales and are expected to pay close attention to the FPC's judgment on this matter. The FPC's tentative decision directly conflicts with present Administration policy as submitted to Congress in a bill (Title VII of the Energy Independence Act) requiring State utility commissions to allow CWIP in the rate base.

(D. Hatcher, 964-3567)

NUCLEAR

Nuclear Moratoria Update

The November election will now include six public initiatives for state legislative control of future decision on nuclear powerplant projects. All initiatives follow the California model and address three important issues: (1) recision of the \$560 million insurance liability limit on plant accidents; (2) thorough testing of emergency core cooling systems; and (3) demonstration of nuclear waste disposal methods. With the exception of Arizona, the state initiatives would "grandfather," or exclude, existing plants or plants under construction from these new stipulations. The states to vote on the initiatives are Arizona, Colorado, Ohio, Oregon, Montana, and Washington.

(A. Reynolds, 964-6186)